

CDM-SSCWG42

Meeting report

Small-Scale Working Group forty-second meeting

Version 01.0

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Agenda item 1. Agenda and meeting organization

Agenda item 1.1. Opening

1. The Chair of the Small-Scale Working Group (SSC WG), Mr. Martin Cames, opened the meeting and welcomed the members.
2. The Chair noted that all members attended the meeting.

Table 1. Attendance list

Chair/Vice-Chair	Members
Mr. Martin Cames (Chair)	Mr. Felix Babatunde Dayo
Mr. Washington Zhakata (Vice-Chair)	Mr. Gilberto Bandeira de Melo
	Mr. Bamshad Houshyani
	Mr. Daniel Perczyk
	Mr. Steven Schiller

Agenda item 1.2. Adoption of the agenda

3. The agenda was adopted with three changes:
 - (a) Item 8(e) of the annotated agenda, “Draft tool on globally applicable standardized parameters or approaches for the transport sector” was removed, because the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) at its seventy-fifth meeting requested the Methodologies Panel (Meth Panel) to revise the draft, taking into account the inputs provided by the Board. An updated draft of the tool will be discussed at a future meeting of the SSC WG;
 - (b) A new item, the methodological tool “Project emissions from cultivation of biomass”, was proposed by one of the SSC WG members and was included to the meeting agenda. The Board at its seventy-fifth meeting approved the new tool, which is applicable to estimate the project emissions from cultivation of biomass in dedicated plantations. The SSC WG initiated discussion on the impact for small-scale methodologies and possible necessary actions. Please refer to paragraph 27 for further details.

Agenda item 2. Governance and management matters

Agenda item 2.1. Membership issues

4. The SSC WG considered information provided by members with respect to any potential conflict of interest.

Agenda item 2.2. Performance management

5. The SSC WG considered a status report on the implementation of the 2013 workplan of the SSC WG.

Agenda item 2.3. Matters related to the SSC WG

6. The Chair briefed the SSC WG on the outcomes from the seventy-fifth meeting of the Board, particularly issues of relevance to the work of the SSC WG.
7. Mr. Daniel Perczyk briefed the SSC WG on the outcome of the 61st meeting of the Meth Panel (MP 61).
8. The SSC WG noted the satisfactory completion of the desk study undertaken for the proposed new methodology "SSC-NM091: Emission reduction through implementation of intelligent transport system in transport sector" considered at the meeting. The SSC WG further noted the satisfactory completion of a consultancy undertaken for providing "technical inputs on the positive list of technologies for additionality of SSC projects".
9. The SSC WG received an update on editorial revisions and fast-track clarifications by the secretariat and noted that there were no editorial revisions or fast-track clarifications processed since its last meeting in accordance with the "Procedure for the development, revision and clarification of baseline and monitoring methodologies and methodological tools" that is of relevance to the working group's consideration of agenda items at this meeting.
10. The SSC WG received an update on proposed standardized baseline submissions of relevance to the working group's consideration (work of the SSC WG).

Agenda item 2.3.1. Upcoming deadlines of relevance to stakeholders

11. The SSC WG noted that the date for the 43rd meeting (SSC WG 43) is to be decided at the seventy-sixth meeting of the Board.
12. Project participants, designated national authorities (DNAs) and other stakeholders may note the following upcoming deadlines:
 - (a) The deadline for the submission of proposed new methodologies (PNMs) to be considered at the 43rd meeting of the SSC WG will be decided at the seventy-sixth meeting of the Board and accordingly updated on the public website:
<<http://cdm.unfccc.int/Projects/pac/howto/CDMProjectActivity/NewMethodology/index.html>>;
 - (b) The deadline for the submission of requests for revision to be considered at the 43rd meeting of the SSC WG's will be decided at the seventy-sixth meeting of the Board and accordingly updated on the public website:
<<http://cdm.unfccc.int/Projects/pac/howto/CDMProjectActivity/NewMethodology/Revisions/index.html>>;
 - (c) The deadline for the submission of requests for clarification to be considered at the 43rd meeting of the SSC WG will be decided at the seventy-sixth meeting of the Board and accordingly updated on the public website:
<<http://cdm.unfccc.int/Projects/pac/howto/CDMProjectActivity/NewMethodology/Clarifications/index.html>>.

Agenda item 3. Regulatory matters

Agenda item 3.1. Standards/tools

Agenda item 3.1.1. Consideration of proposed new small-scale methodological standards/tools

13. Information on proposed new small-scale methodologies, their status, case history and final recommendations proposed by the SSC WG for consideration by the Board are made available on the UNFCCC CDM website at: <http://cdm.unfccc.int/methodologies/SSCmethodologies/NewSSCMethodologies/index.html>. If the Board accepts the recommendations, the final recommendations and responses are made available on the UNFCCC CDM website at: <http://cdm.unfccc.int/methodologies/SSCmethodologies/pnm>.
14. The relevant procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 01.1) is available on the UNFCCC CDM website at: <http://cdm.unfccc.int/Reference/Procedures/index.html#meth>.
15. The SSC WG considered the proposed new methodological standards listed in table 2 below, as well as desk reviews and public inputs received, where applicable.

Table 2. Status of consideration of proposed new methodological standards/tools

Nr.	Submission/issue	Title	Status/ recommendation ^(a)	Paragraph/ annex
1.	SSC-NM085-rev	Strategic Supplementation of a Large Ruminant Dairy Sector for the Reduction of Methane	“C”	17(a)
2.	SSC-NM089-rev	Re-refining of used (waste) naphthenic transformer oils (containing PCBs) for reuse	“C”	17(b)
3.	SSC-NM090-rev	Biomass Oil Production and Use as Fuel in Gas Station	“C”	17(c)
4.	SSC-NM091	Emission reduction through implementation of intelligent transport system in transport sector	“C”	17(d)

^(a) Recommendations from the SSC WG: Final recommendations: A (approve the proposed new methodology), C (reject the proposed new methodology); Work-in-progress (WIP): cases that are still under consideration; preliminary recommendations: technical clarifications may be requested from the project participants before finalizing a recommendation to the Board.

16. The SSC WG considered the proposed new methodological standards listed in table 3 below.

Table 3. Status of proposed new methodological standards/tools developed top-down

Issue	Top-down methodology/tool	Status/ recommendation ^(a)	Paragraph/ annex
Board request (EB 75)	Specific methodologies for specific industrial application (e.g. motor drive system) with standardized approaches for baseline settings	WIP	18

17. The SSC WG recommended that the Board reject the following proposed new methodologies:

- (a) “SSC-NM085-rev: Strategic Supplementation of a Large Ruminant Dairy Sector for the Reduction of Methane”. Although the SSC WG was of the opinion that performing direct measurements of enteric methane emissions as proposed by the submission is an improvement in the right direction, there are still a number of issues that need to be resolved, such as the use of control group for the purpose of measurement of both enteric emissions and productivity. In addition, considering the significant potential for methane mitigation from ruminants, the SSC WG agreed to seek a mandate from the Board to continue to pursue identification of suitable technology/measures in this field including through interaction with interested stakeholders for inclusion in a new or existing methodology. The project proponent of SSC-NM085 is welcome to provide further inputs;
- (b) “SSC-NM089-rev: Re-refining of used (waste) naphthenic transformer oils (containing PCBs) for reuse”. The SSC WG agreed that the proposed new methodology does not provide a procedure to allow conservative and unequivocal confirmation of baseline scenario and does not adequately capture baseline, project and leakage emissions associated with the complex industrial process to which the methodology is applicable;
- (c) “SSC-NM090-rev: Biomass Oil Production and Use as Fuel in Gas Station”. The SSC WG agreed that the submission does not:
 - (i) Contain a description of the production process of the biomass oil, in order to allow the SSC WG to fully evaluate the methodology;
 - (ii) Provide provisions in the methodology to ensure that the technical performance characteristics of the biomass oil do not differ from those of the petrodiesel;
 - (iii) Provide procedures in the methodology for accounting for leakage, in cases where it cannot be neglected;
- (d) “SSC-NM091: Emission reduction through implementation of intelligent transport system in transport sector”. The SSC WG agreed that the proposed new methodology among several other issues does not:
 - (i) Contain a clear explanation on how the baseline scenario is determined;

- (ii) Contain information on which features of intelligent transport systems (ITS) distinguish them from other available navigation systems in the market such as those based on global positioning system (GPS);
- (iii) Give an indication of how a randomized sample is determined and how measurements for the sample are made and how assessment of the statistical significance of the sampling and its related uncertainty is taken care of while conducting the sampling;
- (iv) Consider leakage, as re-routing takes place with potential rebound effects.

18. The SSC WG recommended that the Board take note that the SSC WG initiated work and prepared a draft workplan on the development of top-down specific methodologies for specific industrial applications (e.g. motor drive system) with standardized approaches for baseline-setting, as agreed by the Board at its seventy-fifth meeting.

Agenda item 3.1.2. Consideration of revisions of methodological standards/tools

19. Information on requests for revision, their status, case history and the final recommendation and responses to the Board by the SSC WG are made publicly available on the UNFCCC CDM website at:
 <<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/pending>>. If the Board accepts the recommendations, the final recommendations and responses are made available on the UNFCCC CDM website at:
 <<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>>.
20. The relevant procedure “Procedures for the revision of an approved small-scale methodology by the executive board” (version 01) is available on the UNFCCC CDM website at: <<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.
21. The SSC WG considered requests for revision of approved small-scale methodologies (AMS) as submitted by stakeholders and listed in table 4, taking into account desk reviews and public inputs received, where applicable.

Table 4. Status of consideration of submissions for requests for revision to methodological standards/tools

Submission no.	AMS	Request	Status/ recommendation	Paragraph/ annex
SSC_684	AMS-II.G	Revision of AMS-II.G concerning sample size requirements for thermal efficiency testing	Not to revise	24(a)

22. The SSC WG considered top-down-initiated revisions of approved small-scale methodologies (AMS) as listed in table 5, taking into account desk reviews and public inputs received, where applicable.

Table 5. Status of consideration of revisions to methodological standards/tools

Issue	AMS	Mandate	Status/ recommendation	Paragraph/ annex
Top-down revision	AMS-II.G	Top-down revision to improve and simplify methodologies and tools	To revise	28(a)
Board request	AMS-I.B	Initiate the revision of AMS-I.B in order to include the section on project emissions and relevant monitoring parameters	To revise	23(a)/annex 1
Board request	AMS-III.B	Address leakage issues associated with the switching of fossil fuels under AMS-III.B	To revise	23(b)/annex 2
Follow up on SSC_677 (SSC WG 40)	AMS-II.E AMS-II.Q	Review of the applicability conditions of AMS-II.E and AMS-II.Q	Initiate work	26
Board request	Several SSC methodologies	PoA provisions in small-scale methodologies	WIP	25
Top-down revision	Several SSC methodologies	Core support to revise methodologies to incorporate references to the new approved methodological tool "Project emissions from cultivation of biomass"	Initiate work	27

23. In consideration of the request for revision and the top-down work undertaken to improve methodological standards, the SSC WG recommended that the Board approve the following revised draft small-scale methodologies:

- (a) "AMS-I.B: Mechanical energy for the user with or without electrical energy". The methodology was last revised at EB 33 and based on the request by the Board at EB 74 the draft revision as contained in annex 1:
- (i) Includes a section on project emissions and relevant monitoring parameters;
 - (ii) Improves consistency with other Type I SSC methodologies;
 - (iii) Uses a revised methodology template;

- (b) “AMS-III.B: Switching fossil fuels”. The methodology was last revised at EB 66 and based on the request by the Board at EB 74 the draft revision as contained in annex 2:
 - (i) Addresses the request from the Board, as contained in paragraph 34 of the report of its seventy-fourth meeting, to address leakage issues associated with switching of fossil fuels;
 - (ii) Ensures avoidance of the potential leakage issues associated with switching of fossil fuels by clarifying which fuels are eligible under the methodology and clarifies, through examples, fuels for which the methodology is not applicable. The SSC WG was of the opinion that a revision of the leakage calculation in AMS-III.B would not be required as the methodology AMS-III.Q has been designed to capture leakage issues resulting from the use of waste gases;
 - (iii) Uses a revised methodology template.
- 24. In consideration of the request for revision, the SSC WG recommended that the Board not revise the following approved SSC methodology:
 - (a) “AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass”, based on the submission request “SSC_684: Revision of AMS-II.G concerning sample size requirements for thermal efficiency testing”. The SSC WG agreed to incorporate some elements of the request SSC_684 in the on-going top-down work to revise the methodology. The SSC WG recommended that the Board launch a call for public inputs on the draft revision to AMS-II.G (see paragraph 28a).
- 25. The SSC WG recommended that the Board take note that the SSC WG started assessing the methodologies that contain provisions that do not allow their use under a PoA, taking into account the guidance from the Board to make all methodologies applicable to PoAs after specific requirements for leakage calculations have been included.
- 26. The SSC WG continued to consider the request for clarification SSC_677, initially discussed by the SSC WG at its 40th meeting. The SSC WG further analysed the issue of the use of a computer simulation approach in building related methodologies, and agreed to seek a mandate from the Board to develop a methodological tool on the use of computer simulation in CDM methodologies. The proposed tool primarily focuses on the application of computer simulation in building methodologies, but will also provide general guidelines for other methodologies including a computer simulation approach.
- 27. The SSC WG initiated discussion on the newly approved methodological tool “Project emissions from cultivation of biomass” and its potential application in small-scale methodologies. In accordance with the routine operation as reflected in the SSC WG 2013 workplan, the SSC WG agreed to propose that the Board initiate work on top-down revisions of relevant methodologies to refer to the approved tool.

Agenda item 3.1.3. Global stakeholder consultation/call for public input

28. In consideration of the request for revision and the top-down work undertaken to improve the methodological standards, the SSC WG recommended that the Board launch a call for public input to the proposed revisions of the following approved SSC methodologies:
- (a) “AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass”. The revision is based on the submission requests SSC_684, SSC_695 and other past clarifications as well as the ongoing top-down work on the revision of the methodology taking into account feedback received in response to a call for public input launched at EB 73. The methodology was adopted at EB 37 and the draft revision is contained in annex 4 to this report. An information note explaining the rationale of the proposed default values for baseline wood fuel consumption is contained in annex 5 to this report. The revision also proposes simplified approaches to determine the thermal efficiency of project devices.
29. The calls for public input are available on the UNFCCC CDM website for stakeholder interaction at: <http://cdm.unfccc.int/public_inputs/index.html>.

Agenda item 3.1.4. Submissions of requests for clarification

30. The SSC WG considered submissions requesting clarifications to approved small-scale methodologies. The detailed responses provided by the SSC WG are made publicly available on the UNFCCC CDM website at:
 <<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>>.
31. The SSC WG requested the Board to take note of the responses prepared for requests for clarification to approved small-scale methodologies and as available on the UNFCCC CDM website for cases specified as “clarified” in table 6 below. If requests for clarification resulted in a recommendation by the SSC WG to revise an approved SSC methodology they are reflected in section 3.1.2.

Table 6. Requests for clarification

Submission no.	AMS	Title of request	Status	Paragraph
SSC_692	AMS-III.AO	In AMS-III.AO version 01, the provision of the calculation of achieved emission reductions and Equation 4 is not consistent	Clarified	32
SSC_693	AMS-III.H	Clarification on the project emissions calculation applying AMS-III.H (version 09)	Clarified	33
SSC_694	AMS-III.D	Clarification on the monitoring requirement of monitoring the output of the recovered biogas in AMS-III.D (version 19.0)	Clarified	34

Submission no.	AMS	Title of request	Status	Paragraph
SSC_695	AMS-II.G	Clarification on thermal efficiency monitoring requirements under AMS-II.G (versions 3.0, 4.0 and 5.0)	Clarified	35

32. In response to the submission SSC_692, requesting clarification regarding monitoring as per AMS-III.AO, the SSC WG agreed to clarify that there is no inconsistency in equation (4) of the methodology as claimed by the submission. The requirement to use the minimum between what would be the maximum methane emissions in the absence of the project activity for a given amount of waste, and the actual achieved methane capture and destruction or its gainful use is to ensure that emission reductions estimated by the project activity are conservative.
33. In response to submission SSC_693 requesting clarification on AMS-III.H regarding the use of provisions from version 10 of the methodology, while the respective project was registered applying version 09, the SSC WG agreed to clarify that the underlying project proponent can use the relevant procedure in the latest version available at the time of requesting issuance (AMS-III.H version16) for fugitive emissions and flaring emissions, provided that the application of the latest version does not impact the conservativeness of the monitoring and verification process, including the related emission reduction calculations.
34. In response to the submission SSC_694, requesting clarification regarding the requirement, “if the recovered biogas is combusted for electrical/thermal energy production, to monitor the output of the use of the recovered biogas” in the latest version of AMS-III.D, the SSC WG agreed to clarify that the approved methodology AMS-III.D (version19.0) does not provide an option or consideration to project activities that cannot monitor the output of thermal energy produced with the biogas. It should be noted that although emission reductions are not claimed from energy generation, the monitoring of energy output (thermal energy or electricity) is included to ensure that the recovered biogas is actually being destroyed/combusted and not vented into atmosphere. To include provisions for cases in which the output of thermal energy produced cannot be monitored, the methodology should be revised; the submitters may consider requesting a revision to the methodology.
35. In response to the submission SSC_695, requesting clarification on suitable sampling approaches when many vintages of project devices are included in a PoA under AMS-II.G, the SSC WG agreed to clarify that it may be more suitable to undertake a stratified random sampling (considering the vintage as one of the major parameters to determine the stratification of the sample). The SSC WG was of the opinion that when the efficiency of the cook stoves drops significantly over the years, the population for the sample survey may not be a homogeneous population. However, the SSC WG noted the concern on the transaction cost for undertaking separate sample surveys for different vintages and types of stoves. Thus, in conjunction with the on-going top-down work to propose the revision of the methodology, the SSC WG agreed to recommend that the Board launch a call for public inputs on the draft revision to AMS-II.G (see paragraph 28a).

Agenda item 3.2. Guidelines

36. The SSC WG agreed to recommend that the Board revise the “General guidelines for SSC CDM methodologies” as contained in annex 3. The revision clarifies the requirements regarding the use of consistent approaches and data sources while estimating baseline and project emissions, taking into account paragraph 59 of the report of the seventy-fifth meeting of the Board.
37. During the SSC WG’s consideration of the revision of the “General guidelines for SSC CDM methodologies” (see paragraph 36), the SSC WG also noted an issue that small-scale methodology AMS-I.C refers to the current procedures for determining baseline scenarios for Greenfield/capacity expansion project activities provided in the “General guidelines for SSC CDM methodologies” (EB 69, annex 27, para. 22, ,) and agreed to assess in detail whether the procedure provided in the guideline can be made applicable to the Type-I methodologies. The group agreed to continue to consider the issue and propose a revision as necessary at a future meeting.
38. The SSC WG recommended that the Board take note of the work started on the revision of the “Guidelines on demonstrating additionality of microscale project activities” and consideration of the revised “Guidelines on the demonstration of additionality of small-scale project activities”. The SSC WG will continue to consider the revision at future meetings with the following aims:
 - (a) To further clarify terms such as “isolated units”, “independent subsystems/measures”, “communities” and “off-grid project activity” across these guidelines, also taking into account past clarifications received in this regard;
 - (b) To expand the positive list of technologies and develop a framework for assessing graduation of the positive list of technologies taking into account input received from the public call launched at EB 75 on the “Information note - Questions for public inputs on expansion and framework for assessing graduation of the positive list of technologies”, open from 07 October to 06 November 2013, 24:00 GMT.

Agenda item 3.3. Other issues

39. The SSC WG recommended that the Board approve the default values of fraction of non-renewable biomass (fNRB) for the host countries listed (i.e. Central African Republic, Republic of Congo, Democratic Republic of Sao Tome and Principe, Democratic Republic of Timor-Leste and Republic of Iraq), as contained in the information note in annex 6 to this report. The recommendation is based on the request to the secretariat, in consultation with the SSC WG, to continue to determine fNRB values for Parties with 10 or fewer registered CDM project activities as of 31 December 2010 using the approved approach specified in annex 22 to the report of the sixty-seventh meeting of the Board.
40. The SSC WG continued to work on methodological issues related to energy efficiency in buildings and agriculture. In that context the SSC WG acknowledged the inputs received from KfW Bankengruppe through a document titled “Energy embedded in Water Delivered to End-Users” and expresses its deep appreciation for the time and effort expended to prepare and present the document. This document is aimed at calculating greenhouse gas reductions that could be achieved through reduced consumption from

public water supply (treatment and distribution) systems and has been developed with a view to explore whether this could be translated into a tool. The SSC WG agreed that further improvements (e.g. consideration of water constrained situations, treatment of technical and non-technical losses in the distribution system, more elaboration of parameters and deemed values for water loss in agriculture water supply) may be considered by the authors. The SSC WG also agreed to recommend the development of a tool for water saving among the portfolio of items for the consideration of the Board for the work of the SSC WG in 2014.

Agenda item 4. Conclusion of the meeting

Agenda item 4.1. Adoption of the meeting report

41. The SSC WG adopted the external and the internal report and concluded its 42nd meeting. The report and its annexes will be available on the UNFCCC website.

Agenda item 4.2. Closure of the meeting

42. The Chair of the SSC WG closed the meeting.

Annexes to the report

Annexes to the external report of the 42nd meeting of the Small-Scale Working Group

- Annex 1 - Draft revision of “AMS-I.B: Mechanical energy for the user with or without electrical energy”
- Annex 2 - Draft revision of “AMS-III.B: Switching fossil fuels”
- Annex 3 - Draft revision of the “General guidelines for SSC CDM methodologies”
- Annex 4 - Call for public input on the draft revision of “AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass”
- Annex 5 - Information note on the rationale for default factors used in AMS-I.E and AMS-II.G
- Annex 6 - Information note on the default values of fraction of non-renewable biomass for five specific countries (Central African Republic, Republic of Congo, Democratic Republic of Sao Tome and Principe, Democratic Republic of Timor-Leste and Republic of Iraq)

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Document information

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