

8 March 2011

The Chairman and the Members of the CDM Executive Board
c/o UNFCCC Secretariat
P. O. Box 260124
D-53153 Bonn, Germany

Subject: Call for public inputs on the "Guidelines for demonstrating additionality of renewable energy projects = < 5 MW and energy efficiency projects with energy savings < = 20 GWh per year"

Dear Sir/Madam;

We are writing to you with a suggestion that the guideline mentioned in the subject should have a few additional descriptions to clarify following issues:

■ **Comment1: Definition of the installed capacity applicable to the Guideline**

In the guideline, there are footnotes ("multiply by 3 to derive thermal units") regarding the applicable installed capacity of renewable energy projects and energy efficiency projects respectively (page1, footnote 2 and page2, Footnote 4). However, no footnote exists for the applicable installed capacity in the title (5 MW for renewable energy and 20 GWh for energy efficiency).

We understand that thermal units are derived by using the formula of "electricity units multiplied by 3" which is also applicable to the definition of small-scale CDM Type I as follows where the maximum output capacity for thermal project is 45 MWth:

- [CMP/2006/10/Ad1, page 8, para 28(a)]
"Type I project activities shall remain the same, such that **renewable energy project** activities shall have a maximum output capacity of 15MW (or an appropriate equivalent) "
- [Glossary of CDM terms version 05, page.30]
"Appropriate equivalent" of 15 megawatts: As MW(e) is the most common denomination, and MW(th) only refers to the production of heat which can also be derived from MW(e), the Board agreed to define MW as MW(e) and otherwise to apply an appropriate conversion factor.

Hence, to avoid the misunderstanding, we would like to suggest that the guideline needs a clear

description of the conversion factor so that “thermal unit is electricity unit multiply by 3” is applied to “MW” in the guideline, which indicates 5 MW for renewable electricity and 15 MW for renewable thermal energy. Likewise, same interpretation is applicable to the energy efficiency project, which is 20GWh for electricity efficiency project and 60GWh for thermal efficiency project.

■ **Comment 2: Conditions applied to the renewable thermal energy project**

In the Guideline, the condition applied to renewable electricity projects is clearly mentioned as follows:

< Conditions apply >
 The total installed capacity of technology/measure contributes less than or equal to 5% to national annual electricity generation [Page1. 2.(d)]”.

Regarding this condition, we would like to suggest the following:

a) Condition applicable to renewable electricity project:

There is inconsistency in **unit** of the items necessary for the calculation required for justifying the applicability for the condition defined in the Guideline. The unit of installed capacity is **MW** while the unit of annual electricity generation is **MWh** as shown in the table below:

Table 1. Electricity generation

Item	Installed capacity (MW)	Annual Electricity Generation (MWh/y)
Grid total	A	B
Plants using the proposed technology	C	D

Assuming A, B, C, D are as shown in table1, there are two options for the conditions to be applied as follows:

Option 1) $C (MW) / A (MW) \leq 5\%$

Option 2) $D (MWh) / B (MWh) \leq 5\%$

Hence, the guideline needs to clarify whether Option 1) or/and Option 2) can be considered as the applicable condition.

b) Condition applicable to renewable thermal energy projects

No condition is defined in the Guideline for renewable thermal projects although it is clearly mentioned that the guideline is applicable to renewable thermal projects.

Table 2. Thermal energy generation

Item	Installed capacity (MW)	Annual Thermal Energy Generation (MWh/y)
Country total by sector (Industry or Household)	A (Difficult to obtain)	B
Plants using the proposed technology	C	D

As in the condition applied to renewable electricity project, by assuming A, B, C, D as shown in the table2, there are two options for the conditions to be applied as follows:

Option 1) $C \text{ (MW)} / A \text{ (MW)} \leq 5\%$

Option 2) $D \text{ (MWh)} / B \text{ (MWh)} \leq 5\%$

For the thermal case, in non-Annex I countries in many cases, it is impossible to obtain accurate data on the installed capacity of thermal generation facilities such as boilers. This is because, unlike electricity generation plants that require license to operate, information on specification of facilities used in industries (especially small scale) and households is not available to the governmental bodies in many cases and hence applicable official statistical data in these cases is not available. However, official data on annual thermal energy generation can be available because they can be calculated by estimating the basic unit and consumption amount of fossil fuel.

Hence we would like to suggest that for thermal projects, either both of option 1 and option 2 be made applicable, or if this is not possible, option 2) be recommended to be applied because it can be more reasonably justified based on actual data.

We would greatly appreciate it if the CDM Executive Board could consider the above mentioned inputs.

Sincerely yours,

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