

**CDM-MP63-AA**

## Annotated agenda

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# Methodologies Panel sixty-third meeting

Version 1.0

Date of meeting: 28 April to 2 May 2014

Place of meeting: Bonn, Germany



**United Nations**  
Framework Convention on  
Climate Change



## Annotations to the proposed agenda

### Agenda item 1. Agenda and meeting organization

#### Agenda item 1.1. Opening

1. ► **Action:** The meeting will be opened by the Chair of the Methodologies Panel (Meth Panel).

#### Agenda item 1.2. Adoption of the agenda

2. ► **Action:** The Meth Panel Chair may wish to adopt the proposed agenda for the sixty-third meeting.

*Background:* The agenda was drawn up based on submission requests, workplan of panel and working groups for 2014, top-down work and mandates from the Board.

### Agenda item 2. Governance and management matters

#### Agenda item 2.1. Membership issues

3. ► **Action:** Members of the Meth Panel may wish to provide statements on any potential conflict of interest concerning the issues on the agenda for the meeting, and take action, as appropriate.

*Background:* In accordance with paragraph 25 of the “Terms of reference of the support structure of the CDM Executive Board (version 04.0)”, “members of a panel or working group shall abide by the code of conduct of the Board, as well as by the provisions related to conflict of interest and transparency of the Board, taking into account specific confidentiality requirements. They shall declare whether they have a pecuniary or financial interest in an issue presented to them as a member of the panel or working group and refrain from participating in any discussion or decision on the issue”. Such issues include accreditation of operational entities, consideration and approval of methodologies, registration of clean development mechanism (CDM) project activities and/or the issuance of related certified emission reductions. Furthermore, Meth Panel members shall disclose any interest in any matter under discussion before the Meth Panel which may constitute a conflict of interest or which might be incompatible with the requirements of integrity and impartiality expected of a member of the Meth Panel and shall refrain from participating in the work of the Meth Panel in relation to such matter.

#### Agenda item 2.2. Performance management

4. ► **Action:** The Meth Panel may wish to take note of the update on the workplan of panels and working groups for 2014.

*Background:* The workplan specifies products and routine operations that each of the panels and working groups are requested to consider during the year and is as such applicable to the CDM Accreditation Panel (CDM-AP), the Methodologies Panel (Meth Panel), the Small Scale Working Group (SSC WG), the Carbon Dioxide Capture and

Storage Working Group (CCS WG), and the Afforestation and Reforestation Working Group (A/R WG).

### **Agenda item 2.3. Matters related to the Meth Panel**

5. ► **Action:** The Meth Panel members may wish to take note of the update on the outcomes of the EB 77 and EB 78 meetings.

*Background:* There have been two Board meetings (EB 77 on 17–21 February 2014 and EB 78 on 31 March–4 April 2014) since the MP 62 meeting (27–31 January 2014).

6. ► **Action:** The Meth Panel members may wish to take note of the update on the outcomes of the SSC WG 43 meeting.

*Background:* There has been one SSC WG meeting (SSC WG 43 on 3–5 February 2014) since the MP 62 meeting (27–31 January 2014).

7. ► **Action:** The Meth Panel members may wish to take note of the overview of the top-down and bottom-up proposed standardized baselines.

*Background:* The secretariat will brief the Meth Panel on the status of top-down and bottom-up proposed standardized baselines.

8. ► **Action:** The Meth Panel members may wish to take note of the update on the relevant regulatory matters in preparation of the consideration of agenda items for this meeting.

*Background:* The secretariat will brief the Meth Panel on relevant editorial revisions, fast track clarifications and proposed standardized baselines finalized since the last meeting of the Meth Panel in accordance with the relevant procedures. The procedures for “Development, revision and clarification of baseline and monitoring methodologies and methodological tools (version 01.1)” and for “Procedure for the submission and consideration of standardized baselines” (version 02.0) are available at <<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>. The secretariat will also brief the Meth Panel on Modalities for agreement on proposals between the secretariat and panels/working groups, agreed by the Board at EB 78.

## **Agenda item 3. Regulatory matters**

### **Agenda item 3.1. Standards/tools**

#### **Agenda item 3.1.1. Consideration of proposed standardized baselines**

9. ► **Action:** The Meth Panel may wish to consider the proposed standardized baseline submission:

- (a) PSB0002: Standardized baselines for clinker production in Ethiopia.

*Background:* In accordance with the procedure for submission and consideration of standardized baselines, a designated national authority (DNA), may submit proposals for standardized baselines for consideration of the CDM Executive Board. The relevant procedure “Procedure for the submission and consideration of standardized baselines” (version 02.0) is available on the UNFCCC CDM website at: <<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.

**Agenda item 3.1.2. Consideration of new large-scale methodologies and tools**

10. ► **Action:** The Meth Panel may wish to consider the proposed new large-scale methodologies:

- (a) NM0366: Cl<sub>2</sub> recycling by catalytic oxidation of HCl instead of electrolysis of HCl aqueous solution;
- (b) NM0372: Recovery of Coke oven gas for production of LNG.

*Background:* New large-scale methodologies are developed based on submissions of proposed new methodologies, upon decision by the Board to develop a new methodology or as prompted by the CMP, or as suggested by a methodological panel or working group or the UNFCCC secretariat in accordance with the procedures “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 01.1). The methodology related procedures are available on the UNFCCC CDM website at:  
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.

11. ► **Action:** The Meth Panel may wish to consider the new large-scale methodology developed top-down to be used in conjunction with the proposed standardized baseline submission “PSB0002: Standardized baselines for clinker production in Ethiopia”.

*Background:* The Board, at its seventy-seventh meeting, (EB 77 report, para. 51) requested the secretariat and the Meth Panel to develop this methodology using a top-down approach in consultation with the Ethiopian DNA. New large-scale methodologies are developed based on submissions of proposed new methodologies, upon decision by the Board to develop a new methodology or as prompted by the CMP, or as suggested by a methodological panel or working group or the UNFCCC secretariat in accordance with the procedures “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 01.1). The procedure is available on the UNFCCC CDM website at:  
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.

12. ► **Action:** The Meth Panel may wish to consider the new large-scale methodological tools developed top-down:

- (a) Draft tool: Baseline emissions for modal shift measures in urban passenger transport;
- (b) Draft tool: Baseline emissions for modal shift measures in inter-urban cargo transport.

*Background:* The Board, at its seventy-fifth meeting, (EB 75 report, para. 39) considered the draft guideline for establishment of standardized baselines in the transport sector and agreed that the document should be methodological tool(s) to ensure its immediate use by project participants and other stakeholders in the development of standardized baselines. New large-scale methodological tools are developed upon decision by the Board to develop a new tool or as prompted by the CMP, or as suggested by a methodological panel or working group or the UNFCCC secretariat in accordance with the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 01.1). The procedure is available on

the UNFCCC CDM website at:  
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.

**Agenda item 3.1.3. Consideration of revisions of large-scale methodologies and tools**

13. ► **Action:** The Meth Panel may wish to consider the bottom-up and top-down revisions of large-scale methodologies and tools:
- (a) AM0031: Bus rapid transit projects;
  - (b) AM0101: High speed passenger rail systems;
  - (c) ACM0002: Grid-connected electricity generation from renewable sources;
  - (d) ACM0015: Consolidated baseline and monitoring methodology for project activities using alternative raw materials that do not contain carbonates for clinker production in cement kilns;
  - (e) ACM0016: Mass Rapid Transit Projects;
  - (f) Revised large-scale methodologies and tools to improve PoA provisions:
    - (i) ACM0022: Alternative waste treatment processes;
  - (g) Revised large-scale methodologies and tools for simplification and streamlining of methodologies and tools:
    - (i) AM0014: Natural gas-based package cogeneration;
    - (ii) AM0048: New cogeneration project activities supplying electricity and heat to multiple costumers;
    - (iii) AM0058: Introduction of a new primary district heating system;
    - (iv) ACM0012: Consolidated baseline methodology for GHG emission reductions from waste energy recovery projects;
  - (h) Revised large-scale methodologies to introduce standardized approaches for additionality demonstration:
    - (i) ACM0022: Alternative waste treatment processes;
  - (i) Revised large-scale methodologies to improve the consistency:
    - (i) AM0029: Baseline Methodology for Grid Connected Electricity Generation Plants using Natural Gas;
    - (ii) AM0087: Construction of a new natural gas power plant supplying electricity to the grid or a single consumer;
    - (iii) AM0102: Greenfield cogeneration facility supplying electricity and steam to a Greenfield Industrial Consumer and exporting excess electricity to a grid and/or project customer(s);
    - (iv) AM0107: New natural gas based cogeneration plant;

- (j) Revised large-scale methodology to standardize the application of First Order Decay (FOD) model:
  - (i) ACM0022: Alternative waste treatment processes.

*Background:* Revisions of approved large-scale methodologies and tools are based on submissions of proposed revised methodologies or tools, upon decision by the Board to revise a methodology or a methodological tool or as prompted by the CMP, or as suggested by a methodological panel or working group or the UNFCCC secretariat in accordance with the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 01.1). The procedure is available on the UNFCCC CDM website at: <http://cdm.unfccc.int/Reference/Procedures/index.html#meth>. At its seventy–eighth meeting, the Board considered a concept note on further work on methodologies, tools and standards. The Board agreed to the methodological products for further work as contained in tables 1 to 4 in annex 8 to the EB 78 report.

**Agenda item 3.1.4. Global stakeholder consultation/call for public input**

14. ► **Action:** The Meth Panel may wish to specify the outcomes of the meeting which will result in calls for public input.

*Background:* In accordance with the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools (version 01.1)”, available on the UNFCCC website at <http://cdm.unfccc.int/Reference/Procedures/index.html#meth> the secretariat shall make the draft recommendation from the panel or working group to the Board on top-down development of a new methodology or tool and top-down revision of approved methodologies or tools, publicly available on the UNFCCC CDM website for global stakeholder consultation for a period of 15 days. After this period, the secretariat shall make all comments received publicly available on the UNFCCC CDM website.

**Agenda item 3.1.5. Consideration of requests for clarification on large-scale methodologies and tools**

15. ► **Action:** The Meth Panel may wish to consider the submitted request for clarification:
- (a) AM\_CLA\_0258: Clarification on the approved methodology AM0087 version 02 regarding applicability for a new Coal Bed Methane based power plant supplying electricity to the grid or a single customer.

*Background:* Requests for clarification are considered by the Meth Panel in accordance with the procedures “Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 01.1). The procedure is available on the UNFCCC CDM website at: <http://cdm.unfccc.int/Reference/Procedures/index.html#meth>.

**Agenda item 3.1.6. Consultation on issues related to methodological standards**

16. ► **Action:** the Meth Panel may wish to provide comments on the concept note on "Development of two standards with a methodological framework for two specific project types".

*Background:* the work is based on the approved workplan of panels and working groups for 2014 (EB 77 report, annex 2).

17. ► **Action:** the Meth Panel may wish to provide comments on the concept note on "Further work on standardized baselines including country-specific thresholds on baseline and additionality".

*Background:* the work is based on the approved workplan of panels and working groups for 2014 (EB 77 report, annex 2).

18. ► **Action:** the Meth Panel may wish to provide comments on the concept note on "Simplification of the validation process for specific project activities".

*Background:* the work is based on the approved workplan of panels and working groups for 2014 (EB 77 report, annex 2).

19. ► **Action:** the Meth Panel may wish to provide comments on the concept note on "Definition of technology types for PoAs".

*Background:* At its seventy–eighth meeting, the Board considered a concept note on further work on methodologies, tools and standards. The Board agreed to the methodological products for further work as contained in tables 1 to 4 in annex 8 to the EB 78 report.

20. ► **Action:** the Meth Panel may wish to provide comments on the concept note on "Criteria and provisions for coordinating/managing entities (CMEs) to revise eligibility criteria in the registered PoA design document".

*Background:* At its seventy–eighth meeting, the Board considered a concept note on further work on methodologies, tools and standards. The Board agreed to the methodological products for further work as contained in tables 1 to 4 in annex 8 to the EB 78 report.

21. ► **Action:** the Meth Panel may wish to provide comments on the concept note on "Criteria and provisions for post registration changes that allow shift to more efficient technologies for similar applications in a PoA".

*Background:* At its seventy–eighth meeting, the Board considered a concept note on further work on methodologies, tools and standards. The Board agreed to the methodological products for further work as contained in tables 1 to 4 in annex 8 to the EB 78 report.

22. ► **Action:** the Meth Panel may wish to provide comments on the concept note on "Introduction of flexibility when multiple parameters are gathered from a single survey".

*Background:* At its seventy–eighth meeting, the Board considered a concept note on further work on methodologies, tools and standards. The Board agreed to the



methodological products for further work as contained in tables 1 to 4 in annex 8 to the EB 78 report.

23. ► **Action:** the Meth Panel may wish to provide comments on the concept note on "Modifications to the regulatory documents and/or related methodologies to address the issue of negative emission reductions related to PoA".

*Background:* At its seventy–eighth meeting, the Board considered a concept note on further work on methodologies, tools and standards. The Board agreed to the methodological products for further work as contained in tables 1 to 4 in annex 8 to the EB 78 report.

#### **Agenda item 3.1.7. Other issues**

24. ► **Action:** the Meth Panel may wish to consider the concept note on "Negative leakage due to upstream emissions".

*Background:* The Meth Panel while considering the new consolidated methodology "ACM0024: Natural gas substitution by biogenic methane produced from the anaerobic digestion of organic waste" identified that the application of this methodology may result in positive upstream leakage emissions from the production of natural gas in the baseline. The Meth Panel, in line with other similar approved methodologies, considered that in cases where, in a year, the leakage emissions are less than zero, they should be considered as zero. At its seventy–seventh meeting, the Board took note that the Meth Panel will work on a concept note on positive leakage and consistency among methodologies.

25. ► **Action:** the Meth Panel may wish to initiate discussion on identifying standardization of requirements on additionality in two large-scale methodologies.

*Background:* At its seventy–eighth meeting, the Board considered a concept note on further work on methodologies, tools and standards. The Board agreed to the methodological products for further work as contained in tables 1 to 4 in annex 8 to the EB 78 report.

26. ► **Action:** the Meth Panel may wish to initiate discussion on simplification in monitoring in small-scale and large-scale methodologies.

*Background:* At its seventy–eighth meeting, the Board considered a concept note on further work on methodologies, tools and standards. The Board agreed to the methodological products for further work as contained in tables 1 to 4 in annex 8 to the EB 78 report.

#### **Agenda item 3.2. Guidelines**

27. ► **Action:** The Meth Panel may wish to consider the revision of the "Guidelines on the assessment of investment analysis".

*Background:* Based on the request by the Board at its seventy-fifth meeting (EB 75 report, para. 57.) the Meth Panel is requested to develop further guidance on how the cost of equity should be calculated based on "best financial practices", including an approach for the application of financial models to determine benchmarks against which projects may be compared (e.g. capital asset pricing model (CAPM)), as well as

circumstances under which the application of financial models can be considered appropriate (including but not restricted to the CAPM). The Meth Panel is further requested to update the default values in annex A of the "Guidelines on the assessment of investment analysis", taking into account the latest available data.

28. ► **Action:** the Meth Panel may wish to consider a draft recommendation on the "Guidelines for the establishment of sector specific standardized baselines".

*Background:* the revision is based on a request by the Board, at its seventy-fifth meeting (EB 75 report, para. 38) to revise the draft guidelines for development of standardized baselines and is part of the routine operations for the Meth Panel in 2014.

29. **Action:** the Meth Panel may wish to consider the report on the results of road testing the current approaches in the "Guidelines for the establishment of sector specific standardized baselines" as part of the further development and implementation of standardized baselines.

*Background:* the work is based on the approved CDM Executive Board workplan 2014 (EB 77 report, annex 1).

30. ► **Action:** the Meth Panel may wish to consider the concept note "Consideration of the facilities with registered CDM project activities for the development of a sector-specific standardized baseline".

*Background:* The work is based on the request by the Board at its seventy-fifth meeting (EB 75 report, para. 38) further analysis is required for different types of sectors, including the determination of the right threshold of percentage output covered by facilities with registered CDM projects that should trigger the inclusion of such facilities when developing sector-specific standardized baselines and on the approved workplan of panels and working groups for 2014 (EB 77 report, annex 2) for further development and implementation of standardized baselines. The Board, at its seventy-eighth meeting, requested that the concept note on the consideration of facilities with registered CDM project activities for the development of a sector-specific standardized baseline be forwarded to the Meth Panel, with a view that the Board receives, at a future meeting, a recommendation from the Meth Panel and the secretariat on the issue, while considering the revised "Guidelines for the establishment of sector specific standardized baselines".

31. ► **Action:** the Meth Panel may wish to consider a draft recommendation on the "Guidelines for quality assurance and quality control of data used in the establishment of standardized baselines".

*Background:* the Board, at its sixty-sixth meeting, adopted the "Guidelines for quality assurance and quality control of data used in the establishment of standardized baselines" (QA/QC guidelines EB 66, annex 49). The work is based on the approved workplan of panels and working groups for 2014 (EB 77 report, annex 2) for further development and implementation of standardized baselines.

32. **Action:** the Meth Panel may wish to consider the report on the results of road testing the current approaches in the "Guidelines for quality assurance and quality control of data used in the establishment of standardized baselines" as part of the further development and implementation of standardized baselines.

*Background:* the work is based on the approved CDM Executive Board workplan 2014 (EB 77 report, annex 1).

33. ► **Action:** the Meth Panel may wish to consider the concept note on the "Guidance for the new projects in the same physical geographical location at which a project whose crediting period has expired existed".

*Background:* the work is based on the approved workplan of panels and working groups for 2014 (EB 77 report, annex 2).

## Agenda item 4. Conclusion of the meeting

34. ► **Action:** The Meth Panel may wish to approve the internal and external reports of the 63<sup>rd</sup> meeting.

35. ► **Action:** The Chair may wish to close the meeting.

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### Document information

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