

Small-Scale CDM & Bundling: Criteria, Advantages & Status

Need for Small-Scale CDM

- ∅ introduced by CDM EB to encourage the development of **smaller CDM projects**
- ∅ typically would have been less attractive in terms of the **volume of CERs** generated relative to **transaction costs**
- ∅ can utilise **simplified modalities and procedures**
- ∅ do not require the **rigorous and expensive approval and assessment processes** as required for larger scale projects

Types & Criteria for Small scale CDM (SSC) projects

- ∅ **Type I:** Renewable energy project activities with a maximum output capacity of **15 MW** (or an appropriate equivalent)
- ∅ **Type II:** Energy efficiency improvement project activities which reduce energy consumption, on the supply and/or demand side, limited to those with a maximum output of **60 GWh** per year
- ∅ **Type III:** Other project activities limited to those that result in emission reductions of **less than or equal to 60 kt CO₂ equivalent** annually

Categories of Small scale CDM (SSC) projects

Project types

Project categories

Type (i): Renewable energy projects

A. Electricity generation by the user/household

B. Mechanical energy for the user/enterprise

C. Thermal energy for the user

D. Electricity generation for a system

E. Supply-side energy efficiency improvements - transmission and distribution activities

F. Supply-side energy efficiency improvements - generation

G. Demand-side energy efficiency programmes for specific technologies

H. Energy efficiency and fuel switching measures for industrial facilities

I. Energy efficiency and fuel switching measures for buildings

Type (ii): Energy efficiency improvement projects

J. Agriculture

K. Switching fossil fuels

L. Emission reductions in the transport sector

M. Methane recovery

Type (iii): Other project activities

Advantages of SSC Projects

- Ø Simplified modalities and procedures. The SSC projects:
 - § Be **bundled** or **portfolio bundled**
 - § Use a **simplified project design document** (CDM-SSC-PDD)
 - § Use **simplified baseline methodologies**
 - § Use **simplified monitoring plans** with reduced monitoring requirements
 - § Engage the **same designated operational entity** (DOE) to undertake validation, verification and certification

Additionality for SSC Projects

- ∅ Small-scale projects must demonstrate that they would not be implemented in the absence of CDM registration because of one or more barriers
- ∅ The attachment A to Appendix B of the SSC modalities and procedures corresponds to list of barriers to be used in order to demonstrate that a small scale project activity would not have occurred otherwise (i.e. is additional).

What is Bundling?

- Ø bringing together of several SSC project activities, to form a single CDM project activity or portfolio without the loss of distinctive characteristics of each project activity
- Ø Project activities in a bundle can be divided into a series of sub-bundles
- Ø Project activities within a sub-bundle belong to the same type.
- Ø Has limits: 15MW for power (small scale project activity limits), same technology etc

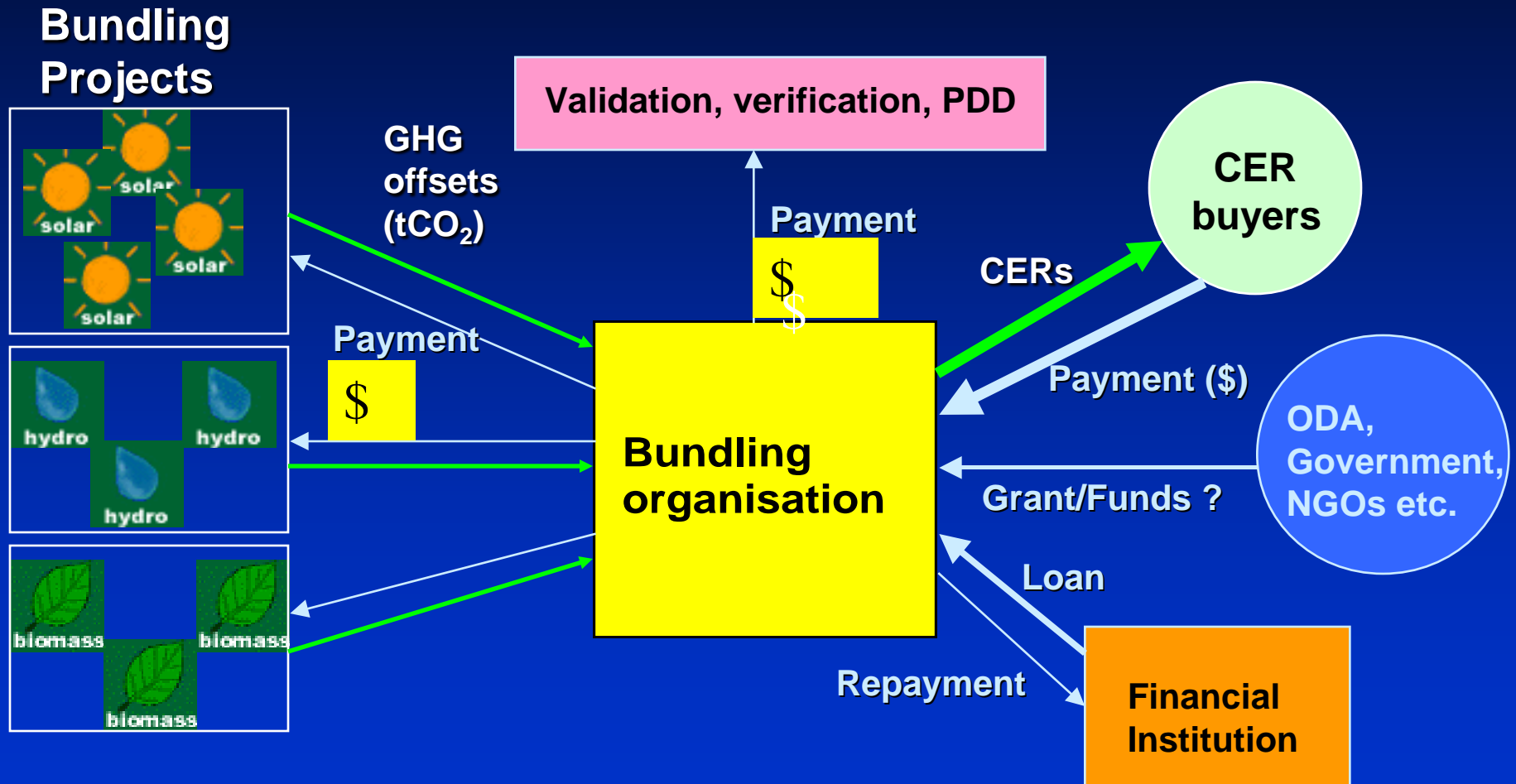
Role of Bundling Organisation

Multiple
greenhouse gas
reducing projects

Simply an intermediary between
project developer/owner and the
CER buyer



Functions of Bundling Organisation



General Characteristics of Bundling

- ∅ indicate **intention to bundle** when making the **request for registration**
- ∅ The composition of bundles shall **not change** over time.
- ∅ All project activities in the bundle shall have the **same crediting period**
- ∅ at registration provide a **written statement** indicating
 - § agreement of **all PPs to bundle** their individual project activities and
 - § proposed **bundling agency** who represents all PPs in order to communicate with the EB

THANK YOU