

Agenda item 4.1. (c) (ii)

Paragraph 31 of the annotated agenda

Draft revision to TOOL19: Demonstration of additionality of microscale project activities

CDM EB 101

Katowice, Poland, 26 to 29 November 2018



Key issue and proposed solution

- EB99 requested MP to **assess thresholds** in Tool 19 "Demonstration of additionality of **microscale** project activities" to replace unit size criterion in the positive list as was done in Tool21 "Demonstration of additionality of small-scale project activities"
- TOOL19 besides **Microscale size thresholds** (5MW, 20GWh/y, 20ktCO₂e/y as **approved by CMP**) has 4 additional conditions:
 - i. Is it implemented in LDC/SIDS or a SUZ?
 - ii. Does it **involve distributed units** ($\leq 1500\text{kW}$ (10% of SSC) or $\leq 600\text{ MWh/y}$ (1% of SSC) or $\leq 600\text{ tCO}_2\text{e/y}$ (1% of SSC) and end users are Households / communities / SMEs;
 - iii. Does it comprise specific grid connected RET recommended by the host country and approved by the Board?
 - iv. Is it implemented in an off-grid area ($\leq 12\text{ hrs/day}$ grid availability) supplying to households /communities?



Key issue and proposed solution

- MP recommended to EB 100:
 - Remove percentage thresholds relying on size;
 - Limit the provision to households/communities and exclude SMEs;
 - Does it involve ~~distributed units ($\leq 1500\text{kW}$ (10%) or $\leq 600\text{ MWh/y}$ (1%) or $\leq 600\text{ tCO}_2\text{e/y}$ (1%))~~ and end users as Households / communities / ~~SMEs~~
- EB 100 tasked MP to revise:
 - identify specific technologies for positive list to replace size thresholds in paragraph 8 (c), 9 (b) and 10 (b) of the TOOL19;
 - conduct an analysis with a view to maintain the applicability for small and medium enterprises (SMEs).



Key issues and proposed solutions

- Under TOOL21:
 - **EB 99 approved the below positive list**
 - biogas digesters for cooking,
 - micro-irrigation, and
 - energy efficient pump-set for agriculture,.
 - **EB 100 further approved the below positive list** for inclusion in specific small-scale methodologies
 - solar water heating system,
 - high efficiency biomass fired devices,
 - solar lamps and
 - water purification devices.
- Rationale for automatic additionality of these technologies in Tool21 would also be applicable in context of TOOL19.



Key issues and proposed solutions

- 2 options considered by MP to replace thresholds with specific list of technologies:
 - **Option 1:** Technologies in TOOL21; or
 - **Option 2:** Technologies in TOOL21 and in specific small-scale methodologies
- **Option 1 will lead to reduced applicability of TOOL19** i.e. efficient cook stoves will no longer be eligible for ‘Application of microscale thresholds at unit level of CPAs’.
- **No rationale to exclude option 2** as penetration rate check specified by respective methodologies are also applied. Therefore MP recommends option 2
- List of specific technologies to replace thresholds is included in para 8 (c), 9 (b) and 10 (b) of TOOL19.



Key issues and proposed solutions

- MP recommended relevant requirements related to determination of penetration of technology/measure in an Appendix of TOOL19 based on respective methodologies
 - ‘Solar lamps’ (AMS-III.AR),
 - ‘High efficiency biomass fired devices’ (AMS-I.E, AMS-II.G) and
 - ‘Solar water heating systems’ (AMS-I.J)
- MP also undertook editorial corrections in TOOL19.



Impacts

- Proposed changes will **ensure consistency** between TOOL19 and TOOL21.
- Changes will also result in more efforts for additionally demonstration by PPs outside of LDCs, SIDS and SUZ, if following microscale project activities being undertaken by households, communities, and SMEs:

Type II:

- Supply side EE improvements in electricity generation (AMS II.B);
- Installation of new EE equipment (e.g. refrigerators, motors, fans, air conditioners, pumping systems and chillers) (AMS II.C);
- EE and fuel switch measures for buildings (AMS II.E);
- EE and fuel switch measures for agricultural facilities/activities (AMS II.F);
- Efficient lighting technologies (AMS II.J);
- Efficient outdoor and street lighting technologies (AMS II.L);
- EE by installation of low-flow hot water savings devices (AMS II.M);
- Dissemination of EE household appliances (AMS II.O);
- EE space heating measures for residential buildings (AMS II.R).



Type III:

- Fuel switch measures (AMS-III.B);
- Avoidance of methane emissions through composting (AMS-III.F);
- Avoidance of methane release from charcoal production AMS- (III.K);
- Methane recovery in agricultural activities at household/small farm level (AMS-III.R);
- Introduction of low-emission vehicles/technologies to commercial vehicle fleets (AMS-III.S);
- EE and HFC-134a Recovery in Residential Refrigerator (AMS-III.X);
- EE and RE measures in new residential buildings (AMS-III.AE);
- Recovery and recycling of materials from solid wastes (AMS III.AJ);
- Methane emission reduction by adjusted water management practice in rice cultivation (AMS III.AU);
- Electrification of rural communities by grid extension (AMS III.AW);

contd..



Type III:

- Methane oxidation layer for solid waste disposal sites (AMS III.AX);
- Recovery and recycling of materials from E-waste (AMS III.BA);
- Electrification of communities through grid extension or construction of new mini-grids (AMS III.BB);
- Improved efficiency of vehicle fleets (AMS III.BC);
- Sustainable charcoal production and consumption (AMS III.BG);
- Electrification of communities (AMS III.BL).

- Further observation on the impacts
 - No stakeholder inputs on above changes except on the exclusion of water purification methodologies (ongoing work)
 - Stakeholders can propose addition of technologies at any time (to be reflected in procedures)



Recommendations to the Board

- MP recommends that the Board **to approve** the revised draft methodological tool.

