METHODOLOGY ELEMENT ASSESSMENT REPORT

Gedden Inc

Sustainable Community Service Promoters

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Methodology Element Title	Sustainable Community Service Promoters
Version	Version 3.0 – 06-02-2012
Methodology Element Category	Second New Methodology Assessment
Sectoral Scope(s)	Scope 3 - Energy demand Scope 13 – Waste handling and disposal

Report Title	Methodology element assessment report "Sustainable Community Service Promoters".
Report Version	1.1
Assessment Criteria	VCS Program Guide v3.0, VCS Standard v3.1
Client	Gedden Inc. Ontario Canada
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Summary

Gedden Inc have commissioned SGS UK for validation of the methodology "Sustainable Community Service Promoters".

The scope of the validation is defined as an independent and objective review of the new methodology. The information provided in the submitted methodolgy is reviewed against the requirements of VCS.

This methodology provides a framework for the quantification of emission reductions for grouped projects (VCS, Version 3, where energy efficiency and solid waste diversion activities have been initiated by a Sustainable Community Service Promoters ("SCSP") for an assortment of "Client Facilities" grouped in a "Territory." This methodology requires that the SCSP use a consolidated and ICT enabled data monitoring and collection system to track project activity data. This methodology has been developed on the premise that even though the activities of Client Facilities vary, energy consumption and waste management are similar across many business and organizations.

The report is based on the assessment of the revised methodology (following first assessment) in accordance with VCS program guide (version 3).This report describes a total of 14 findings that include:

1) 2 observations (Obs), and
2) 12 corrective action requests (CARs).

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ABBREVIATIONS

VCS	Verified Carbon Standard
CAR	Corrective action request
CL	Clarification request
VCU	Verified Carbon Unit
SCSP	Sustainable Community Service Promoters
FAR	Forward action request
GHG	Greenhouse gas(es)
IPCC	Intergovernmental panel on climate change
PP	Project Proponent
SS	Sources and Sinks
VCSA	Verified Carbon Standard Association
CDM	Clean Development Mechanism
ICT	Information Communication Technology
Obs	Observation
FAR	Forward Action Request
GHG	Green House Gas(es)
SS	Sources and Sinks
ID	Identification
PP	Project Proponent
UNFCCC	United Nations Framework Convention on Climate Change
NM	New Methodology
VVB	Validation/Verification Body

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1. INTRODUCTION

1.1 Objective

Gedden Inc have commissioned SGS to perform the second assessment of the methodology element "Sustainable Community Service Promoters". The purpose of this assessment is to have an independent third party review the new methodology with regard to the requirements of VCS project activities. The methodology has been assessed for compliance with VCS Version 3 requirements and validated in order to confirm that it meets the stated VCS Version 3 requirements and identified criteria.

1.2 Scope and Criteria

The scope of the assessment is defined as an independent and objective review of the methodology element, the proposed framework for quantitation of emission reductions under grouped projects and an assessment of project activities that would be covered by the new methodology. The information provided has been reviewed against the VCS program guide version 3 and the methodology related guidance/clarification (http://www.v-c-s.org/sites/v-c-s.org/files/Methodology%20Approval%20Process%2C%20v3.0.pdf). SGS has employed a risk-based approach in the validation, focusing on the identification of significant risks in the proposed generation of VCUs.

The validation is not meant to provide any consulting towards the Client. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the methodology element.

1.3 Summary Description of the Methodology Element

The objective of the proposed methodology element "Sustainable Community Service Promoters" is to provide a framework for quantificaion of emission reductions for grouped project activities where energy efficiency and solid waste diversion activities have been initiated by a Sustainable Community Service Promoter (SCSP) for an assortment of "Client Facilities" grouped in a "Territory". This methodology requires that the SCSP use a consolidated and ICT enabled data monitoring and collection system to track project activity data. Even though the activities of Client Facilities vary, energy consumption and waste management are similar across many business and organizations. This methodology is meant to work with and support the provision of single window reporting and measurement provided by a third party to capture the information required to quantify emissions reductions. The methodology draws elements from a number of CDM methodologies and tools which are clearly mentioned in the document. It also clearly states the methodology elements on which its energy efficiency and waste diversion approaches are based.

2. ASSESSMENT APPROACH

2.1 Method and Criteria

The assessment is performed by the assessment team using a checklist, the findings of which are in section A.1, Following the desk based review, findings were raised that were resolved either by direct interviews with the client or written clarifications. The assessment resulted in Version 2.2 of the methodology element dated 06th October 2011. It was only after satisfactory resolution of the issues raised that this report was drafted.

2.2 Document Review

The assessment is performed primarily as a document review of the methodology element version 2.0 dated 26th May 2011. The information provided has been reviewed against the VCS program guide version 3 and also the applicable CDM tools.

2.3 Interviews

Date	Name	Position	Short Description of Subject Discussed
30/08/2011/ 17/09/2011	Christophe Kaestli	LEED AP - Certi Conseil	Disscussion of OBS's and CAR's
30/08/2011	Martin Clermont	PDG/CEO - Gedden inc.	Disscussion of OBS's and CAR's
30/08/2011/ 17/09/2011	Braydon Boulanger	ICF International - Associate	Disscussion of OBS's and CAR's
30/08/2011	Michel Dessureault	Vice-président finance - Gedden inc.	Disscussion of OBS's and CAR's

2.4 Resolution of any Material Discrepancy

As an outcome of the assessment process, the team can raise different types of findings. Findings are either: Corrective Action Requests (CARs), Clarification Requests (CLs), and Observations (Obs)
A corrective action request (CAR) is raised if one of the following occurs:

I. mistakes have been made which may have a direct influence on project results;

II. New Methodology assessment protocol requirements have not been met; or

III. there is a risk that the methodology element is not in accordance with the programme guidelines or that emission reductions will not be verified.

A clarification request (CL) is raised if information is insufficient or not clear enough to determine whether the applicable VCS requirements have been met.

Observations may be raised which are for the benefit of future projects and future verification or validation actors. These have no impact upon the completion of the validation or verification activity.

Corrective Action Requests and Clarification Requests are raised in the draft validation protocol and detailed in section (A.1). In this form, the Project Developer is given the opportunity to "close" outstanding CARs and respond to CLs and FARs.

2.5 Internal Quality Control

Following an assessment by the assessment team, the new methodology element is reviewed by an internal reviewer (technical reviewer)

3. ASSESSMENT FINDINGS

3.1 Applicability Conditions

The title 'Sustainable Community Service Promoters' is unambiguous. The uses of the meth are for energy demand and waste reduction. Since the methodology aims to cover grouped project activities in different sectoral scopes it keeps the applicability criteria general which offers sufficient flexibility for projects to apply the methodology. The methodology is applicable for grouped projects for the quantification of direct or indirect reductions of GHG emissions from energy efficiency and waste diversion projects at client facilities which may include commercial, institutional and industrial buildings/facilities. The methodology can therefore, be used by a variety of projects falling under Scope 3 - Energy demand and Scope 13 – Waste handling and disposal.

In version 2.0 of the methodology dated 26th May 2011, it was not clear how the impact of measures implemented (i.e improvements in energy efficiency) by the project activity can be clearly distinguished from changes in energy use due to other variables not influenced by the project activity (signal to noise ratio). CAR#4 was raised. In response the client clarified that the project measures improvements in energy efficiency by functionally equivalent inputs and outputs from the modified process as indicated by an affirmation from the project developer and the project description. This functional equivalence implies that project changes are distinguished from changes in other variables. This explanation was accepted and CAR#4 was closed.

Thresholds through a combination of energy efficiency and waste management activities the combined abatement threshold of 10,000 tCO_2e/year has been set for a project unit within a grouped project activity. In cases where the overall threshold of all project units within a grouped project activity exceeds a threshold of 10,000 tCO_2e/year, the methodology also asserts a threshold of 5,000 tCO_2e/year for either energy efficiency or waste diversion activities. In cases where it is in excess of 5,000 tCO_2e/year it will be applicable only if the project meets and follows the requirements for monitoring and leakage identification, of an appropriate, current and approved CDM methodology. This methodology is only applicable to quantify emission reductions associated with methane avoidance. This methodology is not approved from quantifying emission reductions associated with landfill gas flaring or electricity/energy production.

A clear guide line is also provided for cases where the capital stock equipment need to be replaced during the project lifetime and its impact on emission reductions (following resolution of CAR#8). A classification of equipment into upstream, onsite and downstream with relation to a project activity has been provided in table 5.1 clearly identifying SS's.

3.2 Project Boundary

The methodology provides two options 'A' and 'B' to determine site boundaries in section 5. A delineation of the activities qualifying under this methodology was not very clear and hence a CAR was raised. CAR#5 required the client to provide a clear delineation of activities that would qualify under this methodology. Following discussion with the client that led to the relevant changes in the methodology CAR#5 was closed.

Since the methodology covers grouped project activities across two sectoral scopes (3 and 13), a number of different types of project activities may qualify to use this methodology. For these project activities it defines client facilities as small companies or business units that contract the Sustainable Community Service Promoter ("SCSP") to manage their GHG emitting services. These client facilities may include commercial, institutional, and industrial buildings/facilities including but not limited to warehouses, apartment buildings, hotels, restaurants, educational buildings, shopping malls, food manufacturing plants, chemical manufacturing facilities, and light industrial plants. Client Facilities are typically located in regional or state clusters. In addition to scope 3 and scope 13, the version 2.0 of the methodology dated 26th May 2011 also mentioned sectoral scope 7 (transport) as covered by it. However, scope 7 is not covered by the methodology. CAR#2 was raised. Following removal of scope 7 from the methodology CAR#2 was closed.

The methodology element specifies that the Project Proponents shall identify all sources and sinks (SS) relevant to the project, including on-site, upstream and downstream SS. This would include identifying SS for energy efficiency and waste diversion activities. It also says that since this methodology has been written to

work with various grouped projects of a plethora of activities, one project boundary with a unique ID cannot be provided. Each project proponent will use the guidance of the relevant section in the methodology element to clearly define the most appropriate boundary for each grouping of Client Facilities. The unique geo- coordinates should be included if the projects are implemented across several dispersed locations.

The emission sources and gases included/excluded in the project boundary for baseline and project scenarios are defined clearly in the table under section 5.3. The justification provided for exclusion of sources related to the baseline of the project activity is deemed sufficient. Table 5.3 also provides an explanation on the magnitude of project emissions omitted vis-à-vis baseline emission sources. The magnitude of omission of emission sources related to project is less than that in the baseline scenario, hence the principle of conservativeness is applied. The project element and baseline element life cycle charts are illustrated in Figure 5.1 and 5.2 respectively. These diagrams do not show the equipment and mass-energy flows and the same are to be detailed for specific projects falling under this methodology, the diagrams provided in the methodology are correlated to the emission sources listed in the table 5.3 and are therefore acceptable.

Table 5.3 had a typo which was pointed out to the client as an observation (Obs#2). The typo was corrected in the revised methodology element document.

3.3 Procedure for Determining the Baseline scenario

The methodology is applicable for grouped projects for the quantitation of direct or indirect reductions of GHG emissions from energy efficiency and waste diversion projects at client facilities which may include commercial, institutional and industrial buildings/facilities. The methodology element requires use of the CDM tool “Combined tool to identify the baseline scenario and demonstrate additionality” (version 3.0) to identify the baseline scenario. The methodology requires identification of the potential alternatives followed by assessment of compliance. It requires the PP to specify the version of the ‘Combined tool to identify the baseline scenario and demonstrate additionality’ (latest version on UNFCCC website). The methodology uses the combined tool to identify the baseline scenario and demonstrate additionality. The tool requires the project proponents to apply the following four Steps:

STEP 1. Identification of alternative scenarios;
STEP 2. Barrier analysis;
STEP 3. Investment analysis (if applicable);
STEP 4. Common practice analysis.

Section 8 in the methodology element outlines the quantification procedure for the emissions (baseline emissions incl. adjustments, project emissions). This section also outlines the data sources and the formulae including the types of variables. More specifically section 8.1 outlines the quantification procedures for baseline emissions, Section 8.2 is regarding the applicable adjustments to ensure functional equivalence as well as unit of productivity. The calculation procedure outlined in the methodology is general, and it offers sufficient flexibility for calculating the baseline emissions for each of the possible baseline scenarios that can be applied across different types of projects.

3.4 Procedure for Demonstrating Additionality

The combined CDM tool to identify the baseline scenario and demonstrate additionality (Version 3.0.1) is used. The procedure is complete. The use of the combined tool ensures consistency with the selection of baseline scenario and demonstration of additionality. Although section 6 and 7 of the methodology outline the procedure for determining baseline and additionality, it was not clear how will the combined tool be implemented for specific project types under the methodology. CAR#6 was raised which required the client to make the required changes. Following discussions with SGS, the application of the ‘combined tool’ was accepted as this offers a step wise approach from numerous project types and is flexible to adapt to a variety of projects being sought after by this methodology element document.

Also as a result of the discussion with SGS, a project threshold (PG 15) for energy efficiency and waste management projects has been introduced as this would allow a streamlined approach from small projects using the combined tool. CAR#6 was closed.

3.5 Baseline Emissions

The parameters, coefficients and variables for baseline and project emissions are elaborate and acceptable. However, the methodology does not envisage calculation of baseline emissions ex-post.

The methodology states that it will cover retrofit projects or modification of existing facilities. But this was not very clear since there needs to be clear provision to ensure that the lifetime or output of the facilities covered under such projects is not increased and the baseline calculations sufficiently address this issue. CAR#7 was raised. In response the client modified Section 4k which was adapted to provide further explanation: “In the case of construction of additions or expansions to existing facilities, the new floor space will be treated as a “new facility.” If retrofits are applied to the existing facility, emission reductions for the retrofit will be added to those from the expansion. Both sections however will have different baselines. As these facilities will be treated separately, with unique baselines, the lifetime or output of the facilities covered under such projects will not be increased.” CAR#7 was closed.

Section 4.b.a specifies that that useful life and remaining useful life periods must be documented to ensure that the crediting period does not exceed the EMC’s useful life. The baseline does not specifically take into account circumstances wherein the existing equipment could be replaced during the crediting period. CAR#8 was raised. In response the client updated section 4c to provide further clarity. The methodology now was very clear about claiming credits in cases where capital stock equipment that was originally measured in baseline for a certain crediting period, is replaced. Section 4c now distinguishes between useful life and remaining useful life of equipment in relation to natural capital stock rotation and its applicability to the generation of emission credits. CAR#8 was closed.

3.6 Project Emissions

Section 4e in the methodology was not very clear regarding projects that improve the combustion efficiency of fuels used in energy generation. It should have clearly distinguished between the savings in fuels resulting from the project activity that are due to improvements in combustion of fuels and those down to energy efficiency. CAR#9 was raised. In response section 4e in the methodology was updated. The revised version now clearly distinguishes between project involving switching from one energy generation method to a less GHG intensive energy technology and fuel switching associated with large energy suppliers. This separation of large offsite generation and the project will remove any chance of double counting in emission reductions. CAR#9 was closed. .Section 8.3 in the methodology deals with project emissions. Following document assessment SGS can confirm that the parameters, coefficients and variables for project emissions are elaborate and acceptable.

3.7 Leakage

Section 8.4 in the methodology element version 2.0 dated 26th May 2011 stated that the IPCC Special Report on Land Use, Land-Use Change, and Forestry (2000) defines leakage as "the unanticipated decrease or increase in greenhouse gas (GHG) benefits outside of the project's accounting boundary as a result of project activities." However, *the meth is not applicable to LULUCF, Para 51 CDM M&P definition of leakage seems to be more appropriate. Para 51 defines leakage as* 'net change of anthropogenic emissions by sources of greenhouse gases which occurs outside the project boundary, and which is measurable and attributable to the CDM project activity'. Section 8.4 also mentions that the potential of leakage was assessed to be low for the project types covered by the methodology and that in most cases, neither the activities associated with the anticipated energy efficiency improvement, nor the alternative handling of waste was likely to result in leakage. Of the two different activity types covered under the methodology the alternative waste handling activities pose a higher risk of leakage than energy efficiency. The project sources

P10 to P17 capture the most plausible sources of leakage. Also, project proponent must assess the likelihood of leakage based on specific project activities and if they cannot show that no plausible material leakage would occur based on specific project activities, then they cannot apply this methodology.

CAR#10 was raised with regard to the procedures/formulae for the periodic calculation of the reductions of anthropogenic emissions by sources as mentioned in section 8.4. In section 8.4, regarding the procedures/formulae for the periodic calculation of the reductions of anthropogenic emissions by sources, leakage adjustments are not clearly outlined. A clear indication of possible leakage in different type of project activities covered under this methodology will be useful. Some examples for accounting leakage are leakage effects due to transfer of old equipment to another project activity due to installation of new more energy efficient equipment, or leakage arising due to replacement of energy efficient refrigeration systems or leakage arising in projects involving fossil fuel switching measures leakage resulting from fuel extraction, processing, liquefaction, transportation, re-gasification and distribution of fossil fuels outside of the project boundary. The issue was resolved through discussion with the client wherein they agreed to develop a project threshold. CAR#10 was closed.

SGS recommended that the methodology should prompt the project developers to include GHG emission sources occurring either inside the project boundary or outside the boundary as a result of implementation of the project activity which are expected to contribute more than 1% of the overall average emission reductions and these are not addressed in this methodology.

3.8 Quantification of Net GHG Emission Reductions and/or Removals

Quantification of the Net GHG reductions, removals and reversals must be completed using the methodologies outlined below (section 8.5).

Emission Reductions	= [Emission $_{\text{Adjusted Baseline EE}}$ – Emissions $_{\text{Project EE}}$] + [Emission $_{\text{Adjusted Baseline WASTE}}$ – Emissions $_{\text{Project WASTE}}$]
Where:	
Emissions $_{\text{Adjusted Baseline EE}}$	= the energy efficiency related baseline emissions plus any adjustments needed to adjust it to the conditions of the reporting period
Emissions $_{\text{Adjusted Baseline WASTE}}$	= the waste related baseline emissions plus any adjustments needed to adjust it to the conditions of the reporting period
Emissions $_{\text{Project EE}}$	= sum of the energy efficiency related emissions under the project condition
Emissions $_{\text{Project WASTE}}$	= sum of the waste related emissions under the project condition

Section 8 in the methodology gives a full description of formulae for calculation of baseline emissions (section 8.1), adjustments to baseline emissions (section 8.2) and project emissions (section 8.3)

3.9 Monitoring

Section 9 provides information on the monitoring plan related to data collection and archiving. Section 9.3 provides a good description of the monitoring plan. The project proponents are required to keep all documents and records in a secure and retrievable manner for at least 2 years after the end of the project crediting period".

The sampling approach is also described in section 9.3 is deemed appropriate, in general. However, the sampling approach for determination of the sampling plan might vary depending project characteristics, population and parameter values. In case of doubt regarding appropriateness of the proposed sample, SGS recommends project participants to refer to the latest version of the CDM - General guidelines on sampling and surveys for small scale project activities and PoAs.

3.10 Data and Parameters

Data and parameters used under this methodology are outlined in section 9.2. This list of parameters is not comprehensive given that multiple activities are covered under the ER's being claimed under 'waste diversion' (ref. 4.b page 16) *CAR#12 was raised* for Example: methane emission from anaerobic pockets

during composting process or effluent collection system (if applicable) is not considered, or under 'biomethanation' related parameters are not sufficiently covered under the monitoring plan. The issue was resolved through discussion with the client wherein they agreed to develop a project threshold for energy efficiency and waste management projects. Additionally, section 9.3 was also added to include a more robust sampling plan. CAR#12 was closed.

For each data set, the following information was provided: i) The variable used in equations in the baseline methodology ii) International system unit iii) A clear unambiguous description of the parameter iv) A description of which data sources used to calculate each parameter v) A description of the measurement process or reference of appropriate standards vi) A description of the frequency of monitoring vii) A description of QA/AC procedures. Section 9 in the methodology provides information on all the associated parameters.
The methodology did not use the latest version of the *'tool to determine methane emissions avoided from disposal of waste at a solid waste disposal site'* . CAR#11 was raised. In response the client updated the methodology to reflect the latest version of the tool. The methodology now references (Version 05.1.0)" (CDM, 2011). CAR#11 was closed.

3.11 Use of Tools/Modules

The methodology draws ideas from the latest versions of the following tool:

- CDM, ""Tool to calculate the emission factor for an electricity system (Version 2.2.0)" (CDM, 2011).
- CDM, "Combined Tool to Identify the Baseline Scenario and Demonstrate Additionality (Version 3.0.1)" (CDM, 2011).
- CDM, "Tool to determine methane emissions avoided from disposal of waste at a solid waste disposal site (Version 05.1.0)".

The energy efficiency approach within has been based on elements of the following methodologies:

- Direct Energy's, "GHG Quantification Protocol for Energy Efficiency in Commercial and Institutional Buildings" (Direct Energy, 2009);
- Alberta Offset System, Draft Protocol, "GHG Quantification Protocol For Energy Efficiency in Commercial and Institutional Buildings" (AENV, 2009);
- Alberta Offset System, Protocol, "Quantification Protocol For Energy Efficiency Projects (Version 01)" (AENV, 2007);
- PMVP - Efficiency Valuation Organization in its International Performance Measurement and Verification Protocol (IPMVP) (www.evo□world.org) for guidance on methods determining energy savings.[1]

The waste diversion approach is based on elements of the following methodologies:

- CDM, AM0039, "Methane emissions reduction from organic waste water and bioorganic solid waste using co-composting (Version 02)" (CDM, 2007).
- CDM, "Tool to determine methane emissions avoided from disposal of waste at a solid waste disposal site (Version 05.1.0)"" (CDM, 2011)
- CCX "Avoided Emissions from Organic Waste Disposal Offset Project Protocol" (CCX, 2009);

Following assessment of the methodology element SGS can confirm that these tools are used appropriately in the methodology.

[1] IPMVP is a recognized international standard for measuring, monitoring, and verifying energy savings.

3.12 Adherence to the Project Principles of the VCS Program

As per the VCS, new methodologies must provide a complete method for demonstrating and assessing additionality, based on VCS additionality requirements. A methodology can either reference and explicitly require the use of the CDM Tool for the Assessment and Demonstration of Additionality. Or it can develop its own approaches and tools for demonstrating and assessing additionality. VCS additionality requirements set out three types of additionality tests (project test, performance test and technology test). These additionality requirements do not constitute a complete additionality tool. The methodology "Sustainable Community Service Promoter" has been developed in line with VCS (version 3) requirements and is deemed appropriate by SGS to be registered as a new methodology.

SGS confirms that the principles outlined in section 2.4 of the VCS standard version 3.1 are complied.

3.13 Relationship to Approved Pending Methodologies

This methodology provides a framework for quantification of emission reductions for grouped project activities where energy efficiency and solid waste diversion activities have been initiated by a Sustainable Community Service Promoter (SCSP) for an assortment of "Client Facilities" grouped in a "Territory". It derives from a number of approved or pending methodologies. However, none of the existing methodologies propose a method for emission reductions as has been proposed for grouped projects in this methodology element. SGS can therefore confirm that none of the existing methodologies can cover the scope as has been proposed in this methodology.

3.14 Comments by Stakeholders

There were no comments provided by the stakeholders.

4. RESOLUTION TO CORRECTIVE ACTION REQUESTS AND CLARIFICATION REQUESTS

A summary of the main issues raised during the assessment and their closure is discussed in the relevant sections of this report. The findings are in section A.1.

5. ASSESSMENT CONCLUSION

In conclusion, it is SGS's opinion that the proposed VCS methodology element "Sustainable Community Service promoters" as described in version 3.0 dated 06th February 2012, meets VCS requirements for a new VCS methodology element. SGS recommends the methodology element for approval and requests that the VCSA approve the methodology element.

6. ELIGIBILITY CRITERIA FOR ASSESSOR

SGS is accredited for sectoral scopes 1-15 under the CDM and VCS carbon offsetting programmes. A full list of projects that have been validated/verified under the CDM programme by SGS United Kingdom are available from: http://cdm.unfccc.int/Projects/projsearch.html

7. SIGNATURE

Signed on Behalf of:

Name of entity: SGS United Kingdom Ltd

Signature: 

Name: Siddharth Yadav

Date: 16-02-2012

- o0o -

A.1 Overview of findings

B.1 Findings Overview Summary

	Corrective Action Request (**CARs)**	Clarification Request (**CLs)**	Observations **(OBSs)**
Total Number raised	12	0	2

C.1

Type:	*OBS*	Number:	1	Reference:	Missing
SGS Comment:					
A list of acronyms should be provided at the start of the methodology element document.					
Project Participant Response:				**Date:** *21/09/2011*	
A LIST OF ACRONYMS HAS BEEN PLACED IN SECTION 10. *REFERENCE AND OTHER INFORMATION*					
Completed by Braydon Boulanger ICF					

Type:	*OBS*	Number:	2	Reference:	Methodology section (table 5.3)
SGS Comment:					
The typo in table 5.3 in the section B6 should be corrected. Section copy pasted from B5					
Project Participant Response:				**Date:** *21/09/2011*	
B6 has been corrected Completed by Braydon Boulanger ICF					

D.1

Type:	*OBS*	Number:	3	Reference:	Methodology page 15, 16 and 19
SGS Comment:					
Letters used to define different sections in the report are being repeated. Please correct the format.					
Project Participant Response:				**Date:** *21/09/2011*	
Formatting has been corrected Completed by Braydon Boulanger ICF					

E.1

Type:	*CAR (Closed)*	Number:	1	Reference:	Missing
SGS Comment:					
Section 10 “references and other information” is missing from the methodology element document. This should be added.					
Project Participant Response:				**Date:** *21/09/2011*	
Section 10 has been added and includes a list of acronyms Completed by Braydon Boulanger ICF					

F.1

Type:	*CAR (closed)*	Number:	2	Reference:	Methodology page 2
SGS Comment:					
Sectoral scope 7 has been referred to on page 2, however the methodology element document does not cover sectoral scope 7 “transport”. Reference to sectoral scope 7 should be removed from the methodology.					

Project Participant Response::	**Date:** *21/09/2011*
Sectoral scope 7 has been removed from the methodology Completed by Braydon Boulanger ICF	

G.1

Type:	*CAR (closed)*	Number:	3	Reference:	Methodology section 4a, page 15
SGS Comment:					
Section 4a lists 'behavioural change' applicable as an ECM under this methodology and using 'more proximate waste handling facilities' (section 4b). However, the quantification methodology for this activity is unclear.					
Project Participant Response:				**Date:** *21/09/2011*	
Section 4b –' the move to more proximate waste handling facilities' has been removed Section 4a – 'behavioural change' has been removed Further clarification has also been added in this section as per conversation with SGS: Waste Diversion – where the project activity is the diversion of waste for other productive uses and alternative disposal options. This methodology is only applicable to quantify emission reductions associated with methane avoidance. This methodology is not approved from quantifying emission reductions associated with landfill gas flaring or electricity/energy production Completed by Braydon Boulanger ICF					

H.1

Type:	*CAR (closed)*	Number:	4	Reference:	Methodology section 4a, page 15
SGS Comment:					
It is not clear how the impact of measures implemented (i.e improvements in energy efficiency) by the project activity can be clearly distinguished from changes in energy use due to other variables not influenced by the project activity (signal to noise ratio).					
Project Participant Response:				**Date:** *21/09/2011*	
The project measures improvements in energy efficiency by functionally equivalent inputs and outputs from the modified process as indicated by an affirmation from the project developer and the project description. This functional equivalence implies that project changes are distinguished from changes in other variables. Completed by Braydon Boulanger ICF					

I.1

Type:	*CAR (closed)*	Number:	5	Reference:	Methodology section 5, page 19
SGS Comment:					
The methodology element document provides two options 'A' and 'B' to determine the site boundaries in section 5. A clear delineation of the activities qualifying under this methodology is required					
Project Participant Response:				**Date:** *21/09/2011*	
This has been addressed through discussion with SGS. Completed by Braydon Boulanger ICF					

J.1

Type:	*CAR*	Number:	6	Reference:	Methodology section 6 ,7, page 30, 31
SGS Comment:					
Although section 6 and 7 of the methodology outline the procedure for determining baseline and additionality, it is not clear how will the combined tool be implemented for specific project types under the methodology in section 6/7.					
Project Participant Response:				**Date:** *21/09/2011*	

The combine tool offers a step wise approach from numerous project types and is flexible to adapt to a variety of projects being sought after by this methodology document.
Through discussion with SGS we have developed a project threshold (PG 15) for energy efficiency and waste management projects. This will allow a streamlined approach from small projects using the tool.
Completed by Braydon Boulanger ICF

Type:	*CAR*	Number:	7	Reference:	Methodology section 4a, 4f, 4i, page 15-17

SGS Comment:

The methodology will cover retrofit projects or modification of existing facilities. There needs to be clear provision to ensure that the lifetime or output of the facilities covered under such projects is not increased and the baseline calculations sufficiently address this issue.

Project Participant Response: **Date:** *21/09/2011*

Section 4k has been adapted to provide further explanation:

"In the case of construction of additions or expansions to existing facilities, the new floor space will be treated as a "new facility." If retrofits are applied to the existing facility, emission reductions for the retrofit will be added to those from the expansion. Both sections however will have different baselines. As these facilities will be treated separately, with unique baselines, the lifetime or output of the facilities covered under such projects will not be increased."
Completed by Braydon Boulanger ICF

K.1

Type:	*CAR*	Number:	8	Reference:	Methodology section 4.b.a, page 16

SGS Comment:

Section 4.b.a specifies that that useful life and remaining useful life periods must be documented to ensure that the crediting period does not exceed the EMC's useful life. The baseline does not specifically take into account circumstances wherein the existing equipment could be replaced during the crediting period (7 years or 10 years)

Project Participant Response: **Date:** *21/09/2011*

Section 4c has been update to provide further clarity.

Since different ECMs have different useful life periods, project proponents must document the useful life and remaining useful life and ensure that the crediting period does not exceed the EMC's useful life. If capital stock equipment that was originally measured in the baseline for a given crediting period is replaced during a crediting period it can will only be considered additional, and in turn be able to generate emissions credits, if it was retired prior to its natural capital stock rotation as indicated in the initial documentation of useful life. If capital stocks enters the end of its useful life prior to the end of a crediting period and is replaced, any emission reduction attributable to this replacement technology will not be considered towards generating credits, and will lower the facility baseline by a sum equal to the difference in emissions between the previous capital stock equipment and the replacement capital stock equipment.
Completed by Braydon Boulanger ICF

L.1

Type:	*CAR*	Number:	9	Reference:	Methodology section 4e, 4l, page 16-17

SGS Comment:

The methodology is not very clear regarding projects that improve the combustion efficiency of fuels used in energy generation. It should clearly distinguish between the savings in fuels resulting from the project activity that are due to improvements in combustion of fuels and those down to energy efficiency.

Project Participant Response: **Date:** *21/09/2011*

Section 4e has been update to provide further clarity.

This methodology is also open to quantify GHG emission reductions related to improvements in combustion efficiency. This will apply to projects involving switching from one energy generation method to a less GHG intensive energy generation method. In this case, this methodology only quantifies emissions reductions from fuel switching that occur within the project boundary. Fuel switching associated with large energy suppliers which have emission reductions that exceed the established threshold of this methodology are not intended to be quantified using this protocol. Only small on site power sources, with emission reductions within the threshold limit of this methodology are applicable for inclusion within the methodology. This separation of large offsite generation and the project will remove any change of double counting. A net emission reduction and efficiency improvement, would be achieved by such activities so long as a net reduction in overall greenhouse gas emissions per unit of productivity is achieved, as the production of energy, particularly from fossil energy sources, has significant associated GHG emissions (typically combustion-related), including both direct and indirect sources.
Further clarifications have been added to remove the threat of double counting emission reductions associated with external (outside the project boundary) energy generation, and those emission reductions attributable to the project condition.

Completed by Braydon Boulanger ICF

M.1

Type:	*CAR*	Number:	10	Reference:	Methodology section 8.4, page 38

SGS Comment:

In section 8.4, regarding the procedures/formulae for the periodic calculation of the reduction of anthropogenic emissions by sources, leakage adjustments are not clearly outlined. A clear indication of possible leakage in different type of project activities covered under this methodology will be useful. Some examples for accounting leakage are: leakage effects due to the transfer of old equipment to another project activity due to installation of new more energy efficient equipment, or leakage arising due to the replacement of energy efficient refrigeration systems or leakage arising in projects involving fossil fuel switching measures leakage resulting from fuel extraction, processing, liquefaction, transportation, re-gasification and distribution of fossil fuels outside of the project boundary.

Project Participant Response: **Date:** *21/09/2011*

Through discussion with SGS we have developed a project threshold (PG 15) for energy efficiency and waste management projects. This will allow a streamlined approach from small projects using the tool.
Completed by Braydon Boulanger ICF

N.1

Type:	*CAR*	Number:	11	Reference:	Methodology section 9, page 42, 43, 46 and 47

SGS Comment:

Latest/correct version of the 'tool to determine methane emissions avoided from disposal of waste at a solid waste disposal site' should be used.

Project Participant Response: **Date:** *21/09/2011*

The tool to determine methane emissions has been update. The methodology now references (Version 05.1.0)" (CDM, 2011)
Completed by Braydon Boulanger ICF

O.1

Type:	*CAR*	Number:	12	Reference:	Methodology section 9.2, page 45

SGS Comment:

Data and parameters used under this methodology are outlined in section 9.2. This list of parameters is not comprehensive given that multiple activities are covered under the ER's being claimed under 'waste diversion'.(ref. 4.b page 16) for Example: methane emission from anaerobic pockets during composting process or effluent collection system (if applicable) is not considered, or under 'biomethanation' related parameters are not sufficiently covered under the monitoring plan.

Project Participant Response: **Date:** *21/09/2011*

Through discussion with SGS we have developed a project threshold for energy efficiency and waste management projects.
Additionally, section 9.3 was added to include a more robust sampling plan.
Completed by Braydon Boulanger ICF