

Agenda item 4.1(c)

Paragraph 30(d)-(g) of the annotated agenda

Revision to AMS-I.E, AMS-I.J, AMS-II.G and AMS-III.AR

CDM EB100

Bangkok, Thailand, 27-31 August 2018



Procedural background

- At EB99, when approving the major revision of “TOOL21: Demonstration of additionality of SSC project activities” (i.e. replace the current 1 % unit size criterion for the positive list with an expanded positive list of technologies), requested the MP to add positive lists of technologies together with a market penetration check (5% threshold) in the following methodologies:
 - a) "**AMS-I.E:** Switch from non-renewable biomass for thermal applications by the user”; and
 - b) "**AMS-I.J:** Solar water heating systems (SWH)“; and
 - c) "**AMS-II.G:** Energy efficiency measures in thermal applications of non-renewable biomass“; and
 - d) "**AMS-III.AR:** Substituting fossil fuel based lighting with LED/CFL lighting systems”.
- The Board requested that the MP shall propose more guidance on penetration check (e.g. whether to consider equipment stock in use, market share or annual sale of equipment, applicable vintages, geographic locations).
- MP76 launched a call for public input on the revision of the methodologies AMS-I.E, AMS-I.J, AMS-II.G, and AMS-III.AR. One input was received.



Purpose

- The purpose of these revisions are to add positive list of technologies together with a market penetration check (5 percent threshold) in the listed methodologies, as per the mandate from the Board.



Key issues

- Additionality is demonstrated using one of the options below:
- **Option 1 (Positive list)**
 - Demonstrate ex-ante that the penetration of the proposed project technology is equal to or less than 5 % of the technologies/measures (providing similar services) in the region.
 - Using one of the following options:
 - ✓ (a) Official statistics or reports, relevant industry association reports or peer-reviewed literature;
 - ✓ (b) Results of a sampling survey conducted by PPs or a third party as per Sampling Standard:
- **Option 2: (apply “TOOL21: additionality of SSC project activities”)**
- **Option 3: (apply “TOOL19: additionality of microscale project activities”)**



Key issues

- **For market penetration**, in the context of these methodologies, penetration would be considered as the **market saturation (stock/ownership)**.
- Penetration can be measured in terms of either **market share (flow/sales)** or **market saturation (stock/ownership)**;
 - ✓ **market share** is the fraction of total sales in a particular market, which indicates the flow of a technology into a market.
 - ✓ **market saturation** is the fraction of total equipment in use, which indicates the stock of a technology in a market.



Key issues

- **For the applicable data vintage for determining market penetration**, the MP recommended a three-year data vintage consistent with other approved methodology and “Determining coverage of data and validity of standardized baselines”.
- **For the identification of the geographic location for determining market penetration**, the MP considered the approach taken in “TOOL24: Methodological tool: Common practice” to define a region and agreed to recommend it to have a consistent approach.



Results of public call

- For AMS-I.E, AMS-I.J and AMS-III.AR, **no input** was received.
- For AMS-II.G, **one input** was received.



Impacts

- The proposed inclusion of the positive list will simplify the demonstration of additionality for project activities/programme of activities promoting clean and energy efficient cookstoves, solar water heaters, and solar lamps.



Recommendation

- The MP recommends that Board approve the revision of the following methodologies:
 - a) "**AMS-I.E:** Switch from non-renewable biomass for thermal applications by the user"; and
 - b) "**AMS-I.J:** Solar water heating systems (SWH)"; and
 - c) "**AMS-II.G:** Energy efficiency measures in thermal applications of non-renewable biomass"; and
 - d) "**AMS-III.AR:** Substituting fossil fuel based lighting with LED/CFL lighting systems".

