

CDM-MP76

Meeting report

Methodologies Panel seventy-sixth meeting

Version 01.0

Date of meeting: 5 to 8 June 2018

Place of meeting: Bonn, Germany



United Nations
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Climate Change

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Agenda item 1. Agenda and meeting organization

Agenda item 1.1. Opening

1. The chair of the Methodologies Panel (MP), Mr. Martin Enderlin, opened the meeting.
2. Table 1 below represents attendance at the meeting, which was held from 5 to 8 June 2018. The names in bold print represent attendance at the meeting.

Table 1. Attendance

Chair/Vice-chair	Members
Mr. Martin Enderlin (chair)	Mr. Ambachew Admassie
Mr. José Miguez (vice-chair)	Mr. Amr Osama Abdel-Aziz
	Mr. Braulio Pikman
	Ms. Carolyn Luce
	Mr. Daniel Perczyk
	Mr. Gilberto Bandeira de Melo
	Mr. Jean-Jacques Becker
	Ms. Jessica Wade-Murphy
	Mr. Kenichiro Yamaguchi
	Mr. Kishor Rajhansa
	Ms. Martha Kiwuwa Ntabadde
	Mr. Sudhir Sharma

Agenda item 1.2. Adoption of the agenda

3. The MP adopted the agenda of the meeting and agreed to add the following item to the agenda: consideration of the top-down revision of the methodology “AM0103: Renewable energy power generation in isolated grids”.
4. The MP considered information provided by members, the chair and the vice-chair, with respect to any potential conflict of interest. Statements on conflict of interest can be viewed on the UNFCCC clean development mechanism (CDM) website.¹

Agenda item 2. Governance and management matters

Agenda item 2.1. Matters related to the Methodologies Panel

5. The MP took note of the updated workplan of the MP for 2018.
6. The MP took note of the outcomes of the ninety-ninth meeting of the CDM Executive Board (hereinafter referred to as the Board) that were relevant to the MP.

¹ <https://cdm.unfccc.int/Panels/meth/index.html>.

Agenda item 2.2. Upcoming deadlines of relevance to stakeholders

7. The MP took note that its seventy-seventh meeting (MP 77) is scheduled for 2 to 5 October 2018.
8. Project participants, designated national authorities and other stakeholders may note the following upcoming deadlines:
 - (a) The deadline for the submission of proposed new methodologies to be considered at MP 77 is 7 August 2018, i.e. eight weeks prior to the meeting;
 - (b) The deadline for the submission of requests for revision to be considered at MP 77 is 7 August 2018, i.e. eight weeks prior to the meeting;
 - (c) The deadline for the submission of requests for clarification to be considered at MP 77 is 21 August 2018, i.e. six weeks prior to the meeting.

Agenda item 3. Regulatory matters

9. Information on cases and their status, outcome and history is made publicly available for standardized baselines, large-scale methodologies, methodological tools, and small-scale methodologies on the UNFCCC CDM website.² For information related to large-scale methodologies and methodological tools, see the multiple links under the “Large-scale methodologies” heading. For information related to small-scale methodologies, see the multiple links under the “Small-scale methodologies” heading.
10. The relevant reference documents, “Procedure: Development, revision, clarification and update of standardized baselines” (version 04.1) and “Procedure: Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 02.1), are available on the UNFCCC CDM website.³
11. The MP took note of the overview of the top-down and proposed standardized baselines.
12. The MP took note of the update on relevant work carried out by consultants and desk reviews finalized since the last meeting of the panel (MP 75).

Agenda item 3.1. Standards/tools

(a). Standards for CDM project activities and programmes of activities

13. The MP took note that no standardized baselines were to be considered at this meeting.

(b). Methodological standards for large-scale CDM project activities

(i). New methodologies and tools (large-scale)

14. The MP recommended that the Board approve the new draft methodological tool “TOOLXX: Determination of standardized baselines for energy efficiency measures in residential, commercial and institutional buildings”, as contained in annex 1 to this report.

² <https://cdm.unfccc.int/methodologies/index.html>

³ <https://cdm.unfccc.int/Reference/Procedures/index.html>

This work was carried out in response to the mandate from the Board at its eighty-fifth meeting (EB 85 report, para. 39) to develop standards with a methodological framework to develop standardized baselines for energy efficiency in the buildings sector.

(ii). Revisions to approved methodologies and tools (large-scale)

15. The MP considered the top-down revision of large-scale methodologies and tools, as presented in Table 2 below, and, where applicable, took external expertise and public input into account.

Table 2. Status of revisions of large-scale methodologies and tools

Issue	AM/AT	Mandate	Title of request	Status	Paragraph
Revision	AM0036	EB 83 report, para. 44	Introduce reference to the revised “TOOL16: Project and leakage emissions from biomass”	Approval	16
Revision	TOOL07	n/a	Include monitoring requirements for several parameters	Approval	17
Revision	AM0082	EB 83 report, para. 44	Introduce reference to the revised “TOOL16: Project and leakage emissions from biomass”	Call for public input	18
Revision	AM0103	EB 89 report, para. 41 and EB 87 report, para. 46	Expand the scope to make consistent with “TOOL07: Tool to calculate the emission factor for an electricity system” and to include the positive list contained in “ACM0002: Grid-connected electricity generation from renewable sources”	Call for public input/ Approval	19
Revision	ACM0002	EB 99 report, para. 30	Options for updating positive lists of technologies contained in methodologies	Call for public input/ Approval	20
Revision	ACM0006, ACM0019	EB 99 report, para. 28	Include non-binding best-practice examples	Work in progress	21
Revision	TOOL06	EB 85 report, para. 51, EB 99 report, para. 31	Include non-binding best-practice examples and align the tool with TOOL08, enhance its clarity and develop a spreadsheet	Work in progress	22

Issue	AM/AT	Mandate	Title of request	Status	Paragraph
Revision	TOOL27	EB 85 report, para 50	Update the default values for the cost of equity in the appendix to the tool	Work in progress	23
Mandate	AM0086	n/a	Seek a mandate to revise AM0086 to maintain consistency between AMS-III.AV and AM0086	Seeking mandate	28

16. The MP recommended that the Board approve the revision of the methodology “AM0036: Fuel switch from fossil fuels to biomass residues in heat generation equipment”, as contained in [annex 2](#) to this report. The revision was carried out in response to the mandate from the Board at its eighty-third meeting (EB 83 report, para. 44) to introduce reference to “TOOL16: Project and leakage emissions from biomass”.
17. The MP recommended that the Board approve the revision of “TOOL07: Tool to calculate the emission factor for an electricity system”, as contained in [annex 3](#) to this report. The revision was carried out to correct the editorial inconsistency between the TOOL07 and the methodology “AM0103: Renewable energy power generation in isolated grids”, related to the monitoring of several parameters used for the determination of the emission factor of the isolated grid.
18. The MP agreed to launch a call for public input on the revision of the methodology “AM0082: Use of charcoal from planted renewable biomass in the iron ore reduction process through the establishment of a new iron ore reduction system”, as contained in [annex 4](#) to this report. The work is being carried out in response to the mandate from the Board at its eighty-third meeting (EB 83 report, para. 44) to introduce reference to “TOOL16: Project and leakage emissions from biomass”. The public input will be taken into account when preparing the final version of the methodology to be considered by the MP at its next meeting.
19. The MP agreed to launch a call for public input on the revision of the methodology “AM0103: Renewable energy power generation in isolated grids”, as contained in [annex 5](#) to this report. If inputs are received, the inputs will be taken into account when preparing the recommendation to the Board. If no inputs are received, the MP recommends that the Board approve the revision of the methodology. The revision is being carried out in response to the mandate from the Board at its eighty-seventh meeting (EB 87 report, para. 46) to include a positive list in the methodology based on the methodology “ACM0002: Grid-connected electricity generation from renewable sources” and from the Board at its eighty-ninth meeting (EB 89 report, para. 41) to expand the scope of the methodology AM0103 to keep it consistent with the improvement of “TOOL07: Tool to calculate the emission factor for an electricity system” related to enhancing the clarity of the requirements related to the demonstration of transmission constraints.
20. The MP agreed to launch a call for public input on the revision of the methodology “ACM0002: Grid-connected electricity generation from renewable sources”, as contained in [annex 6](#) to this report. If inputs are received, the inputs will be taken into account when preparing the recommendation to the Board. If no inputs are received, the MP recommends that the Board approve the revision of the methodology. This revision is being carried out by the MP on the update of the positive list.

21. The MP initiated discussion on the revision of methodologies “ACM0006: Electricity and heat generation from biomass” and “ACM0019: N₂O abatement from nitric acid production”. The revisions are being carried out in response to the mandate from the Board at its ninety-ninth meeting (EB 99 report, para. 28) to include non-binding best-practice examples.
22. The MP considered the revision of “TOOL06: Project emissions from flaring” and agreed to continue the development of a spreadsheet for TOOL06, similar to the one developed for “TOOL08: Tool to determine the mass flow of a greenhouse gas in a gaseous stream”. The work is being carried out in response to the mandate from the Board at its eighty-fifth meeting (EB 85 report, para. 51), to include non-binding best-practice examples and at its ninety-ninth meeting (EB 99 report, para. 31), to align the tool with TOOL08, enhance its clarity and develop a spreadsheet.
23. The MP initiated discussion on the revision of “TOOL27: Investment analysis”. The revision is being carried out in response to the mandate from the Board at its eighty-fifth meeting (EB 85 report, para. 50) to annually update the default values for the cost of equity in the appendix to the tool.

(iii). Requests for clarification of methodologies and tools (large-scale)

24. The MP took note that no requests for clarification of large-scale methodologies or tools were received for consideration at this meeting.

(c). Methodological standards for small-scale CDM project activities

(i). New methodologies and tools (small-scale)

25. The MP recommended that the Board approve the draft new methodology “AMS-III.XX: Efficient operation of public transport”, as contained in annex 7 to this report. This work was carried out in response to the mandate received from the Board at its eighty-ninth meeting (EB 89 report, para. 33(b)), to develop a new top-down methodology for the improved operation of public transportation, e.g. improved transit logistics, smart traffic systems.

(ii). Revisions to approved methodologies and tools (small-scale)

26. The MP considered the top-down and bottom-up revisions of small-scale methodologies and tools, as presented in Table 3 below, and, where applicable, took external expertise and public input into account.

Table 3. Status of revisions of small-scale methodologies and tools

Issue	AM/AT	Mandate	Title of request	Status	Paragraph
Revision	AMS-III.AJ	EB 94 report, para. 46	Recovery and recycling of materials from solid wastes	Approval	27
Revision	AMS-III.AV	EB 97 report, para. 32	Low greenhouse gas emitting safe drinking water production systems	Approval	28

Issue	AM/AT	Mandate	Title of request	Status	Paragraph
Revision	AMS-III.BA	EB 94 report, para. 46	Recovery and recycling of materials from E-waste	Approval	29
Revision	AMS-I.E, AMS-I.J, AMS-II.G, AMS-III.AR	EB 99 report, para. 35	Add positive list of technologies	Call for public input/ Approval	30
Revision	TOOL19	EB 99 report, para. 35	Assess appropriateness of thresholds	Call for public input/ Approval	31
Revision	TOOL21	EB87 report, para. 49	Update positive list	Call for public input/ Approval	32
Mandate	n/a	n/a	Seek mandate to revise and expand the concept of market share (for positive lists)	Seeking mandate	33
Revision	AMS-II.G	EB 99 report, para. 28	Include non-binding best-practice examples	Work in progress	34
Revision	AMS-II.T	n/a	SSC_737: Additional options to calculate emission reductions due to RPC intervention at demand side	Work in progress	35
Revision	AMS-III.BK	EB 89 report, para. 34	Strategic feed supplementation in smallholder dairy sector to increase productivity	Work in progress	36

27. The MP recommended that the Board approve the revision of the methodology “AMS-III.AJ: Recovery and recycling of materials from solid wastes”, as contained in [annex 8](#) to this report. The revision was carried out in response to the mandate from the Board at its ninety-fourth meeting (EB 94 report, para. 46) to update the global default factors contained in the methodology, taking into account recent publications and scientific information.
28. The MP recommended that the Board approve the revision of the methodology “AMS-III.AV: Low greenhouse gas emitting safe drinking water production systems”, as contained in [annex 9](#) to this report. The revision was carried out in response to the mandate from the Board at its eighty-third meeting (EB 83 report, para. 32) to include non-binding best-practice examples, and at its ninety-seventh meeting (EB 97 report, para. 32) to improve the accuracy of emission reduction estimation methods contained in the methodology. Also, in order to maintain consistency between the methodology AMS-III.AV

and the large-scale methodology “AM0086: Distribution of zero energy water purification systems for safe drinking water”, the MP agreed to seek a mandate from the Board to revise the methodology AM0086.

29. The MP recommended that the Board approve the revision of the methodology “AMS-III.BA: Recovery and recycling of materials from E-waste”, as contained in [annex 10](#) to this report. The revision was carried out in response to the mandate from the Board at its ninety-fourth meeting (EB 94 report, para. 46) to update the global default factors contained in the methodology, taking into account recent publications and scientific information.
30. The MP agreed to launch a call for public input on the revision of the methodologies “AMS-I.E: Switch from non-renewable biomass for thermal applications by the user”, “AMS-I.J: Solar water heating systems (SWH)”, “AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass”, and “AMS-III.AR: Substituting fossil fuel based lighting with LED/CFL lighting systems”, as contained in [annex 11](#), [annex 12](#), [annex 13](#) and [annex 14](#), respectively, to this report. If inputs are received, the inputs will be taken into account when preparing the recommendations to the Board. If no inputs are received, the MP recommends that the Board approve the revisions of the methodologies. The revisions are being carried out in response to the mandate from the Board at its ninety-ninth meeting (EB 99 report, para. 35) to add positive lists of technologies together with a market penetration check (5 per cent threshold) in these methodologies.
31. The MP agreed to launch a call for public input on the revision of “TOOL19: Demonstration of additionality of microscale project activities”, as contained in [annex 15](#) to this report. If inputs are received, the inputs will be taken into account when preparing the recommendation to the Board. If no inputs are received, the MP recommends that the Board approve the methodological tool. The revision is being carried out in response to the mandate from the Board at its ninety-ninth meeting (EB 99 report, para. 35) to assess the appropriateness of the thresholds in the tool.
32. The MP agreed to launch a call for public input on the revision of “TOOL21: Demonstration of additionality of small-scale project activities”, as contained in [annex 16](#) to this report. If inputs are received, the inputs will be taken into account when preparing the recommendation to the Board. If no inputs are received, the MP recommends that the Board approve the methodological tool. The revision is being carried out to ensure a timely recommendation by the MP on the update of the positive list, as contained in TOOL21.
33. The MP agreed to seek a mandate from the Board to revise and expand the concept of market share to include the penetration rate as an additional element to determine whether a project could be considered additional and eligible for CDM, and make the threshold values consistent across tools and methodologies and in line with the underlying principles used for defining these thresholds, based on the following:
 - (a) The MP recognized that the market-share approach in CDM methodologies requires further elaboration to incorporate the penetration rate (e.g. 1 per cent per year) as an element of assessing the additionality of an identified technology measure. A one-year picture of the market share or market saturation alone may not be sufficient to ensure the additionality of a project in some sectors.

- (b) In undertaking the revision of TOOL19 and TOOL21 as well as methodologies for automatic additionality, the MP identified that the penetration thresholds used in the methodologies and tools to demonstrate automatic additionality differ.
- 34. The MP initiated discussion on potential areas to include best-practice examples in the revision of the methodology “AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass”. The revision is being carried out in response to the mandate from the Board at its ninety-ninth meeting (EB 99 report, para. 28), to include non-binding best-practice examples.
- 35. The MP considered the request for revision “SSC_737: Additional options to calculate emission reductions due to RPC [reactive power compensation facility] intervention at demand side” to revise “AMS-II.T: Emission reduction through reactive power compensation in power distribution network”. The request for revision is to allow additional options to calculate emission reductions due to RPC interventions on the demand side and to provide guidance. The MP agreed to continue to work on this case at its next meeting.
- 36. The MP agreed to continue to work on the revision of the methodology “AMS-III.BK: Strategic feed supplementation in smallholder dairy sector to increase productivity”. The revision is being carried out in response to the mandate from the Board at its eighty-ninth meeting (EB 89 report, para. 34) to initiate work on the development of “agriculture CDM”.

(iii). Requests for clarification of methodologies and tools (small-scale)

- 37. The MP took note that no requests for clarification of small-scale methodologies or tools were received for consideration at this meeting.

Agenda item 3.1.1. Post-registration changes

- 38. The MP took note that no requests for post-registration changes were received for consideration at this meeting.

Agenda item 3.1.2. Deviations from approved methodologies and tools

- 39. The MP took note that no requests for input to a deviation from approved methodologies and tools were received for consideration at this meeting.

Agenda item 3.2 Other issues

- 40. The MP recommended that the Board approve the revision of the “Guideline: Guidelines for the establishment of sector specific standardized baselines”, as contained in [annex 17](#) to this report. The revision was carried in response to the mandate from the Board at its eighty-ninth meeting (EB 89 report, para. 37) and ninety-sixth meeting (EB 96 report, para. 27) to revise the guideline to include clarifying elements.
- 41. The MP agreed to continue work on the use of the CDM in urban sectors. This work is being carried out in response to the mandate from the Board at its ninetieth meeting (EB 90 report, para. 52) and ninety-fourth meeting (EB 94 report, para. 34). The work covers three streams of work:
 - (a) Guidelines for developing CDM projects in the urban context;

- (b) Best-practice examples for inclusion in a programme of activities design document template;
 - (c) Standardization of parameters.
42. The MP recommended that the Board consider the concept note “Assessment of positive lists of technologies including their update”, as contained in annex 18 to this report. This work was carried out in response to the mandate from the Board at its ninety-ninth meeting (EB 99 report, para. 30) to prepare a concept note including options for updating positive lists of technologies contained in methodologies addressing issues such as grace periods, process, and criteria for updating the positive list.

Agenda item 4. Conclusion of the meeting

43. The members of the MP adopted the report of MP 76. The report and annexes will be available on the UNFCCC CDM website.
44. The chair of the MP closed the meeting.

Annexes to the report

- Annex 1 - TOOLXX: Determination of standardized baselines for energy efficiency measures in residential, commercial and institutional buildings
- Annex 2 - AM0036: Fuel switch from fossil fuels to biomass residues in heat generation equipment
- Annex 3 - TOOL07: Tool to calculate the emission factor for an electricity system
- Annex 4 - AM0082: Use of charcoal from planted renewable biomass in the iron ore reduction process through the establishment of a new iron ore reduction system
- Annex 5 - AM0103: Renewable energy power generation in isolated grids
- Annex 6 - ACM0002: Grid-connected electricity generation from renewable sources
- Annex 7 - AMS-III.XX: Efficient operation of public transport
- Annex 8 - AMS-III.AJ: Recovery and recycling of materials from solid wastes
- Annex 9 - AMS-III.AV: Low greenhouse gas emitting safe drinking water production systems
- Annex 10 - AMS-III.BA: Recovery and recycling of materials from E-waste
- Annex 11 - AMS-I.E: Switch from non-renewable biomass for thermal applications by the user
- Annex 12 - AMS-I.J: Solar water heating systems (SWH)
- Annex 13 - AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass
- Annex 14 - AMS-III.AR: Substituting fossil fuel based lighting with LED/CFL lighting systems
- Annex 15 - TOOL19: Demonstration of additionality of microscale project activities
- Annex 16 - TOOL21: Demonstration of additionality of small-scale project activities
- Annex 17 - Guideline: Establishment of sector-specific standardized baselines
- Annex 18 - Concept note: Assessment of positive lists of technologies including their update

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Document information

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