

**CDM-MP65-AA**

## Annotated agenda

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# Methodologies Panel sixty-fifth meeting

Version 2.0

Date of meeting: 21 to 24 October 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-fifth 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 SSC WG 45 meeting.

*Background:* There has been one SSC WG meeting (SSC WG 45 on 25–28 August 2014) since the MP 64 meeting (19–22 August 2014).

6. ► **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.

7. ► **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, desk reviews and consultancies 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>>.

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

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

#### **Agenda item 3.1.1. Consideration of new large-scale methodologies and tools**

8. ► **Action:** The Meth Panel may wish to consider the draft new large-scale methodological tool “Leakage due to biomass residues” to simplify and streamline requirements for accounting for leakage emissions from use of biomass residues/biomass from cultivation.

*Background:* New large-scale methodologies and tools are developed based on submissions of proposed new methodologies, upon decision by the Board to develop a new methodology or tool, 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>>.

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

9. ► **Action:** The Meth Panel may wish to consider the bottom-up and top-down revisions of large-scale methodologies and methodological tools:

- (a) AM\_REV\_0253 (ACM0022 ver. 01.0.0): The balanced method for measurement of FCCj (Fraction of total carbon content in waste type j) and FFCj (Fraction of fossil carbon in total content of waste type j);
- (b) AM\_REV\_0254 (AM0086 ver. 03.0): Request for Revision to broaden the scope of AM0086 Version 03.0;
- (c) To improve the current approach of demonstrating additionality and to update the requirement for the renewal of the crediting period:
  - (i) AM0031: Bus rapid transit projects;
  - (ii) AM0101: High speed passenger rail systems;
  - (iii) ACM0016: Mass Rapid Transit Projects;
- (d) To standardize requirements on additionality:
  - (i) ACM0002: Grid-connected electricity generation from renewable sources;
- (e) To improve PoA provisions:
  - (i) ACM0022: Alternative waste treatment processes;
- (f) To simplify and streamline 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) ACM0001: Flaring or use of landfill gas;
  - (v) ACM0012: Consolidated baseline methodology for GHG emission reductions from waste energy recovery projects;
- (g) To introduce standardized approaches for additionality demonstration:
  - (i) ACM0022: Alternative waste treatment processes;
- (h) To standardize the application of First Order Decay (FOD) model:
  - (i) ACM0022: Alternative waste treatment processes;
  - (ii) The methodological tool “Emissions from solid waste disposal sites”;
- (i) To improve the consistency:
  - (i) ACM00XX: Construction of a new natural gas power plant (based on the revision of “AM0029: Baseline Methodology for Grid Connected Electricity Generation Plants using Natural Gas” and “AM0087: Construction of a new natural gas power plant supplying electricity to the grid or a single consumer”;

- (ii) 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);
- (iii) AM0107: New natural gas based cogeneration plant;
- (j) To provide a consistent approach for the estimation of upstream leakage emissions:
  - (i) ACM0009: Consolidated baseline and monitoring methodology for fuel switching from coal or petroleum fuel to natural gas;
  - (ii) ACM0011: Consolidated baseline methodology for fuel switching from coal and/or petroleum fuels to natural gas in existing power plants for electricity generation;
  - (iii) AM0076: Methodology for implementation of fossil fuel trigeneration systems in existing industrial facilities;
  - (iv) AM0089: Production of diesel using a mixed feedstock of gasoil and vegetable oil;
  - (v) AM0091: Energy efficiency technologies and fuel switching in new and existing buildings;
  - (vi) The methodological tool: “Upstream leakage emissions associated with fossil fuel use”;
- (k) To simplify and streamline requirements for accounting for leakage emissions from use of biomass residues/biomass from cultivation:
  - (i) The methodological tool: Project emissions from cultivation of biomass.

*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>>.

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

10. ► **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 3.1.4. Consideration of requests for clarification on large-scale methodologies and tools**

11. ► **Action:** The Meth Panel may wish to consider the submitted request for clarification:
- (a) AM\_CLA\_0263: AM0028 correct application of IPCC default value;
  - (b) AM\_CLA\_0264: Clarification on the approved methodology ACM0016 version 03 regarding application of Step 3 (to demonstrate additionality) of the methodology to a proposed PoA.

*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 3.1.5. Deviations from approved methodologies and tools**

12. ► **Action:** the Meth Panel may wish to provide input on the request for deviation on:
- (a) M-Dev0488: Proposal of biomass and project scenario heat engines and boiler efficiencies for biomass power generation project (ACM0006);
  - (b) M-Dev489: Approval for deviation of the requirement of combinations of baseline scenarios (ACM0012, ver. 04.0).

*Background:* In accordance with the current procedure “Clean development mechanism project cycle procedure” available on the UNFCCC website at <[http://cdm.unfccc.int/Reference/Procedures/index.html#proj\\_cycle](http://cdm.unfccc.int/Reference/Procedures/index.html#proj_cycle)> a designated operation entity may submit request for deviation regarding a project activity or PoA at the validation or verification stage. If the secretariat, during the preparation of the summary note, identifies issues that require inputs from a relevant panel or working group, it shall place the case on the agenda of the next meeting of the panel or working group.

**Agenda item 3.1.6 Post registration changes**

13. ► **Action:** the Meth Panel may wish to provide input on the request for approval of post registration changes on:
- (a) PRC-0765-001: Catalytic N<sub>2</sub>O destruction project in the tail gas of three Nitric Acid Plants at Hu-Chems Fine Chemical Corp.

*Background:* In accordance with the current procedure “Clean development mechanism project cycle procedure” available on the UNFCCC website at <[http://cdm.unfccc.int/Reference/Procedures/index.html#proj\\_cycle](http://cdm.unfccc.int/Reference/Procedures/index.html#proj_cycle)> a designated operation entity may submit a request for approval of post registration changes. If the secretariat, during the preparation of the summary note, identifies issues that require inputs from a relevant panel or working group, it shall place the case on the agenda of the next meeting of the panel or working group.

### Agenda item 3.1.7 Other issues

14. ► **Action:** The Meth Panel may wish to provide input 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. The Meth Panel, at its 63<sup>rd</sup> meeting agreed to a list of prioritized activities to systematically identify issues associated with monitoring and find solutions.

15. ► **Action:** The Meth Panel may wish to consider the information note on simplification of the applications of multiple large-scale methodologies and other PoA issues.

*Background:* Based on the request from the Board, at its eightieth meeting, the Board requested the secretariat to assess the feasibility of further ways for simplifying the requirement of application of multiple methodologies for PoAs.

### Agenda item 3.2. Guidelines

16. ► **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.

17. ► **Action:** The Meth Panel may wish to consider the revision on the draft standard “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) and seventy-ninth meeting (EB 79, para 41) to revise the draft guidelines for development of standardized baselines and as part of the approved workplan of panels and working groups for 2014 (EB 77 report, annex 2).

18. **Action:** The Meth Panel may wish to consider the report on the results of road testing the current approaches under 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).

19. ► **Action:** The Meth Panel may wish to consider the analysis of different options (further work on standardized baseline regulatory framework, including development of top-down thresholds on baseline and additionality for underrepresented countries).



*Background:* At its seventy-ninth meeting, the Board considered a concept note on further work on standardized baseline regulatory framework, including development of top-down thresholds on baseline and additionality for underrepresented countries and requested the secretariat and Meth Panel to jointly prepare an analysis of different options for the consideration of the Board at a future meeting(s), including road testing of the options based on submissions of standardized baselines as well as other information if available, and assess the options with regard to environmental integrity, attractiveness to CDM projects and comparability across sectors/countries (EB 79, para 40).

## Agenda item 4. Conclusion of the meeting

20. ► **Action:** The Meth Panel may wish to approve the internal and external reports of the 65<sup>th</sup> meeting.
21. ► **Action:** The Chair may wish to close the meeting.

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### Document information

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<i>Version</i>	<i>Date</i>	<i>Description</i>
02.0	21 October 2014	Revision to remove the agenda item: update on “Guidance for the new projects in the same physical geographical location at which a project whose crediting period has expired existed”, due to a procedural issue.
01.0	13 October 2014	Initial publication.

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