

**CDM-POA9904-RULE01**

Ruling note

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Rationale for rejection of PRC-9904-001

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

1. The CDM-Executive Board decided to reject the proposed request for post-registration changes for CDM programme of activities 9904 on 17 November 2016, in accordance with the *Clean development mechanism project cycle procedure* (CDM-EB65-A32-PROC, version 09.0), paragraphs 170, 171 and 177 (the procedures).
  - (a) The DOE (Spanish Association for Standardisation and Certification (AENOR)) failed to substantiate the correctness of excluding parameters  $EG_{\text{historical}}$ ,  $\sigma_{\text{historical}}$  and  $DATE_{\text{Baselinecapacityaddition}}$  in determining emission reductions of a CPA (involving capacity addition in a hydro plant), in accordance with paragraph 15 of applied methodology AMS I.D, version 17.
  - (b) The relevant requirements are:
    - (i) AMS I.D version 17, paragraph 15 states that:
      - a. “In the specific case of retrofit/capacity addition in hydro plants where power generation can vary significantly from year to year, due to natural variations in the availability of the renewable source ... the use of few historical years to establish the baseline electricity generation can therefore involve a significant uncertainty. The methodology addresses this uncertainty by adjusting the historical electricity generation by its standard deviation. This ensures that the baseline electricity generation is established in a conservative manner and that the calculated emission reductions are attributable to the project activity.”
      - b.  $EG_{\text{BL,capacityaddition},y} = EG_{\text{PJ,facility},y} - (EG_{\text{historical}} + \sigma_{\text{historical}})$ , and  $EG_{\text{BL,capacityaddition},y} = 0$  on/after  $DATE_{\text{Baselinecapacityaddition}}$ ; where:
        - i.  $EG_{\text{BL,capacityaddition},y}$  - Quantity of net electricity supplied to the grid as a result of the implementation of the CDM project activity in year y (MWh)
        - ii.  $EG_{\text{PJ,facility},y}$  - Quantity of net electricity supplied to the grid by the project plant/unit in year y (MWh)
        - iii.  $EG_{\text{historical}}$  - Annual average historical net electricity generation by the existing renewable energy plant that was operated at the project site prior to the implementation of the project activity (MWh)
        - iv.  $\sigma_{\text{historical}}$  - Standard deviation of the annual average historical net electricity supplied to the grid by the existing renewable energy plant that was operated at the project site prior to the implementation of the project activity (MWh)
        - v.  $DATE_{\text{Baselinecapacityaddition}}$  - Point in time when the existing equipment would need to be replaced in the absence of the project activity (date)
    - (c) The reasons and rationale for the final decisions are:

- (i) The exclusion of parameters  $EG_{\text{historical}}$ ,  $\sigma_{\text{historical}}$  and  $DATE_{\text{Baselinecapacityaddition}}$  is not in line with paragraph 15 of AMS I.D, version 17, since  $EG_{\text{historical}}$ ,  $\sigma_{\text{historical}}$  and  $DATE_{\text{Baselinecapacityaddition}}$  of the existing 50 KW off-grid hydro power plant are required to be considered in determining the emission reductions of the capacity addition project activity.

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### Document information

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<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	24 November 2016	Initial publication. Related to CDM project cycle procedure, version 09.0 (CDM-EB65-A32-PROC) (Paragraphs 170, 171 & 177).

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