Additionality for microscale and small-scale project activities
Regulatory framework and role of the DNAs

LATIN AMERICA AND THE CARIBBEAN REGIONAL DNA TRAINING
Best Western Belize Biltmore Plaza Hotel
Belize City, Belize
22 October 2012
Learning objectives

By the end of this presentation you should be able to:

1) Identify what are microscale project activities

2) Identify the lists of small-scale and microscale project activities that are automatically additional in your country

3) Describe the procedure to submit a recommendation of microscale renewable energy technologies for automatic additionality to the CDM Executive Board

4) Describe the roles of the DNA to promote small-scale and microscale project activities in your country
Types of CDM projects

**Type I**

*Renewable energy*
- Solar electricity
- Solar water heaters
- Wind electricity
- Biogas for cooking

**Type II**

*Energy efficiency*
- Efficient light bulbs
- Efficient machinery
- Efficient cookstoves
- Using waste energy

**Type III**

*Others*
- Switch of fossil fuel
- Methane destruction
- Methane recovery
- Composting
Additionality for Microscale Project Activities
Microscale Additionality Guidelines

Microscale thresholds:

- \( \leq 5 \text{ MW} \) (renewable energy, type I),
- \( \leq 20 \text{ GWh/yr} \) (energy efficiency, type II),
- \( \leq 20 \text{ kt CO2e/yr} \) (others, type III with 4 exceptions)

Automatically additional if:

1. Geographical location is LDC, SIDS or special underdeveloped zone (SUZ); or
2. Off-grid energy generation projects for households/communities; or
3. Projects where users are households/communities/SMEs (with limits); or
4. Renewable electricity generation technologies with low share in grid mix, recommended by DNAs and approved by the CDM Executive Board (para 2d)

EB68, Annex 26, “Guidelines for demonstrating additionality of microscale project activities”
LDCs and SIDS in Latin America and the Caribbean

- In LDCs and SIDS (16 in the LAC region) the technologies are already additional.

- 2(d) applies to 17 Latin American and Caribbean (LAC) countries:
  - Chile, Uruguay, Brazil, and Peru have already submitted.
  - Chile and Uruguay have received approval.
2(d) Projects employing renewable electricity generation technologies <= 5 MW, recommended by the host country DNA and approved by the Board:

1. Grid-connected
2. Ratio of installed capacity (MW) of the RE technology in the total installed grid-connected capacity (MW) in the host country <= 3%.
3. Most recent available data used, not older than 3 years.
4. References to sources of information must be included.
5. Provide the required data through the existing form (F-CDM-PRT).

- Approved technologies/measures are valid for 3 years. Approved projects are additional for the entire crediting period.
Submission of recommendation by DNAs

- Duly completed submission form (F-CDM-PRT)\(^1\)
- **Most recent available data**, not older than 3 years, on % of contribution of the proposed specific renewable energy technologies in the total installed grid-connected power generation capacity in the country
- Any additional supporting documentation

Submit to secretariat@unfccc.int until the new online interface is operational

- **No fee** payable

\(^1\)Available online at the UNFCCC website at http://cdm.unfccc.int/Reference/PDDs_Forms/Methodologies/meth_form13.pdf
Submission of recommendation by DNAs

Consider the following issues when submitting your recommendation:

1. All installed capacity of wind energy generation in the country is considered as microscale (<= 5 MW).
2. Clear information on the sources of data and references for information has to be provided. The secretariat will use them to cross-check the data and calculations.
3. Data covers all renewable energy projects in the CDM pipeline (registered and at validation) that were already in operation in the year of question.
4. All information and texts must be provided in English.
5. No need to include technologies that are already included in the small-scale positive lists (solar electricity, marine).
6. Use previous submissions as reference (Korea, Chile and Uruguay are approved)¹
7. Contact the DNA Help Desk for support (dna_helpdesk@unfccc.int), or use the procedure for clarifications on small-scale methodologies²

¹ Available online on the UNFCCC website at http://cdm.unfccc.int/DNA/submissions/index.html
² Available online on the UNFCCC website at http://cdm.unfccc.int/Reference/Procedures/methSSC_proc01_v01.pdf
Main elements of the approval procedure

- Secretariat conducts initial assessment
- Public commenting
- Secretariat prepares a draft recommendation
- Consultation with 2 SSC WG members
  - If both members agree with the draft recommendation → CDM Executive Board
  - otherwise → SSC WG

- Provisions for clarification requests to DNA and direct communication with DNAs to expedite the process

EB65, Annex 33, pages 2-5, “Procedure for submission and consideration of microscale renewable energy technologies for automatic additionality”
Special underdeveloped zones (SUZ)

“Geographic location is in a special underdeveloped zone (SUZ) of the host country”

Designated **official administrative unit** identified in official communications, and:

a. Proportion of population with income of **less than USD 2 per day** is greater than 50%; or

b. Gross National Income (GNI) in the country is **less than USD 3,000** and the population of the region is **among the poorest 20%** in the country as per official policies.

- **DNAs can submit their recommendation on SUZ** to the Board for approval.
Additionality for Small-Scale Project Activities
Small-scale Additionality Guidelines

• “Positive lists” of technologies and project activity types that are automatically additional in all countries.

Grid-connected or off-grid electricity generation technologies for projects of total installed capacity of 15 MW or less:

a) Solar PV and thermal;
b) Off-shore wind;
c) Marine technologies (wave, tidal);
d) Building-integrated wind turbines or household rooftop wind turbines up to 100 kW.

Off-grid electricity generation technologies for projects of 15 MW or less, where individual units do not exceed the (threshold):

a) Micro/pico-hydro (100 kW)
b) Micro/pico-wind turbine (100 kW)
c) PV-wind hybrid (100 kW)
d) Geothermal (200 kW)
e) Biomass gasification/biogas (100 kW)

EB68, Annex 27, “Guidelines on the demonstration of additionality of small-scale project activities”. Formerly called “Attachment A to Appendix B of the Simplified Modalities and Procedures for Small-scale CDM project activities”.

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The following project types are also automatically additional in **all countries**:

1. Project activities composed of *isolated units for households/communities/SMEs* where each unit is no larger than 5% of small scale CDM thresholds:
   a) 750 kW installed capacity (type I);
   b) 3,000 MWh energy savings per year (type II);
   c) 3,000 tonnes CO2eq of emission reductions per year (type III).

2. **Rural electrification** with renewable generation in countries where rural electrification rates are less than 20%  
   - data not older than 3 years old shall be used to demonstrate compliance with the 20% threshold)
The Role of DNAs
The Role of the DNAs

DNAs from non-LDCs/non-SIDS

1. Proposing specific renewable energy technologies for automatic additionality; and
2. Recommending special underdeveloped zones.

DNAs from LDCs/SIDS

1. Promoting the use of the microscale and small-scale additionality guidelines among project developers in your country

All DNAs should provide input when calls for input are opened by the CDM Executive Board, your views are important!
Review of the presentation

You should now be able to:

1) Identify what are microscale project activities

2) Identify the small-scale and microscale project activities that are automatically additional in your country

3) Describe the procedure to submit a recommendation of microscale renewable energy technologies for automatic additionality to the CDM Executive Board (non-LDCs/non-SIDS)

4) Describe the roles of the DNA to promote small-scale and microscale project activities in your country
Thank you for your attention