United Nations Framework Convention on Climate Change

Draft procedure for development, revision, clarification and update of standardized baselines

8th CDM Round Table

Bonn, Germany, 17 June 2013

UNFCCC Secretariat

SDM programme

Purpose

- The purpose to develop this draft procedure is to:
  - **a)** **Introduce new processes for development, revision, clarification and update** of approved standardized baselines;
  - **b)** **Improve** the effectiveness and clarity of the **existing process for development** of new standardized baselines drawing on lessons learned.

Overview of draft procedure

- Key processes of the draft procedure

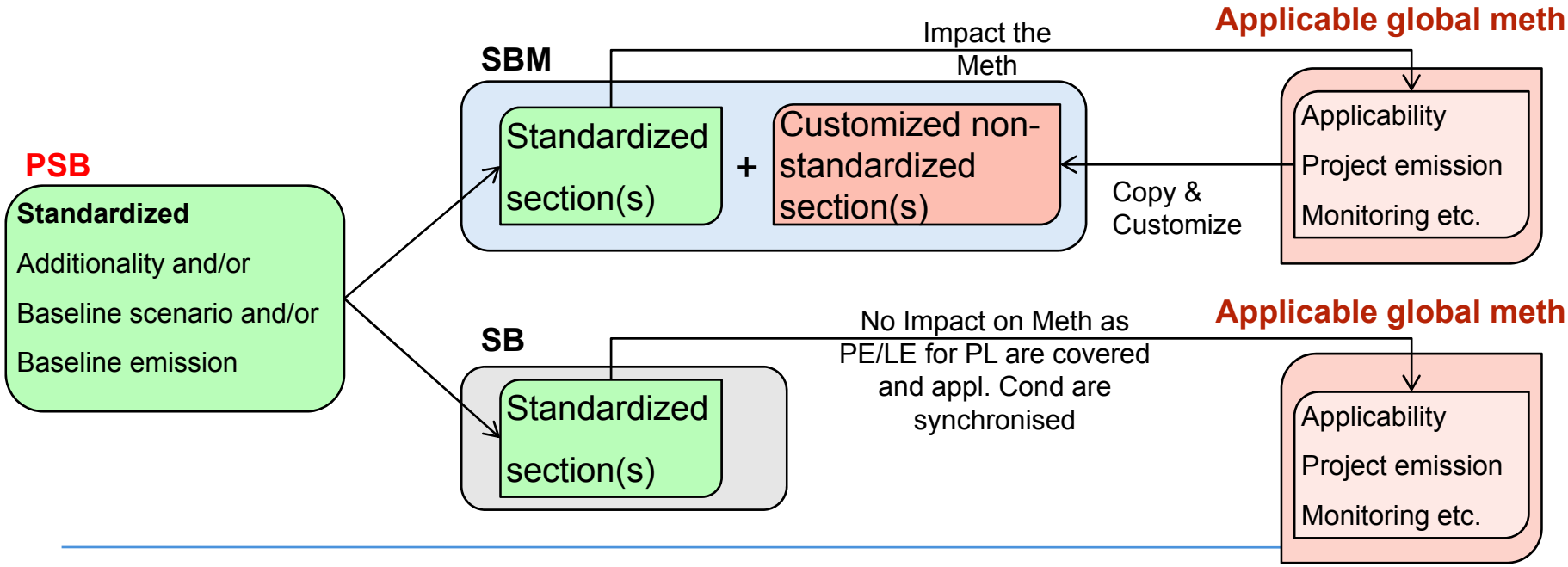
Key chapters	Approach	
	Bottom-up	Top-down
Development	**Revised**	**New**
Revision	**New**	**New**
Clarification	**New**	**New**
Update	**New**	**N/A**

- The draft procedure combines "**Revised**" process in "*Procedure for submission and consideration of standardized baselines (Version 02.0)*" with the 6 "**New**" processes.

SBM and SB

Formatting process: In the bottom-up development process of this draft procedure, a proposed standardized baseline (PSB) is proposed to be reformatted into the form of:

i. Standardized baseline with methodology (SBM); or
ii. Standardized baseline without methodology (SB)

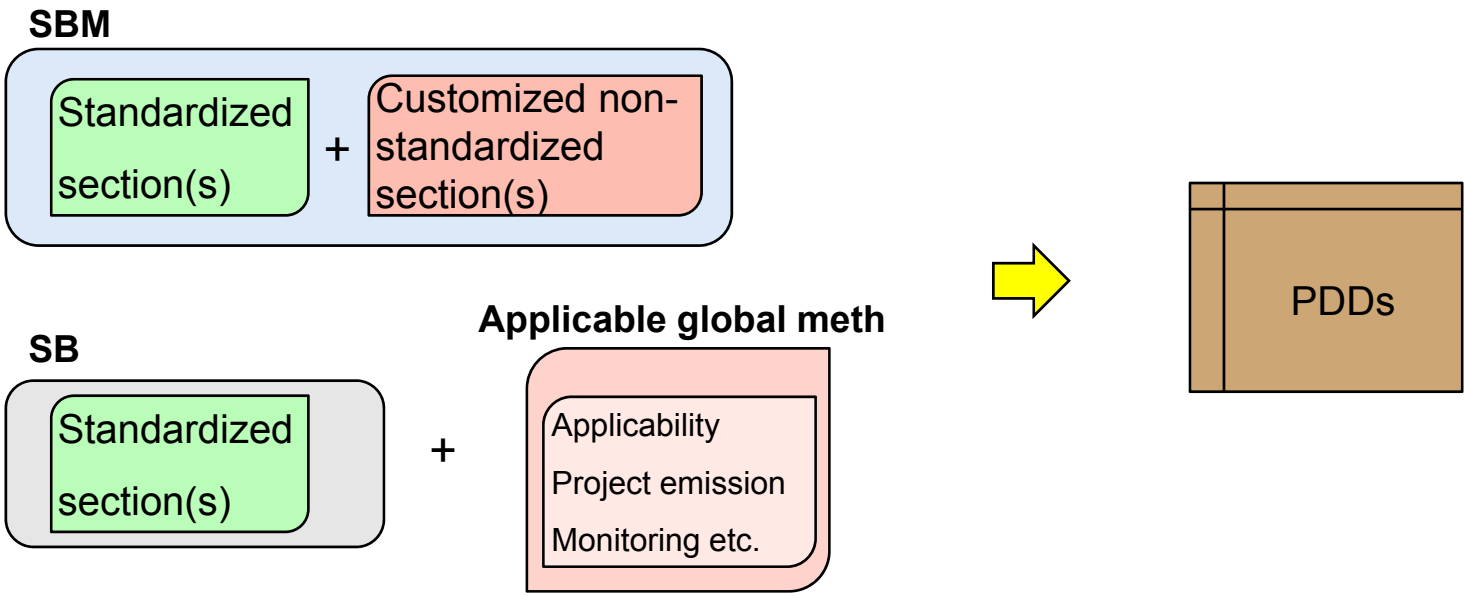


SBM and SB

Application to PDDs: Project participants prepare PDDs using:

i. SBM; or

ii. SB (e.g. ASB0001: Grid emission factor for the Southern African power pool) and applicable baseline and monitoring methodology.



Possible examples of SBMs:

- AMS.1.I (Biomass/biogas use for thermal applications): The parameter $BS_{k,y}$ for PE can be calculated using default value for biogas generation rate for countries having higher temp than 20degC. The country with more than 20degC can partially standardise project emissions by using default value in SBM.
- ACM0002: Not applicable to hydro power plants with power density less than 4W/m^2. The DNA which has such hydro power plants, can separately define country specific Methane EF in PE section of an SBM.
- If a SB is developed for coal power plants using SB guidelines and refers to ACM0013 for PE, following applicability condition does not make sense, and calls for an SBM.

  "At least five new power plants can be identified as similar to the project plant in Step 1 of the baseline identification procedure"
- In ACM0006, 9 types of PE sources provided, and there are several conditions given for some of the PE sources (e.g. biogas). DNA developing SB for tech switch to biomass cogen can use PE specific to their country.
- If a country wants to use less sophisticated monitoring requirement as compared to approved Meth, it can do so by proposing an SBM (e.g. oil consumption monitoring using dip stick in place of flow meter).

Pros and cons of two approaches

	Pros	Cons
SBM	• PPs use only SBM for PDD preparation. DOEs may find it easier to validate projects using SBM. • Consistency between appl. Cond. and other sections	• More processing time for approval of SBM (It may be necessary that Panel/WG assesses customization of non-standardized elements of SBM) • In case of errors in the underlying meth, all the relevant SBMs have to be revised.
SB only	• Less processing time for approval of SB (only if approved Meth is applicable). • Brief document. • Very useful where there is no possibility of customization. • Only possible way when the tool is used to derive and EF (e.g. grid tool), which is used in numerous meths.	• PPs have to use both SB and applicable meth for PDD preparation • There will be more frequent revisions to the meths because of new PSBs that affect PPs which do not using SBs. • Potential inconsistency in appl. Conditions (situation such as SB is based on performance threshold, Appl. Conditions refers 3 years data availability) • Potential inconsistency in cross referencing. • Missed opportunity of customizing PEF/ LEF/ monitoring. • We will approve many “head-less” meths (w/o B/L and addl.) • Several country-specific appl. Cond. Inserted in global meth.

Possible options on existence of SBM for procedure

1. **Option-1:** Where DNA clearly states in submission whether they want SBM and it either selects an approved methodology to be combined with SB, or submits a PNM (along with PSB) to be combined with SB upon approval through PNM process. PSB submission form has to be modified to clearly indicate the choice for DNA.
2. **Option-2:** Secretariat, upon receipt of PSB (and PNM if applicable), analyses whether customization is required or not. This could be based on an analysis which indicates whether positive list may change for different submissions impacting the potential sources of project/leakage emissions or monitoring methodologies.

Key questions

a) **Under which situations following formats of standardized baselines can be developed? (Is explanation acceptable?)**
   - **SBM**
   - **SB**

b) **Are the processes in the draft procedure clear? Are there any suggestions to improve them?**

c) **Any other observation that you may have on procedure?**