



**Training-Workshop on CDM Post-registration Changes (PRCs)
and Programme of Activities (PoAs)
12-14 February 2014 - Pretoria, South Africa**

PoA Case Study 1 - Additionality and eligibility criteria

Guidance to carry out the case study

- Read the relevant information on the PoA and the reference regulatory documents provided for the case study.
- After reading the documents, discuss the questions asked within your group and then try to answer them individually.
- A plenary discussion will follow where selected members of your group can present your results.
- The facilitators will comment on your results and compare them with the ones suggested by the UNFCCC secretariat.

Case Study 1a

Brief description of the PoA

This small-scale PoA is a programme for the installation of residential solar water heaters (SWH) in households and existing communal water supply facilities. The SWH will displace fossil fuels and carbon intensive electricity generated by off-grid facilities, thereby reducing GHG emissions. In addition, the project will provide households with a flexible and in-house supply of hot water. It will also support the unstable SWH sector in country A and promote new investment in renewable energy projects.

A typical SSC-CPA employs state-of-the art and recognized solar water heating technology, which converts solar radiation into thermal energy for the heating of domestic water. All SWH in a typical SSC-CPA under the PoA are produced either by domestic companies or by foreign companies and imported by companies based in countries A and B.

The coordinating managing entity (CME) of the PoA is the National Agency for Energy Conservation. There is no mandatory requirement for the installation of SWH and no sectoral/national policies or incentives impact the PoA. The SWH implemented in a typical SSC-CPA under the PoA are purchased by households who apply voluntarily to the PoA, through a Municipal Programme which facilitates the purchase by allowing bi-monthly payments.

The PoA uses the small-scale methodology AMS-I.J. "Solar water heating systems (SWH)", version 01. As defined in AMS.I.J, the baseline scenario is the following:

- For SWH project(s) that replace existing electric or fossil fuel based water heating system(s) in existing facility(ies), the baseline system(s) are the operating water heating system(s) and fuel source (fossil fuel or electricity) that existed immediately prior to the start of the SWH project activity.
- For new construction projects, the baseline system and fuel source (fossil fuel or electricity) assumed to be used for water heating is one that is demonstrated to be typical of new construction, for the given project activity as defined in paragraph 2 (b) of AMS-I.J, in the region of the project activity at



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the time of the start of the project activity. Such demonstration shall include that typical water heating systems in the project region are not solar water heating systems.

A database has been set up by the CME's technical team for the PoA. It includes the following information for each SWH installed in a SSC-CPA:

- Name of its owner
- Location of the installation
- Installation date
- Supplier and type
- Serial number
- Contract between the CME and the owner of the SWH mentioning that the SWH programme benefits from the CDM.

Finally, the CME organizes inspections of a sample of SWH each month in order to control the installations. Customer feedback is received directly during these visits. Inspection entails visiting households, talking to customers about system performance and use, and identifying any problems with the SWH. Problems, if any, are registered and solutions administered.

A. Demonstration of additionality for a typical CPA in the PoA-DD

- **Reference regulatory documents**

1. *“Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”, Version 3.0 (CDM-EB74-A05) - section 3.1, paras. 8 – 9, 11*
2. *“Guidelines for demonstrating additionality of microscale project activities”, Version 04.0 (EB 68, Annex 26)*
3. *“Guidelines on the demonstration of additionality of small-scale project activities”, Version 9.0 (EB 68, Annex 27) - para. 2(c)*
4. *“AMS.IJ “Solar water heating systems (SWH)”, ver. 1.0 (EB 60, Annex 17) - para. 4.*

- **Questions:**

1. What are the key attributes of the typical CPA in a PoA that determine the choice of additionality-related guidelines or tools that the eligibility criteria related to additionality should derive from?
2. What are the most appropriate additionality-related guidelines or Tools (or combination) that can be applied to demonstrate the additionality of this PoA?
3. Under what circumstances will the CPAs under this technology qualify under the “positive list” of technologies? What will be the applicable guidelines in that case?

B. Developing the eligibility criteria



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- **Reference regulatory documents**

1. *“Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”, Version 3.0 (CDM-EB74-A05) - section 3.1, para. 16-18*
2. *“General guidelines for SSC CDM methodologies”, Version 20.0 (CDM-EB76-A11) - section 4.2, para. 11*
3. *“CDM Project Standard”, version 5 (CDM-EB65-A0-STAN)- section 3.2.1, para. 82(d):*
4. *“AMS.IJ “Solar water heating systems (SWH)”, ver. 1.0 (EB 60, Annex 17) - paras. 1-5, 10*

- **Questions:**

1. How would you formulate the key elements of the eligibility criteria for CPA inclusion in this PoA?
2. What are the key attributes of the eligibility criteria according to the guidelines?

C. Updating the eligibility criteria

- **Reference regulatory documents**

1. *“CDM Project Cycle Procedure, version 5”, CDM-EB65-A32-PROC - section 6.2.1, paras. 130 (b), 131-133*
2. *“Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”, Version 3.0 (CDM-EB74-A05) - section 3.2.2, para. 23-24*

- **Questions:**

1. Could other countries be included later under this PoA? If yes, how is this done?
2. If such change is done, how will the CME update the eligibility criteria to reflect the consequent changes?
3. Once the changes are approved, will the updated eligibility criteria apply to both new and old CPAs?



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Case Study 1b

1. Brief description of the PoA

The Programme of Activity (PoA) implements new small scale run-of-river and reservoir type hydro power plants at various locations in Moonland. The electricity generated will be supplied to Moonland national grid. The first CDM Programme Activity (CPA) installs a 14MW (2x7MW) run-of-river type hydro power plant and leads to emission reductions of 28,600 tCO₂e/year.

The PoA implements new renewable energy grid connected hydro power plants. According to AMS I.D v.17, the baseline scenario is the electricity delivered to the grid by the project activity that otherwise would have been generated by the operation of grid-connected power plants and by the addition of new generation sources.

Moonland Water Authority (MWA) will be the coordinating managing entity. As per the scheme, an individual CPA can comprise of one or more new hydropower plants with the overall capacity not exceeding 15MW at any time during the crediting period.

Description of the first CPA

Neptune Joint Stock Company proposes to implement a new small scale run-of-river hydro power plant with an installed capacity of 14MW (2x7MW) located at Neptune Commune, Mars District, Moon Province, Moonland. This is the first small scale CPA being included by MWA as the coordinating managing entity. Currently there is no other CPA with the same technology within 1 km of distance from the proposed CPA. Hence, the proposed small scale CPA is not deemed to be a de-bundled component of a large scale activity.

A. Demonstration of additionality for a typical CPA in the PoA-DD

- **Reference regulatory documents**

1. *“Guidelines for demonstrating additionality of microscale project activities”, Version 04.0 (EB 68, Annex 26) - para. 2*
2. *“Guidelines on the demonstration of additionality of small-scale project activities”, Version 9.0 (EB 68, Annex 27), para. 1-2*
3. *“Guidelines on the Assessment of Investment Analysis” version 5 (EB 62 Annex 5)*

- **Questions:**

1. How should the additionality be demonstrated for the typical CPAs in this PoA?



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2. If investment analysis is used to demonstrate investment barrier, what are the options for demonstrating additionality of each CPA?

B. Developing the eligibility criteria

- **Reference regulatory documents**

1. “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”, Version 3.0 (CDM-EB74-A05) - para. 16-18, 23-24
2. “AMS-I.D. “Grid connected renewable electricity generation”, ver. 17 - paras. 1-8
3. “Guidelines on the demonstration of additionality of small-scale project activities”, Version 9.0 (EB 68, Annex 27)
4. “Guidelines for demonstrating additionality of microscale project activities”, Version 04.0 (EB 68, Annex 26) - para. 2 (a)

- **Questions:**

1. How would you formulate the key elements of the eligibility criteria for CPA inclusion in this PoA?
2. Does the first CPA meet the key eligibility criteria for CPA inclusion? If yes, how?

C. Updating the eligibility criteria

- **Reference regulatory documents**

1. “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities”, Version 3.0 (CDM-EB74-A05) - para. 23 - 24

- **Question:**

1. What happens if the version of the methodology applied by the PoA is revised?

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