

# **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 CO<sub>2</sub> equivalent** annually

# Categories of Small scale CDM (SSC) projects

## Project types

**Type (i): Renewable energy projects**

**Type (ii): Energy efficiency improvement projects**

**Type (iii): Other project activities**

## Project categories

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

J. Agriculture

K. Switching fossil fuels

L. Emission reductions in the transport sector

M. Methane recovery

# Advantages of SSC Projects

- 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).

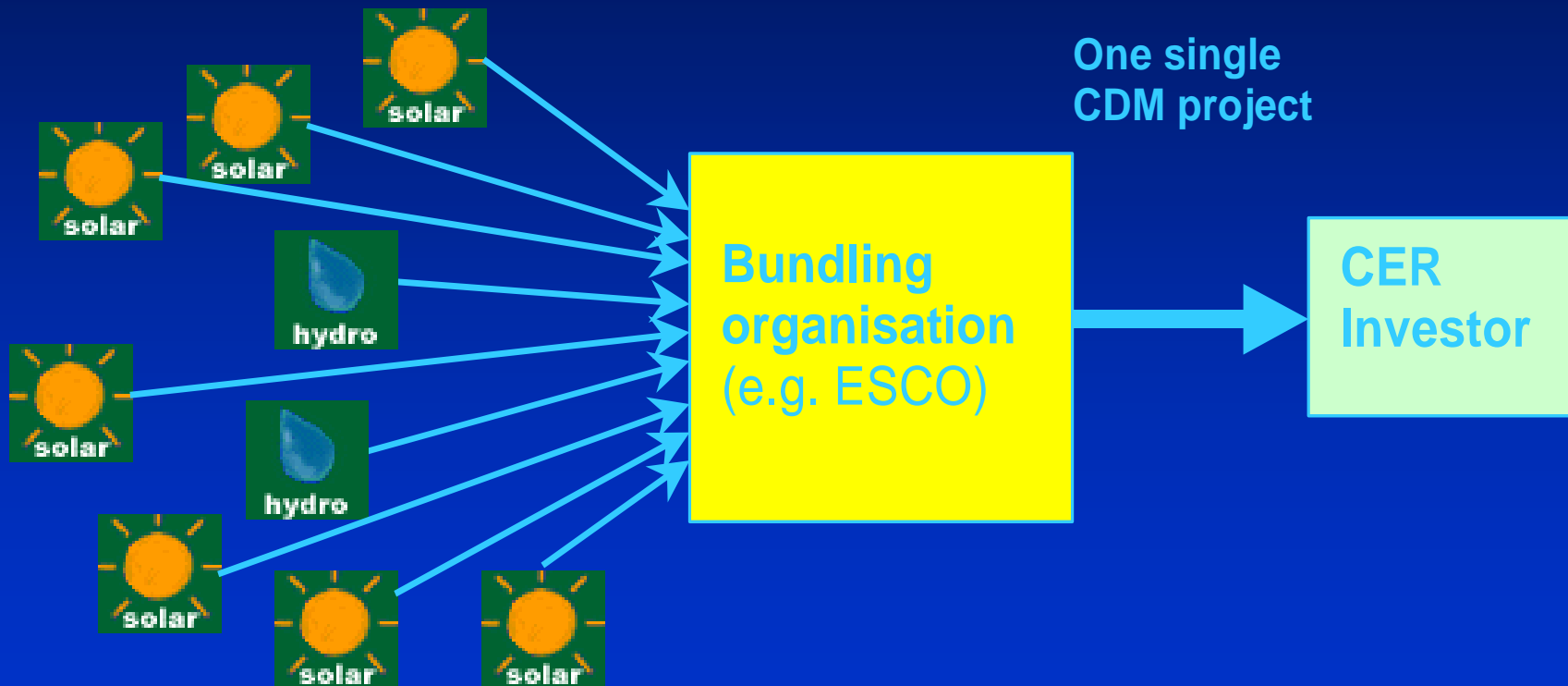
# What is Bundling?

- 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
- Project activities in a bundle can be divided into a series of sub-bundles
- Project activities within a sub-bundle belong to the same type.
- Has limits: 15MW for power (small scale project activity limits), same technology etc

# Role of Bundling Organisation

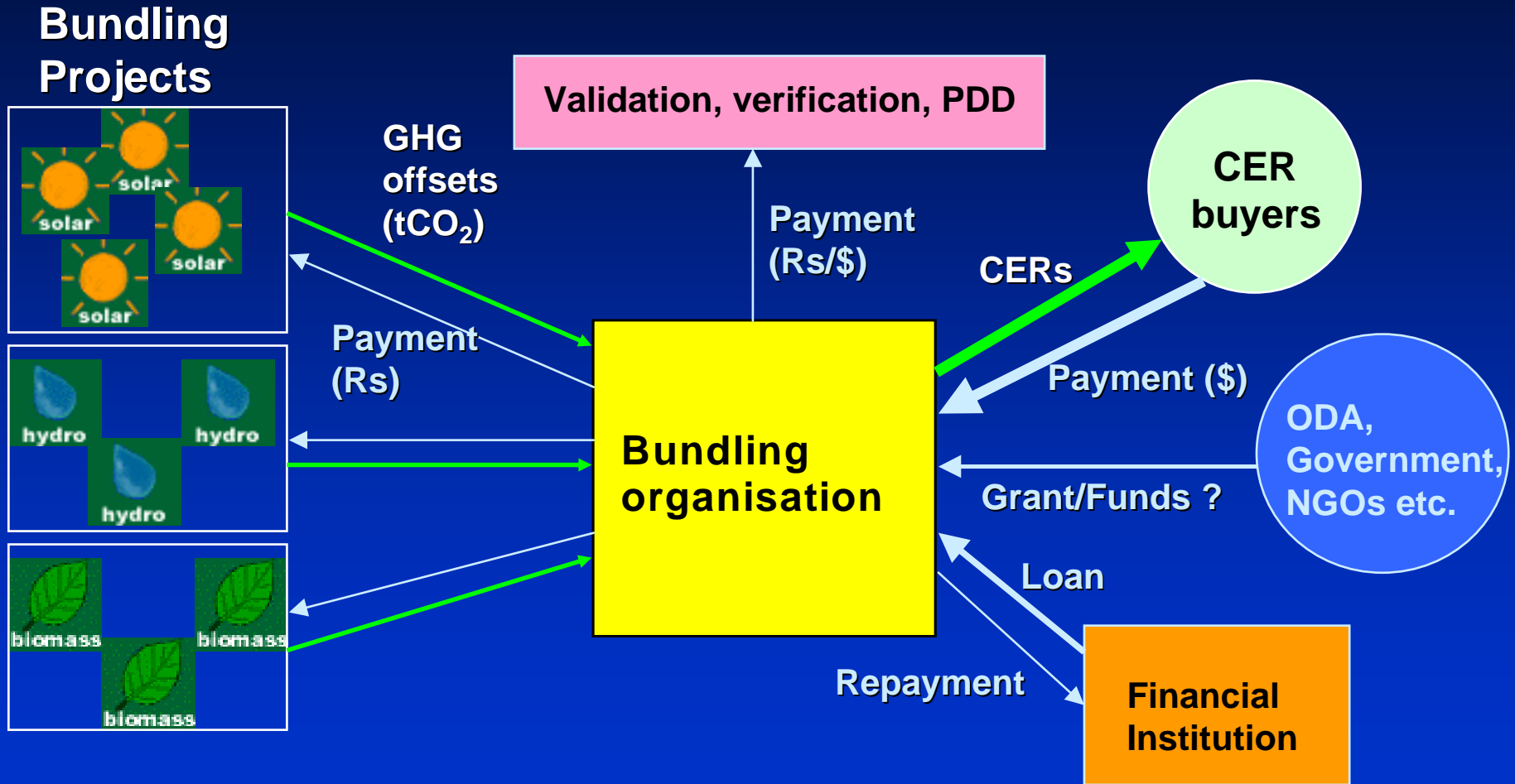
Multiple  
greenhouse gas  
reducing projects

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**