

Agenda item 4.1(c)

Paragraph 30(h) of the annotated agenda

Revision of TOOL19: Demonstration of additionality of microscale project activities

CDM EB 100

Bangkok, Thailand, 27 to 31 August 2018



Background

- EB99 requested MP to **assess the appropriateness of the thresholds** in the tool "Demonstration of additionality of **microscale** project activities" (TOOL19);
 - to replace unit size criterion for positive list;
 - as was done in the tool "Demonstration of additionality of small-scale project activities" (TOOL 21).



Purpose

To present the recommendations of MP regarding amendments to unit size criterion for positive list in **TOOL19**



Key issue and proposed solution

- TOOL19 defined **microscale size thresholds** i.e. 5MW, 20GWh/y, 20ktCO₂e/y as **approved by the CMP** and therefore **are not considered** in this analysis.
- TOOL19 has following 4 additional conditions on top of above thresholds:
 - i. Is it **implemented in LDC/SIDS or a SUZ?**
 - ii. 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 are Households / communities / SMEs;
 - iii. Does it **comprise of 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

- Only condition ii. *Does it involve distributed units (= < 1500kW (10%) or =< 600 MWh/y (1%) or =< 600 tCO₂e/y (1%) and end users are Households/communities/SMEs?)* **relies on information on size of the unit based on % threshold** of small-scale CDM thresholds
- MP recommended to :
 - Remove percentage thresholds relying on size;
 - To limit the provision to households, commercial facilities where it can be concluded that there are barriers prevalent for uptake of household-scale renewable energy (Type-I), energy efficiency (Type-II) and low-emissions technologies (Type-III);
- The MP noted that individual methodologies include provisions to exclude technologies/measures that have high penetration rates
- Costs and penetration data on these technologies indicate that there are generally barriers



Public input

- No public input has been received on this agenda item.



Recommendation

- MP recommends that the Board **approve the revision** of TOOL19.

