

CDM-SSCWG43

Meeting report

Small-Scale Working Group forty-third 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 as proposed.

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 preparation of the SSC WG 2014 workplan.

Agenda item 2.3. Matters related to the SSC WG

6. The Chair briefed the SSC WG on the outcomes from the seventy-sixth meeting of the Executive Board of the clean development mechanism (hereinafter referred to as the Board), particularly on issues of relevance to the work of the SSC WG.
7. Mr. Daniel Perczyk briefed the SSC WG on the outcome of the 62nd meeting of the Methodologies Panel (MP 62).
8. The SSC WG noted the satisfactory completion of the desk study undertaken for the proposed new methodologies "SSC-NM092: Electrification and energization of off-grid areas using renewable energy", "SSC-NM093: Introduction of electric vehicles in passenger and freight transportation" and "SSC-NM094: Strategic supplementation of a small holder dairy sector to increase productivity and reduce methane emissions" considered at the meeting.

9. The SSC WG received an update on editorial revisions, fast-track clarifications and fast-track proposed standardized baselines finalized in accordance with the "Procedure for the development, revision and clarification of baseline and monitoring methodologies and methodological tools" and "Procedure for the submission and consideration of standardized baselines" since the last meeting. The SSC WG noted that there were no editorial revisions, fast-track clarifications or fast track proposed standardized baselines processed since its last meeting that are of relevance to the working group's consideration of agenda items at this meeting.

Agenda item 2.3.1. Upcoming deadlines of relevance to stakeholders

10. The SSC WG noted that the date for its 44th meeting is tentatively scheduled for 5–8 May 2014.
11. Project participants, designated national authorities (DNAs) and other stakeholders may note the following upcoming deadlines:
- (a) The deadline for requests for approval of the application of multiple methodologies to a programme of activities (PoA) to be considered at the SSC WG's 44th meeting is 7 April 2014, 24:00 GMT (i.e. four weeks prior to the meeting) <<http://cdm.unfccc.int/xxx.html>>;
 - (b) The deadline for the submission of proposed new methodologies (PNMs) to be considered at the SSC WG's 44th meeting is 10 March 2014, 24:00 GMT (i.e. eight weeks prior to the meeting) <<http://cdm.unfccc.int/Projects/pac/howto/CDMProjectActivity/NewMethodology/index.html>>;
 - (c) The deadline for the submission by DNAs of proposed technologies for automatic additionality under the microscale additionality guidelines, to be considered at the SSC WG's 44th meeting is 7 April 2014, 24:00 GMT (i.e. four weeks prior to the meeting) <<http://cdm.unfccc.int/xxx.html>>;
 - (d) The deadline for the submission of requests for revision to be considered at the SSC WG's 44th meeting is 24 March 2013, 24:00 GMT (i.e. six weeks prior to the meeting) <<http://cdm.unfccc.int/Projects/pac/howto/CDMProjectActivity/NewMethodology/Revisions/index.html>>;
 - (e) The deadline for the submission of requests for clarification to be considered at the SSC WG's 44th meeting is 24 March 2013, 24:00 GMT (i.e. six weeks prior to the meeting) <<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

12. 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 clean development mechanism (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>>.
13. 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>>.
14. 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

Submission/ issue	Title	Status/ recommendation ^a	Paragraph/ annex
SSC-NM092	Electrification and energization of off-grid areas using renewable energy	"WIP"	paragraph 17(a)
SSC-NM093	Introduction of electric vehicles in passenger and freight transportation	"C"	paragraph 16
SSC-NM094	Strategic supplementation of a small holder dairy sector to increase productivity and reduce methane emissions	"WIP"	paragraph 17(b)

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

^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.

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

Issue	Top-down methodology/tool	Status/ recommendation ^(a)	Paragraph/ annex
Ongoing top-down work	SSC-III.xx: Substitution of virgin raw materials and fuels by secondary materials recovered from scrap tires	"WIP"	paragraph 17(c)
Board request (EB 75, para 67)	Specific methodologies for specific industrial application (e.g. motor drive system) with standardized approaches for baseline settings	"WIP"	paragraph 17(d)
Board request (EB 76, para 51)	Concept note on the development of a methodological tool for using computer simulation in building related methodologies	"WIP"	paragraph 18

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

(a) "SSC-NM093: Introduction of electric vehicles in passenger and freight transportation". The SSC WG agreed that the proposed methodological approach for quantifying emission reductions has many similarities to the approaches used in "AMS-III.C: Emission reductions by electric and hybrid vehicles" version 13, but significantly differs with regard to the provision used to establish the comparability of baseline and project vehicles and procedure for estimation of the baseline specific fuel consumption. The project proponent may wish to consider proposing a revision of AMS-III.C to modify, among other things, the requirement for establishing the comparability of project and baseline vehicles (lower bound of - 20 per cent for power rating).

17. The SSC WG recommended that the Board take note that the following proposed methodologies are work-in-progress (WIP) and will be considered by the SSC WG at the next meeting if further inputs are provided by the project participants:

(a) "SSC-NM092: Electrification and energization of off-grid areas using renewable energy". The SSC WG identified several issues in the proposed methodology, including: (a) overlap with existing methodologies; (b) factors used for minimum service level; and (c) definition and time period provided for retrofit activities. The SSC WG suggests that the author explore the option to revise one or more approved small-scale methodology, for example "AMS-III.BB: Electrification of communities through grid extension or construction of new mini-grids", "AMS-I.F: Renewable electricity generation for captive use and mini-grid" and/or "AMS-I.L: Electrification of rural communities using renewable energy". The author of the submission may also wish to assess whether at least some of the different electrification/energizing activities (project scenarios) proposed in the submission could actually be more simply covered by application of one of these existing methodologies without modification;

(b) "SSC-NM094: Strategic supplementation of a small holder dairy sector to increase productivity and reduce methane emissions". The SSC WG agreed to seek further inputs from the project proponent on a number of issues, such as the

- scope of the proposed methodology, design of survey(s) and applicability conditions;
- (c) "SSC-III.xx: Substitution of virgin raw materials and fuels by secondary materials recovered from scrap tires". The SSC WG agreed to continue its consideration of the methodology and noted that the further progress is contingent upon receipt of inputs from practitioners and project proponents to resolve the methodological issues that were identified and are reflected in annex 24 of the report of the 37th meeting of the SSC WG;
 - (d) Specific methodologies for specific industrial application (e.g. motor drive system) with standardized approaches for baseline-setting. The Board at its seventy-fifth meeting provided a mandate to develop a top-down methodology covering the industrial motor system based on its high greenhouse gas mitigation potential. The SSC WG initiated work on a draft methodology.
18. The SSC WG recommended that the Board take note that the SSC WG considered the Board's request to prepare a concept note explaining the SSC WG's perceptions of the demand for a methodological tool for using computer simulation in building-related methodologies, what content it will include, and what value addition it will bring. The SSC WG also took into account the guidance from the Board to apply a cautious approach for top-down methodological work in the context of the current situation of the CDM. The SSC WG noted that there are about 26 projects and five PoAs for building energy efficiency activities in the current pipeline with at least half of these proposing to apply computer simulation approaches; that energy efficiency is a priority sector for the CDM given the sustainable development characteristics of energy-efficient buildings; and that computer simulation, while complicated, can reduce the transaction cost of documenting emission reductions. Given the above, the SSC WG suggests that public input be solicited on the interest in and the scope of a methodological tool for computer simulation. In terms of such a tool's scope, the SSC WG suspects that useful content would cover sources of data used for simulation input, qualification requirements for people conducting the simulation, tests for indicating the reliability of any simulation, how to update the simulation for new data, and suggestions for addressing missing or unavailable data. In terms of interest in such a tool, the SSC WG would particularly suggest that input be solicited from both actual project developers and experts who specialize in the use of building computer simulations. Such input could be solicited via a workshop specifically on energy efficiency in buildings and/or a call for public input.

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

19. The SSC WG considered top-down-initiated revisions of approved small-scale methodologies (AMS) as listed in table 4, taking into account desk reviews and public inputs received, where applicable.

Table 4. Status of consideration of revisions to methodological standards/tools

Submission no.	AMS	Request	Status/ recommendation	Paragraph/ annex
Board request	AMS-III.B	Top-down revision to of AMS-III.B taking into account the guidance provided by the Board at EB 76	To revise	paragraph 20(a)
Continuation of top-down work started under the 2013 workplan for the SSC WG	AMS-II-G	Top-down revision to improve and simplify methodologies and tools	To revise	paragraph 20(b)
Board request (EB 69, para. 22)	Several methodologies	Analysis of existing PoA provisions in SSC methodologies	Work in progress	paragraph 21
Board request (EB 76, para. 53)	Several methodologies	Potential application of methodological tool "Project emissions from cultivation of biomass" in small-scale methodologies	Work in progress	paragraph 22

20. 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-III.B: Switching fossil fuels". The methodology was last revised at EB 66. In response to the request by the Board at EB 76 the draft revision as contained in annex 1:
 - (i) Removes the requirement that only coal can be used as a baseline fuel;
 - (ii) Includes all types of fossil fuels as listed under the 2006 Intergovernmental Panel on Climate Change (IPCC) guidelines for greenhouse gas inventories (volume 2, chapter 1, table 1.1) as eligible under this methodology, except for the use of derived gases (from coal and coal products) listed under the IPCC table mentioned above.
 - (iii) Limits the methodology to only fuel switching measures which require capital investments.
- (b) "AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass". The methodology was last revised at EB 70 and based on the mandate given in the 2013 workplan of the SSC WG to improve and simplify methodologies and tools, the draft revision is contained in annex 2. The revision is proposed taking into account other inputs received on calls for public inputs, among other things, to:

- (i) Include simplified approaches to determine the thermal efficiency of project devices;
 - (ii) Include default values for baseline fuel wood consumption;
 - (iii) Introduce changes based on previous clarifications and revisions (SSC_543, SSC_671, SSC_674, SSC_684, and SSC_695).
21. The SSC WG recommended that the Board take note of the ongoing work by the SSC WG in addressing the Board's guidance to make all methodologies applicable to PoAs by providing additional methodological provisions for PoAs where necessary.
22. The SSC WG recommended that the Board take note that the SSC WG, following the mandate given by the Board at EB 76 (EB 76 report, para. 53), started work on the revision of small-scale methodologies to include the reference to the methodological tool "Project emissions from cultivation of biomass" in small-scale methodologies. The SSC WG agreed to start the top-down revision of the methodology "AMS-I.H: Biodiesel production and use for energy generation in stationary applications" and will continue the revision of this and further relevant methodologies at a future meeting.
23. Work under these two streams, for example PoA provisions and application of the tool "Project emissions from cultivation of biomass" (paras. 21 and 22 above) overlap in the case of several methodologies. Therefore the SSC WG agreed to recommend revisions to the methodologies concerned covering both issues at a future meeting.

Agenda item 3.1.3. Consideration of requests for approval of post-registration changes

24. The SSC WG recommends that the Board take note that in response to a request by the secretariat, the SSC WG considered the following requests for approval of post-registration changes and provided input to the secretariat:
- (a) PRC-0173-001 (AMS-I.C, AMS-II.E and AMS-III.B);
 - (b) PRC-0159-001 (AMS-II.E and AMS-III.B).

Agenda item 3.1.4. Submissions of requests for clarification

25. The SSC WG considered submissions requesting clarifications to approved small-scale methodologies. The detailed responses provided by the SSC WG are made publicly available at: <<http://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications>>.
26. 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 5 below. If requests for clarification resulted in a recommendation by the SSC WG to revise an approved small-scale methodology they are reflected in section 3.1.2.

Table 5. Requests for clarification

Submission no.	AMS	Title of request	Status	Paragraph
SSC_696		Clarification on the penalty in case of instrument breakdown when calibration was overdue	Clarified	paragraph 27
SSC_697	AMS-I.C	Clarification on the sample size requirements for project efficiency determination of a standardized product	Clarified	paragraph 28
SSC_698	AMS-III.AQ AMS-III.S	Applicability of AMS-III.AQ and AMS-III.S to project producing bio-CNG for displacement of CNG from fossil origin and use in freight transportation	Clarified	paragraph 29
SSC_699	AMS-III.Z	Query on debundling assessment for project activities using AMS-III.Z	Clarified	paragraph 30

27. In response to the submission SSC_696 requesting clarification on the application of penalties for the use of a methane concentration meter that could not be calibrated, in biogas projects applying the methodology AMS-III.H, the SSC WG agreed to clarify that the project proponents shall apply a conservative value of zero per cent methane destruction for the period in which the uncalibrated meter was used.
28. In response to submission SSC_697 requesting clarification about the required sample size to test the efficiency of new cookstoves, the SSC WG agreed to clarify that when applying the “Standard for sampling and surveys for CDM project activities and programme of activities”, a simplified approach may be used which consists of a sample test on three cookstoves with three tests each conducted for each stove, provided that the 90/10 precession criteria is met.
29. In response to the submission SSC_698, requesting clarification regarding whether a combination of AMS-III.AQ and AMS-III.S is applicable to the project activity for production of bio-CNG displacing CNG from fossil origin and for displacement of diesel used in captive vehicles fleet, the SSC WG agreed to clarify that such a combination is not applicable. It is to be noted that AMS-III.AQ and AMS-III.S are applicable to transportation activities only. However, project proponents may consider revising AMS-III.AQ to include displacement of diesel used in transportation and to include provisions from AMS-III.H for supply of bio-CNG to end-users via a pipeline.
30. In response to the submission SSC_699, highlighting the difficulty of applying the “Guidelines on assessment of debundling for SSC project activities” for projects aggregating small dispersed brick production units, the SSC WG noted that the issue is

pertinent to brick production where the production units are located close to the source of raw materials for brick production (e.g. areas where clay or areas where fly ash is available). Hence the SSC WG agreed to seek guidance from the Board on whether it can propose the simplification of debundling criteria for application to the brick sector through a provision in AMS III.Z exempting projects that are an aggregation of brick production units not larger than 5 per cent of the type III small-scale thresholds.

Agenda item 3.2. Guidelines

31. The SSC WG agreed to propose that the Board initiate the revision of type I methodologies such as AMS-I.B, AMS-I.C, AMS-I.I and AMS-I.J to further clarify the definition of the baseline scenario compatible with the current procedures for determining baseline scenarios for Greenfield/capacity expansion project activities as provided in the “General guidelines for SSC CDM methodologies” (para. 22, annex 27 to EB 69 report). While revising the methodologies, the SSC WG will also take into account: (a) past clarifications issues (e.g. SSC_563, SSC_597, SSC_668, SSC_676, SSC_685) which are pending for revisions; (b) comments received through the public commenting system; and (c) the ongoing work to include project emissions related to cultivation of biomass in relevant type-I methodologies (see para. 22 above).
32. In response to the request from the Board at its sixty-eighth meeting to analyse options (e.g. penetration rate, time horizon) to objectively determine the graduation of the current positive list of technologies (i.e. the point in time when they become mature and cost-competitive and shall be no longer defined automatically additional) the SSC WG recommended that the Board consider an information note, as contained in annex 3 to this report. The SSC WG recommends among other things:
 - (a) That the graduation of the positive list shall be assessed using appropriate criteria at the time of evaluation based on expert judgement instead of predefining any criteria related to specific technologies. The SSC WG recommends that the assessment is done at least once every three years;
 - (b) To retain the current positive list of technologies until early 2015;
 - (c) To exclude compact fluorescent lamps (CFLs) from the current positive list.
33. The SSC WG further agreed to seek a mandate and further guidance from the Board to develop a procedure that will allow DNAs to submit country-specific technologies/measures based on the national market and cost data for inclusion in the positive list.

Agenda item 3.3. Other issues

34. The SSC WG recommended that the Board revise the approved default values of fraction of non-renewable biomass (fNRB) for the country of Cambodia, as contained in the information note in annex 4. 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 EB 67 meeting report.
35. The SSC WG recommended that the Board take note that based on the submission received from the DNA of Sudan, the SSC WG has started work on the revision of default values of the fNRB for the country of Sudan. The SSC WG has requested the

secretariat to seek further inputs from the DNA of Sudan and agreed to continue to consider the case at a future meeting after receiving the required information. The work 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 EB 67 meeting report.

36. The SSC WG recommended that the Board take note that it considered its request (EB 76 report, para. 40) on developing objective criteria, different to those that exist in approved biomass-based methodologies such as AMS-I.B, to demonstrate that no significant methane emissions occur from the storage of biomass. The SSC WG initiated the work by assessing the current requirement included in both large and small-scale methodologies and agreed to continue working on this issue.
37. The SSC WG recommended that the Board take note that, following a request from the Board at EB 75, para. 60, the SSC WG has initiated work to explore options to reduce transaction costs related to sample-based surveys. The SSC WG will continue its work at the forthcoming meeting taking into account methodology-specific circumstances.

Agenda item 4. Conclusion of the meeting

Agenda item 4.1. Adoption of the meeting report

38. The SSC WG adopted the report and concluded its 43rd meeting. The report and its annexes will be available on the UNFCCC website.

Agenda item 4.2. Closure of the meeting

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

Annexes to the report

Annexes to the external report of the 43rd meeting of the Small-Scale Working Group

- Annex 1 - Revision of "AMS-III.B: Switching fossil fuels";
- Annex 2 - Revision of "AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass";
- Annex 3 - Information note on graduation and expansion of positive list of technologies under small and micro scale additionally guidelines;
- Annex 4 - Information note on revised default values of fraction of non-renewable biomass for Cambodia.

Document information

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