ACR APPROVAL OF CDM APPROVED METHODOLOGY AMS-III.BC, VERSION 02.0 "EMISSION REDUCTIONS THROUGH IMPROVED EFFICIENCY OF VEHICLE FLEETS"

ACR recommends use of ACR's own published methodologies and tools where available. However, to provide flexibility to Project Proponents, ACR generally accepts the use of CDM methodologies for project registration on ACR.

AMS-III.BC, version 02.0 is approved for use on ACR, subject to the following conditions.

1. **CDM restrictions apply**: Any thresholds (e.g. the 60 $ktCO_2e$ per project per year maximum), required tools, or criteria applicable to registration of a small-scale project activity on CDM apply equally when a CDM small-scale methodology is used to register a project on ACR.

2. **Use only for activities with no ACR methodology**: ACR has an approved methodology for GHG emission reductions through truck stop electrification as an idle-reduction measure.[1] The ACR methodology must be used for projects meeting its applicability conditions, i.e. AMS-III.BC may not be used for projects that use truck stop electrification to reduce diesel engine idling of long-haul trucks (or Heavy Duty Vehicles >3.5t in AMS-III.BC). However, AMS-III.BC is far broader: eligible measure 2(a) in this methodology would allow idling stop devices on vehicles other than Heavy Duty Vehicles, and 2(b) through 2(g) are measures other than idle reduction to reduce fuel usage and engine emissions.

3. **Additionality**: Paragraph 19 of the methodology provides a non-exhaustive list of "typical barriers faced by energy efficiency projects" with which a Project Proponent may demonstrate additionality. ACR requires that additionality be demonstrated using ACR's three-pronged additionality test per the current version of the *ACR Standard*. This requires the Project Proponent to demonstrate that the project activity: 1) exceeds regulatory/legal requirements; 2) goes beyond common practice; and 3) overcomes at least one of three implementation barriers: institutional, financial or technical. The "commercial/legal barriers" referenced in paragraph 19(a) can be used to meet the implementation barrier requirement. However, ACR does not consider the "aggregation barrier" referenced in paragraph 19(b) to be eligible for inclusion as an implementation barrier in the three-pronged additionality test.

4. **Additionality**: Some of the measures listed in paragraph 3, while perhaps uncommon in the developing world, are fairly common in the United States. Thus when applying methodology AMS-III.BC to a project in the United States, particular care must be paid to paragraph 19(c) which requires the Project Proponent to demonstrate that the project activity is not common practice. This is necessary to ensure that the award of ERTs is indeed material to the adoption of the project activity, and credits are not being given to "business-as-usual" activities. For the common practice assessment, ACR requires the use of the methodology's 5% market penetration rate threshold for each project measure.

[1] See http://americancarbonregistry.org/carbon-accounting/carbon-accounting/ghg-emissions-reductions-through-truck-stop-electrification.

5. **Double counting**: Paragraph 10, which lays out a procedure to eliminate potential double counting if vehicles included in the project are participating in other CDM projects or Programs of Activities, must be applied both within ACR and between ACR and CDM. That is, the Project Proponent must show, through the steps in paragraph 10, that no project vehicles are being counted in another project or Program of Activities registered on ACR, and no project vehicles included in a project or Program of Activities registered on ACR are also being counted in a project or Program of Activities registered on CDM.

6. **Emission factors**: For projects in the United States, appropriate emission factors published by the U.S. Environmental Protection Agency[2] may be used in Equations (1) through (6). This is consistent with the parameters table in paragraph 29, which cites "national values or the latest version IPCC" for $NCV_{x,y}$ and $EF_{CO2,x,y}$.

7. **Monitoring parameters**: The "monitoring method" column within the parameter table in paragraph 23 of the methodology references multiple options for $AL_{tkm,i,x,y}$ and $AL_{km,i,x,y}$, with one being the "preferred option". ACR clarifies that the "preferred option" must be used if there is sufficient data. Only in cases where there is not sufficient data can "Option 2" be implemented.

[2] For example see http://www.epa.gov/ghgreporting/index.html, http://www.epa.gov/climateleadership/guidance/ghg-emissions.html or http://www.epa.gov/climateleadership.