

CDM-EB77-A05-STAN

Standard

Determining coverage of data and validity of standardized baselines

Version 03.0



United Nations
Framework Convention on
Climate Change

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1. Introduction

1.1. Background

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its sixth session, decided that Parties, project participants, as well as international industry organizations or admitted observer organizations through the host country's designated national authority (DNA), may submit proposals for standardized baselines applicable to new or existing methodologies, for consideration by the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board).
2. To establish a standardized baseline for a country or a group of countries, extensive data is required on output¹ and performance in terms of energy intensity and greenhouse gas (GHG) emissions in the sectors of the country(ies). In order to ensure environmental integrity in the development of a standardized baseline, it is critical that the data used is most representative of the sectoral circumstances, i.e. that it reflects the recent developments in the sector and accounts for any change in economic, social, technological and environmental conditions over time.

1.2. Objectives

3. The aim of this standard is to define requirements for the coverage period and the currentness of the data used to develop, revise and update standardized baselines and requirements for the validity of approved standardized baselines.
4. The requirements intend to reflect the national trends in the development of the sector (e.g. pace of technology evolution, volatility of fuel prices, growth rates) and changing circumstances in the sector. The requirements also recognize that data availability in a sector in a given country may be limited.

2. Scope, applicability, and entry into force

2.1. Scope

5. This standard sets the requirements for the coverage period and currentness of the data used to develop, revise and update standardized baselines and the requirements for the validity of approved standardized baselines and thus the frequency of update of standardized baselines.²

¹ As per the definition in the latest approved version of the "Guidelines for the establishment of sector specific standardized baselines".

² The developers of standardized baselines have the option of updating a standardized baseline after its validity expires, but project activities cannot apply the standardized baseline after the validity of the existing version expires for the purpose of submitting project activities for registration, until an updated version of the standardized baseline is submitted and approved by the Board. The process of approval of the updated version could take some time. Therefore, in order to ensure that no gap occurs, the submission of an updated standardized baseline should take place before the validity of the existing version of the standardized baseline expires, as required by the latest version of the "Procedure: Development, revision, clarification and update of standardized baselines" (SB procedure).

6. This standard does not provide guidance on how the data shall be processed to develop, revise and update standardized baselines.

2.2. Applicability

7. If a standardized baseline is developed using an approved CDM methodology or methodological tool, any requirements specified in the methodology or methodological tool shall be followed for determining the coverage period, the currentness of data and the validity of the standardized baseline.
8. If such requirements are not specified in the methodology or methodological tool used to develop a standardized baseline, or if a standardized baseline is developed using an approach not based on an approved CDM methodology or methodological tool, this standard shall be followed with regard to the requirements for the data coverage period, the currentness of data and the validity of the standardized baseline.
9. Due to specific national or sectoral circumstances, deviations from the requirements in this standard may be proposed with due justification when proposing a new standardized baseline or any subsequent update or revision of an approved standardized baseline for approval by the Board.

2.3. Entry into force

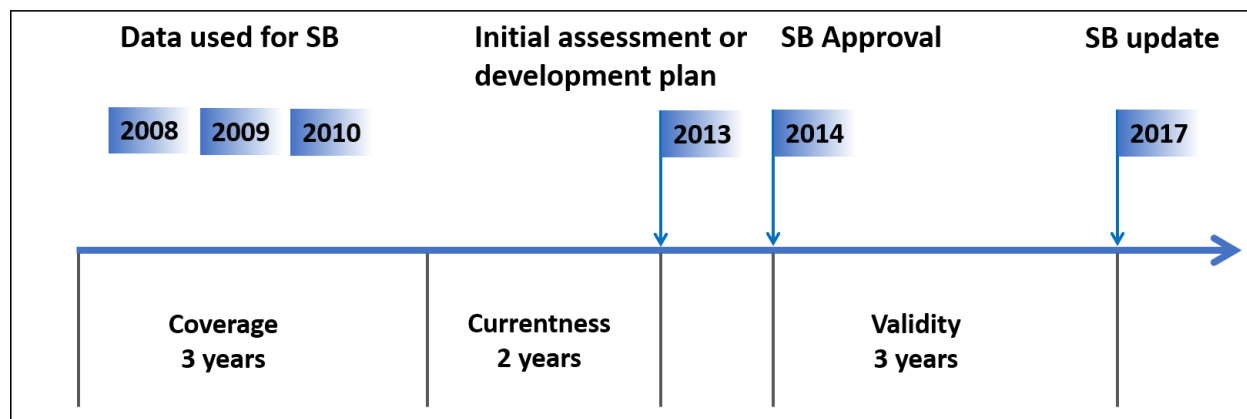
10. Version 03.0 of this standard enters into force on 14 December 2020.

3. Definitions

11. The definitions contained in the “Glossary: CDM terms” shall apply.
12. The following definitions apply under this standard (as per figure 1):
- (a) **Data coverage period** - the period for which data on the operation of facilities is collected for the establishment or update of a standardized baseline;
 - (b) **Data currentness** - the time gap between the end of the data coverage period and:
 - (i) The date on which the initial assessment of the proposed new, revised, or updated standardized baseline is successfully concluded under the bottom-up process referred to in the SB procedure; or
 - (ii) The date on which the development plan is finalized under the top-down process referred to in the SB procedure.
 - (c) **Validity of a standardized baseline** - the period during which a version of an approved standardized baseline may be used for the registration or renewal of the crediting period of a CDM project activity or programme of activities;
 - (d) **Activity data** - data on the magnitude of activities resulting in emissions or removals taking place during a given period of time, usually collected from facilities, such as output production, actual energy consumption, actual feedstock consumption, energy generation, number of livestock, etc. This does not include parameters that describe the property or characteristics of fuels, feedstocks or technologies, such as net calorific values, fuel/feedstock emission factors, design specific energy consumption, design specific feedstock consumption, etc;

- (e) **Constant standardized baseline** - a standardized baseline whose standardized value/parameter remains constant during its validity period;
- (f) **Dynamic standardized baseline** - a standardized baseline whose standardized value/parameter varies in a predetermined manner during its validity period.

Figure 1. Illustration of key definitions



Note: Years in the figure are indicative.

4. Data coverage period

13. With regard to the data coverage period, this standard only sets requirements for activity data. It does not set requirements for non-activity data, including cost data or parameters that describe the properties or characteristics of fuels, feedstocks or technologies, such as net calorific values (e.g. gigajoule/tonne) and emission factors (e.g. tonnes of carbon dioxide/terajoule).

4.1. Constant standardized baselines

14. A minimum of three years of historical activity data shall be used to develop a proposed new constant standardized baseline or a revision to an approved constant standardized baseline. Historical activity data of three years are necessary to capture seasonal variations and variations of the activity data from year to year (e.g. hydropower energy generation).
15. Exceptionally, historical activity data covering less than three years, but of a minimum one year, may be used for developing a proposed new constant standardized baseline or its revision, if one of the following conditions are met:
 - (a) The constant standardized baseline is developed for least developed countries (LDCs) or small island developing States (SIDS);
 - (b) The constant standardized baseline is derived based on data from and is applicable only to a set of facilities where each facility either has a total installed capacity below 15 megawatts (MW) or has annual emissions below 60 kilotonnes of carbon dioxide equivalent (kt CO₂eq);
 - (c) Three years of historical activity data within the past five years are not available with due justification.

16. For any update of an approved constant standardized baseline, only the requirement in paragraph 14 above shall apply and the provisions of paragraph 15 above shall not apply. Therefore, the DNA should continue the collection of data to ensure that three years of activity data are available for an update of the constant standardized baseline.

4.2. Dynamic standardized baselines

17. A minimum of five years of historical activity data shall be used to develop a proposed new dynamic standardized baseline or revision to an approved dynamic standardized baseline. Historical data of five years are necessary to reflect the expected future trends.
18. Exceptionally, historical activity data covering less than five years, but a minimum of three years, may be used for developing a proposed new dynamic standardized baseline or its revision, if one of the following conditions are met:
- (a) The dynamic standardized baseline is developed for LDCs or SIDS;
 - (b) The dynamic standardized baseline is derived based on data from and is applicable only to a set of facilities where each facility either has a total installed capacity below 15 MW or has annual emissions below 60 kt CO₂eq;
 - (c) Five years of historical activity data are not available with due justifications.
19. For any update of an approved dynamic standardized baseline, only the requirement in paragraph 17 above shall apply and the provisions of paragraph 18 above shall not apply. Therefore, the DNA should continue the collection of data to ensure that five years of activity data are available for an update of the dynamic standardized baseline.

5. Data currentness

20. Regarding activity data for developing a proposed new standardized baseline, or a revision to or an update of an approved standardized baseline, the most recent data available with a maximum of two years of data currentness shall be used.
21. Exceptionally, the data currentness of activity data may be up to five years for developing a new standardized baseline and up to three years for its subsequent update or revision, if one of the following conditions are met:
- (a) The standardized baseline is developed for LDCs or SIDS;
 - (b) The standardized baseline is derived based on data from and is applicable only to a set of facilities where each facility either has a total installed capacity below 15 MW or has annual emissions below 60 kt CO₂eq.
22. Regarding costs data (including capital cost, operational expenditure and revenues) for developing a proposed new standardized baseline and any subsequent update or revision, the most recent data available shall be used with a maximum of five years of data currentness.
23. Regarding data other than activity data and costs data, for example, net calorific values, design energy consumption, design feedstock consumption, the most recent data available shall be used, provided that the data are representative and relevant, taking into account possible trends and changes in the sector since the data were collected. Where data are available from multiple sources, an older source may be used if it can be justified to be more accurate, representative and relevant.

6. Validity of standardized baselines

24. For a new approved standardized baseline and its subsequent updates, the default validity of the standardized baseline is three years.
25. The DNA may propose an alternative length of the validity of a standardized baseline when proposing the standardized baseline or any of its subsequent update. The following factors may be considered for determining longer or shorter validity:
- (a) Currentness and coverage period of the data used to develop the standardized baseline (more current data may increase validity);
 - (b) Evolution of technologies (faster technology improvement may reduce validity);
 - (c) Sector growth (e.g. construction of new facilities) (higher rate of growth may reduce validity);
 - (d) Volatile and dynamic pricing of fuels or feedstock (higher volatility and higher dynamics in pricing may reduce validity);
 - (e) Accounting for autonomous technological improvement to develop a dynamic standardized baseline (inclusion of an autonomous improvement factor may increase validity);
 - (f) Trend of changes in the baseline emission factors between two versions of the standardized baseline (higher variability in emission factors may reduce validity).

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Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
03.0	14 December 2020	EB 108, Annex 4 Revision to remove a sentence from footnote 2 which is not relevant to this document and not fully aligned with related provisions in other regulatory documents.
02.0	31 August 2018	EB 100, Annex 1 Revision to: <ul style="list-style-type: none"> • Clarify the requirements for the data currentness for both bottom-up and top-down development of SBs; • Clarify the difference in the requirements for the coverage period and currentness of activity data and non-activity data; • Make editorial & structural improvements throughout the document.
01.0	21 February 2014	EB 77, Annex 5 Initial adoption.

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