

CDM-EB75-A16-CLAR

Clarification

Application of small-scale CDM project activity thresholds at the renewal of the crediting period of a small-scale project activity or a CPA

Version 01.0



1. Introduction

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board), at its seventy-fifth meeting, considered the recommendation of the Small-scale Working Group, to provide a policy guidance on the applicability of the small-scale (SSC) CDM project activity thresholds (limits) for a project activity or a component project activity (CPA) under a programme of activity (PoA) at the time of the renewal of the crediting period.
2. Paragraph 81 of the “Clean development mechanism project standard” (PS) (CDM-EB65-A05-STAN) (version 04.0), establishes the project types (I, II and III) of SSC project activities. For example, Type III SSC project activities are “*other projects activities not included in Type I or Type II that result in GHG emission reductions not exceeding 60kt CO₂e per year in any year of the crediting period*”. This threshold is also indicated in the latest versions of SSC baseline and monitoring methodologies.
3. A significant number of registered Type III SSC project activities (e.g. applying approved methodology “AMS-III.E: Avoidance of methane production from decay of biomass through controlled combustion, gasification or mechanical/thermal treatment”) were registered according to a threshold that is no longer applicable. According to the methodology in force at the time of their registration, Type III SSC project activities were “*other project activities, not included in Type I or Type II with 15 ktCO₂ of direct project emissions (i.e. anthropogenic emissions by sources that directly emit less than 15 kt of carbon dioxide equivalent annually)*.” Some of these registered SSC project activities may request the renewal of their crediting period in the near future.
4. Pursuant to paragraph 230 of the PS (version 04.0), at the time of the renewal of the crediting period, project participants shall use the latest approved version of the methodology applied in the original project design document (PDD) and, if the registered project activity does not meet the applicability criteria of the methodology due to its revision, or due to the update of the baseline, project participants shall either select another applicable methodology or request, through a designated operational entity (DOE), a deviation from a methodology for the purpose of renewal of the crediting period.
5. As indicated in paragraph 2 above, the current threshold for Type III SSC project activities is 60 ktCO₂e of emission reductions per year. Type III SSC project activities registered according to the previous threshold may or may not meet the threshold criteria of the revised version of the methodology or another relevant SSC methodology at the time of the renewal of the crediting period.

2. Clarification

6. The Board agreed to clarify that a SSC project activity or CPA shall comply with the latest applicable threshold for the type of SSC project activity at the time of the renewal of the crediting period, i.e. the applicable threshold for Type I, Type II or Type III SSC project activity.
7. In relation to the requirements specified in paragraph 230(c) of the PS (version 04.0), if the SSC project activity or CPA meets all applicability criteria of the latest approved version of the same SSC methodology applied in the registered PDD or CPA-DD or the latest approved version of another SSC methodology, except for the threshold for the

type of SSC project activity, then the project activity or the CPA may apply the latest version of the methodology for the subsequent crediting period. In this case there is no need to request for approval by the Board of a deviation. However, the certified emission reductions that can be claimed during any year of the renewed crediting period shall be capped to the limit specified in the latest version of the methodology.

- - - - -

Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	4 October 2013	EB 75, Annex 16 Initial adoption.

Decision Class: Regulatory

Document Type: Clarification

Business Function: Issuance, Methodology

Keywords: component project activity, crediting period, SSC project activities, threshold criteria, type (iii) projects
