



**CDM: FORM FOR SUBMISSION OF “LETTER TO THE BOARD”  
(Version 01.1)**

*(To be used only by the Project Participants and other Stakeholders for submitting Letter to the Board as per Modalities and Procedures for Direct Communication with Stakeholders)*

Name of the stakeholder<sup>1</sup> submitting this form (individual/organisation):

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Title/Subject (give a short title or specify the subject of your submission)

Clarification of Delineation of Type II and Type III Projects and Associated Methodologies

Please mention whether the Submitter of the Form is:

Project participant

Other Stakeholder, please specify

Specify whether you want the Letter to be treated as confidential<sup>2</sup>:

To be treated as confidential

To be publicly available (UNFCCC CDM web site)

**Purpose of the Letter to the Board:**

Please use the space below to describe the purpose for submitting Letter to the Board.

(Please tick only one of the four types in each submission )

**Type I:**

**Request Clarification**

**Revision of Existing Rules**

Standards. Please specify reference

Procedures. Please specify reference

Guidance. Please specify reference

*EB61/Annex 21: “General Guidelines to SSC CDM Methodologies”*

Forms. Please specify reference

Others. Please specify reference

**Type II: Request for Introduction of New Rules**

**Type III: Provision of Information and Suggestions on Policy Issues**

<sup>1</sup> Note that DNAs and DOEs shall not use this form to submit letter to the Board.

<sup>2</sup> Note that the Board may decide to make this Letter and the Response publicly available



Please use the space below to describe in detail the issue that needs to be clarified/ revised or on which the response is requested from the Board as highlighted above. In doing this please describe the exact reference source including the version (if any).

**Excerpts:** Inquiry of appropriate application of project types under the General Guideline for SSC Methodology

**Background Situation (the Project):** Our project significantly reduces primary fuel intake for the same output (usable energy), and thus clearly an energy efficiency project. The overall fuel saving is below 180GWh, and thus can be classed as a Type II small scale project, and eligible under a number of Type II methodologies.

Much of the fuel saving is primarily achieved through recovery of existing waste-heat, and to a much smaller extent, via the slight efficiency improvement of switching from coal to waste heat and supplementary natural gas. The total emission reduction out of this activity is +/-75,000tCO<sub>2</sub>.

**Question A: Clarification on Type II Limit.**

Type II methodology (for example AMS-IID or AMS-IIC) stipulate a maximum fuel saving of 180GWh per year in determining project eligibility. However, the General Guideline for SSC CDM Methodologies (Version 17), no longer contains similar provision and instead, paragraph 3(iii) defines type II eligibility as “60GWh per year”, without specifying if this is calculated on energy supply side or energy demand side.

*We would like to receive confirmation if the Project can continue to apply 180GWh fuel saving, as the limit for a Type II project, regardless of the lack of specification in the Guideline?*

**Question B: Impact of Methodology Combination to continual applicability of Type II Limit.**

Within a single (inseparable) application/process/and technology, the Project reduces emissions in two distinctive ways:

- (a) **ER Source 1:** by using waste-heat to replace coal, contributing to 43,000tCO<sub>2</sub> of emission reduction; and
- (b) **ER Source 2:** by using natural gas to replace coal, contributing to 32,000tCO<sub>2</sub> of emission reduction;

For reason unclear to us, energy saving activities via waste-heat recovery (ER Source1) and fuel switching (ER Source 2) are each classed as Type III project. This rather “grey” definition unfortunately has a very strong implication to our activity. Whereas as a whole the Project is Type II, but the applicable accounting methods are combination of two Type III methodologies.

Furthermore the Guideline stipulates that “the sum of the size of components of a project activity belonging to the same type” must not exceed 60,000ktCO<sub>2</sub>. Thus, with both components adding to above 60,000tCO<sub>2</sub>, ER Source 2 must be excluded to meet the limit, and thus a 32,000tCO<sub>2</sub> of credible emission reductions are un-claimable due to these delineation.

*On the onset of the above described situation,*

1. *Can we continue to apply the 180GWh limit of energy saving for the whole “project activity”, despite the presence of two Type III sub-components, considering the nature of the “project activity”?*
2. *Alternatively, could we apply a Type II methodology to calculate ER Source 2 (II.D) instead of type III methodology (IIIB), on justification that:*
  1. *the resulting GHG accounting method (for this sub-component) and results is exactly the same in either methodologies and thus resulting to no loss of fidelity in calculating and monitoring emission reduction, and*
  2. *whereas the sub-component (ER Source 1) is primarily fuel switching, the “project activity” is energy efficiency.*



Please use the space below to any mention any suggestions or information that you want to provide to the Board. In doing this please describe the exact reference source including the version (if any).

N/A

If necessary, list attached files containing relevant information (if any)

- N/A

**Section below to be filled in by UNFCCC secretariat**

Date when the form was received at UNFCCC secretariat

20 December 2011

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**History of document**

Version	Date	Nature of revision
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Form <b>Business Function:</b> Governance		