

CDM-MP85

Meeting report

Methodologies Panel eighty-fifth meeting

Version 01.0

Date of meeting: 21 to 25 June 2021

Place of meeting: Virtual



United Nations
Framework Convention on
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. El Hadji Mbaye Diagne, opened the meeting.
2. Table 1 below represents attendance at the virtual meeting, which was held from 21 to 25 June 2021.

Table 1. Attendance

Chair/Vice-Chair	Members
Mr. El Hadji Mbaye Diagne (Chair)	Mr. Amr Osama Abdel-Aziz
Ms. Natalie Kushko (Vice-Chair)	Mr. Braulio Pikman
	Ms. Gbemi Cassandra Jayesimi
	Mr. Jean-Jacques Becker
	Ms. Jessica Wade-Murphy
	Mr. Kenichiro Yamaguchi
	Mr. Kishor Rajhansa
	Ms. Martha Kiuwa Ntabadde
	Mr. Sudhir Sharma
	Mr. Thomas Grammig
	Ms. Yuko Nagata

Agenda item 1.2. Adoption of the agenda

3. The MP adopted the agenda of the meeting.
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 outcomes of the 110th meeting of the Executive Board of the CDM (hereinafter referred to as the Board) that were relevant to the MP.
6. The MP took note of the update on the workplan of the MP for 2021.

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 the dates of its eighty-sixth meeting (MP 86) are from 20 to 24 September 2021 and it will take place in a virtual setting.
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 86 is eight weeks prior to the meeting;
 - (b) The deadline for the submission of requests for revision to be considered at MP 86 is eight weeks prior to the meeting;
 - (c) The deadline for the submission of requests for clarification to be considered at MP 86 is six weeks prior to the meeting.

Agenda item 3. Regulatory matters

9. 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.² 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.
10. 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.³
11. The MP took note of the update on the relevant regulatory matters finalized since the last meeting of the MP (MP 84):
 - (a) Fast-track clarification finalized by the MP;
 - (b) Relevant work carried out by consultants;
 - (c) Desk reviews.

Agenda item 3.1. Standards/tools

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

12. The MP took note that no proposed standardized baselines were to be considered at this meeting.
13. The MP considered the analysis of existing methodologies and tools with regard to the consistency in definition of biomass-related terms and agreed to continue working on this

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

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

agenda item at its next meeting. This work is being carried out in response to the mandate by the Board at its 110th meeting (EB 110 meeting report, para. 30).

14. The MP considered the analysis of existing methodologies and methodological tools with regard to the consistency in definition of market penetration metrics and agreed to continue working on this agenda item at its next meeting. This work is being carried out in response to the mandate by the Board at its 110th meeting (EB 110 meeting report, para. 30).

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

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

15. The MP considered the new 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 the new large-scale methodologies and tools

Type	Submission	Title of request	Mandate	Status	Paragraph
Methodology	NM0377	Energy-saving through the use of the reverse osmosis technology in the water desalination process	EB 110 report, para. 35	Work in progress	16-17
Methodology	NM0380	Recovery of methane-rich vapours from hydrocarbon storage tanks, separators or stabilization containers	N/A	Approval	18

16. The MP considered the draft new methodology “NM0377: Energy-saving through the use of the reverse osmosis technology in the water desalination process” and agreed to continue working on this agenda item at its next meeting. The MP would need to work on the approach related to baseline emissions estimation. The new methodology covers project activities that involve the application of energy-efficient technologies such as reverse osmosis in new desalination plants or in an expansion of capacity in an existing plant. The history of the bottom-up submission can be viewed on the UNFCCC CDM website.⁴
17. Considering the linkages to “NM0377: Energy-saving through the use of the reverse osmosis technology in the water desalination process” above, the MP agreed to continue working on the information note on the new tool for the water-grid emission factor with the aim to conclude the work by the next meeting.
18. The MP recommended that the Board approve the draft new methodology “AM00XX: Recovery of methane-rich vapours from hydrocarbon storage tanks”, as contained in annex 1 to this report. The new methodology covers project activities that recover and utilize methane-rich vapours from hydrocarbon storage tanks within existing (installed prior to 31 December 2020) oil production facilities, oil and gas pre-treatment facilities, gas processing plants, oil treatment facilities, liquid hydrocarbon storage and loading stations by use of vapour recovery units. The recommendation is based on the

⁴ <https://cdm.unfccc.int/methodologies/PAMethodologies/pnm/byref/NM0377>.

submission “NM0380: Recovery of methane-rich vapours from hydrocarbon storage tanks, separators or stabilization containers”. The history of the bottom-up submission can be viewed on the UNFCCC CDM website.⁵

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

19. The MP considered the revisions to large-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 large-scale methodologies and tools

Type	AM/AT	Title of request	Mandate	Status	Paragraph
Methodology	AM0027	Substitution of CO ₂ from fossil or mineral origin by CO ₂ from renewable sources in the production of inorganic compounds	EB 107 report, para. 36	Approval	20
Methodology	ACM0022	Alternative waste treatment processes	EB 107 report, para. 37	Approval	21
TOOL	TOOL06	Project emissions from flaring	EB 110 report, para. 39	Approval and call for public input	22
TOOL	TOOL23	Additionality of first-of-its-kind project activities	EB 108 report, para. 30 (c)	Work in progress	23
TOOL	TOOL24	Common practice	EB 108 report, para. 30 (c)	Work in progress	24
TOOL	TOOL27	Investment analysis	EB 85 report, para. 50	Work in progress	25

20. The MP recommended that the Board approve the revision of the methodology “AM0027: Substitution of CO₂ from fossil or mineral origin by CO₂ from renewable sources in the production of inorganic compounds”, as contained in annex 2 to this report. This work was carried out in response to the mandate by the Board at its 107th meeting (EB 107 report, para. 36) to clarify the source of baseline CO₂, expand the eligibility of sources of CO₂ in the baseline and address provisions that could potentially lead to claiming emission reductions from CO₂ sequestration.
21. The MP recommended that the Board approve the revision of the methodology “ACM0022: Alternative waste treatment processes”, as contained in annex 3 to this report. The work was carried out in response to the mandate by the Board at its 107th meeting (EB 107

⁵ <https://cdm.unfccc.int/methodologies/PAmethodologies/pnm/byref/NM0380>.

report, para. 37) to address inconsistencies and ambiguities identified in some parts of the methodology.

22. The MP recommended that the Board approve the top-down revision of the methodological tool “TOOL06: Project emissions from flaring”, as contained in annex 4 to this report. The MP also agreed to launch a call for public input on the draft revised tool, and any input will be discussed with the MP and forwarded to the Board for its consideration at its next meeting. The work was carried out in response to the mandate by the Board at its 110th meeting (EB 110 report, para. 39) to expand the scope of the tool to cover project emissions from hydrocarbons (non-renewable sources of methane).
23. The MP considered the top-down revision of the methodological tool “TOOL23: Additionality of first-of-its-kind project activities” and agreed to continue working on this issue at its next meeting. This work is being carried out in response to the mandate from the Board at its 108th meeting (EB 108, para. 30 (c)) to explore including an appropriate penetration threshold for the technology/measure.
24. The MP considered the top-down revision of the methodological tool “TOOL24: Common practice” and agreed to continue working on this issue at its next meeting. This work is being carried out in response to the mandate from the Board at its 108th meeting (EB 108, para. 30 (c)) to explore including an appropriate penetration threshold for the technology/measure.
25. The MP considered the revision of the methodological tool “TOOL27: Investment analysis” and agreed to continue working on this issue at its next meeting. 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 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)

26. The MP considered the clarifications (large-scale) as presented in table 4 below. The requests are available on the UNFCCC CDM website.⁶

Table 4. Status of requests for clarification (large-scale)

Submission number	AM/AT	Title of request	Status	Paragraph
AM_CLA_288	AM0045	Clarification on leakage emissions related to deforestation and reforestation in the interconnection of an isolated electricity system under AM0045	Clarified and To seek guidance from the Board	27 and 28
AM_CLA_289	AM0079	Clarification on sub-step 3(a) under establishing the discount factor for number of testing	Clarified	29

⁶ <https://cdm.unfccc.int/methodologies/PAmethodologies/clarifications/pending>.

27. The MP considered the request for clarification “AM_CLA_0288: Clarification on leakage emissions related to deforestation and reforestation in the interconnection of an isolated electricity system under AM0045” (regarding AM0045, version 02.0). The MP recommended that the Board approve the response to the request for clarification.
28. The MP, while working on the request for revision AM_CLA_0288, as referred to in paragraph 27 above, recognized that the current requirements of the methodology AM0045 that leakage emissions from deforestation in the construction of transmission lines shall be considered as a one-time emission in the first verification period, even when compensatory afforestation/reforestation measures undertaken may pose practical challenges for the implementation of grid interconnection/extension projects. The MP noted that under certain circumstances the leakage emissions due to clearing of land may substantially exceed the entire project activity emission reductions. The MP also noted that some projects aim to compensate by afforestation/reforestation of equivalent or larger area. In this regard, the MP agreed to seek guidance from the Board as to whether the MP should explore pragmatic options to address the leakage emissions in AM0045 without compromising the environmental integrity of emission reduction estimates. Such options, pending further analysis, may include allowing the accounting of emissions over a period of time instead of upfront, e.g. split over 20 years as provided for by IPCC guidelines in the case of soil organic carbon or over the crediting period(s) of the project. The MP is of the opinion that approaches such as undertaking afforestation/reforestation in equivalent or larger area as compared to deforested area, among others, may merit further consideration.
29. The MP considered the request for clarification “AM_CLA_0289: Clarification on sub-step 3(a) under establishing the discount factor for number of testing” (regarding AM0079, version 02.0). The MP recommended that the Board approve the response to the request for clarification.

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

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

30. The MP considered the draft new small-scale methodology, as presented in table 5 below.

Table 5. Status of the new small-scale methodologies and tools

Type	Submission	Title of request	Mandate	Status	Paragraph
Methodology	SSC-NM106	Change in smallholder cattle emissions intensity	N/A	Reject	31

31. The MP recommended that the Board reject the proposed new methodology “SSC-NM106: Change in smallholder cattle emissions intensity”. The proposed new methodology is intended for project activities that use strategic supplementation for large ruminants (cattle/buffalo) to reduce greenhouse gas emissions (methane emissions related to enteric fermentation). The reasons for rejection are outlined in the “Form: New baseline and monitoring methodology recommendation form”. The MP noted that the proponent may submit a new methodology after addressing the feedback provided in the recommendation form, in accordance with the “Procedure: Development, revision,

clarification and update of standardized baselines”. The history of this small-scale bottom-up request can be viewed on the UNFCCC CDM website.⁷

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

32. The MP considered the revisions to small-scale methodologies and tools, as presented in table 6 below, and, where applicable, took external expertise and public input into account.

Table 6. Status of revisions to small-scale methodologies and tools

Type	AM/AT	Title of request	Mandate	Recommendation	Paragraph
Methodology	AMS-III.AJ.	Recovery and recycling of materials from solid wastes	EB 108 report, para. 38	Call for public input/approval	33
Methodology	AMS-III.BA.	Recovery and recycling of materials from E-waste	EB 110 report, para. 43	Call for public input/approval	34
Methodology	AMS-I.E.	SSC_812: Revision request on the calculation of 'By' and the eligibility of grid-connected renewable electric cooking systems under AMS-I.E.	N/A	Reject	35

33. The MP agreed to launch a call for public input on the methodology “AMS-III.AJ.: Recovery and recycling of materials from solid wastes”, as contained in annex 5 to this report. If inputs are received, the inputs will be considered at MP 86 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 work was carried out in response to the mandate from the Board at its 108th meeting (EB 108 report, para. 38) that requested the MP to revise the methodology AMS-III.AJ to have consistent methods to determine the emission factors associated with the consumption of fossil fuel and with the consumption of electricity in the production of virgin plastics.

34. The MP agreed to launch a call for public input on the methodology “AMS-III.BA.: Recovery and recycling of materials from E-waste”, as contained in annex 6 to this report. If inputs are received, they will be considered at MP 86 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 work was carried out in response to the mandate from the Board at its 110th meeting (EB 110 report, para. 43) that requested

⁷ <https://cdm.unfccc.int/methodologies/SSCmethodologies/pnm/byref/SSC-NM106>.

the MP to revise the methodology to include consistent methods in determining the emission factors associated with the consumption of fossil fuel and consumption of electricity in the production of virgin plastics.

35. The MP recommended that the Board reject the request for revision "SSC_812: Revision request on the calculation of 'By' and the eligibility of grid-connected renewable electric cooking systems under AMS-I.E." (regarding methodology "AMS-I.E.: Switch from non-renewable biomass for thermal applications by the user", version 11.0). The reasons for rejection are outlined in the "Form: Approved baseline and monitoring methodology/methodological tool revision recommendation form". The history of this small-scale bottom-up request can be viewed on the UNFCCC CDM website.⁸

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

36. The MP considered the clarification (small-scale) as presented in table 7 below. The request is available on the UNFCCC CDM website.⁹

Table 7. Status of requests for clarification (small-scale)

Submission number	AM/AT	Title of request	Status	Paragraph
SSC_814	AMS-II.E	Clarification on addition of new buildings within a school under AMS-II.E.	Clarified	37

37. The MP considered the request for clarification "SSC_814: Clarification on addition of new buildings within a school under AMS-II.E." (regarding AMS-II.E., version 12.0). The MP recommended that the Board approve the response to the request for clarification.

Agenda item 3.1.1. Post-registration changes

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

Agenda item 3.2. Other issues

40. The MP recommended that the Board consider the concept note "Analysis and options regarding caps used in AMS-I.E, AMS-II.G and TOOL30", as contained in annex 7 to this report. The work was carried out in response to the mandate from the Board at its 108th meeting (EB 108 report, para. 37) requesting the MP to conduct additional analysis to explore alternative options regarding caps used in AMS-I.E, AMS-II.G and TOOL30.

⁸ <https://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/51212>.

⁹ <https://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/pending>.

Agenda item 4. Conclusion of the meeting

41. The members of the MP adopted the report of MP 85. The report and annexes will be available on the UNFCCC CDM website.
42. The Chair of the MP closed the meeting.

Annexes to the report

- Annex 1 - AM00XX: Recovery of methane-rich vapours from hydrocarbon storage tanks
- Annex 2 - AM0027: Substitution of CO₂ from fossil or mineral origin by CO₂ from renewable sources in the production of inorganic compounds
- Annex 3 - ACM0022: Alternative waste treatment processes
- Annex 4 - TOOL06: Project emissions from flaring
- Annex 5 - AMS-III.AJ.: Recovery and recycling of materials from solid wastes
- Annex 6 - AMS-III.BA.: Recovery and recycling of materials from E-waste
- Annex 7 - Concept note: Analysis and options regarding caps used in AMS-I.E, AMS-II.G and TOOL30

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