



**Approved baseline and monitoring methodology /  
methodological tool clarification response form  
(Version 03.0)**

**INFORMATION TO BE COMPLETED BY THE SECRETARIAT OR PANEL / WG**

<b>Date and number of Panel / WG meeting:</b>	MP87 (7-11 February 2022), Work in Progress
<b>Title/Subject of the request for clarification:</b>	Clarification regarding application of ACM0002 for captive purpose
<b>Reference number of the request for clarification:</b>	AM_CLA_0297
<b>Exact reference (number, title and version) of the methodology or methodological tool to which the request for clarification applies:</b>	ACM0002: Grid-connected electricity generation from renewable sources --- Version 20.0
<b>Fast track or Regular track:</b>	<input type="checkbox"/> Fast track <input checked="" type="checkbox"/> Regular track

**Summary of the request for clarification**

**Original text from PP:**

Dear CDM team,

We would like to have a clarification in regarding to usage of ACM 0002 meth w.r.t Captive consumption. We have 2 scenarios under captive usage, please let us know in which case Meth ACM 0002 is applicable.

1. Scenario 1: Suppose a project is generating electricity and using the same for the captive consumption at different location. The captive consumption is via the national or state grid. We understand that ACM 0002 applicable. Please confirm if our understanding is correct.

2. Scenario 2: Suppose a project is generating electricity and using it inside their own premises. Here also project is connected to the grid for emergency purposes. Surplus generation is exported to the grid and when a captive plant requires more energy, that electricity is imported from the grid . Is ACM 0002 applicable in such scenario? Here baseline scenario is same as ACM 0002 i.e the equivalent electricity generated from renewable power project would have been consumed from grid by the consumer. thus the project displaces emissions from grid connected power plants. Please confirm if this scenario is applicable for ACM 0002.

3. Since there is no any electricity sold to grid in such scenario and all electricity is used fro captive use, how cross-check requirement of meth should be met.

As we understand we do not have any large scale methodology available which is specifically applicable for renewable energy generation for Captive consumption. Also ACM 0002 does not restricts captive consumption if plant is connected to grid. Therefore general conception is that we use ACM0002 for captive purpose. Could you please guide us in this regard?

Also We understand that for third Party Sale/Open Access through grid (national/regional) network is acceptable in ACM 0002 as electricity is supplied to grid and grid network is used for generated electricity. Please confirm if our understanding is correct.

**Clarification by the secretariat or Panel / WG****EB 113 guidance to the Meth Panel (see [paragraph 48 of meeting reporting of EB 113, extract included below](#))**

The Board considered the recommendation of the MP to approve the clarification prepared in response to the request for clarification "AM\_CLA\_0297: Clarification regarding application of ACM0002 for captive purpose" and decided to request the MP to review the recommendation. In this regard, the Board requested the MP to revise "ACM0002: Grid-connected electricity generation from renewable sources", or develop a new methodology to clarify the applicability and requirements in relation to wheeling and banking of renewable electricity fed into the grid by the project activity before its use, and submit the revised methodology or new methodology, together with the revised response to the request for clarification AM\_CLA\_0297, for consideration by the Board at a future meeting. The Board also requested the secretariat to continue to apply the current practice to project assessment in relation to wheeling and banking.

**MP 87 recommendation to EB 113**

The Meth Panel would like to thank the stakeholder for the submission.

"ACM0002: Grid-connected electricity generation from renewable sources" (ACM0002) covers the project activities that supply renewable electricity to the grid either through installation of greenfield plant or through the increased electricity generation via retrofit or rehabilitation. In cases of projects under the scenarios 1 or 2 mentioned in the submission, the Meth Panel understands that the renewable energy project is supplying electricity to a dedicated user through a contractual relationship with or without grid interface.

In ACM0002, the baseline scenario is electricity delivered to the grid which would have otherwise been generated by the operation of other grid connected plants. However, in the case of the proposed project activity which supplies renewable electricity to a dedicated user, the baseline may involve electricity generation without the involvement of grid-connected plants (e.g. other captive generation) which may require an altogether different method of baseline scenario determination.

Therefore, the Meth Panel clarifies that the current version of ACM0002 is not applicable for both scenario 1 and scenario 2 projects. The project participant may wish to propose a revision to the methodology ACM0002 or propose a new methodology to cover scenario 1 and scenario 2. The Meth Panel notes that the small scale CDM Methodology AMS-I.F. includes cases in which electricity in the baseline is supplied from the grid or captive plants.

**Version(s) of the approved methodology / methodological tool to which the clarification is applicable:**

ACM0002: Grid-connected electricity generation from renewable sources --- Version 20.0

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**Document information**

<i>Version</i>	<i>Date</i>	<i>Description</i>
03.0	13 May 2016	Revised to include the row "Version(s) of the approved methodology / methodological tool to which the clarification is applicable"
02.0	18 July 2013	Revised to remove the row "Date and signature of the chair and vice chair of Panel/WG (in case of clarification by Panel/WG)"

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<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	4 July 2013	Initial publication. This document supersedes and replaces the following documents: <ul style="list-style-type: none"><li>• Recommendation Form for Small Scale Methodologies (F-CDM-SSCwg) (Version 01.1)</li><li>• Recommendation Form for Small Scale A/R Methodologies and Procedures (F-CDM-SSC-AR) (Version 01.1)</li></ul>

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