On Thursday I will submit the discussion paper for ACP, then I can post the link here. But a shorter version is: everything is based on parallax. :)

I have both datasets in the same projection plane. I use moving window analysis that correlates both datasets. The pixel pair with the highest correlation is the one I am interested. Shifts are then just the differences i the array indices. For each pixel in the array I know the lon, lat, I know the satellite position, so I can generate two lines. From the intersection point between these lines I can computethe height.

Processing over pyramids is faster and it considers the larger scale features and the small scale features. Correlation is first analysed on the coarse level data. Once I have the indices I can just proceede to more detailed pyramid, where the previously determined shifts are the basis for the mowing window analysis.

So much in short, if you need more details, I can provide them in the following days!
Klemen