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# CALL FOR PUBLIC INPUT

on the "Guidelines for demonstrating additionality of renewable energy projects  $\leq 5$  MW and energy efficiency projects with energy savings  $\leq 20$  GWh per year"

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## I. CONTEXT

The CDM EB 54 published the "GUIDELINES FOR DEMONSTRATING ADDITIONALITY OF RENEWABLE ENERGY PROJECTS  $\leq 5$  MW AND ENERGY EFFICIENCY PROJECTS WITH ENERGY SAVINGS  $\leq 20$  GWH PER YEAR". These specify that project activities whose primary technology is the generation of renewable energy are considered additional if they fulfil any of the conditions laid down in articles II.2(a) to II.2(d) of the GUIDELINES.

EB 57 further emphasized that these GUIDELINES are applicable to "all CDM project activities that qualify the criteria specified in the GUIDELINES, (...) **irrespective of the scale** of the approved CDM methodology applied to the project".

According to the definitions applied within the CDM, electricity or thermal energy generated from landfill gas is considered renewable (EB23, Annex 18, Art. 5).

## II. Input

(1)

We understand that the GUIDELINES refer to renewable energy projects  $\leq 5$  MW **electrical** and energy efficiency projects with energy savings  $\leq 20$  GWh **electrical** per year. A clarification on how establish the threshold for cogeneration project activities with both electrical and thermal outputs would be appreciated.

(2)

Since EB 57 broadened the GUIDELINES' scope to large scale projects, there is a need for clarification to which methodologies and/or combination of methodologies these can be applied exactly.

Directly listing the methodologies to which the GUIDELINES are applicable would resolve any questioning on "primary technology" (cf. paragraph II.2 of the GUIDELINES).

In the case of generation of electricity from landfill gas engines, direct reference to methodology ACM0001 in the GUIDELINES would enable an application to both, stand alone projects (generation of emission reductions from renewable energy production from landfill gas only) and global projects (generation of emission reductions from both methane destruction and renewable energy production) to be eligible for using the guidelines.

A defined list of methodologies that may apply the GUIDELINES including ACM 0001 (Consolidated baseline and monitoring methodology for landfill gas project activities) would therefore be appreciable.

In case a defined list of the methodologies that may apply the guidelines can not be provided, a precise definition of what is a primary technology should be given. Directly listing the “renewable energy technologies / measures recommended by the host country DNA and approved by the Board to be additional in the host country” would be appreciable (see below (4) ).

(3)

Inclusion of ACM0001 seems appropriate as energy from landfill gas is considered renewable (see above) and the methodology combines methane destruction and electricity generation. A meaningful use of that energy should not be inhibited by the fact that the destruction of landfill gas as such already reduces GHG emissions and is eligible for CDM project activities on its own.

Currently, ACM0001 puts CDM projects which use landfill gas as a renewable resource at a disadvantage to those that only destroy the landfill gas (flaring). Indeed even in cases where no CERs are claimed for the renewable energy part (substitution of electricity / fuel), landfill gas projects with energy recovery have to prove financial additionality in detail, while projects which are limited to methane destruction are inherently additional (the only source of revenue are CERs).

As a result, landfill gas project developers may not consider energy recovery in order to facilitate the demonstration of additionality of the project and streamline the CDM validation and verification exercises. This is especially the case, as methane (CH<sub>4</sub>) destruction contributes the vast majority of CERs to a landfill gas project, as a result of the high GWP of CH<sub>4</sub>. In contrast, investment in renewable energy generation can carry the larger part of the financial risks in landfill gas to energy projects (investment in technology and risk related to grid connection).

The number of CERs obtained from the renewable energy part of a landfill gas project is automatically limited by the 5MW threshold in installed capacity defined in the GUIDELINES. It is largely below the threshold of 60 kilotonnes of CO<sub>2</sub> equivalent applicable to small scale project activities.

(4)

Paragraph II.2(c) defines two conditions for “distributed energy generation” under which the GUIDELINES are applicable:

- Each of the independent subsystem/measure in the project activity is smaller than or equal to 750 kW electrical installed capacity
- End users of the subsystem or measure are households/communities/SMEs

We understand this II.2(c) condition refers to grid-connected activity.

Therefore, the first condition does not seem to add any value to the GUIDELINES, but may be an important barrier for the implementation of a renewable energy project. E.g. 6 production units of 750 kW each will generate the same number of CERs than one unit of 4,5 MW. However a large single unit is generally more cost effective than 6 separate units. In the case of landfill gas engines, there may also be problems with regard to what equipment is actually available in the market: manufacturers generally propose landfill gas engines larger than 750 kW.

It is therefore proposed to eliminate the threshold of 750 kW for each subsystem. If the intention of this limit was to make sure that small projects benefit most from it, the overall threshold of 5MW could be further reduced instead, e.g. to 3 MW.

Concerning the second condition in paragraph II.2.c., it is unclear what purpose it serves. If the intention of this condition is to avoid large industrial customers to use the renewable energy produced, then this kind of use should simply be excluded.

However, once the generated energy is delivered to a grid, by definition, it is extremely difficult to prove by whom it was used and what for. Should this condition remain in the GUIDELINES, further precision would therefore be necessary on the type of documents / elements that are required to justify that end users are households, communities or SMEs.

(5)

Condition II.2(d) of the GUIDELINES is that “the project activity employs specific renewable energy technologies / measures recommended by the host country DNA and approved by the Board to be additional in the host country (...)”.

For this condition to be applied in a meaningful way, it would be appreciable to have a list of technologies that are eligible for each host country.

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