

Agenda item 3.3.

Paragraph 11 of the annotated agenda

Grid connected electricity generation from renewable sources

Methodological Expert Panel – 12th meeting

9 to 13 March 2026

Bonn, Germany



Procedural background

- MEP 007 considered the revision of “Grid-connected electricity generation from renewable sources” and agreed to continue working on the revision of methodology.
- MEP008 – MEP011: agreed to prioritize the work on the methodological tool “Emissions from electricity generation and consumption” (adopted by the SBM).



Purpose

- To address the mandate provided by the Supervisory Body at its eleventh meeting to transition of CDM methodology to activities generating electricity from renewable sources connected to the grid.



Key issues and proposed solutions

1. **Scope:** the methodology is applicable to activities generating electricity from certain types of renewable sources connected to the electricity system (e.g. hydro without construction of new reservoir, wind, solar, geothermal, wave or tidal).
2. **Applicability:**
 - Installation of a **greenfield power plant** that generates electricity from renewable sources and feeds all electricity generated into an electricity system;
 - Types of renewable energy power plants eligible: **hydro power plants, wind power plants, solar photovoltaic power plants, solar thermal power plants, geothermal power plants, wave power plants, and tidal power plants**;
 - Specific conditions for hydro power plants (**storage duration, hydraulic residence, flooding, justification on existing reservoir**);
 - Methodology is **not applicable** for **Battery Energy Storage Systems (BEES)** and for **switching from fossil fuels to renewable energy** at the site of the activity.



3. Project boundary:

- Site of the [project power plant](#) and all power units connected physically to the electricity system;
- Baseline emissions: [CO₂ from power plants](#) connected to the electricity system
- Project emissions: CO₂ and CH₄ emissions contained in non-condensable gases (for [geothermal power plants](#)), and GHG emissions from fossil fuel combustion;
- Leakage: CO₂e upstream emissions from the [construction of power plants](#) – ongoing analysis.

4. Additionality:

- Review of legal requirements – [2 options to be agreed upon](#);
- Avoidance of lock-in risk: applicable [only for geothermal](#) (Option 1) or [for all types of projects](#) (Option 2);
- Investment analysis: application of the [methodological tool](#);
- Common practice analysis: application of the [methodological tool](#) (Approach A, time-bound approach.)



5. Baseline scenario:

- Baseline approach from RMPs: **actual/historical emissions adjusted downwards** (paragraph 36(iii) – the emission intensity of power generation is strongly heterogeneous and highly activity-specific);
- Identification of baseline scenario: **continuation of the pre-activity scenario**;
- Baseline emissions prior to downward adjustment: application of the **emissions from electricity generation and consumption tool** (Scenario A, source s includes all electricity generation sources that are part of the project, no need to account for uncertainty);
- Downward adjustment: **initial downward adjustment** (as per the baseline standard) + **downward adjustment in subsequent years** (percentage needs further discussion).

6. Conservative BAU scenario and comparison between BAU and downward adjusted baseline:

- Conservative BAU scenario: **same as the baseline scenario**, i.e. be continuation of the historical situation (pre-activity scenario);
- BAU emissions **will always be higher** than downward adjusted baseline emissions except for the calendar year of the start date of the first crediting period.



7. Calculation of project emissions

- GHG emissions from [fuel consumption](#);
- CH₄ and CO₂ emissions from [non-condensable gases](#) and GHG emissions from [working fluid for geothermal projects](#).

8. Leakage:

- Ongoing analysis.

9. Monitoring methodology:

- [Electricity generated](#) by the Article 6.4 activity ($EG_{s,y}$ from the electricity emissions tool);
- [CH₄ and CO₂ concentration in the steam collected](#) (relevant only for geothermal power plants);
- [Mass of steam collected](#) (dry or flash steam geothermal power plants) and [mass of steam entering and leaving the power plant](#) (binary geothermal power plants).



Points that need discussion

- **Applicability:**
 - Eligibility for [hydro power plants implemented in existing reservoirs](#), including specific applicability conditions;
 - Application on standalone basis or allow [application with another mechanism methodology](#).
- **Analysis of Lock-in risk**
 - Assessment of lock-in for projects other than geothermal;
 - [Resource efficiency](#) (e.g., land and water use).
- **Common practice analysis**
 - Determination of [comparable, similar and different activities](#) (i.e., based on the source of energy or based on the specific technology);
 - [Level or service](#) for the different types of electricity generation technologies (baseload or intermittent).
- **Downward adjusted baseline**
 - Propose a value for the [annual increase of the downward adjustment](#).



Recommendations to the MEP

- Publish the mechanism methodology for a call for public inputs.



Subsequent work and timelines

- Comments received will be considered in a revised version of the mechanism methodology at MEP013.

