

**CDM-MP77-EC-01**

## Report

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# Methodologies Panel electronic consultation

Version 01.0

Date of E-consultation: 19 July to 6 August 2018



**United Nations**  
Framework Convention on  
Climate Change

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## **Agenda item 1. Agenda and organization of the electronic consultation**

### **Agenda item 1.1. Opening**

1. Mr. Martin Enderlin, chair of the Methodologies Panel (MP), and Mr. José Miguez, vice-chair of the MP, were consulted via E-mail on this electronic consultation and the chair subsequently agreed to initiate the electronic consultation. The electronic consultation was conducted via E-mail starting on 19 July 2018 and concluded on 6 August 2018. The outcomes of this electronic consultation are contained in this document and are based on the feedback received during the electronic consultation.
2. The following members participated in the electronic consultation: Mr. Ambachew F. Admassie, Mr. Amr Osama Abdel-Aziz, Mr. Braulio Pikman, Ms. Carolyn Luce, Mr. Daniel Perczyk, Mr. Gilberto Bandeira de Melo, Mr. Jean Jacques Becker, Mr. Kenichiro Yamaguchi, Ms. Marta K. Ntabadde, Mr. Sudhir Sharma, Ms. Jessica Wade-Murphy and Mr. Kishor Rajhansa.

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

3. The MP adopted the agenda of the electronic consultation.

## **Agenda item 2. Governance and management matters**

### **Agenda item 2.1. Matters related to the Methodologies Panel**

4. The MP considered information provided by members with respect to any potential conflict of interest. The statements on conflict of interest can be viewed on the United Nations Framework Convention on Climate Change (UNFCCC) clean development mechanism (CDM) website.<sup>1</sup>

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

5. 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.<sup>2</sup> 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.
6. The relevant reference documents, “Procedure: Development, revision and clarification of baseline and monitoring methodologies and methodological tools” (version 02.1), are available on the UNFCCC CDM website.<sup>3</sup>

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

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

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

7. Information on calls for public input and the received public inputs can be found on the UNFCCC CDM website.<sup>4</sup>

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

#### **(a). Methodological standards for large-scale CDM project activities**

##### **(i). Revisions to approved methodologies and tools (large-scale)**

8. The MP recommends that the Board approve the revision of “ACM0002: Grid-connected electricity generation from renewable sources”, as contained in annex 6 to the 76<sup>th</sup> MP meeting report. This revision was carried out by the MP to update the positive list. The MP, at its 76<sup>th</sup> meeting, launched a call for public input on the revision of the methodology. Two inputs were received. The MP noted that the inputs propose not to exclude “Solar photovoltaic technologies (PV)” from the “Simplified procedure to demonstrate additionality” due to persistent barriers to implementation and suggest not to derive the positive list using global reference points (such as global benchmarks for ‘Levelized Cost of Energy (LCOE)’ and ‘Technology Penetration Rate’) but rather use host country specific reference points. The MP considered that since the technologies on the positive list in ACM0002 are globally applicable, country specific assessment (e.g. penetration rates) is deemed necessary only when the criteria based on the average cost defined by the Board is satisfied. As noted in the 76<sup>th</sup> MP meeting report, global average PV electricity costs are not significantly higher than fossil fuel alternatives. The MP further noted that the proposed changes to ACM0002 do not exclude other options for additionality demonstration (e.g. by applying the requirements prescribed in the “TOOL02: Combined tool to identify the baseline scenario and demonstrate additionality” or “TOOL01: Tool for the demonstration and assessment of additionality”).

#### **(b). Methodological standards for small-scale CDM project activities**

##### **(i). Revisions to approved methodologies and tools (small-scale)**

9. The MP recommends that the Board approve the revision of “AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass”, as contained in annex 13 to the 76<sup>th</sup> MP meeting report. The revision was 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 the methodology. The MP, at its 76<sup>th</sup> meeting, agreed to launch a call for public input on the revision of the methodology. One input was received. The MP noted that the input is related to the changes in version 9 of the methodology whereas this call was in relation to version 10 of the methodology, therefore this input is not directly relevant to version 10. However, as the submitter made several important points, the MP recommends that the Board may wish to consider the public input and:
- (a) Request the MP to explore simplification of the “TOOL30: Calculation of the fraction of non-renewable biomass” with regard to the accessibility of biomass and data vintages to determine the mean annual increment of woody biomass.

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<sup>4</sup> [https://cdm.unfccc.int/public\\_inputs/index.html](https://cdm.unfccc.int/public_inputs/index.html)

- (b) Provide guidance whether to reconsider a default emission factor for non-renewable biomass (NRB) and whether to make a recommendation to the CMP. Accordingly, the Board may wish to request the MP to provide analysis.
10. The MP recommends that the Board approve the revision of “TOOL21: Demonstration of additionality of small-scale project activities”, as contained in annex 16 to the 76<sup>th</sup> MP meeting report. The revision was carried out to ensure a timely recommendation by the MP on the update of the positive list, as contained in TOOL21. The MP, at its 76<sup>th</sup> meeting, agreed to launch a call for public input on the revision of the methodological tool. One input was received. The MP noted that the input suggests to maintain solar PV technology as part of the positive list of technologies and add two additional country-differentiating criteria. The input argues that, among others, LCOE is very susceptible to capital costs and countries where such technologies have not yet been adopted generally suffer from high capital costs and lack of access to capital. The MP considered that since the technologies on the positive list in TOOL21 are globally applicable, country specific assessment (e.g. penetration rates) is deemed necessary only when the criteria based on the average cost defined by the Board is satisfied. As noted in the 76<sup>th</sup> MP meeting report, global average PV electricity costs are not significantly higher than fossil fuel alternatives. The MP further noted that the proposed changes to the TOOL21 do not exclude other options for additionality demonstration (e.g. by applying the requirements prescribed in TOOL01, development of a positive list through the procedures of “TOOL19: “Demonstration of additionality of microscale project activities” or by applying other additionality approaches in TOOL21).

## Agenda item 4. Conclusion of the electronic consultation

11. The MP adopted the report electronically and concluded the electronic consultation (MP77-EC-01). The report will be made available on the UNFCCC CDM website.

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### Document information

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