#### CDM-MP79

## Meeting report

# Methodologies Panel seventy-ninth meeting

Version 01.0

Date of meeting: 6 to 9 May 2019

Place of meeting: Bonn, Germany

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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. José Domingos Miguez, appointed by the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) at its 102<sup>nd</sup> meeting, opened the meeting. The members of the MP welcomed the new Chair and the new Vice-chair, Mr. Frank Wolke.
- 2. Table 1 below represents attendance at the meeting, which was held from 6 to 9 May 2019.

Table 1. Attendance

Chair/Vice-chair	Members
Mr. José Domingos Miguez (Chair)	Mr. Ambachew Admassie
Mr. Frank Wolke (Vice-chair)	Mr. Amr Osama Abdel-Aziz
	Mr. Braulio Pikman
	Ms. Carolyn Luce
	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 with the addition of two agenda items:
  - (a) Revision of the "Standard: Sampling and surveys for CDM project activities and programme of activities";
  - (b) Revision of the "Guideline: General guidelines for SSC CDM methodologies".
- 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 CDM website.<sup>1</sup>

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

### Agenda item 2. Governance and management matters

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

5. The MP took note of the outcomes of the 102<sup>nd</sup> meeting of the Board that were relevant to the MP.

#### Agenda item 2.2. Upcoming deadlines of relevance to stakeholders

- 6. 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 the 80<sup>th</sup> meeting of the MP (MP 80) is 29 July 2019, i.e. eight weeks prior to the meeting;
  - (b) The deadline for the submission of requests for revision to be considered at MP 80 is 29 July 2019, i.e. eight weeks prior to the meeting;
  - (c) The deadline for the submission of requests for clarification to be considered at MP 80 is 12 August 2019, i.e. six weeks prior to the meeting.

## Agenda item 3. Regulatory matters

- 7. Information on cases, including 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 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.
- 8. The relevant reference documents "Procedure: Development, revision, clarification and update of standardized baselines" and "Procedure: Development, revision and clarification of baseline and monitoring methodologies and methodological tools" are available on the UNFCCC CDM website.<sup>3</sup>
- 9. The MP took note of the overview of the top-down and proposed bottom-up standardized baselines.
- 10. The MP took note of the update on relevant work carried out by consultants and desk reviews finalized since the last meeting of the MP (MP 78).

#### Agenda item 3.1. Standards/tools

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

11. The MP took note that no proposed standardized baselines are to be considered at this meeting.

<sup>&</sup>lt;sup>2</sup> <u>https://cdm.unfccc.int/methodologies/index.html</u>.

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

12. The MP considered the revision of the "Standard: Sampling and surveys for CDM project activities and programme of activities" and "Guideline: Sampling and surveys for CDM project activities and programme of activities". The work is being carried out in the context of the mandate related to the revision of "AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass" (see paragraph 30, below). The MP determined that additional guidance would be required for Designated Operational Entities (DOEs) verifying the sampling surveys conducted by project participants and coordinating managing entities. The MP agreed to continue working on the revision.

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

- (i). New methodologies and tools (large-scale)
- 13. The MP noted that no new large-scale methodologies or tools were to be considered at this meeting.
- (ii). Revisions to approved methodologies and tools (large-scale)
- 14. The MP considered the top-down and bottom-up revisions of large-scale methodological standards, 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 methodological standards

Issue	AM/AT	Mandate	Title of request	Status	Paragraph
Revision	AM0031	EB 101 report, para. 36	Bus rapid transit projects	Approval	15
Revision	AM0117	Revision request AM_REV_0259	Amendment of equations 1-5 and unit changes throughout methodology	Approval	16
Revision	ACM0003	EB 101 report, para. 35	Introduce reference to TOOL16	Work in progress	17
Revision	AM0036	EB 102 report, para. 41	Fuel switch from fossil fuels to biomass residues in heat generation equipment	Work in progress	18
Revision	ACM0006	EB 102 report, para. 41	Electricity and heat generation from biomass	Work in progress	18

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Issue	AM/AT	Mandate	Title of request	Status	Paragraph
Revision	ACM0018	EB 102 report, para. 41	Electricity generation from biomass in power-only plants	Work in progress	18
Revision	ACM0016	EB102 report, para. 40	Mass rapid transit projects	Work in progress	19
Revision	TOOL09	EB 94 report, para. 39	Determining the baseline efficiency of thermal or electric energy generation systems	Work in progress	20
Revision	TOOL27	EB 85 report, para. 50	Investment analysis	Work in progress	21
Revision	TOOL24	Revision request, REV_TOOL_0004	Clarification on the total annual consumption of wood in the absence of the project activity (H) and non- accessible areas (P)	Work in progress	22

- 15. The MP recommended that the Board approve the top-down revision of the methodology "AM0031: Bus rapid transit projects", as contained in <u>annex 1</u> to this report. The work was carried out in response to the mandate from the Board at its 101<sup>st</sup> meeting (EB 101 report, para. 36) to cover situations where there are changes to the number of vehicles retired as a result of the increase in the population and the consequent increase in the demand for buses in the project city or region.
- 16. The MP recommended that the Board approve the revision of "AM0117: Introduction of a new district cooling system", as contained in <a href="mailto:annex 2">annex 2</a> to this report. The work was carried out based on the submission "AM\_REV\_0259: Amendment of equations 1-5 and unit changes throughout methodology". The history of this large-scale bottom-up request can be viewed on the CDM UNFCCC website.<sup>4</sup>
- 17. The MP agreed to continue work on the top-down revision of the methodology "ACM0003: Partial substitution of fossil fuels in cement or quicklime manufacture". The work is being carried out in response to the mandate from the Board at its 101<sup>st</sup> meeting (EB 101 report, para. 35) to revise ACM0003 to introduce reference to "TOOL16: Project and leakage emissions from biomass". Further, the Board, at its 102<sup>nd</sup> meeting (EB 102 report, para. 39), requested the MP to consider issues in the methodology related to the "fuel penalty".

<sup>&</sup>lt;sup>4</sup> https://cdm.unfccc.int/methodologies/index.html.

- 18. The MP initiated discussion on the top-down revision of "AM0036: Fuel switch from fossil fuels to biomass residues in heat generation equipment"; "ACM0006: Electricity and heat generation from biomass" and "ACM0018: Electricity generation from biomass in power-only plants". This work is being carried out in response to the mandate from the Board at its 102<sup>nd</sup> second meeting (EB 102, para. 41) to revise the methodology ACM0006 to address inconsistencies and ambiguities in the language used therein and revise the methodologies AM0036 and ACM0018 to ensure consistency across biomass methodologies. The MP agreed to continue working on this revision.
- 19. The MP initiated discussion on the top-down revision of "ACM0016: Mass rapid transit projects". This work is being carried out in response to the mandate from the Board at its 102<sup>nd</sup> meeting (EB 102 report, para. 40) to revise the methodology "ACM0016: Mass Rapid Transit Projects" in order to improve consistency with methodology "AM0031: Bus rapid transit projects". The MP agreed to continue working on this revision.
- 20. The MP considered the top-down revision of "TOOL09: Determining the baseline efficiency of thermal or electric energy generation systems". This work is being carried out in response to the mandate from the Board at its ninety-fourth meeting (EB 94 report, para. 39) to update default efficiency factors, based on publicly available information. The MP agreed to continue working on the revision.
- 21. The MP initiated discussion on the top-down revision of "TOOL27: Investment analysis". This work is being carried out in response to the mandate from the Board at its eighty-fifth meeting (EB 85 report, para 50) to update the default values for the cost of equity in the appendix to the tool annually. The MP agreed to continue working on this revision.
- 22. The MP initiated discussion on the request for revision "REV\_TOOL\_0004: Revision in Common Practice Analysis Tool Version 3.1 to include assessment of other GHG mechanism while assessing common practice" and agreed to continue working on it at its next meeting. The history of this bottom-up request can be viewed on the CDM UNFCCC website.<sup>5</sup>

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

23. The clarifications on the below requests (large-scale) are available on the UNFCCC CDM website.<sup>6</sup>

Table 3. Requests for clarification

Submission number	AM/AT	Title of the request	Status	Paragraph
CLA_TOOL_0029	TOOL30 version 2.0	Clarification on the total annual consumption of wood in the absence of the project activity (H) and non- accessible areas (P)	Clarified	24

<sup>&</sup>lt;sup>5</sup> https://cdm.unfccc.int/methodologies/index.html.

<sup>&</sup>lt;sup>6</sup> https://cdm.unfccc.int/methodologies/PAmethodologies/clarifications/pending.

24. The MP considered the request for clarification "CLA\_TOOL\_0029: Clarification on the total annual consumption of wood in the absence of the project activity (H) and non-accessible areas (P)". The MP recommended that the Board approve the clarification.

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

- (i). New methodologies and tools (small-scale)
- 25. The MP considered the new methodological standards as presented in table 4 below and, where applicable, took external expertise into account.

Submissions/ mandate	Title of request	Status	Paragraph
SSC-NM102	Greenhouse gas emission reduction methodology for online ride-hailing service	Approval	26
SSC-NM103	Trip avoidance through equipment improvement of cargo transport	Work in progress	27

Table 4. Status of consideration of new small-scale methodologies

- 26. The MP recommended that the Board approve the draft new methodology "SSC-III.XX: Ride-hailing services", as contained in <a href="mailto:annex 3">annex 3</a> to this report. The proposed new methodology is applicable for car-sharing services using a ride-hailing application/platform (app). The recommendation is based on the submission "SSC-NM102: Greenhouse gas emission reduction methodology for online ride-hailing service" and further input provided by the proponent in response to the clarifications sought at MP 77, EB 102 and MP 79. The proposed methodology is limited to the introduction of a new ride-hailing app in the project city where no ride-hailing app providing the same ride-hailing service(s) as the proposed project activity was used prior to the project activity. The history of this small-scale bottom-up request can be viewed on the CDM UNFCCC website.<sup>7</sup>
- 27. The MP considered the draft new methodology "SSC-III.XX: Trip avoidance through equipment improvement of cargo transport". The work is based on the submission "SSC-NM103: Trip avoidance through equipment improvement of cargo transport". The MP agreed to continue working on the new methodology. The history of this small-scale bottom-up request can be viewed on the CDM UNFCCC website.<sup>8</sup>

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

28. The MP considered the top-down revisions of small-scale methodological standards, as presented in table 5 below, and, where applicable, took external expertise and public input into account.

<sup>&</sup>lt;sup>7</sup> https://cdm.unfccc.int/methodologies/index.html.

<sup>8</sup> https://cdm.unfccc.int/methodologies/index.html.

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Table 5.	Status of revisions of small-scale methodologies and tools
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Issue	AM/AT	Mandate	Title of request	Status	Paragraph
Revision	AMS-I.C	EB 99 report, para. 28	Include non-binding best-practice examples	Approval	29
Revision	AMS.II-G	EB 99 report, para. 28 and EB 102 report, para. 46	Include non-binding best-practice examples; Elaborate on requirements to account for stove- stacking	Work in progress	30
Revision	AMS-I.E	EB 102 report, para. 46	Elaborate on requirements to account for stovestacking	Work in progress	31

- 29. The MP recommended that the Board approve the revision of the methodology "AMS-I.C: Thermal energy production with or without electricity", as contained in <u>annex 4</u> to this report. The revision was 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.
- 30. The MP considered the revision of the methodology "AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass". The work is being carried out in response to two mandates: the mandate from the Board at its ninety-ninth meeting (EB 99 report, para. 28) to include non-binding best-practice examples; and the mandate from the Board at its 102<sup>nd</sup> meeting (EB 102 report, para. 46) to further elaborate requirements to account for stove-stacking. The MP agreed to continue working on the revision.
- 31. The MP initiated the discussion on the top-down revision of the methodology "AMS-I.E: Switch from non-renewable biomass for thermal application by the user". The work is being carried out in response to the mandate from the Board at its 102<sup>nd</sup> meeting (EB 102 report, para. 46) to further elaborate requirements to account for stove-stacking. The MP agreed to continue working on the revision.

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

32. The clarifications on the below requests (small-scale) are available on the UNFCCC CDM website.<sup>9</sup>

<sup>&</sup>lt;sup>9</sup> https://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/pending.

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Table 6. Requests for clarification

Submission number	AM/AT	Title of the request	Status	Paragraph
SSC_751	AMS-II.E version 11.0 and TOOL31 version 01.0	Request for clarification on the application of AMS-II.E. and Tool31	Clarified/seek mandate	33
SSC_752	AMS-II.G version 08.0	Clarification on Water Boiling Test (WBT) under AMS-II.G	Clarified	34
SSC_753	AMS-II.G version 08.0	Calibration standard for equipment in AMS-II.G	Clarified	35

- 33. The MP considered the request for clarification "SSC\_751: Request for clarification on the application of AMS-II.E. and Tool31" (regarding AMS-II.E version 11.0 and TOOL31 version 01.0). The MP recommended that the Board approve the clarification. In doing so, the MP agreed to seek a mandate from the Board to revise the methodology "AMS-II.E: Energy efficiency and fuel switching measures for buildings" to include methods and equations to calculate emission reductions for projects that do not apply "TOOL31: Determination of standardized baselines for energy efficiency measures in residential, commercial and institutional buildings".
- 34. The MP considered the request for clarification "SSC\_752: Clarification on Water Boiling Test (WBT) under AMS-II.G" (regarding AMS-II.G version 08.0). The MP recommended that the Board approve the clarification.
- 35. The MP considered the request for clarification "SSC\_753: Calibration standard for equipment in AMS-II.G" (regarding AMS-II.G version 08.0)". The MP recommended that the Board approve the clarification.

#### Agenda item 3.1.1. Post-registration changes

36. The MP took note that no requests for post-registration changes for small-scale and large-scale methodologies or tools were to be considered at this meeting.

#### Agenda item 3.1.2. Deviations from approved methodologies and tools

37. The MP took note that no requests for input to deviations from small-scale and large-scale methodologies or tools were to be considered at this meeting.

#### Agenda item 3.2. Other issues

38. The MP recommended that the Board approve the draft new "Guideline: Use of the CDM in urban sectors", as contained in <u>annex 5</u> to this report. The work was carried out in response to the mandate from the Board at its ninety-seventh and 102<sup>nd</sup> meetings (EB 97 report, para. 26, and EB 102 report, para. 33) to work on: (a) Guidelines for developing CDM projects in the urban context; (b) Best-practice examples for inclusion in a PoA-DD template; and (c) Standardization of parameters.

- 39. The MP considered the information note "Analysis of levelized cost of electricity generation and penetration rates of different types of grid-connected solar PV and on-shore wind technologies". The work is being carried out in response to the mandate from the Board at its 100<sup>th</sup> meeting (EB 100 report, para. 41) to prepare an information note with an analysis of levelized cost of electricity generation and penetration rates of different types of grid-connected solar PV and on-shore wind technologies and comparable fossil fuel technologies, applicable for the thresholds of the small-scale project activities and undertaken in non-Annex I countries. The Board also requested the MP to consider representative and current information from a range of literature sources, taking different national circumstances into account. The MP agreed to continue working on the information note.
- 40. The MP recommended that the Board consider the concept note "Methodological approaches for calculating emission reductions from project activities, resulting in the reduced use of non-renewable biomass in households", as contained in <u>annex 6</u> to this report, and provide guidance. The work was carried out in response to the mandate from the Board at its 102<sup>nd</sup> meeting (EB 102 report, para. 30 and 31) to provide an analysis on this issue, including draft revised methodologies, for its consideration at a future meeting.
- 41. The MP considered the concept note "Market share, market saturation and penetration rate". The work is being carried out in response to the mandate from the Board at its 101<sup>st</sup> meeting (EB 101 report, para. 30) to build on the experience of the CDM in this area. The MP agreed to continue working on this concept note at its next meeting.
- 42. The MP agreed to launch a call for public input on the revision of the "Guideline: General guidelines for SSC CDM methodologies", as contained in <a href="mailto:annex 7">annex 7</a> to this report. If input is received, the input will be taken into account when preparing the recommendation to the Board. If no input is received, the MP recommends that the Board approve the revision of the general guidelines. The work is being carried out in the context of the mandate related to the revision of the methodology "AMS-II.G: Energy efficiency measures in thermal applications of non-renewable biomass" (see paragraph 30, above). The MP determined that simplified requirements described under section 4.8.2 of the general guidelines are applicable only if the applied methodology and the monitoring plan allow for biennial monitoring.

# Agenda item 4. Relations with forums and other stakeholders

43. The MP held an electronic meeting with approximately 20 participants representing project developers, DOEs and experts on the topic of clean cookstoves, safe drinking water, and sampling. The purpose of the interaction was to facilitate an exchange of views on the various topics related to clean cookstoves, safe drinking water, and sampling. In closing, the MP expressed its deep appreciation for the opportunity to interact with the stakeholders and stated that it looks forward to such productive interactions in the future.

## Agenda item 5. Conclusion of the meeting

- 44. The members of the MP adopted the report of MP 79. The report and annexes will be available on the UNFCCC CDM website.
- 45. The Chair of the MP closed the meeting.

## Annexes to the report

- Annex 1 AM0031: Bus rapid transit projects
- Annex 2 AM0117: Introduction of a new district cooling system
- Annex 3 SSC-NM102: Ride-hailing services
- Annex 4 AMS-I.C: Thermal energy production with or without electricity
- Annex 5 Guideline: Use of the CDM in urban sectors
- Annex 6 Concept Note: Methodological approaches for calculating emission reductions from project activities, resulting in the reduced use of non-renewable biomass in households
- Annex 7 Guideline: General guidelines for SSC CDM methodologies

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#### **Document information**

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