CDM-MP88

Meeting report

Methodologies Panel eighty-eighth meeting

Version 01.0

Date of meeting: 28 to 30 June 2022

Place of meeting: Bonn, Germany



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 Vice-Chair of the Methodologies Panel (MP), Mr. El Hadji Mbaye Diagne, opened the meeting.
- 2. Table 1 below represents attendance at the meeting, which was held from 28 to 30 June 2022 in Bonn, Germany.

Table	1.	Attendance

Chair/Vice-Chair	Members
Ms. Natalie Kushko (Chair) ^(a)	Mr. Amr Osama Abdel-Aziz
Mr. El Hadji Mbaye Diagne (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 Kiwuwa Ntabadde
	Mr. Sudhir Sharma
	Mr. Thomas Grammig
	Ms. Yuko Nagata

^(a) Attended the meeting virtually

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 United Nations Framework Convention on Climate Change (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 113th and 114th meetings of the Executive Board of the CDM (hereinafter referred to as the Board) that were relevant to the MP.

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

- 6. The MP noted the following process, which was agreed by the Board at its 114th meeting (EB 114), as part of measures to improve the clarity and consistency of methodological products:
 - (a) Regarding strengthening the operational aspects of the existing provisions:
 - (i) Task list for each meeting to be prepared and circulated at least three weeks before the meeting date, to allow the MP members prepare for the meeting;
 - (b) Regarding the measures to ensure that responsibilities for signing-off on MP products are more inclusive:
 - (i) MP products are to be finalized and signed off by assigned small-group members before the final plenary of the MP meeting;
 - (ii) Members working on a document/agenda should be authorized as:
 - a. Assigned members who are responsible for between-meetings work and sign-off of the products;
 - b. In-meeting small group members who are interested in the agenda item or product and contribute to the issue by joining the small group meetings during the meeting;
 - (c) Methodological products (e.g. concept notes, information notes, draft new or revised methodologies and tools) prepared by the secretariat and the MP are to be reviewed by professional editors for editorial improvement.

Agenda item 2.2. Upcoming deadlines of relevance to stakeholders

- 7. The MP took note that the dates of MP 89 are from 27 to 29 September 2022.
- 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 89 is eight weeks prior to the meeting;
 - (b) The deadline for the submission of requests for revision to be considered at MP 89 is eight weeks prior to the meeting;
 - (c) The deadline for the submission of requests for clarification to be considered at MP 89 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 methodologies and methodological tools, see the multiple links under the "Large-scale methodologies" heading. For information related to small-scale

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

methodologies and methodological tools, 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 overview of the top-down and bottom-up proposed standardized baselines.
- 12. The MP took note of the update on the relevant regulatory matters finalized since the last meeting of the MP (MP 87):
 - (a) Fast-track clarification by the MP: "AM_CLA_0298: Clarification on the use of a waste gas under AM0063";
 - (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

- 13. The MP took note that no proposed standardized baselines were to be considered at this meeting.
- 14. The MP recommended that the Board consider the concept note "Ensuring the consistency in definitions of market penetration metrics and thresholds for additionality demonstration", as contained in <u>annex 1</u> to this report. The MP also agreed to launch a call for public input on the proposed changes to the relevant methodologies and tools as shown in the concept note, and any input received will be discussed with the MP and forwarded to the Board for its consideration. This work was carried out in response to the mandate by the Board at EB 113 (see EB 113 meeting report, para. 37) and also covers the mandate by the Board at EB 110 (EB 110 report, para. 30) and EB 108 (EB 108 report, para. 30 (c)).
- 15. The MP initiated work on the development of a new methodology in response to the mandate from the Board, at EB 113 (EB 113 meeting report, para. 48) either to revise "ACM0002: Grid-connected electricity generation from renewable sources" or develop a new methodology to clarify the applicability and requirements in relation to the wheeling and banking of renewable electricity fed into the grid by the project activity before its use and agreed to continue working on this issue at its next meeting. The MP also agreed to submit the new methodology, together with the revised response to the request for clarification AM_CLA_0297, for consideration by the Board (see para. 24 below) at a future meeting.

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

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

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

16. 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

Туре	Submission	Title of the request	Mandate	Status	Paragraph
Methodology	NM0381	Emission reduction by hydrogen production from renewable energy sources	Bottom-up submissions	Work in progress	17

17. The MP considered the proposed new large-scale methodology "NM0381: Emission reduction by hydrogen production from renewable energy sources" and agreed to continue working on the proposed methodology at its next meeting, subject to further information being received from the proponent of the methodology. The proposed new methodology is intended for project activities that produce hydrogen through water electrolysis using renewable electricity. The history of this bottom-up submission can be viewed on the UNFCCC CDM website.⁴

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

18. The MP considered the revisions to large-scale methodologies and methodological tools, as presented in table 3 below, and, where applicable, took external expertise and public input into account.

Туре	AM/AT	Title	Mandate	Status	Paragraph
Methodology	AM0122	Recovery of methane-rich vapours from hydrocarbon storage tanks	EB 113 meeting report, para. 46	Call for public input/approval	19
ΤοοΙ	TOOL 27	Investment analysis	EB 112 meeting report, para. 26	Work in progress	20
ΤοοΙ	TOOL 33	Default values for common parameters	EB113 meeting report, para. 40	Approval and call for public input	21

 Table 3.
 Status of revisions to large-scale methodologies and tools

⁴ <u>https://cdm.unfccc.int/methodologies/PAmethodologies/pnm/byref/NM0381</u>.

Туре	AM/AT	Title	Mandate	Status	Paragraph
Methodology	ACM0002	Grid-connected electricity generation from renewable sources	Bottom-up submission	Approval	22

- 19. The MP agreed to launch a call for public input on the methodology "AM0122: Recovery of methane-rich vapours from hydrocarbon storage tanks", as contained in <u>annex 2</u> to this report. If inputs are received, the inputs will be considered at MP 89 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 by the Board at EB 113 (EB 113 meeting report, para. 46), to include guidance related to project emissions from flaring of hydrocarbons (non-renewable source).
- 20. The MP considered the top-down revision of "TOOL27: Investment analysis" and agreed to continue its work on the update of the default values for expected return on equity at its next meeting. The work is being carried out in response to the mandate by the Board at EB 112 (EB 112 report, para. 26) to further work on the tool, ensuring consistency and comparability with the approach used for the remainder of the countries and recommend the revised tool.
- 21. The MP recommended that the Board approve the top-down revision of the methodological tool "TOOL33: Default values for common parameters", as contained in <u>annex 3</u> 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. The work was carried out in response to the mandate by the Board at EB 113 (EB 113 meeting report, para. 40), to elaborate the principles of conservativeness of values that will be applied depending on the level of uncertainty of underlying data. The draft revised tool also includes default values contained in methodologies and tool referred to in paragraph 30 below.
- 22. The MP recommended that the Board approve the revised methodology "ACM0002: Gridconnected electricity generation from renewable sources", as contained in <u>annex 4</u> to this report. This revision is based on the bottom-up submission "AM_REV_0261: Revision to ACM0002 to include battery energy storage systems (BESS) to greenfield and existing renewable power generation power plants". The history of this large-scale bottom-up request can be viewed on the UNFCCC CDM website.⁵

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

23. The MP considered the clarifications (large-scale) as presented in table 4 below. The request is available on the UNFCCC CDM website.⁶

⁵ https://cdm.unfccc.int/methodologies/PAmethodologies/revisions/16857.

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

Submission number	AM/AT	Title of request	Status	Paragraph
AM_CLA_0297	ACM0002	Clarification regarding application of ACM0002 for captive purpose	Work in progress	24
AM_CLA_0299	AM0073	Clarification on the application of the monthly average temperature in AM0073	Clarified	25

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

- 24. The MP agreed to consider the request for clarification "AM_CLA_0297: Clarification regarding application of ACM0002 for captive purpose" (regarding ACM0002, ver. 20.0) when the work on new methodology (see para. 15 above) is concluded in order to submit the revised response to the request for clarification AM_CLA_0297 together with the new methodology in accordance with the request of the Board at EB 113 (EB 113 meeting report, para. 48).
- 25. The MP considered the request for clarification "AM_CLA_0299: Clarification on the application of the monthly average temperature in AM0073" (regarding AM0073, ver. 01.0). 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)

26. The MP considered the new small-scale methodology as presented in table 5 below and, where applicable, took external expertise and public input into account.

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

Туре	Submis sion	Title of request	Mandate	Status	Paragraph
Methodology	SSC- NM107	Emission reduction by hydrogen fuel cell vehicles	N/A	Approval	27

27. The MP recommended that the Board approve the draft new methodology "SSC-III.XX: Hydrogen fuel cell vehicles", as contained in <u>annex 5</u> to this report. The new methodology covers the project activities that aim to introduce a fleet of vehicles using hydrogen fuel cells such as buses, commuter vans or taxis used for public transport and trucks used for freight transport, food delivery or waste collection. The recommendation is based on the submission "SSC-NM107: Emission reduction by hydrogen fuel cell vehicles". The history of this bottom-up submission can be viewed on the UNFCCC CDM website.⁷

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

28. The MP considered the revisions to small-scale methodologies and tools, as presented in table 6 below.

⁷ https://cdm.unfccc.int/methodologies/SSCmethodologies/pnm/byref/SSC-NM107.

Туре	AM/AT	Title of request	Mandate	Recommendation	Paragraph
Methodology	AMS-I.A.	Electricity generation by the user	EB 113 meeting report, para. 40	Approval and call for public input	29
Methodology	AMS-I.B.	Mechanical energy for the user with or without electrical energy	EB 113 meeting report, para. 40	Approval and call for public input	29(b)
Methodology	AMS-I.F.	Renewable electricity generation for captive use and mini-grid	EB 113 meeting report, para. 40	Approval and call for public input	29(c)
Methodology	AMS-I.L.	Electrification of rural communities using renewable energy	EB 113 meeting report, para. 40	Approval and call for public input	29(d)
Methodology	AMS- III.AR.	Substituting fossil fuel- based lighting with LED/CFL lighting systems	EB 113 meeting report, para. 40	Approval and call for public input	29(e)
Methodology	AMS- III.AW.	Electrification of rural communities by grid extension	EB 113 meeting report, para. 40	Approval and call for public input	29(f)
Methodology	AMS- III.BB.	Electrification of communities through grid extension or construction of new mini-grids	EB 113 meeting report, para. 40	Approval and call for public input	29(g)
Methodology	AMS- III.BL.	Integrated methodology for electrification of communities	EB 113 meeting report, para. 40	Approval and call for public input	29(h)

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

Туре	AM/AT	Title of request	Mandate	Recommendation	Paragraph
Methodology	AMS-I.E.	Switch from non-renewable biomass for thermal applications by the user	N/A	Approval and call for public input	30(a)
Methodology	AMS-II.G.	Energy efficiency measures in thermal applications of non-renewable biomass	N/A	Approval and call for public input	30(b)
Methodology	AMS- III.BG.	Emission reduction through sustainable charcoal production and consumption	N/A	Approval and call for public input	30(c)
Methodology	TOOL30	Calculation of the fraction of non-renewable biomass	N/A	Approval and call for public input	30(d)
Methodology	AMS-III.R.	Methane recovery in agricultural activities at household/sma Il farm level	Bottom-up submission	Work in progress	31
Methodology	AMS- III.AJ.	Recovery and recycling of materials from solid wastes	Bottom-up submission	Approval	32

- 29. The MP recommended that the Board approve a top-down revision of the methodologies listed below. The MP also agreed to launch a call for public input on the draft revised methodologies, and any input received will be discussed with the MP and forwarded to the Board for its consideration. The work was carried out in response to the mandate provided by the Board at its EB 113 (EB 113 meeting report, para. 40), to revise affected methodologies to refer to TOOL33 due to the adoption of "TOOL33: Default values for common parameters".
 - (a) "AMS-I.A.: Electricity generation by the user", as contained in <u>annex 6</u> to this report;

- (b) "AMS-I.B.: Mechanical energy for the user with or without electrical energy", as contained in <u>annex 7</u> to this report;
- (c) "AMS-I.F.: Renewable electricity generation for captive use and mini-grid", as contained in <u>annex 8</u> of this report;
- (d) "AMS-I.L.: Electrification of rural communities using renewable energy", as contained in <u>annex 9</u> to this report;
- (e) "AMS-III.AR.: Substituting fossil fuel-based lighting with LED/CFL lighting systems", as contained in <u>annex 10</u> to this report;
- (f) "AMS-III.AW.: Electrification of rural communities by grid extension", as contained in <u>annex 11</u> to this report;
- (g) "AMS-III.BB.: Electrification of communities through grid extension or construction of new mini-grids", as contained in <u>annex 12</u> to this report;
- (h) "AMS-III.BL.: Integrated methodology for electrification of communities", as contained in <u>annex 13</u> to this report.
- 30. The MP recommended that the Board approve top-down revisions of the methodologies and tool listed below. The MP also agreed to launch a call for public input on the draft revised methodologies and tool, and any input received will be discussed with the MP and forwarded to the Board for its consideration. The work was carried out based on the proposal contained in the concept note "Review of default baseline assumptions applied in AMS-I.E, AMS-II.G and TOOL30", as referred to in paragraph 38 below to move the default values contained in AMS-I.E, AMS-II.G, AMS-II.G, AMS-II.BG and TOOL30 to "TOOL33: Default values for common parameters" (see also para. 21 above).
 - (a) "AMS-I.E.: Switch from non-renewable biomass for thermal applications by the user", as contained in <u>annex 14</u> to this report;
 - (b) "AMS-II.G.: Energy efficiency measures in thermal applications of non-renewable biomass", as contained in <u>annex 15</u> to this report;
 - (c) "AMS-III.BG.: Emission reduction through sustainable charcoal production and consumption", as contained in <u>annex 16</u> to this report;
 - (d) "TOOL30: Calculation of the fraction of non-renewable biomass", as contained in <u>annex 17</u> to this report.
- 31. The MP considered bottom-up submission "SSC_826: Revision of AMS-III.R. to provide further clarity on monitoring requirements for biogas digester systems" for the revision of the methodology "AMS-III.R.: Methane recovery in agricultural activities at household/small farm level" (ver. 04.0) and agreed to continue working on this issue at its next meeting. The history of this small-scale bottom-up request can be viewed on the UNFCCC CDM website.⁸
- 32. The MP recommended that the Board approve the revised methodology "AMS-III.AJ.: Recovery and recycling of materials from solid wastes", as contained in <u>annex 18</u> to this

⁸ https://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/05693.

report. The revision is based on the bottom-up submission "SSC_829: Revision to include the recycling of PVC (Polyvinylchloride) in AMS-III.AJ.". The history of this small-scale bottom-up request can be viewed on the UNFCCC CDM website.⁹

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

33. The MP considered the clarifications (small-scale) as presented in table 7 below. The requests are available on the UNFCCC CDM website.¹⁰

Submission number	AM/AT	Title of request	Status	Paragraph
SSC_827	AMS-I.F. and AMS- III.C.	Clarification on the application of AMS-I.F. to calculate baseline emission of projects involving electric/hybrid vehicles under AMS-III.C.	Clarified	34
SSC_830	AMS- III.AV.	Clarification on the approach to determine the parameter Py (Population that consumes the purified water) under AMS- III.AV.	Clarified	35

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

- 34. The MP considered the request for clarification "SSC_827: Clarification on the application of AMS-I.F. to calculate baseline emission of projects involving electric/hybrid vehicles under AMS-III.C." (regarding AMS-I.F., ver. 03.0 and AMS-III.C., ver. 15.0). The MP recommended that the Board approve the response to the request for clarification.
- 35. The MP considered the request for clarification "SSC_830: Clarification on the approach to determine the parameter Py (Population that consumes the purified water) under AMS-III.AV." (regarding AMS-III.AV., ver. 06.0). The MP recommended that the Board approve the response to the request for clarification.

Agenda item 3.1.1. Post-registration changes

36. 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

37. 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

38. The MP recommended that the Board consider the concept note "Review of default baseline assumptions applied in AMS-I.E, AMS-II.G and TOOL30", as contained in

⁹ https://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/54150.

¹⁰https://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/pending.

<u>annex 19</u> to this report. The concept note provides a review of scientific literature and CDM documentation regarding the default values contained in AMS-I.E, AMS-II.G, AMS-III.BG and TOOL30 (e.g. the wood-to-charcoal conversion factor, the average annual consumption of woody biomass per person, the fraction of non-renewable biomass, efficiency of pre-project device, and the uncertainty factor on account of stove stacking), and based on the analysis, recommends updates to the default values. The work was carried out in response to the mandate from the Board at EB 108 (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, and also covers a mandate from the Board at its EB 111 (EB 111 report, para. 26).

39. The MP deeply appreciated the presentation by Mr. Francisco Boshell from the International Renewable Energy Agency (IRENA), titled "Quality Infrastructure for Green Hydrogen: technical standards and quality control for the production and trade of renewable hydrogen" and thanked him for his valuable contribution.

Agenda item 4. Conclusion of the meeting

- 40. The members of the MP adopted the report of MP 88. The report and annexes will be available on the UNFCCC CDM website.
- 41. The Chair of the MP closed the meeting.

Annexes to the report

- Annex 1 Concept note: Ensuring the consistency in definitions of market penetration metrics and thresholds for additionality demonstration
- Annex 2 AM0122: Recovery of methane-rich vapours from hydrocarbon storage tanks
- Annex 3 TOOL33: Default values for common parameters
- Annex 4 ACM0002: Grid-connected electricity generation from renewable sources
- Annex 5 SSC-III.XX: Hydrogen fuel cell vehicles
- Annex 6 AMS-I.A.: Electricity generation by the user
- Annex 7 AMS-I.B.: Mechanical energy for the user with or without electrical energy
- Annex 8 AMS-I.F.: Renewable electricity generation for captive use and mini-grid
- Annex 9 AMS-I.L.: Electrification of rural communities using renewable energy
- Annex 10 AMS-III.AR.: Substituting fossil fuel-based lighting with LED/CFL lighting systems
- Annex 11 AMS-III.AW.: Electrification of rural communities by grid extension
- Annex 12 AMS-III.BB.: Electrification of communities through grid extension or construction of new mini-grids
- Annex 13 AMS-III.BL.: Integrated methodology for electrification of communities
- Annex 14 AMS-I.E.: Switch from non-renewable biomass for thermal applications by the user
- Annex 15 AMS-II.G.: Energy efficiency measures in thermal applications of non-renewable biomass
- Annex 16 AMS-III.BG.: Emission reduction through sustainable charcoal production and consumption
- Annex 17 TOOL30: Calculation of the fraction of non-renewable biomass
- Annex 18 AMS-III.AJ.: Recovery and recycling of materials from solid wastes
- Annex 19 Concept note: Review of default baseline assumptions applied in AMS-I.E, AMS-II.G and TOOL30

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