Gold Standard for the Global Goals

RULE UPDATE

APPLICATION OF SUPPRESSED DEMAND, PROJECT TYPE AND APPLICABLE SCALE THRESHOLD (RU 2020 PR- GHG V1.2)

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ENTRY INTO FORCE **13.11.2020**

RELATED DOCUMENTS

- PRINCIPLES & REQUIREMENTS
- GHG EMISSIONS REDUCTIONS & SEQUESTRATION PRODUCT REQUIREMENTS
- COMMUNITY SERVICES ACTIVITY REQUIREMENTS
- RENEWABLE ENERGY ACTIVITY REQUIREMENTS

BACKGROUND

This rule update introduces changes to the eligibility requirements of Small Scale (SSC) projects and Voluntary Project Activities (VPAs) accounting Suppressed Demand Scenario to establish baseline.

The Gold Standard for the Global Goals allows Small Scale projects to account Suppressed Demand scenario when establishing a baseline. However, Small Scale[1] projects and VPAs, solely comprising distributed units and applying the unit level threshold[2] are not required to demonstrate compliance with the appliable Small Scale thresholds at the aggregate level of the project and VPA.

To ensure the consistent application of eligibility requirement (Section 4.1.10, Principle & Requirements, V1.2 and previous versions), this rule update introduces change as outlined in the section below. It also provides clarity on small-scale project type and scale threshold applicable to the proposed project activity.

[1] The Small Scale threshold as per applicable project type defined in paragraph 5.1.2 & 5.1.4 of GHG Emissions Reduction & Sequestration Product Requirements, page 7 & 8, respectively.

[2] Units of capacity up to 1,500 kW that employ distributed renewable energy generation technology (Type 1) or that achieve energy savings at a scale of no more than 600 MWh per year (Type II) or that achieve emission reductions at a scale of no more than 600 tCO2 per year (TYPE III) for household/community/SME applications.

1| Rule update

1.1.1 | GS VER projects and VPAs applying suppressed demand baseline, irrespective of the applied methodology (approved GS or CDM methodology) and irrespective of the fact that they may be operating distributed units applying the unit level threshold mentioned above, shall demonstrate compliance with applicable project type Small Scale thresholds at the aggregate level of the project or VPA as summarised below.

a. **Type I: Renewable energy project** with a maximum output capacity of 15 MW (or an appropriate equivalent). In this context:

i. "Output" is the installed/rated capacity as indicated by the manufacturer of the equipment or plant, irrespective of the actual load factor of the plant. The installed/rated capacity of renewable electricity generating units that involve turbine generator systems shall be based on the installed/rated capacity of the generator;

ii. Regarding the "appropriate equivalent" of 15 MW, refers to MW, but the project participants may refer to MW(p),[3] MW(e) or MW(th). As MW(e) is the most common denomination, MW is defined as MW(e), and otherwise an appropriate conversion factor shall be applied;

iii. For biomass, biofuel and biogas project activities, the maximal limit of 15 MW(e) is equivalent to a 45 MW thermal output of the equipment or the plant (e.g. boilers). For thermal applications of biomass, biofuels or biogas (e.g. cookstoves), the limit of 45 MW(th) is the installed/rated capacity of the thermal application equipment or device(s) (e.g. biogas stoves). For electrical or mechanical applications, the limit of a 15 MW installed/rated output shall be used. In the case of co-firing renewable and fossil fuels, the rated capacity of the system when using fossil fuel shall apply;

iv. For thermal applications of solar energy project activities, "maximum output" shall be calculated using a conversion factor of 700 W(th)/m2 of aperture area of glazed flat plate or evacuated tubular collector, that is, the eligibility limit in terms of aperture area is 64,000 m2 of the

[3] For solar photovoltaic applications, 15 MW(p) may be defined by manufacturers' specifications under testing conditions of 1000 W/m2 and 25 deg C or 600 W/m2 and 35 deg C.

collector.[4] The project participants may also use other conversion factors determined, but shall then justify why the chosen conversion factor is more appropriate to the project activity;

Example of technologies includes but not limited to solar photovoltaic, hydro, wind and renewable biomass that supply electricity to grid, mini-grid, individual households/users or groups of households/users.

b. **Type II: Energy-efficiency improvement project** activities that reduce energy consumption, on the supply and/or demand side, with a maximum energy saving of 60 GWh per year (or an appropriate equivalent) in any year of the crediting period. In this context, for project activities that improve thermal energy efficiency, the maximum energy saving of 60 GWh(e) per year is equivalent to 180 GWh(th) per year saving;

Examples of technologies and measures include high efficiency biomass fired project devices (cookstoves or ovens or dryers) to replace the existing devices and/or energy efficiency improvements in existing biomass fired cookstoves or ovens or dryers.

c. **Type III: Other project activities** for example project involves technologies such Safe Water Supply, Waste management, etc. not included in Type I or Type II that result in GHG emission reductions not exceeding 60,000 ton CO2e per year in any year of the crediting period.

Examples of technologies and measures include solid waste composting, Water purification technologies including, but are not limited to, water filters (e.g. membrane, activated carbon, ceramic filters), solar energy powered ultraviolet (UV) disinfection devices, solar disinfection techniques, photocatalytic disinfection equipment, pasteurization appliances, chemical disinfection methods (e.g. chlorination), combined treatment approaches (e.g. flocculation plus disinfection), boreholes, wells, water kiosks.

2| Applicability

2.1.1 | All new projects or VPAs submitted for design review or inclusion review after this rule comes into force shall comply with the requirements outlined in this Rule Update.

[4] This conversion is not applicable for solar thermal parabolic and trough-type collectors used for high-grade solar thermal energy applications.

2.1.2 | An already registered project or PoA and its VPAs not meeting the Small Scale threshold defined in paragraph 1.1.1 |above, may still issue GS VERs as per approved design until the end of registered crediting period, however any issued GS VERs of vintages 1st January 2021 and beyond shall be ineligible under CORSIA.

3| Entry into force

3.1.1 | This rule update enters into force on 13/11/2020.