

CDM-MP72-AA

Annotated Agenda

Methodologies Panel seventy-second meeting

Version 01.0

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Place of meeting: Bonn, Germany



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Annotations to the proposed agenda

Agenda item 1. Agenda and meeting organization

Agenda item 1.1. Opening

1. ► **Action:** The Chair of the Methodologies Panel (MP) shall open the seventy-second meeting of the panel.

Agenda item 1.2. Adoption of the agenda

2. ► **Action:** The MP may wish to adopt the proposed agenda for the seventy-second meeting.

Background: The agenda was prepared based on submission requests, the workplan of the panels and working groups for 2017, and mandates from the clean development mechanism (CDM) Executive Board (hereinafter referred to as the Board).

3. ► **Action:** Members of the MP 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. 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.

Agenda item 2. Governance and management matters

Agenda item 2.1. Matters related to the MP

4. ► **Action:** The MP may wish to take note of the workplan of the MP for 2017.

Background: The workplan was adopted at the 93rd meeting of the Board in February 2017 and specifies products and routine operations that each of the panels and working groups are requested to consider during the year, and are applicable to the CDM Accreditation Panel (CDM-AP), the Methodologies Panel (MP), 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).

5. ► **Action:** The MP may wish to take note of the update on the outcomes of the ninety-second and ninety-third meetings of the Board, relevant to the work of the MP.

Background: There have been two Board meetings (EB 92 in October/November 2016 and EB 93 in February 2017) since the MP 71 meeting (4–7 October 2016).

6. ► **Action:** The MP may wish to take note of the update to the CDM regulatory documents adopted by the Board at its ninety-third meeting (EB 93 report, Annexes 4–10).

Background: The Board, at its ninety-third meeting, adopted the new versions of the CDM project standard, the CDM validation and verification standard and the CDM project cycle procedure, applicable to project activities together with the equivalent three documents applicable to programme of activities (PoAs) and agreed to make them effective on 1 June 2017.

Agenda item 2.4. Upcoming deadlines of relevance to stakeholders

7. ► **Action:** The MP members may wish to take note of the date for the 73rd meeting of the MP will take place on 17-21 July 2017.

Background: The calendar of meetings of the Board and meetings of panels and working groups was approved by the Board at its 93rd meeting.

8. ► **Action:** The MP members may wish to set the deadline for submissions to be considered at the 73rd meeting of the MP.

Background: The secretariat shall publish the deadlines for the submission of proposals of new methodologies, requests for revisions and request for clarifications to be considered by the MP at its next meeting. The relevant panel or working group shall make every effort to initiate the consideration of the proposal at the meeting, taking into account the priorities set by the chair of the panel or working group for that meeting.

Agenda item 3. Regulatory matters

9. ► **Action:** The MP may wish to take note of the overview of the top-down and bottom-up proposed standardized baselines.

Background: The secretariat will brief the MP on the status of top-down and bottom-up proposed standardized baselines. The “Procedure: Development, revision, clarification and update of standardized baselines” (version 04.0)”¹.

10. ► **Action:** The MP may wish to take note of the update on relevant work carried out by consultants and desk reviews finalized since the last meeting of the panel (MP 71).

Background: The secretariat will brief the MP on relevant work carried out by consultants and desk reviews finalized since the last meeting of the MP in accordance with the procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools (version 02.0)”².

¹ <<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>

² <<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>

Agenda item 3.1. Standards/tools

11. ► **Action:** The MP may wish to recommend for approval, the development of standards with a methodological framework for development of standardized baselines in the sector: “energy-efficient refrigerators and air-conditioners for residential application” (*joint MP / SSC WG*).

Background: The Board considered a concept note on the “Development of standards with a methodological framework for two specific project types for development of standardized baselines” and approved the identified sectors for development of standards for standardized baselines, i.e. energy-efficient appliances for residential application (e.g. air conditioners, refrigerators) and energy efficiency in buildings at EB 85 (EB 85 report, para 39). The MP at its 71st first meeting (MP71 report, para 13) and the SSC WG at its 52nd meeting (SSC WG52 report, para 13) jointly considered the draft “Methodological framework for standardized baseline for energy efficient appliances - refrigerators and air conditioners” including road-testing of the approach with sector specific data from Ghana and agreed to launch a call for public inputs.

12. ► **Action:** The MP may wish to initiate discussion on the development of standards with a methodological framework for development of standardized baselines in the sector: energy efficiency in buildings (*joint MP / SSC WG*).

Background: The Board considered a concept note on the development of standards with a methodological framework for two specific project types for development of standardized baselines and approved the identified sectors for development of standards for standardized baselines, i.e. energy-efficient appliances for residential application covered under para 11 above and energy efficiency in buildings (EB 85 report, para 39). The MP at its 70th meeting (MP70 report, para 14) and the SSC WG at its 51st meeting (SSC WG51 report, para 14) jointly considered the development of standards with a methodological framework to facilitate the development of standardized baselines for energy efficiency in buildings.

13. ► **Action:** The MP may wish to continue work on the recommendation on the analysis of requirements in methodologies, with regard to consideration of baseline and/or project emissions from refrigerants used in refrigeration and air conditioning equipment (*MP leading, input from SSC WG*).

Background: The work is conducted in response to the mandate given by the Board at its eighty-fifth meeting (EB85 report, para. 39), in which the Board requested the MP and SSC WG to analyse the requirements in methodologies with regard to consideration of baseline and/or project emissions from refrigerants and to propose any revisions (in accordance with requirements in EB 34 report, para 17). The MP at its seventieth meeting (MP70 report, para. 15) and the SSC WG at its fifty-first meeting (SSC WG51 report, para 15) jointly considered the analysis related to the requirements in methodologies, with regard to the baseline and/or project emissions from refrigerants used in refrigeration and air conditioning equipment.

Agenda item 3.1.1. Consideration of new standardized baselines

14. ► **Action:** No proposed standardized baselines are to be considered at this meeting.

Background: The proposed top-down standardized baselines are developed as part of the further development of the standardized baselines framework (EB 82 report, annex 6). The support to the development of top-down standardized baselines is included under core activities in the approved workplan of panels and working groups for 2017 (EB 93 report, annex 2)³.

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

15. ► **Action:** The MP may wish to recommend for approval the proposed new large-scale methodology **NM0375**: "Gas insulated metal enclosed switchgear SF6 emission reduction measurement and monitoring methodology".

Background: New large-scale methodologies are developed based on submissions of proposed new methodologies by stakeholders, decision by the Board, direction by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), or recommendation by a methodological panel, working group or the UNFCCC secretariat in accordance with the procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools" (version 02.0)⁴.

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

16. ► **Action:** The MP may wish to continue work on the following revisions of bottom-up and top-down large-scale methodologies and methodological tools:
- (a) Methodological tool "Tool to calculate the emission factor for an electricity system" (**TOOL 07**) to better accommodate small isolated grids in SIDS and LDCs and to enhance clarity of the requirements related to the demonstration of transmission constraints;
 - (b) "Combined tool to identify the baseline scenario and demonstrate additionality" (**TOOL 02**);
 - (c) **ACM0001**: "Flaring or use of landfill gas";
 - (d) **ACM0019**: "N₂O abatement from nitric acid production";
 - (e) **ACM0017**: "Production of biodiesel for use as fuel";
 - (f) **Cost-effective monitoring**. Revision to methodologies, tools and regulations;
 - (g) **ACM0006** "Project and leakage emissions from biomass" and **ACM0018** "Electricity generation from biomass in power-only plants".

³ Further information may be found at: <<http://cdm.unfccc.int/EB/index.html>>.

⁴ The methodology related procedures are available on the UNFCCC CDM website
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.

Background: Revisions of approved large-scale methodologies and tools are based on submissions by stakeholders of proposed revised methodologies or tools, decisions by the Board, direction by the CMP, or as suggested by a methodological panel, working group or the UNFCCC secretariat, in accordance with the procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools" (version 0.2)⁵.

Some of the products to be finalized will receive input from the SSC WG (as mentioned above).

17. ► **Action:** The MP may wish to recommend for approval the revision of methodological tool **TOOL 04**: "Emissions from solid waste disposal sites" (*MP leading with SSC WG input*). The revision has been finalized by electronic means, with a call for public input (17 February to 3 March 2017). Comments from the call have been taken into account in the final version presented.

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 0.2)⁶.

Agenda item 3.1.4. Consideration of requests for clarification of large scale methodologies and tools

18. ► **Action:** The Meth Panel may wish to consider the request submitted for clarification of **AM_CLA_0276**: "Request for clarification for the multipurpose use of hydropower reservoirs under ACM0002".

Background: Requests for clarification are considered by the MP in accordance with the procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools" (ver. 02.0)⁷.

Agenda item 3.1.5. Consultation on issues related to methodological standards/concept notes

19. ► **Action:** The MP may wish to finalize the following concept notes:
- (a) Methodology-specific simplified **additionality** (positive list) (*joint secretariat, MP and SSC WG*);
 - (b) **Cost-effective approaches** for monitoring: Concept note on simplified monitoring, reducing transaction costs of monitoring (*joint secretariat, MP and SSC WG*);

⁵ The procedure is available on the UNFCCC CDM website
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.

⁶ The procedure is available on the UNFCCC CDM website
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.

⁷ The procedure is available on the UNFCCC CDM website
<<http://cdm.unfccc.int/Reference/Procedures/index.html#meth>>.

- (c) Concept Note on **post-registration changes** in CDM project activities and PoAs (Analysis) (*joint secretariat and the MP*).

Background: The Board at its ninety-second meeting (EB 92 report para. 42) considered the draft revised methodology, "ACM0001: Flaring or use of landfill gas", agreed not to revise the methodology and requested the secretariat, MP, and the SSC WG to prepare a concept note on how to reflect methodology specific simplified additionality (positive list), which have a validity period and require reassessment, for inclusion in a new tool. The Board at the same meeting (EB 92 report, para. 34) requested the secretariat to present a revised concept note on cost-effective approaches for monitoring, taking into account the guidance provided by the Board to the MP and the SSC WG. The Board, at its ninetieth meeting (EB90 report, para 61) considered a policy recommendation related to the provisions on post-registration changes in the "CDM project standard", and requested the MP and the secretariat to prepare a joint concept note for consideration.

20. ► **Action:** The MP may wish to continue work on the concept note on "Further work on additionality, including probabilistic approaches for additionality"; specifically, on the guideline on common practice analysis and first-of-its-kind (*joint secretariat, MP and SSC WG*).

Background: This work is based on a request by the Board at its ninetieth meeting (EB 90 report, para. 50) and the approved workplan for panels and working groups 2017 (EB 93, annex 2). The Board agreed to request the secretariat, the MP and SSC WG to consider the probabilistic approach, in a transparent manner, while developing a positive list for certain types of technologies or project activities. With regard to common practice analysis and first-of-its-kind, the Board requested the secretariat and MP to jointly continue the work, taking into account the input it provided, in particular, assessing whether a minimum number of control group of projects would be required for comparison, and, whether the same threshold should apply independently of the number of technologies in the sector.

Agenda item 3.1.6. Post registration changes

21. ► **Action:** The MP may wish to provide input to the secretariat on the following post registration changes:

- (a) **PRC-5947-001** "CTL Landfill Gas Project";
(b) **PRC-7980-001** "Burgos Wind Project.

Background: In accordance with the current procedure "Clean development mechanism project cycle procedure"⁸, 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 input 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. Deviations from approved methodologies and tools

22. No request for input to deviations from large scale methodologies or tools has been received since the 71st meeting of the MP.

⁸ Available on the UNFCCC website <http://cdm.unfccc.int/Reference/Procedures/index.html#proj_cycle>

Agenda item 3.2. Other issues

23. ► **Action:** The MP may wish to continue work on the following recommendations:

- (a) Use of the CDM in **urban** sectors: develop guidelines to facilitate the development of CDM project activities and PoAs in the urban context (*MP leading, with secretariat and SSC WG input*);
- (b) Methodology for lightweight, two- or three-wheeled **personal transportation** infrastructure (including technologies/ measures for bicycles, electric bicycles and tricycles) (*joint secretariat, MP and SSC WG*);
- (c) Methodology for the improved operation of **public transportation** (e.g. improved transit logistics, smart traffic systems) (*joint secretariat, MP and SSC WG*).

Background: The Board at its ninetieth meeting (EB90 report, para. 52) requested the MP, in consultation with the SSC WG, and the secretariat, to develop guidelines to facilitate the development of CDM project activities and PoAs in the urban context. The Board at its eighty-ninth meeting (EB89 report, paras. 33 (a-b) agreed to initiate work on a new methodology for lightweight, two- and three-wheeled personal transportation and for the improved operation of public transportation. The MP at its seventy-first meeting (MP71 report, paras 35–36) and the SSC WG, at its fifty-second meeting (SSC WG52 report, paras 36–37) initiated work on the development of guidelines to facilitate the development of CDM project activities and PoAs in the urban context, and considered an outline for the new methodology covering 2–3 wheeled personal transportation, including e-bikes, and agreed to continue work on the issue.

24. ► **Action:** The MP may wish to continue work on the revision of the guidelines for establishment of sector standardized baseline, by incorporating clarifying elements to the standardized baseline guideline.

Background: This work is based on a mandate provided by the Board at its eighty-ninth meeting (EB 89 report, para 37), requesting the MP to incorporate clarifying elements, as previously included in the concept note: “Package on further development of a standardized baseline framework” into the “guidelines for the establishment of sector specific standardized baselines”, without revising any of the existing approaches in the guideline.

25. ► **Action:** The MP may wish to provide input to the information note on the assessment of whether the exiting approved methodologies have used the principle of discounting emission reductions.

Background: The Board at its ninetieth meeting (EB90 report, para. 54 b), whilst considering the concept notes "Development of standards with a methodological framework for specific project types and sectors", and "Approaches for additionality demonstration", requested the secretariat to provide an information note on the assessment of whether the exiting approved methodologies have used the principle of discounting emission reductions, and if yes, a list of them, including a description of the approaches therein. The secretariat will consider the input from the MP to this information note.

26. ► **Action** The MP may wish to initiate discussion on whether the threshold requirements introduced in “**AM0118**: Introduction of low resistivity power transmission line” are essential.

Background: At its ninety-second meeting, the Board requested the MP to further assess whether the requirements below are essential in the methodology, or whether they could be modified or removed considering that sufficiently robust monitoring procedures are included in the methodology, and, if applicable, propose a revision of the methodology at a later meeting:

- The electrical resistance of the project transmission line is at least 10% less than the conventional transmission line;
- The load curve during the project should resemble the baseline load curve with a maximum +/-20% variation.

27. ► **Action:** The MP may wish to provide input to the SSC WG recommendation for the revision of:

- (a) Small-scale methodologies (i.e. **AMS-III.Y** and **AMS-III.F**), as proposed in the concept note "Exploration of methodological options for developing 'agriculture CDM'" (SSC WG leading, MP and secretariat input);
- (b) **AMS-III.BK**: “Strategic feed supplementation in smallholder dairy sector to increase productivity” (SSC WG leading, MP and secretariat input).

Background: This work is based on a mandate given by the Board at its eighty-sixth meeting (EB 86 report, paras 36, 38 and 39), is included in the approved workplan for panels and working groups for 2017 (EB 93 report, annex 2) and the workplan of the Board’s project “Development of new methodologies to broaden the applicability of the CDM” (EB 82 report, annex 7).

28. ► **Action:** The MP may wish to continue work on criteria, other than unit size, to establish positive lists in conjunction with the work stream on consolidated small-scale and microscale additionality tools with updated positive lists. (*joint secretariat, MP and SSC WG*);

Background: In the context of automatic additionality for distributed units for households, communities, or SMEs, five per cent of the small-scale threshold is defined under small-scale additionality tool. The Board at its eighty-fifth meeting (EB 85 report, para 42) requested the secretariat to assess, in consultation with the SSC WG and the MP, whether other criteria than unit size may be used to establish positive lists under small scale and micro scale additionality tool.

Agenda item 4. Conclusion of the meeting

29. ► **Action:** The MP may wish to adopt the report of the 72nd meeting.

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Document information

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