

Agenda item 4.1.

Paragraph 20 of the annotated agenda

Methodology-specific simplified additionality (positive list)

CDM EB 92 meeting

Bonn, 02 to 05 May 2017



Background

- ❑ At its ninety-second meeting in the context of its consideration of the draft revised methodology “ACM0001: Flaring or use of landfill gas”, the Board agreed not to revise the methodology and requested the secretariat, the MP and the SSC WG to prepare a concept note on how to reflect methodology specific simplified additionality (positive list), which have a validity period and require reassessment, for inclusion in a new tool.
- ❑ This is a joint product of the MP, SSCWG and secretariat.



Purpose

- ❑ The purpose of this concept note is to:
 - a) Analyse how to reflect the methodology-specific simplified additionality (positive list), which has a validity period and requires reassessment, for inclusion in a new tool;
 - b) Describe the pros and cons of retaining simplified additionality provisions in the methodologies versus developing a new tool.



Key issues and their analysis

❑ **Number of methodologies with simplified additionality provisions:**

- 114 active large-scale CDM methodologies, 20 methodologies provided methodology-specific simplified additionality provisions.
- 95 small-scale methodologies, 9 methodologies have provided methodology-specific additionality provisions
- 07 large-scale and 03 small-scale methodologies with simplified additionality provisions are approved with a validity period of three years.

❑ **Most common approaches used to derive positive lists are:**

- regulatory additionality with or without economic analysis;
- penetration rates;
- performance benchmarks; and
- cost and barriers associated with geographical regions



❑ **When is a positive list included in a tool?:**

- Pre-determined baseline and wide applicability of the positive list to multiple methodologies;

❑ **When is a positive list included in individual methodologies?:**

- Non- possibility to establish one baseline scenario that applies globally;
- Conditional baselines like the location, size, penetration, socio-economic conditions, regulations etc.;
- Simplified additionality provisions currently also exists in methodologies. These include activities that involve technologies other than renewable energy (please see the appendix attached to the concept note).

Key issues and their analysis – Pros and cons of both approach

- ❑ simplified additionality provisions in the individual methodologies

No	Pros	Cons
1	PP can find all information at one place and cross referencing is not required.	Narrow the applicability and potentially prevent another methodology of a similar type benefitting
2	Need reassessment and revision at a certain interval (in most cases, every three years). Easy for PP to follow periodic revision.	If this not tracked properly, the timeline could be missed and future project activities may be impacted adversely.
3	A user aiming to identify the correct methodology may pay enough attention to the information on simplified additionality at methodology level.	The Board cannot have oversight of all approaches developed for methodology-specific additionality.



Key issues and their analysis – Pros and cons of both approach

- ❑ Development of a new tool compiling additionality approaches applicable to all methodologies

No	Pros	Cons
1	A positive list for all technologies is compiled in one document (wider applicability of the tool).	Different methodologies adopt positive lists at different timings, clubbing them in one tool would inadvertently affect other methodologies as well.
2	There is a need to update only one document after periodic evaluation of the technology.	The validity of the tool may differ for different technology groups for a different period of time. Therefore, it is difficult to revise the tool each time a technology is due to be reassessed and updated in the tool.



Impacts

Do not foresee any cost implication for the stakeholders.



Subsequent work and timeline

- If the Board decides to opt for the choice of maintaining the status quo, no further work is envisaged.
- If option webpage development is opted a revision to the existing methodology webpage deem necessary.
- If option of a new guidance document is selected a new guidance would need be developed.
- If option of a new tool need is chosen, then a new tool need to developed including a revision to the existing 29 methodologies where positive list is included.



Recommendation to the Board

- a) **Maintain the status quo** – Maintain the approach of both methodology-specific simplified additionality and also tools depending on specificity and wider applicability;
 - b) **Methodology webpage improvement** - Additional column including the approach used for simplified additionality and the validity period;
 - c) **Development of new guidance document** - Elaborating the criteria applied to determine the methodology-specific simplified additionality.
 - d) **Development of new tool** - Remove all simplified additionality provisions from the methodologies and transfer them to a new tool. If this is chosen provide with an mandate to reassess the simplified additionality provisions of all methodologies and approve them at one time so they have one common validity period.
- Approach (a) and (d) above are mutually exclusive –If (d) is chosen until such time the approach is fully implemented, the Board should maintain the status quo not to affect the PP.
 - The actions in approach (b) and/or (c) may be implemented irrespective of the Board’s choice of the approach of either (a) or (d).

