



**Monitoring report form
(Version 04.0)**

Complete this form in accordance with the Attachment "Instructions for filling out the monitoring report form" at the end of this form.

MONITORING REPORT

Title of the project activity	Use of Charcoal from Renewable Biomass Plantations as Reducing Agent in Pig Iron Mill in Brazil
Reference number of the project activity	7577
Version number of the monitoring report	01
Completion date of the monitoring report	13/01/2015
Registration date of the project activity	28/12/2012
Monitoring period number and duration of this monitoring period	Monitoring period N°1 28/12/2012 – 31/12/2014
Project participant(s)	Brazil: Plantar; Plantar Siderúrgica; Plantar Carbon Ambiental Netherlands: International Bank for Reconstruction and Development as Trustee of the Prototype Carbon Fund; Netherland's Ministry of Infrastructure and the Environment (IenM)
Host Party(ies)	Federative Republic of Brazil
Sectoral scope and selected methodology(ies), and where applicable, applied standardized baseline(s)	Scope 9; Methodology: CDM-AM0082 "Use of charcoal from planted renewable biomass in the iron ore reduction process through the establishment of a new iron ore reduction system", version 01
Estimated amount of GHG emission reductions or net anthropogenic GHG removals by sinks for this monitoring period in the registered PDD	661,674 tCO ₂ e
Actual GHG emission reductions or net anthropogenic GHG removals by sinks achieved in this monitoring period	474,737 tCO ₂ e
Actual GHG emission reductions or net anthropogenic GHG removals by sinks achieved during the period up to 31 December 2012(if applicable)	2,286 tCO ₂ e
Actual GHG emission reductions or net anthropogenic GHG removals by sinks achieved during the period from 1 January 2013 onwards (if applicable).	472,451 tCO ₂ e

SECTION A. Description of project activity

A.1. Purpose and general description of project activity

>> The CDM Project 7577 proposes the use of renewable charcoal as the reducing agent in the iron ore reduction process. The use of renewable charcoal in the iron production process results in the replacement of fossil fuel - coal coke and also restores degrading grassland ecosystems.

To implement this project activity, the Plantar Group has decided to constitute a sustainable and *new iron ore reduction system* undertaking a major two-folded new investment: (i) the establishment of new dedicated wood plantations to enable the sustainable production of renewable charcoal, and (ii) the refurbishment of its pig iron facilities. The latter is related to the new investments in the plantations, supporting the establishment of a sustainable productive arrangement.

The project activity relies on sustainable production practices and advanced plantation technology developed by the project entity. The plantations are managed using sustainable management practices according to the principles of international recognized environmental and quality certification (e.g. FSC, ISO, etc) systems. The production of seedlings in large-scale nurseries and localized irrigation systems are designed to make the use of water and other inputs more efficient. The fire protection and set asides of preservation areas enhance the biodiversity of the project area.

The processing of wood into charcoal occurs in improved brick kilns and applies operations allowing for greater control of carbonization variables and enabling the project entity to reduce methane emissions.

The iron ore reduction technology is based on mini-blast furnaces into which renewable charcoal coupled with iron ore are fed and undergo the reduction process, resulting in pig iron. Pulverized charcoal is injected into the blast furnaces. (**Figure 1**)

By the time of its registration on 28 December 2012 the project's implementation was already complete and fully operating. **Table 1** shows some relevant dates of the project activity.

Table 1: relevant dates of the project activity

Date	Milestone
July 2000	Development of the engineering study "Assessment for Reducing Agent Change in Pig Iron Production of Plantar Siderúrgica". Author RSConsultants (SAMPAIO, 2000).
10 November 2000	Starting date of the project activity. This refers to the first planting of the dedicated plantations.
04 September 2002	ERPA signed with the World Bank's Prototype Carbon Fund.
January 2007	Starting of the pulverized charcoal injection system for Blast Furnace 02.
December 2007	Starting of the pulverized charcoal injection system for Blast Furnace 01.

During this first monitoring period the total GHG emission reductions achieved was **474,737 tCO₂e**.

Figure 1: Plantar Siderúrgica



Source: Google Earth, 2014

A.2. Location of project activity

>> The project activity Host Party is Federative Republic of Brazil, and is located in Minas Gerais state. The municipalities and geographical locations of the project activity are presented in **Table 1** below:

Table 1 : Geographical Location of the Project Activity:

Region	Farm ID number	Dedicated Plantation Farm Name	Overall geo-referenced points
Curvelo <i>Municipality: Curvelo</i> Dedicated forest plantations and carbonization units	MG 02	Buenos Aires	- West extreme point: 18.835556° S / 44.770556° W - Northeast extreme point: 18.743056° S / 44.515278° W - Southeast extreme point: 18.918056° S / 44.503333° W
Felixlandia <i>Municipality: Felixlandia</i> Dedicated forest plantations and carbonization units	MG 03	Jacaré/Riachão	- Northeast extreme point: 18.605278° S / 45.010556° W - Southeast extreme point: 18.670833° S / 44.994722° W - Northwest extreme point: 18.591667° S / 45.118611° W - Southwest extreme point: 18.721944° S / 45.106111° W

Morada Nova de Minas Municipality: Morada Nova de Minas Dedicated forest plantations and carbonization units	MG 04	Buriti Grande	- West extreme point: 18.797778° S / 45.392222° W - Northeast extreme point: 18.685278° S / 45.243056° W - Southeast extreme point: 18.796667° S / 45.285278° W
Itacambira Municipalities: Itacambira, Bocaiuva, Juramento, Grão Mogol and Francisco Sá ¹ Dedicated forest plantations and carbonization units	MG 15	Tamanduá/ Poços	- Northeast extreme point: 16.717778° S / 43.334167° W - Southeast extreme point: 16.948889° S / 43.388611° W - Northwest extreme point: 16.686667° S / 43.466667° W - Southwest extreme point: 16.901111° S / 43.525556° W
Sete Lagoas Municipality: Sete Lagoas Pig iron mill	-	-	LATITUDE 19.439167° S LONGITUDE 44.340278° W

A.3. Parties and project participant(s)

Party involved ((host) indicates a host Party)	Private and/or public entity(ies) project participants (as applicable)	Indicate if the Party involved wishes to be considered as project participant (Yes/No)
Federative Republic of Brazil (host)	- Plantar; - Plantar Siderúrgica; - Plantar Carbon Ambiental.	No
The Netherlands	- International Bank for Reconstruction and Development as Trustee of the Prototype Carbon Fund - Netherlands Ministry of Infrastructure and the Environment (IenM)	Yes

A.4. Reference of applied methodology and standardized baseline

>> The CDM Project 7577 uses the approved methodology CDM-AM0082² "Use of charcoal from planted renewable biomass in the iron ore reduction process through the establishment of a new iron ore reduction system", version 1.

The methodology CDM-AM0082 version 1 derives elements from the following approved methodologies and refers to the latest approved version of the tools below:

- ACM0003³ - Emissions reduction through partial substitution of fossil fuels with alternative fuels or less carbon intensive fuels in cement manufacture, version 7.3;
- AM0041⁴ - Mitigation of Methane Emissions in the Wood Carbonization Activity for Charcoal Production, version 1;

¹ MG15 Farm is located in all these municipalities and, therefore, is hereinafter called **Itacambira**.

² <http://cdm.unfccc.int/methodologies/DB/ZDKO7TGQR2OHHKMMI1VL9L49LDPR94>

³ <http://cdm.unfccc.int/methodologies/DB/DPP1VND7USZ0IGEPCABT2DF8JCPGG3>

- AM0042⁵ - Grid-connected electricity generation using biomass from newly developed dedicated plantation, version 02;
- A/R-AM0005⁶ - Afforestation and Reforestation project activities implemented for industrial and commercial uses, version 1;
- Combined tool to identify the baseline scenario and demonstrate additionality⁷, version 04.0.0;
- Estimation of direct nitrous oxide emission from nitrogen fertilization⁸, version 01.
- Estimation of non-CO₂ GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity, version 04.0.0⁹ (new version for the former Tool for the estimation of GHG emissions from clearing, burning and decay of existing vegetation due to implementation of a CDM A/R project activity, version 01);
- Tool to calculate baseline, project and/or leakage emissions from electricity consumption¹⁰, version 01;
- Tool to calculate project or leakage CO₂ emissions from fossil fuel combustion¹¹, version 02;
- Tool for the identification of degraded or degrading lands for consideration in implementing CDM A/R project activities¹², version 01.

This Monitoring Report also applies:

Guidelines on application of specified versions of A/R CDM methodologies in verification of registered A/R CDM project activities, version 01.1.

A.5. Crediting period of project activity

>> The CDM Project 7577 adopts a renewable crediting period. The first 7 years starts on 28/12/2012 and ends on 27/12/2019

A.6. Contact information of responsible persons/ entities

>> Plantar Carbon Ambiental Ltda (Project Participant).

Mr. Fábio Marques (Director), phone number ++55 31 3290.4032; plantarcarbon@plantarcarbon.com.br

⁴ <https://cdm.unfccc.int/methodologies/DB/B2SCH5WZLQYHTVSHQ4BIADMCBQ1P9U>

⁵ <http://cdm.unfccc.int/methodologies/DB/6IN615EENAIGXWBLS0FGNZ206BA058>

⁶ <https://cdm.unfccc.int/methodologies/DB/QAM97WQWX94URIJXOJMTJFIS8KSE28>

⁷ <http://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-02-v5.0.0.pdf>

⁸ <http://cdm.unfccc.int/methodologies/ARmethodologies/tools/ar-am-tool-07-v1.pdf>

⁹ <https://cdm.unfccc.int/methodologies/ARmethodologies/tools/ar-am-tool-08-v4.0.0.pdf>

¹⁰ <http://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-05-v1.pdf>

¹¹ <http://cdm.unfccc.int/methodologies/PAmethodologies/tools/am-tool-03-v2.pdf>

¹² <http://cdm.unfccc.int/methodologies/ARmethodologies/tools/ar-am-tool-13-v1.pdf>

SECTION B. Implementation of project activity

B.1. Description of implemented registered project activity

>> During this first monitoring period, the project activity has been fully implemented and is in operation.

The technology employed by the project activity includes:

In the production of reducing agents - the adoption of advanced clones and management practices for the establishment of dedicated plantations and carbonization practices that allows for methane emission reductions.

- i) *Establishment of dedicated plantations:* In order to produce high-yielding eucalyptus clones, advanced scientific protocols, rigorous selection and propagation methods were adopted to assure the production of quality seedlings for plantation purposes. Mini-sprouts were selected from sprout matrices (**Figure 2**), developed in the field experiments, and propagated in a plantation nursery that is fully equipped with clonal gardens, and greenhouses with electronic controls for temperature and moisture. The planting process involves minimum cultivation techniques to minimize soil impacts and optimize the use of water. Fertilizers, herbicides and pest control substances were used as per recommended silvicultural practices. Operations are fully integrated into the project entity's quality management system, which is based on ISO 9001. All dedicated plantations areas are fully planted (**Figure 3**).

Figure 2: Selection of mini-sprouts matrices at the greenhouses



Source: Plantar's records

Figure 3: Eucalyptus dedicated plantations



Source: Plantar's records

- ii) *Charcoal production*: carbonization is the most important part of the charcoal production requiring high temperatures at which combustible gases ignite and guarantee the supply of heat to carbonize wood. The thermal demand of the carbonization phase influences the gravimetric yield and the resulting methane emissions. The project entity's operation allows for greater control of carbonization variables and enables methane emissions reductions. Optimizing the air flow through suitable air inlets helps to control the heat inside the kiln. Factors such as wood moisture, temperature, and carbonization time are important in the amount of methane emitted. The carbonization process occurs in two types of kiln:
- a. Rectangular kiln (Figure 5): masonry kiln built with ceramic bricks.
 - Dimension: 32 meters width, 4 meters length and 5.27 meters height.
 - Mechanized loading and unloading.
 - Air supply system consists of chambers and underground pipelines. Smoke exits through lateral chimney.
 - Capacity: 270 cubic meters of wood
 - Production: 190 cubic meters of charcoal.
 - Total production period: 18 days (7 days for the carbonization process and 11 days cooling).
 - b. Circular kiln: kiln built with ceramic bricks.
 - Diameter: 3.8 meters
 - Height: 3.0 meters
 - Manual loading and unloading.
 - Air supply system consisted of "tatus" (small chambers) and smoke exits through lateral chimney.
 - Capacity: 15.5 cubic meters of wood

- Production: 12.5 cubic meters of charcoal.
- Total production period: 10 days (4 days for the carbonization process and 6 days cooling).

For the circular kilns, the quality control process is performed at standardized periods of time by checking the internal temperature of the kiln and performing visual analysis of the smoke volume and quality. A thermocouple is used to check the ideal temperature in each time period.

For the rectangular kilns, the quality control process uses the following apparatus: a pyrometer, a thermometer, a thermocouple and a rebar. The rebar is used to control the homogeneity of the carbonization process inside the kiln by checking the existence of non-carbonized wood detected by the presence of pyroligneous acid. The air entry and circulation into the kiln is controlled by chambers and underground pipelines. The temperature is controlled in each carbonization step and monitored through specific software. The inflow air is controlled according to the internal temperature in each step of the carbonization process.

All actions necessary to keep the quality of the carbonization process are described in standard operation procedures, specific to each kind of carbonization kiln.

The flow chart below (**Figure 4**) shows the carbonization production flow and presents the steps to calculate the gravimetric yield.

Figure 4: flow chart of the charcoal production process

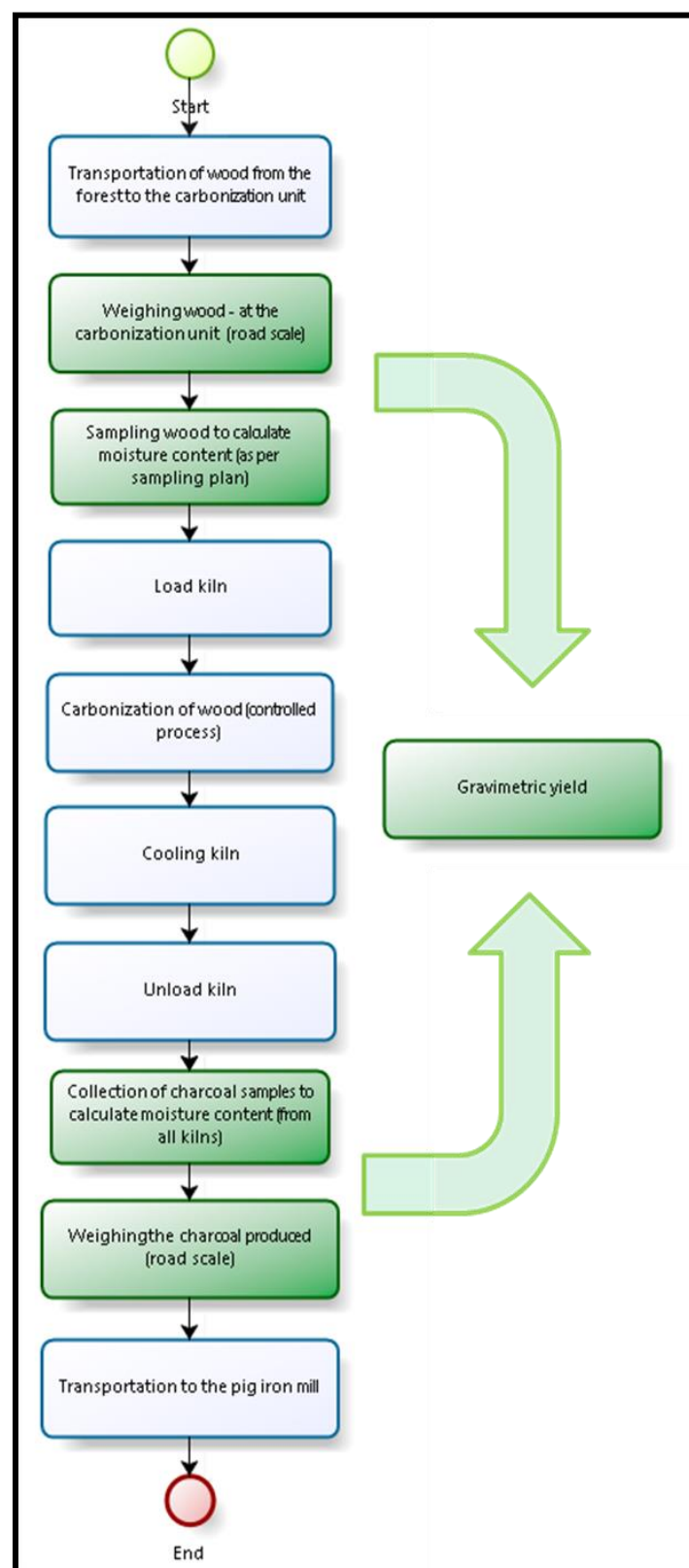


Figure 5: overview of the carbonization unit in Itacambira (rectangular kilns)



Source: Plantar Siderúrgica's records

In the iron ore reduction facility - pig iron manufacturing is based on the blast furnace technology (see **Figure 6**) and use of pulverized charcoal.

The iron ore reduction technology applied in this project activity is based on mini-blast furnaces.

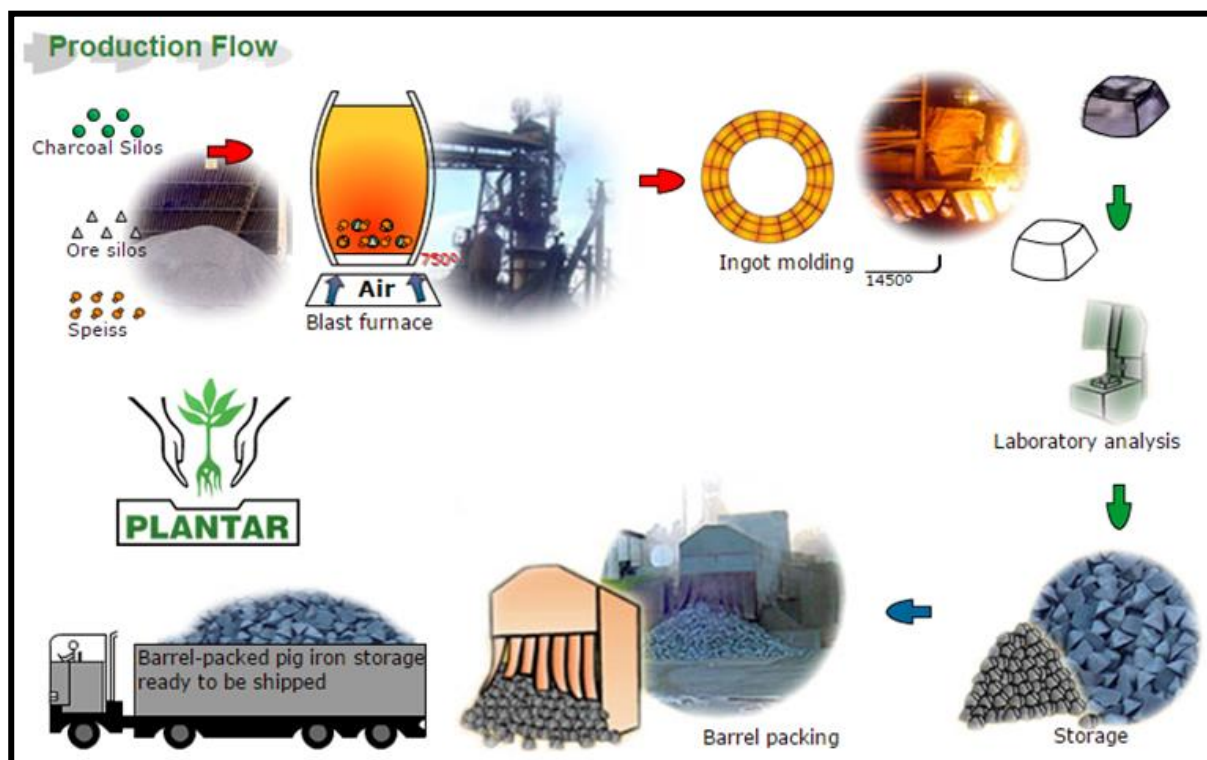
As part of the modifications implemented in the iron ore reduction plant, the adaptation of the blast furnace for using pulverized charcoal was implemented in 2007 and is the most significant modification, allowing for the total utilization of all fractions of charcoal production and handling. Prior to this upgrade, the smaller particles of the charcoal could not be used in the blast furnace.

The pulverized charcoal injection system started operating in Plantar Siderúrgica in blast furnaces 02 and 01 in January and December 2007, respectively.

All charcoal entering the pig iron mill is weighed and all pig iron produced is weighed after cooling.

Together, the production of reducing agents and the production of pig iron constitute the new iron ore reduction system enabled by the project activity.

Figure 6: pig iron production flow



Source: The Plantar Group website 2014, <http://www.grupopltar.com.br/en>

Figure 7: Plantar Siderúrgica



Source: Plantar Siderúrgica records

B.2. Post registration changes**B.2.1. Temporary deviations from registered monitoring plan, applied methodology or applied standardized baseline**

>>N/A

B.2.2. Corrections

>>N/A

B.2.3. Permanent changes from registered monitoring plan, applied methodology or applied standardized baseline

>>N/A

B.2.4. Changes to project design of registered project activity

>>N/A

B.2.5. Changes to start date of crediting period

>>N/A

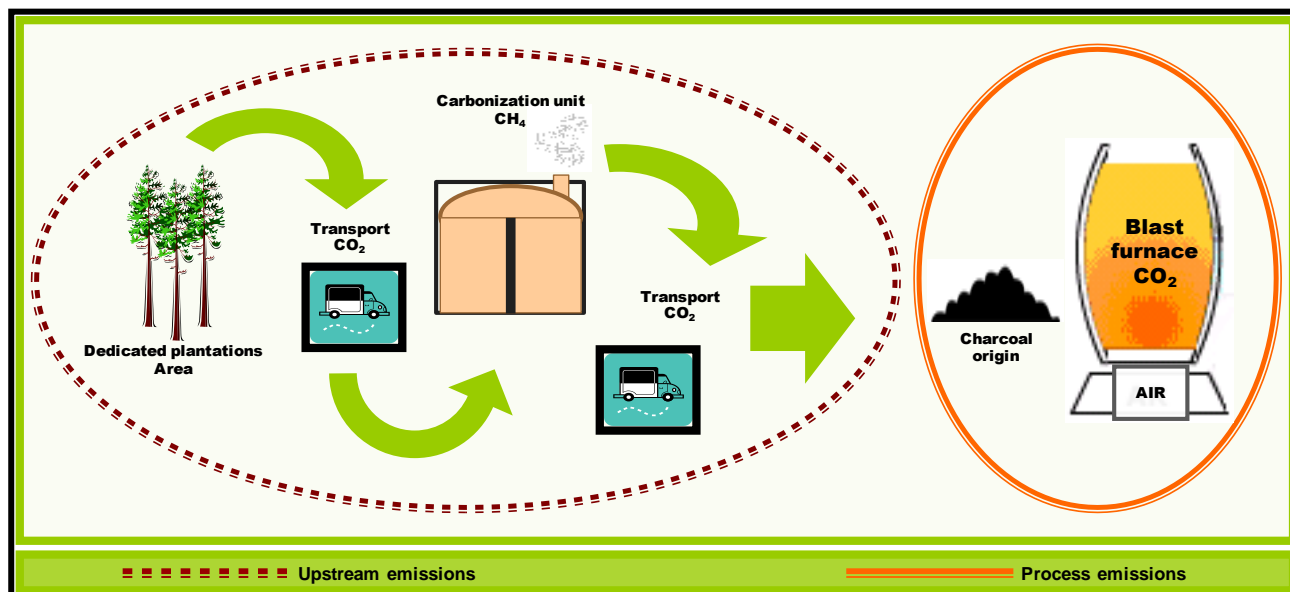
B.2.6. Types of changes specific to afforestation or reforestation project activity

>>N/A

SECTION C. Description of monitoring system

>> The monitoring plan for CDM Project 7577 focuses on the two phases of the new iron ore reduction system that are, upstream emissions and process emissions (see **Figure 8**).

Figure 8: Iron ore reduction system monitoring phases



Upstream emissions

The monitoring of upstream emissions monitors the emissions in the production of the primary carbon, the renewable charcoal.

a. Establishment of dedicated plantations

As per provisions of EB68 Annex 31¹³ that allows a project activity to apply, at the time of verification, the improvements occurred in the methodology, the parameters derived from A/R-AM0005¹⁴ version 1 regarding estimation of emissions of nitrous oxide from use of fertilizers and burning of fossil fuel in forest plantations are deemed “not required” and, therefore, are not monitored. These parameters are the ones listed below and the parameters directly related to their calculation.

$E_{FuelBurn,PJ,y}$ = CO₂ emissions from combustion of fossil fuels within the project boundary in the project scenario tCO₂e yr⁻¹ in year y

$N_2O_{direct} \cdot N_{fertilizer PJ,y}$ = N₂O emissions as a result of direct nitrogen application within the project boundary in the project scenario; (tCO₂e yr⁻¹ in year y)

The planted area, the volume of wood transported to the carbonization sites and the burning of fossil fuel in the transportation of wood to the carbonization sites are monitored.

Field surveys were undertaken to verify that the delineated project boundary was congruent with the ex-ante description presented in the PDD.

Data monitored:

- Area of the dedicated plantations

¹³ “Guidelines on application of specified versions of A/R CDM methodologies in verification of registered A/R CDM project activities”, version 01.1

¹⁴ CDM-A/R-AM0005 - Afforestation and Reforestation project activities implemented for industrial and commercial uses, version 1

- Number of round trips per type of vehicle for wood transportation to the carbonization units
- Average round trip distance from plantation site to the carbonization unit site
- Emission factor per type of vehicle.

b. Renewable charcoal production

All the wood (population) from a forest stand entering the carbonization unit is weighed on truck scales and its origin is registered. After that, the wood is stocked in piles beside the carbonization kilns. According to the sample plan (described in Section D.3), wood samples are taken from the stock piles in order to determine the wood moisture.

The carbonization process occurs in two types of kilns (described in section B.1). PP¹⁵ keeps registry of all forest stand origin.

Charcoal moisture was determined for all carbonization kilns (population). PP keeps registry of the charcoal moisture and forest stand origin. All charcoal (population) leaving the carbonization unit was weighed on truck scales. All the process is summarized in **Figure 4** above.

Methane emissions from the carbonization process were estimated based on the identification of the gravimetric yield according to the regression equation expressing statistical relationship provided in the PDD. In addition to the gravimetric yield, the transport of the reducing agent to the iron ore reduction facility was monitored. Emissions are based on the quantity of wood transported, the number of round trips and the average distance. The average distance is the average linear distance from the centroid of the stands to the centroid of the carbonization unit. Conservatively, PP considered the biggest CO₂ emitter vehicle type for wood transportation from the planted area to the carbonization units.

Data monitored:

- Gravimetric yield (**Figure 9**)
 - Wood weight - population
 - Charcoal weight - population
 - Wood moisture – samples (see item D.3 of this Monitoring Report for details)
 - Charcoal moisture – population
- Number of round trips per type of vehicle for charcoal transportation to the pig iron mill
- Average round trip distance from the carbonization unit site to the pig iron mill (**Figure 10** below)
- Emission factor per type of vehicle.

¹⁵ The Plantar Group companies, presented in Section A.3 of this MP, are hereinafter called **PP**.

Figure 9: monitoring system within the carbonization unit

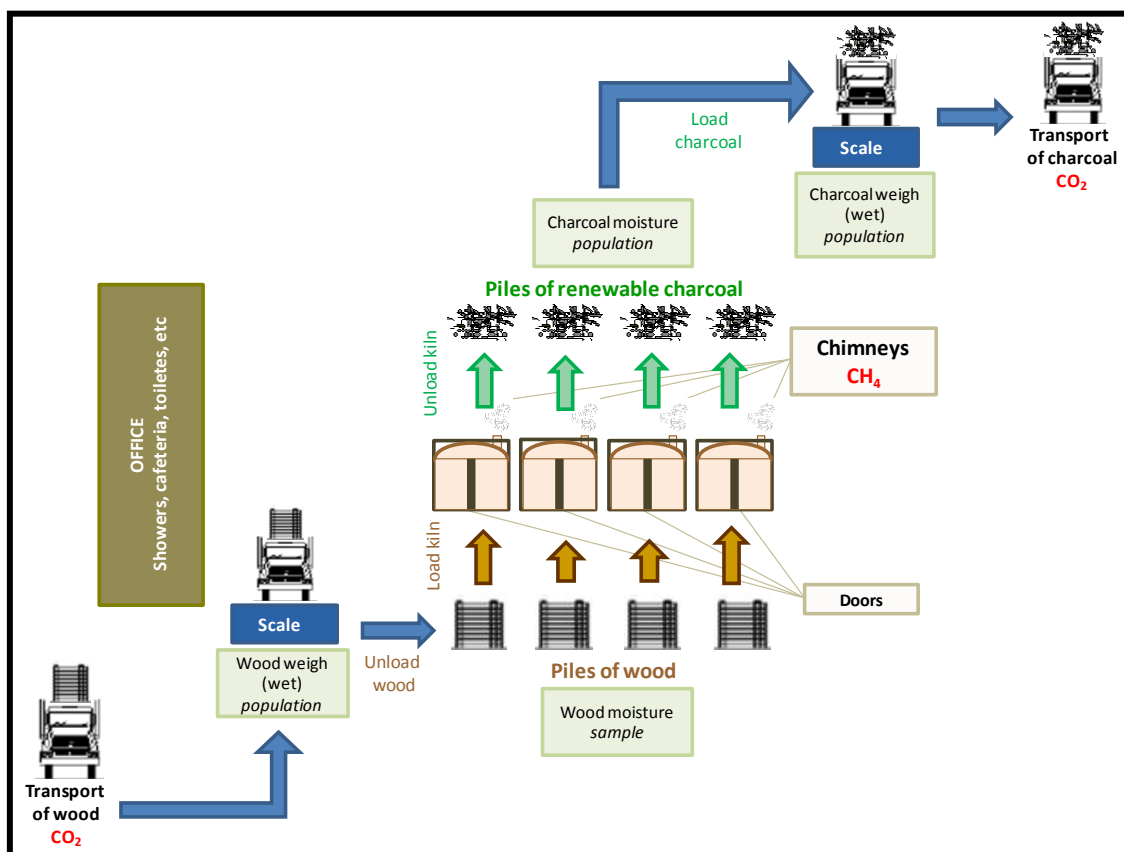
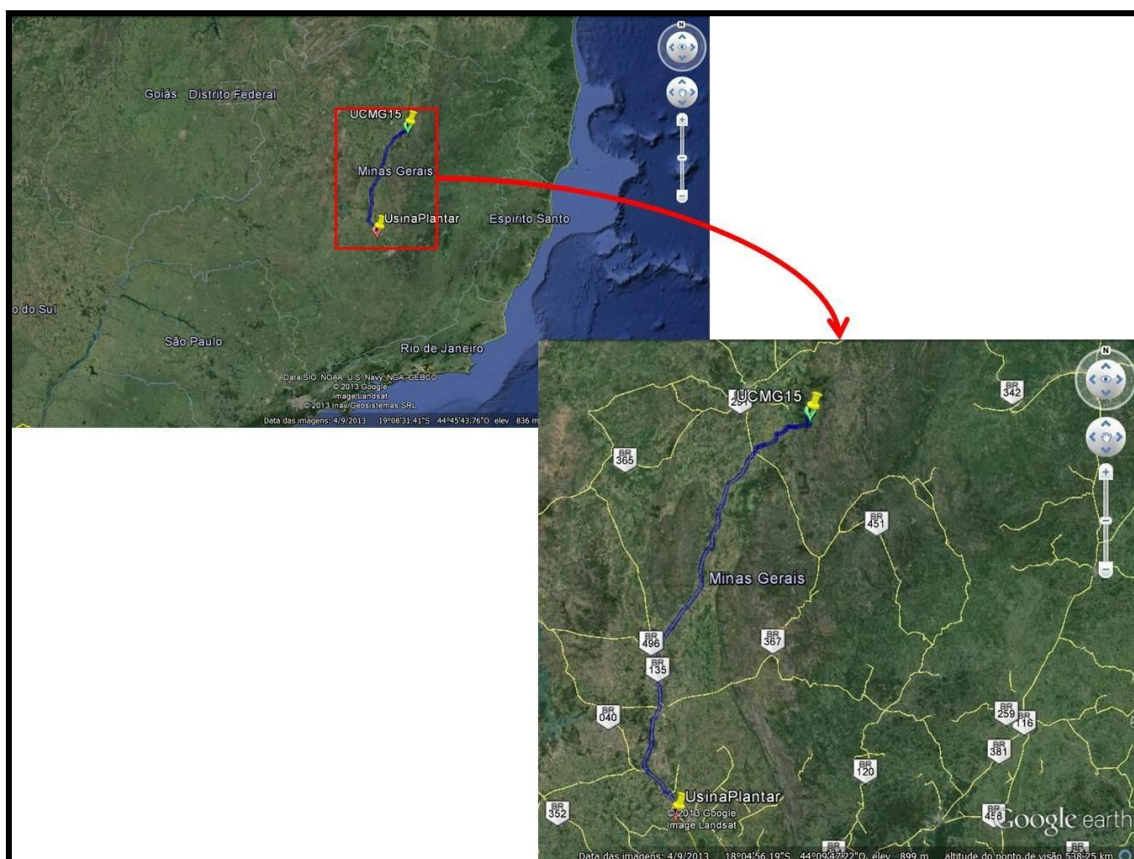


Figure 10: Route from carbonization unit to Plantar Siderúrgica



Source: GoogleEarth, 2013

Process emissions

c. Pig iron production

Charcoal origin is registered upon arrival at the mill via Environmental Control Form - GCA, an official form from the State's Forestry Authority (*IEF – Instituto Estadual de Florestas*). The GCA presents the origin of the wood, to which forestry authorization is linked to (another official form from the same Authority called DCC – Declaration of Harvesting and Commercialization of Planted Forests) and even the charcoal transport route. As per the PDD, only charcoal produced with biomass sourced by the areas within the project boundaries, as well as areas treated under the A/R CDM Project number 2569, are accounted for emission reductions calculations, as they integrate the new iron ore reduction system. All pig iron produced is weighed.

Data monitored:

- Renewable charcoal origin
- Renewable charcoal consumption (quantity of renewable charcoal used in the iron ore reduction process)
- Amount of pig iron produced in the iron ore reduction process.

Figure 11: Pig iron ingots



Source: Plantar records

The operational and management structure for collecting and monitoring the project activity's data is presented in **Table 2** below.

Table 2: Monitoring of project's activities organizational table

Activity/task/variable Unit	Responsible Entity	Responsible Department
Upstream emissions		
Area of the dedicated plantations (ha)	Plantar	Forestry Planning
Number of round trips per type of vehicle for wood transportation to the carbonization units (number)	Plantar Siderúrgica (MG15 Farm)/ Plantar Carbon	Forestry Management/ CDM Projects
Average round trip distance from plantation site to the carbonization unit site (km)	Plantar/ Plantar Carbon	Forestry Planning/ CDM Projects
Emission factor per type of vehicle (tCO ₂ e /liter)	Plantar Carbon	CDM Projects
Gravimetric yield Wood weight – population (t/m ³) Charcoal weight – population (t/m ³) Wood moisture - sampling (%) Charcoal moisture – population (%)	Plantar Siderúrgica (MG15 Farm)	Forestry Management
Number of round trips per type of vehicle for charcoal transportation to the pig iron mill (number)	Plantar Siderúrgica/ Plantar Carbon	Forestry Management/ CDM Projects
Average round trip distance from the carbonization unit sites to the pig iron mill (km)	Plantar Carbon	CDM Projects
Emission factor per type of vehicle (tCO ₂ e/liter)	Plantar Carbon	CDM Projects
Process emissions		
Renewable charcoal origin (dimensionless)	Plantar Siderúrgica	Production Management
Renewable charcoal consumption (quantity of renewable charcoal used in the iron ore reduction process) (tonne)	Plantar Siderúrgica	Production Management
Amount of pig iron produced in the iron ore reduction process (tonne)	Plantar Siderúrgica	Production Management
CDM training, data gathering and emission reductions calculations	Plantar Carbon	CDM Projects

All data gathered are checked by a senior supervisor and inputted in the spreadsheet **Plantar Green Pig Iron Control Tool**.

According to the CDM-AM0082 version 1, all data collected as part of monitoring should be electronically archived and kept for at least two years after the end of the last crediting period. The responsible staff was trained to monitor, gather and record all relevant data for the project activity according to its monitoring plan. All data are covered by emergency procedures to avoid data loss.

SECTION D. Data and parameters

D.1. Data and parameters fixed ex ante or at renewal of crediting period

As per provisions of EB68 Annex 31 (see detailed explanation in Section C(a)), the parameters derived from A/R-AM0005 version 1

EF_1 , NC_{SFi} , $Frac_{GASF}$, $EF_{CO2,i,y}$, MW_{N2O} and GWP_{N2O} are not monitored.

Data / Parameter:	$\%C_{BL,i}$
Unit:	%
Description:	Carbon content in percent of in the non-renewable reducing agent i in the baseline scenario
Source of data:	Engineering data (SAMPAIO, 2000 ¹⁶)
Value(s) applied:	Coal coke: 87.05% Pulverized coal: 78.90%
Purpose of data:	Calculation of baseline emissions
Additional comment:	N/A

Data / Parameter:	$RA_{BL,i}$
Unit:	tonne of reducing agent/ tonne of hot metal
Description:	Reducing agent type i (i.e. coal coke) required to produce one tonne of hot metal
Source of data:	Engineering data (SAMPAIO, 2000)
Value(s) applied:	0.358
Purpose of data:	Calculation of baseline emissions
Additional comment:	N/A

Data / Parameter:	$RA_{BL,j}$
Unit:	tonne of reducing agent/ tonne of hot metal
Description:	Reducing agent type j (i.e. pulverized coal) required to produce one tonne of hot metal
Source of data:	Engineering data (SAMPAIO, 2000)
Value(s) applied:	0.170
Purpose of data:	Calculation of baseline emissions
Additional comment:	N/A

¹⁶ SAMPAIO, R.S. *Avaliação de mudança do agente termo redutor na produção de ferro-gusa da Plantar Siderúrgica* (Assessment for Reducing Agent Change in Pig Iron Production of Plantar Siderúrgica). July, 2000.

Data / Parameter:	$EF_{vf,BL}$
Unit:	kg CO ₂ /litre
Description:	Emission factor for vehicle type v with fuel type f (diesel) in the baseline scenario and the project scenario
Source of data:	GHG Protocol Brazilian Program, 2013, http://www.ghgprotocolbrasil.com.br/ and 2006 IPCC Guidelines for National GHG Inventories, Volume 2, Chapter 1, Table 1.4
Value(s) applied:	2.578752
Purpose of data:	Calculation of baseline emissions
Additional comment:	Diesel is the fuel used by the project entity. Vehicle type: Train Calculated using IPCC lower limit 72600 kgCO ₂ e/TJ See Section E.1 (c), Footnote 12 for calculation details.

Data / Parameter:	$EF_{vf,PJ}$
Unit:	kg CO ₂ /litre
Description:	Emission factor for vehicle type v with fuel type f (diesel) in the project scenario
Source of data:	GHG Protocol Brazilian Program, 2013, http://www.ghgprotocolbrasil.com.br/ and 2006 IPCC Guidelines for National GHG Inventories, Volume 2, Chapter 1, Table 1.4
Value(s) applied:	2.656896
Purpose of data:	Calculation of baseline emissions
Additional comment:	Diesel is the fuel used by the project entity. Vehicle type: Truck Calculated using IPCC upper limit 74800 kgCO ₂ e/TJ This parameter is the same value as parameter $COEF_{i,y}$, CO ₂ emission coefficient of fuel type i in year y (tCO ₂ e /l) See Section E.2 (d) Footnote 24 for calculation details.

Data / Parameter:	$N_{V,BL,y}$
Unit:	Unit numbers
Description:	Number of round trips (to and from) per type v of vehicle had during the year y in the baseline scenario
Source of data:	Calculated. See Section E.1 of this MR version 1 for details.

Value(s) applied):	28/12/2012 to 31/12/2012: 0.35 01/01/2013 to 31/12/2013: 35.38 01/01/2014 to 31/12/2014: 31.78
Purpose of data:	Calculation of baseline emissions
Additional comment:	Train transportation is not considered as round trip as a train does not return empty to its point of departure; it is always loaded with some other type of cargo to make the return travel and therefore this different cargo transportation is not accounted.

Data / Parameter:	AVD _{j,BL,y}
Unit:	Km
Description:	Average round trip distance (to and from) between the reducing agent type v production site (s) and the site of the iron ore reduction facility in the baseline scenario during the year y
Source of data:	Average distance estimated based on road map (Source: GoogleEarth, 2014)
Value(s) applied):	733
Purpose of data:	Calculation of baseline emissions
Additional comment:	Distance from Vitória, Espírito Santo State (Tubarão seaport) to Plantar Siderúrgica (Sete Lagoas, Minas Gerais). Train transportation is not considered as round trip as a train does not return empty to its point of departure; it is always loaded with some other type of cargo to make the return travel and therefore this different cargo transportation is not accounted.

Data / Parameter:	EF _{v,km,CO₂,BL,y}
Unit:	tCO ₂ e /km
Description:	CO ₂ emission factor for the type v of vehicle during the year y in the baseline scenario
Source of data:	ANTT/Vale, 2009; GHG Protocol Brazilian Program, 2013; IPCC, 2006
Value(s) applied):	0.02546
Purpose of data:	Calculation of baseline emissions
Additional comment:	Vehicle type: Train

Data / Parameter:	EF _{CO₂e,coalcoke,BL,y}
Unit:	tCO ₂ e/ t of Coal coke
Description:	Emission factor to produce one tonne of coal coke in the baseline scenario supply chain

Source of data:	CDM-AM0082 version 1, Annex 1, Table 3 and SAMPAIO, 2000
Value(s) applied:	0.5368
Purpose of data:	Calculation of baseline emissions
Additional comment:	N/A

Data / Parameter:	GWP _{CH4}
Unit:	(tCO ₂ e/tCH ₄)
Description:	Global warming potential of methane valid for the commitment period
Source of data:	IPCC default
Value(s) applied:	Until 31/12/2012: 21 01/01/2013 onwards: 25 ¹⁷
Purpose of data:	Calculation of baseline emissions and project emissions
Additional comment:	N/A

D.2. Data and parameters monitored

As per provisions of EB68 Annex 31 (see detailed explanation in Section C(a)), the parameters derived from A/R-AM0005 version 1 FC_{i,j,y} and M_{SFi,t} are not monitored.

Data / Parameter:	P _{PJ,y}
Unit:	Tonnes of Hot Metal (t)
Description:	Hot metal production in project scenario in year y (hot metal production of the new iron ore reduction system).
Measured/Calculated / Default:	Measured
Source of data:	Project entity records
Value(s) of monitored parameter:	28/12/2012 to 31/12/2012: 1,832 01/01/2013 to 31/12/2013: 184,667 01/01/2014 to 31/12/2014: 199,421

¹⁷ According to Annex 3, EB69.

Monitoring equipment:	Type: Scale – Weightech WT211 Accuracy class: Maximum cargo 80000kg/ Minimum cargo 200kg Serial number: P1338A1270 Calibration frequency ¹⁸ : quarterly, according to the PP standard procedure Date of last calibration: 19/10/2014 Validity: 1 year
Measuring/Reading/Recording frequency:	Measured daily, aggregated annually.
Calculation method (if applicable):	N/A
QA/QC procedures:	100% of the total pig iron production shall be weighed. Scales are calibrated according to ISO 9001 Standard Operating Procedures.
Purpose of data:	Calculation of project emissions
Additional comment:	N/A

Data / Parameter:	$N_{v,PJ,i,y}$
Unit:	Unit numbers
Description:	Number of round trips (to and from) per type v of vehicle during year y to transport biomass to the carbonization sites.
Measured/Calculated /Default:	Calculated
Source of data:	Project entity records
Value(s) of monitored parameter:	28/12/2012 to 31/12/2012: 74 01/01/2013 to 31/12/2013: 16,101 01/01/2014 to 31/12/2014: 16,925
Monitoring equipment:	N/A
Measuring/Reading/Recording frequency:	Annually
Calculation method (if applicable):	Calculated as Amount of wood transported (m^3) per year over Vehicle capacity (m^3). Conservatively, PP considered the biggest CO ₂ emitter vehicle type.
QA/QC procedures:	Standard Operating Procedures based on ISO 9001 standards
Purpose of data:	Calculation of project emissions
Additional comment:	This parameter applies to the calculations for $EP_{Vehicle,PJ,y}$ biomass transport to the carbonization sites.

¹⁸ The verification of calibrations in Brazil is valid for one year, according to INMETRO – Instituto Nacional de Metrologia, Qualidade e Tecnologia (*National Institute of Metrology, Quality and Technology*), Portaria 236/1994, item 11. Calibration checks are conservatively determined to happen more often by the PP, provided that the annual threshold is observed.

Data / Parameter:	$N_{v,PJ,y}$
Unit:	Unit numbers
Description:	Number of round trips (to and from) per type v of vehicle during year y to transport renewable charcoal from the carbonization site to the iron ore reduction facility.
Measured/Calculated / Default:	Calculated based on the trucks entrance in the pig iron mill
Source of data:	Project entity records
Value(s) of monitored parameter:	28/12/2012 to 31/12/2012: 53 01/01/2013 to 31/12/2013: 4,647 01/01/2014 to 31/12/2014: 4,853
Monitoring equipment:	N/A
Measuring/Reading/ Recording frequency:	Annually
Calculation method (if applicable):	Calculated as $P_{PJ,y}$ over $FP_{J,charcoal}$ multiplied by Vehicle capacity (m^3). Conservatively, PP considered the biggest CO ₂ emitter vehicle type.
QA/QC procedures:	Standard Operating Procedures based on ISO 9001 standards.
Purpose of data:	Calculation of project emissions
Additional comment:	This parameter applies to the calculations for $RAT_{Vehicle,PJ,y}$, transport of reducing agent to iron ore reduction facility in the project scenario.

Data / Parameter:	$AVD_{i,PJ,y}$
Unit:	Km
Description:	Average round trip distance (to and from) between the biomass i production site(s) and the site of the carbonization unit during year y
Measured/Calculated / Default:	Calculated
Source of data:	Project entity records.
Value(s) of monitored parameter:	21.72 (round trip)
Monitoring equipment:	N/A
Measuring/Reading/ Recording frequency:	Annually
Calculation method (if applicable):	It is the average linear distance from the centroid of the stands to the centroid of the carbonization unit.
QA/QC procedures:	Standard Operating Procedures based on ISO 9001 standards.
Purpose of data:	Calculation of project emissions
Additional comment:	This parameter applies to the calculations for $EP_{Vehicle,PJ,y}$ biomass transport to the carbonization sites.

Data / Parameter:	AVD _{j,PJ,y}
Unit:	Km
Description:	Average round trip distance between the renewable charcoal <i>i</i> production site(s) and the iron ore reduction facility during the year <i>y</i>
Measured/Calculated / Default:	Calculated
Source of data:	Google Earth, 2014
Value(s) of monitored parameter:	738 (round trip)
Monitoring equipment:	N/A
Measuring/Reading/ Recording frequency:	Annually
Calculation method (if applicable):	Calculated via Google Earth 2014.
QA/QC procedures:	Standard Operating Procedures based on ISO 9001 standards.
Purpose of data:	Calculation of project emissions
Additional comment:	This parameter applies to the calculations for RAT _{Vehicle,PJ,y} , transport of renewable charcoal to the iron ore reduction facility in the project scenario.

Data / Parameter:	EF _{v,km,CO₂,PJ,y}
Unit:	tCO ₂ e /km
Description:	CO ₂ emission factor for the type <i>v</i> of vehicle during year <i>y</i> in the project scenario
Measured/Calculated / Default:	Calculated
Source of data:	GHG Protocol Brazilian Program, 2013, http://www.ghgprotocolbrasil.com.br/ and 2006 IPCC Guidelines for National GHG Inventories, Volume 2, Chapter 1, Table 1.4 and Plantar records.
Value(s) of monitored parameter:	0.00486 and 0.00126
Monitoring equipment:	N/A
Measuring/Reading/ Recording frequency:	Annually
Calculation method (if applicable):	See Section E.2 Project Upstream Emissions item d in this MR version 1.
QA/QC procedures:	Standard Operating Procedures based on ISO 9001 standards.
Purpose of data:	Calculation of project emissions

Additional comment:	This parameter applies to the calculations for $EP_{Vehicle,PJ,y}$ biomass transport to the carbonization sites, and $RAT_{Vehicle,PJ,y}$ transport of renewable charcoal to the iron ore reduction facility in the project scenario.
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Data / Parameter:	$EF_{CH_4,charcoal,PJ,y}$
Unit:	tCH ₄ / t of charcoal
Description:	Emission Factor to produce one tonne of renewable charcoal identified in the project supply chain
Measured/Calculated / Default:	Calculated
Source of data:	Project entity records
Value(s) of monitored parameter:	28/12/2012 to 31/12/2012: 0.00342 01/01/2013 to 31/12/2013: 0.00342 01/01/2014 to 31/12/2014: 0.00347
Monitoring equipment:	N/A
Measuring/Reading/ Recording frequency:	Annually
Calculation method (if applicable):	Based on provisions of AM0041 version 1
QA/QC procedures:	Standard Operating Procedures should be applied based on provisions of AM0041 and ISO 9001 standards.
Purpose of data:	Calculation of project emissions
Additional comment:	N/A

Data / Parameter:	$F_{PJ,charcoal}$
Unit:	Tonne of charcoal / tonne of hot metal
Description:	Quantity of renewable charcoal to produce one tonne of hot metal in the project scenario.
Measured/Calculated / Default:	Measured and Calculated
Source of data:	Project entity records
Value(s) of monitored parameter:	28/12/2012 to 31/12/2012: 0.7684 01/01/2013 to 31/12/2013: 0.6715 01/01/2014 to 31/12/2014: 0.6492

Monitoring equipment:	<p>Type: Scale - Toledo 9091</p> <p>Accuracy class: Maximum cargo 80000kg/ Minimum cargo 200kg</p> <p>Serial number: 92551</p> <p>Calibration frequency, according to the PP standard procedure: quarterly</p> <p>Date of last calibration: 20/10/2014</p> <p>Validity: 1 year</p> <p>Type: Scale – Weightech WT211</p> <p>Accuracy class: Maximum cargo 80000kg/ Minimum cargo 200kg</p> <p>Serial number: P1338A1270</p> <p>Calibration frequency, according to the PP standard procedure: quarterly</p> <p>Date of last calibration: 19/10/2014</p> <p>Validity: 1 year</p>
Measuring/Reading/Recording frequency:	Charcoal and hot metal are weighed daily and calculated annually.
Calculation method (if applicable):	N/A
QA/QC procedures:	Standard Operating Procedures based on ISO 9001 standards.
Purpose of data:	Calculation of project emissions
Additional comment:	$FP_{J, \text{charcoal}} = RA_{PJ,i}$

Data / Parameter:	Y_{PJ}
Unit:	Tonne of charcoal / tonne of wood on dry basis
Description:	Carbonization gravimetric yield
Measured/Calculated / Default:	Measured
Source of data:	Project entity records
Value(s) of monitored parameter:	<p>28/12/2012 to 31/12/2012 and 01/01/2013 to 31/12/2013 = 0.3345</p> <p>01/01/2014 to 31/12/2014 = 0.3328</p>

Monitoring equipment:	<p><u>Truck scales</u></p> <p>Location: UC Itacambira</p> <p>Type: ALFA 3101C</p> <p>Serial number: 101954</p> <p>Accuracy class: Maximum 40,000kg/ minimum 10kg</p> <p>Calibration frequency, according to the PP standard procedure: semestral</p> <p>Date of last calibration: 16/12/2014</p> <p>Validity: 1 year</p> <p>Location: UC Aeroporto</p> <p>Type: ALFA 3101C</p> <p>Serial number: 1019F2</p> <p>Accuracy class: Maximum 40,000kg/ minimum 10kg</p> <p>Calibration frequency, according to the PP standard procedure: semestral</p> <p>Date of last calibration: 16/12/2014</p> <p>Validity: 1 year</p> <p><u>Lab scales</u></p> <p>Location: UC Itacambira</p> <p>Type: Marte ID200</p> <p>Serial number: 295287</p> <p>Accuracy class: Maximum 200g/ minimum 0.01g</p> <p>Calibration frequency, according to the PP standard procedure: until 2013: annual; 2013 onwards: semestral</p> <p>Date of last calibration: 16/12/2014</p> <p>Validity: 1 year</p> <p>Location: UC Itacambira</p> <p>Type: Filizola MF 3/1</p> <p>Serial number: 5478/03 107102</p> <p>Accuracy class: Maximum 3,000g/ minimum 10g</p> <p>Calibration frequency, according to the PP standard procedure: until 2013: annual; 2013 onwards: semestral</p> <p>Date of last calibration: 16/12/2014</p> <p>Validity: 1 year</p> <p>Location: UC Itacambira</p> <p>Type: Marte ID200</p> <p>Serial number: 322711</p> <p>Accuracy class: Maximum 200g/ minimum 0.01g</p> <p>Calibration frequency, according to the PP standard procedure: until 2013:</p>
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	annual; 2013 onwards: semestral Date of last calibration: 16/12/2014 Validity: 1 year
Measuring/ Reading/ Recording frequency:	Annually
Calculation method (if applicable):	Based on provisions of AM0041 version 1
QA/QC procedures:	Standard Operating Procedures should be applied based on provisions of AM0041 version 1 and ISO 9001 standards.
Purpose of data:	Calculation of project emissions
Additional comment:	N/A

Data / Parameter:	$NCV_{i,y}$
Unit:	GJ/ l
Description:	Weighted average net calorific value of fuel type <i>i</i> in year <i>y</i>
Measured/Calculated / Default:	Default
Source of data:	Regional or national default values: GHG Protocol Brazilian Program 2013
Value(s) of monitored parameter:	0.03552
Monitoring equipment:	N/A
Measuring/Reading/ Recording frequency:	Review appropriateness of the values annually.
Calculation method (if applicable):	N/A
QA/QC procedures:	Verify if value is within the uncertainty range of the IPCC default values as provided in Table 1.2, Vol. 2 of the 2006 IPCC Guidelines (Upper limit for diesel: 43.3 TJ/Gg).
Purpose of data:	Calculation of project emissions
Additional comment:	0.03552 GJ/l = 42.2688 TJ/Gg Diesel density (Source: GHG Protocol Brazilian Program 2013): 0.84 Kg/l = 1.190 l/Kg 35.52 MJ/l * 1.190 l/Kg = 42.2688 MJ/Kg = 42.2688 TJ/Gg

D.3. Implementation of sampling plan

>> As presented in Section D.2 the carbonization gravimetric yield (Y_{PJ}) is calculated by a sampling approach. The carbonization gravimetric yield was calculated as charcoal weight over wood weight, both on dry basis. The wood and charcoal dry weights were monitored using samples extracted from the forest stands so the project carbonization gravimetric yield results from the weighted average of all forest stands'

gravimetric yield. The wood and charcoal moisture and the wood and charcoal wet weights were monitored using proper samples in order to calculate the wood and charcoal dry weights.

The wet wood was weighed on truck scales when entering the carbonization unit. All the wood was weighed and data were automatically registered on a forest stand basis. Inside the carbonization unit, the wood was allocated in stock piles beside the carbonization kilns. The frequency of the diametric classes of the forest stands was determined from the stock piles in order to determine the wood moisture. PP keeps registry of the forest stands' origin for all piles of wood.

The wood moisture was determined according to a stratified random sampling. According to the CDM Guideline "Sampling and surveys for CDM project activities and programmes of activities" (Version 03.0), the minimum number of samples for a CDM large scale project needs to attain a 10% error with 95% probability.

According to the PP's Standard Operational Procedure, at least 60 samples are collected from each forest stands covering all diameter classes. Each sample is collected from a wood log and 5 samples of each diameter classes (there are 4 diameter classes) are taken from 3 piles of wood, resulting in 60 samples per forest stand. The laboratory analysis methodology used to calculate the wood moisture of each sample and its data registry are described in a Standard Operational Procedures. The wood moisture of a forest stand was determined covering all the frequency of the wood diameter classes.

The sample plan "*Relatório técnico – Dimensionamento da amostra para estimação da umidade da madeira (base seca) na Unidade de Carbonização MG15*" concluded that 39 samples are required from each forest stand to meet the confidence level of 3% error with 95% probability. Therefore, the PP's actual sampling procedures exceed the requirements of the CDM Guidelines and the sample plan.

Charcoal moisture is determined for all carbonization kilns (population). A Standard Operational Procedure is defined in the PP Quality System in order to determine the charcoal moisture. PP keeps a registry of charcoal moisture and forest stand origin for all loads of charcoal sent to the pig iron mill.

All charcoal produced was weighed in truck scales and was automatically registered. PP keeps registry of the charcoal moisture and forest stand origin for all trucks loaded with charcoal.

SECTION E. Calculation of emission reductions or GHG removals by sinks

E.1. Calculation of baseline emissions or baseline net GHG removals by sinks

>>

$$BE_y = RAE_{BL,y} + IRE_{BL,y} \quad (1)^{19}$$

Where:

BE_y	= Total baseline emissions in the iron ore reduction system in year y (tCO ₂ e)
$RAE_{BL,y}$	= Baseline upstream emissions in the reducing agent supply in year y (tCO ₂ e)
$IRE_{BL,y}$	= Baseline process emissions in the industrial facility in year y (tCO ₂ e)

Baseline upstream emissions

¹⁹ This MR maintained the itemization and formulae numbering as per AM0082 version 1.

The baseline upstream emissions are attributable to the primary carbon extraction, reducing agent production and transportation inside national boundaries as applicable to the new iron ore reduction system.

The assessment of baseline upstream emissions is carried out as per the equations below.

$$RAE_{BL,y} = PCE_{BL,y} + RAP_{BL, RA,y} + RAT_{Vehicle,BL,y} \quad (2)$$

Where:

$RAE_{BL,y}$	=	Baseline upstream emissions associated with the supplies of the reducing agent (tCO ₂ e)
$PCE_{BL,y}$	=	Emissions from the <i>Primary carbon extraction</i> in the <i>baseline</i> scenario during year <i>y</i> (tCO ₂ e)
$RAP_{BL, RA,y}$	=	GHG emissions from the production of reducing agents within the boundary under the baseline scenario during year <i>y</i> ; (tCO ₂ e /yr)
$RAT_{Vehicle,BL,y}$	=	CO ₂ emissions in fossil fuel combustion in the transport of reducing agent(s) to iron ore reduction facility during year <i>y</i> in the baseline scenario; (tCO ₂ e /yr)

Although the baseline scenario involves the complete use of coal coke as reducing agent in the new iron ore reduction system, for conservativeness, the primary carbon sources extraction GHG emissions attributable to the coal mining related activities are not taken into account (items (a) and (b) in the CDM Project 7577 PDD version 3). However, emissions from the coal transportation from the seaport to the mill and the emissions of its processing into coal coke are accounted in this MR because they occur within national boundaries.

1- Coal coke reducing agent in the baseline scenario

$$PCE_{BL,y} = CM_{BL,y} \quad (A1.1)$$

Where:

$PCE_{BL,y}$	=	Emissions from the <i>Primary carbon extraction</i> in the <i>baseline</i> scenario during year <i>y</i> (tCO ₂ e)
$CM_{BL,y}$	=	GHG emissions associated with coal mining activities in the baseline scenario during year <i>y</i> (tCO ₂ e)

a) Coal mining emissions

$$CM_{BL,y} = (CM_{BL,machine,y} + CM_{BL,fugitive,y}) \cdot RA_{BL,i} \cdot P_{PJ,y} + CM_{BL,Vehicle,y} \quad (A1.2)$$

Where:

$CM_{BL,y}$	=	GHG emissions due to the coal mining activities in the baseline scenario during
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	year y (tCO ₂ e)
$CM_{BL, machine, y}$	= GHG emissions due to the coal mining machinery in the baseline scenario during year y (tCO ₂ e/t Coal)
$CM_{BL, fugitive, y}$	= Fugitive methane emissions from the coal mines and coal cleaning, use of ammonium nitrate and mine reclamation activities in the baseline scenario during year y (tCO ₂ e/t Coal)
$CM_{BL, Vehicle, y}$	= CO ₂ emissions from fossil fuel combustion in the vehicles used to transport coal to the coal coke production units within the project boundary (tCO ₂ e/yr)
$RA_{BL, i}$	= Quantity of coal coke necessary to produce one tonne of hot metal; (t Coal coke / t of hot metal)
$P_{PI, y}$	= Hot metal production in year y (expected hot metal production of the new iron ore reduction system) (tonnes of hot metal)

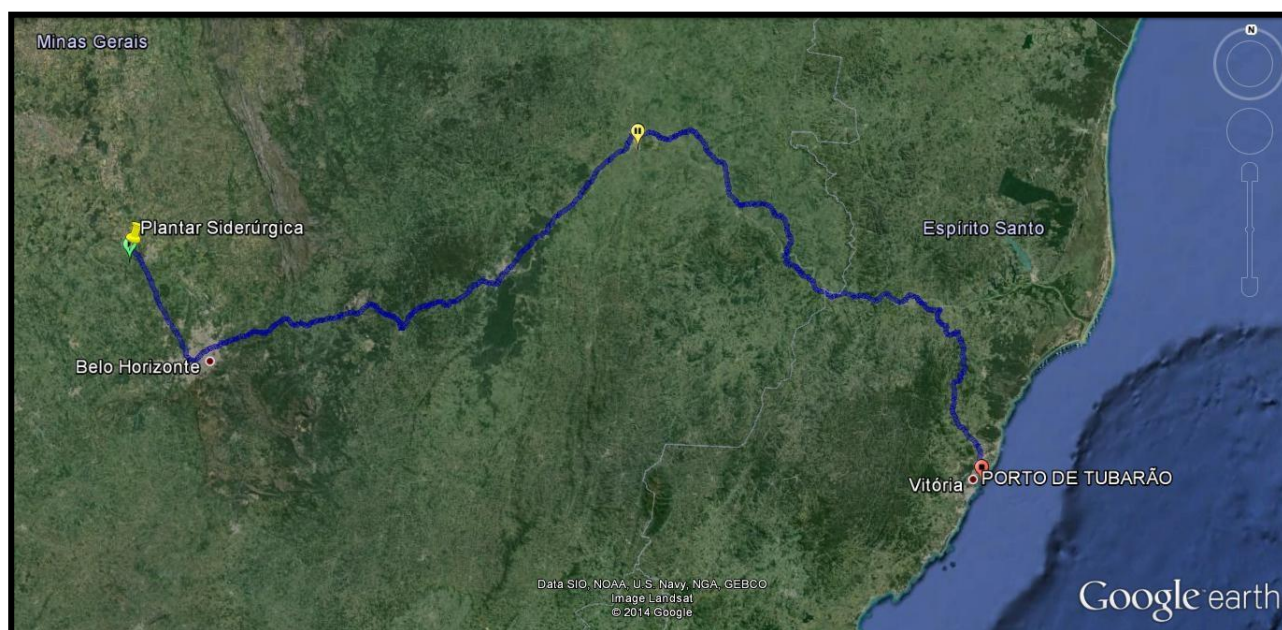
- b) *Emissions from the operation of mining machinery and fugitive methane emissions from coal mines, coal cleaning, ammonium nitrate usage and mine reclamation*

As per CDM Project 7577's PDD version 3, GHG emissions due to the coal mining machinery ($CM_{BL, machine, y}$) and fugitive methane emissions from the coal mines and coal cleaning, ammonium nitrate use and mine reclamation activities ($CM_{BL, fugitive, y}$) in the baseline scenario are conservatively considered as zero.

- c) *Coal transport to the coal coke production sites*

The origin of the coal is considered to be the Vitória Seaport, where coal is shipped to and has a connection with the Vitória-Minas Railway (EFVM, **Figure 16**), run by the mining company Vale.

Figure 16: Vitória-Minas railway route to Plantar Siderúrgica (733km)



Source: GoogleEarth, 2014

$$CM_{BL, Vehicle, y} = N_{v, BL, y} \bullet AVD_{j, BL, y} \bullet EF_{v, km, CO_2, y} \quad (A1.7)$$

Where:

$CM_{BL, Vehicle, y}$ = CO₂ emissions from fossil fuel combustion in the vehicles used to transport coal to the coal coke production units within the project boundary (tCO₂e/yr)

$N_{v, BL, y}$ = Number of round trips (to and from) per type v of vehicle had during the year y

$AVD_{j, BL, y}$ = Average round trip distance (to and from) between the reducing agent type v production site (s) and the site of the project activity during the year y (km)

$EF_{v, km, CO_2, y}$ = CO₂ emission factor for the type v of vehicle during the year y (tCO₂e/km)

It was considered the number of 240 wagons per train, the emission factor for diesel (2.578752kgCO₂/l)²⁰, and the total of 132,144 tonnes of coal²¹. The volume of a wagon, according to Vale, is 25.7 cubic meters and the weight capacity of the coal – with a density of 0.550 tonne/m³²² - is 14.135 t of coal per wagon. The fuel consumption for a train is 2.91 L/1000TKU²³ (Liter per 1,000 tonne of cargo per useful kilometer).

Coal transport by Rail (within national boundary)		Results	Calculations
$AVD_{j, BL, y}$	(Km/y)	733	Distance from Vitoria (Tubarão seaport) to Sete Lagoas (pig iron mill)
$N_{v, BL, y}$	(round trips)	28/12/2012 to 31/12/2012: 0.35 01/01/2013 to 31/12/2013: 35.38	(1,832 t pig iron * 0.4875 ²⁴ t coal coke/t pig iron)/(240 wagons * 14.135t per wagon)/0.75t coal coke/t coal (184,667 t pig iron * 0.4875t coal coke/t pig iron)/(240 wagons * 14.135t per wagon)/0.75t coal coke/t coal

²⁰ Sources: GHG Protocol Brazilian Program, 2013, <http://www.ghgprotocolbrasil.com.br/> and 2006 IPCC Guidelines for National GHG Inventories, Volume 2, Chapter 1, Table 1.4, calculated as: 0.00003552TJ/l*72600kgCO₂/TJ=2.578752kgCO₂/l (see Section D.1 parameter EF_{vf, BL}).

²¹ This amount is based in the amount necessary to produce 237,368 tonnes of coal coke under a gravimetric yield of 75% (SAMPAIO, 2000) of the coal coke oven productivity to supply the production of 474,737 tonnes of pig iron annually.

²² Source: Mechanical Engineering Department (DEMEC), Minas Gerais Federal University (UFMG).

²³ Source: Agência Nacional de Transportes Terrestres – ANTT (National Agency for Ground Transportation) http://www.antt.gov.br/relatorios/ferroviario/concessionarias2009/6_EFVM2009.pdf

²⁴ Calculated as 0.170 t pulverized coal/ t hot metal * 0.75 t coal coke/ t coal + 0.360 t coal coke/ t hot metal = **0.4875** total t coal coke/ t pig iron.

		01/01/2014 to 31/12/2014: 38,21	(165,888 t pig iron * 0.4875t coal coke/t pig iron)/(240 wagons * 14.135t per wagon)/0.75t coal coke/t coal
$EF_{v,km,CO_2,y}$	(tCO ₂ e/Km)	0.02546	2.91 L/1000TKU * (240 wagons * 14.135t per wagon)*(2.578752 kg CO ₂ /l /1000)
$CM_{BL,Vehicle,y}$	(tCO ₂ e /y)	28/12/2012 to 31/12/2012: 7	0.35 * 733 * 0.02546
		01/01/2013 to 31/12/2013: 660	35.38 * 733 * 0.02546
		01/01/2014 to 31/12/2014: 713	38.21 * 733 * 0.02546

28/12/2012 to 31/12/2012: $CM_{BL,y} = (0 + 0) * 0.4875 * 1,832 + 7$

01/01/2013 to 31/12/2013: $CM_{BL,y} = (0 + 0) * 0.4875 * 184,667 + 660$

01/01/2014 to 31/12/2014: $CM_{BL,y} = (0 + 0) * 0.4875 * 199,421 + 713$

Primary Carbon extraction (Upstream Baseline Scenario)	
$CM_{BL,y} = PCE_{BL,y}$	
$PCE_{BL,y} = 7 \text{ tCO}_2\text{e /y}$	(28/12/2012 to 31/12/2012)
$PCE_{BL,y} = 660 \text{ tCO}_2\text{e /y}$	(01/01/2013 to 31/12/2013)
$PCE_{BL,y} = 713 \text{ tCO}_2\text{e /y}$	(01/01/2014 to 31/12/2014)

d) *Coal coke production*

$$RAP_{BL, \text{ coal coke}, y} = P_{PJ, y} \bullet EF_{CO_2e, \text{ coal coke}, y} \bullet RA_{BL, i} \quad (A1.8)$$

Where:

$RAP_{BL, \text{ coal coke}, y}$ = GHG emissions within the project boundary due to production of coal coke used in the iron ore reduction facility in the baseline scenario during year y; (tCO₂e yr)

$P_{PJ, y}$ = Hot metal production in year y (expected hot metal production of the new iron ore reduction system). (tonnes of hot metal)

$EF_{CO_2e, \text{ coal coke}, y}$ = Emission factor to produce one tonne of coal coke in the iron ore reduction system baseline scenario; (tCO₂e/ t of Coal coke)

$RA_{BL, i}$ = Quantity of coal coke necessary to produce one tonne of hot metal; (t Coal coke /t of hot metal)

To calculate the emission factor to produce one tonne of coal coke in the iron ore reduction system baseline scenario it is used:

$$\text{Total CO}_2\text{e coal coke oven gas (Kg/t of coal)} = 402.6^{25}$$

$$\text{Gravimetric yield of coal coke} = 0.75^{26}$$

So,

$$\text{EF}_{\text{CO}_2\text{e, coal coke, y}} = 402.6 / 0.75 / 1,000$$

$$\text{EF}_{\text{CO}_2\text{e, coal coke, y}} = 0.5368$$

Applying the baseline parameters in the formula:

$$28/12/2012 \text{ to } 31/12/2012: \text{RAP}_{\text{BL, coal coke, y}} = 1,832 * 0.5368 * 0.358$$

$$01/01/2013 \text{ to } 31/12/2013: \text{RAP}_{\text{BL, coal coke, y}} = 184,667 * 0.5368 * 0.358$$

$$01/01/2014 \text{ to } 31/12/2014: \text{RAP}_{\text{BL, coal coke, y}} = 199,421 * 0.5368 * 0.358$$

Production of coal coke (Baseline Scenario)		
$\text{RAP}_{\text{BL, coal coke, y}} = \text{RAP}_{\text{BL, RA, y}}$		
$\text{RAP}_{\text{BL, RA, y}} =$	352 tCO ₂ e/y	(28/12/2012 to 31/12/2012)
$\text{RAP}_{\text{BL, RA, y}} =$	35,488 tCO ₂ e /y	(01/01/2013 to 31/12/2013)
$\text{RAP}_{\text{BL, RA, y}} =$	38,324 tCO ₂ e /y	(01/01/2014 to 31/12/2014)

2- Baseline emissions in the transportation of reducing agent

In accounting the CO₂ emissions within the project boundary due to fossil fuel combustion from vehicles used to transport reducing agent(s) to iron ore reduction facility ($\text{RAT}_{\text{Vehicle, BL, y}}$) a conservative approach is applied assuming that the coal coke production sites are located close to the iron ore reduction facility and the cargo rail station. In this sense, those emissions are neglected under the baseline scenario calculations.

²⁵ Default emission factors provided by AM0082 in Annex I, Table 3

²⁶ SAMPAIO, 2000

Transportation of reducing agent (Baseline Scenario)
$RAT_{Vehicle,BL,y} = 0$

Applying the numbers identified above, the following results correspond to the *total reducing agent components emissions in the upstream baseline*, **Equation 2**.

$$28/12/2012 \text{ to } 31/12/2012: RAE_{BL,y} = 7 + 352 + 0$$

$$01/01/2013 \text{ to } 31/12/2013: RAE_{BL,y} = 660 + 35,488 + 0$$

$$01/01/2014 \text{ to } 31/12/2014: RAE_{BL,y} = 713 + 38,324 + 0$$

Baseline Upstream Emissions		
$RAE_{BL,y} =$	359 tCO ₂ e	(28/12/2012 to 31/12/2012)
$RAE_{BL,y} =$	36,148 tCO ₂ e	(01/01/2013 to 31/12/2013)
$RAE_{BL,y} =$	39,037 tCO ₂ e	(01/01/2014 to 31/12/2014)

Baseline process emissions

The baseline scenario for the proposed project activity is the use of coal coke as a reducing agent in the iron ore reduction system with pulverized coal injection; therefore, engineering data developed for the baseline assessment²⁷ shall be used for the calculation of baseline process emissions.

For conservativeness reasons, the methodology AM0082 caps the coal coke rate at 0.358 tonnes of coal coke per tonne of hot metal, according to IPCC 2006 Guidelines (see CDM-AM0082 version 1, page 16 for the cap value of 0.358 t coal coke/t hot metal). In order to calculate the baseline process emissions in addition to the coal coke it also considered the use of pulverized coal injection. According to engineering data specific for the project entity case (SAMPAIO, 2000), to produce one tonne of pig iron it is necessary approximately 0.440 tonnes of carbon. To supply this amount of carbon 0.360 tonnes of coal coke with 87.05% of carbon are added to the blast furnace from the top and 0.170 tonnes of pulverized coal with 78.90% of carbon are injected into the blast furnace at bottom level.

a) *Calculation of the baseline process emissions*

The formula below is used to calculate the project entity baseline process emissions

²⁷ Refer to Section B.4 for further details.

$$\text{IRE}_{\text{BL},y} = (\text{P}_{\text{PJ},y} \bullet \text{EF}_{\text{Ind,BL}}) - (\text{P}_{\text{PJ},y} \bullet \text{Cc}_{\text{HM,BL},y} \bullet \frac{44}{12}) \quad (3)$$

Where:

$\text{IRE}_{\text{BL},y}$	= <i>Baseline process emissions within the iron ore reduction facility (tCO₂e)</i>
$\text{P}_{\text{PJ},y}$	= Hot metal production in year <i>y</i> (expected hot metal production of the new iron ore reduction system); tonnes of hot metal
$\text{EF}_{\text{Ind,BL}}$	= <i>Baseline</i> emission factor to produce one tonne of hot metal (tCO ₂ e/ t of hot metal)
$\text{Cc}_{\text{HMBL},y}$	= Carbon content per t of hot metal produced in year <i>y</i> (tC/ t of hot metal)
$\left(\frac{44}{12}\right)$	= Conversion factor from carbon to tCO ₂ e; (dimensionless)

b) Calculation of emission factor for baseline process emissions

The following formula is used to calculate the baseline process emission factor

$$\text{EF}_{\text{Ind,BL}} = \sum_i \frac{(\%C_{\text{BL},i} \bullet \text{RA}_{\text{BL},i,j})}{100} \bullet \frac{44}{12} \quad (4)$$

Where:

$\text{EF}_{\text{Ind,BL}}$	= <i>Baseline</i> emission factor to produce one tonne of hot metal (tCO ₂ e/ t of hot metal) ²⁸
$\%C_{\text{BL},i}$	= Carbon content in percent of reducing agent <i>i</i> (e.g. coal coke, charcoal, etc.) used in the baseline scenario. It is equal to zero for renewable charcoal.
$\text{RA}_{\text{BL},i}$	= Reducing agent type <i>i</i> (e.g. coal coke, charcoal, etc.) required to produce one tonne of hot metal (tonne of reducing agent/ tonne of hot metal)
$\left(\frac{44}{12}\right)$	= Conversion factor from carbon to tCO ₂ e (dimensionless)
<i>i</i>	= Type of reducing agent <i>i</i> (e.g. coal coke, charcoal, etc.)

Coal coke added to blast furnace top:

²⁸ If no national/local emission factor is publicly available, an IPCC default value can be used.

$$EF_{Ind,BL,i} = \frac{87.05 \bullet 0.358}{100} \bullet \frac{44}{12}$$

$$EF_{Ind,BL,i} = 1.1427$$

Injection of pulverized coal at blast furnace bottom level:

$$EF_{Ind,BL,j} = \frac{78.90 \bullet 0.170}{100} \bullet \frac{44}{12}$$

$$EF_{Ind,BL,j} = 0.4918$$

Then:

$$EF_{Ind,BL} = 1.1427 + 0.4918$$

Process emission factor Baseline Scenario
$EF_{Ind,BL} = 1.6345 \text{ tCO}_2\text{e}$

c) *Calculation of carbon fixation factor under the baseline scenario*

Calculation of carbon fixation factor under the baseline scenario

$$Cc_{HM,BL,y} = \frac{\%C_{HM,PJ,y}}{100} \quad (5)$$

Where:

$Cc_{HMBL,y}$ = Carbon content fixed in hot metal per t of hot metal produced in year y (t C/ t of hot metal)

$\%C_{HM,PJ,y}$ = Percentage of carbon in hot metal (%) in the project situation

The percentage of carbon in the hot metal is 0.

Carbon content fixed in hot metal Baseline Scenario
--

$$C_{\text{HMBL},y} = 0 \text{ t}$$

Applying the results to **Equation 3** of the methodology

$$28/12/2012 \text{ to } 31/12/2012: \text{IRE}_{\text{BL},y} = (1,832 \bullet 1.6345) - (1,832 \bullet 0 \bullet \frac{44}{12}) = 2,994 - 0$$

$$01/01/2013 \text{ to } 31/12/2013: \text{IRE}_{\text{BL},y} = (184,667 \bullet 1.6345) - (184,667 \bullet 0 \bullet \frac{44}{12}) = 301,835 - 0$$

$$01/01/2014 \text{ to } 31/12/2014: \text{IRE}_{\text{BL},y} = (199,421 \bullet 1.6345) - (199,421 \bullet 0 \bullet \frac{44}{12}) = 325,950 - 0$$

Baseline Process Emissions		
$\text{IRE}_{\text{BL},y}$	= 2,994 tCO ₂ e	(28/12/2012 to 31/12/2012)
$\text{IRE}_{\text{BL},y}$	= 301,835 tCO ₂ e	(01/01/2013 to 31/12/2013)
$\text{IRE}_{\text{BL},y}$	= 325,950 tCO ₂ e	(01/01/2014 to 31/12/2014)

Calculation of total baseline emissions

$$\text{BE}_y = \text{RAE}_{\text{BL},y} + \text{IRE}_{\text{BL},y}$$

Applying the above stated:

$$28/12/2012 \text{ to } 31/12/2012: \text{BE}_y = 359 + 2,994$$

$$01/01/2013 \text{ to } 31/12/2013: \text{BE}_y = 36,148 + 301,835$$

$$01/01/2014 \text{ to } 31/12/2014: \text{BE}_y = 39,037 + 325,950$$

Therefore, by substituting the numbers above in the formula and adopting a conservative approach, the following results are presented to account under the baseline emissions:

Coal coke iron ore reduction system with pulverized coal injection	
Baseline Scenario	
BE_y	= 3,353 tCO ₂ e /y (28/12/2012 to 31/12/2012)

$$BE_y = 337,984 \text{ tCO}_2\text{e /y} \quad (01/01/2013 \text{ to } 31/12/2013)$$

$$BE_y = 364,987 \text{ tCO}_2\text{e /y} \quad (01/01/2014 \text{ to } 31/12/2014)$$

E.2. Calculation of project emissions or actual net GHG removals by sinks

>>

$$PE_y = RAE_{PJ,y} + IRE_{PJ,y} \quad (6)$$

Where:

PE_y = Total project emissions in the new iron ore reduction system in year y (tCO₂e)

$RAE_{PJ,y}$ = Project upstream emissions associated with the reducing agent production and transportation in year y in the project scenario (tCO₂e)

$IRE_{PJ,y}$ = Project process emissions in the iron ore facility in year y (tCO₂e)

Project upstream emissions

Calculating the upstream emissions takes into consideration the emissions in the production of the primary carbon, the renewable charcoal.

The formula below is used to calculate the project upstream emissions.

$$RAE_{PJ,y} = PCE_{PJ,y} + RAP_{PJ, RA,y} + RAT_{Vehicle,PJ,y} \quad (7)$$

Where:

$RAE_{PJ,y}$ = Project upstream emissions associated with the reducing agent production and transportation in year y in the project scenario; (tCO₂e)

$PCE_{PJ,y}$ = Primary carbon source extraction emissions in the project scenario; (tCO₂e)

$RAP_{PJ, RA,y}$ = Emissions associated with production of reducing agents within the project boundary for use in the iron ore reduction facility in the project scenario during year y , (tCO₂e /yr)

$RAT_{Vehicle,PJ,y}$ = CO₂ emissions due to fossil fuel combustion from vehicles used to transport reducing agent(s) to iron ore reduction facility within the project boundary during year y of the project scenario; (tCO₂e /yr)

a) *Establishment of dedicated plantations*

To calculate the emissions attributable to the establishment of the dedicated plantations the following formulae were used:

$$PCE_{PJ,y} = EP_{PJ,y}$$

Where

$PCE_{PJ,y}$ = Primary carbon source extraction emissions in the project scenario; (tCO₂e)

$EP_{PJ,y}$ = GHG emissions of the establishment of plantations to produce biomass in the project scenario during year y , (tCO₂e /t biomass)

So,

$$EP_{PJ,y} = E_{FuelBurn,PJ,y} + PE_{BB,y} + N_2O_{direct-N_{fertilizer},PJ,y} + EP_{Vehicle,PJ,y} \quad (A2.1)$$

Where

$EP_{PJ,y}$ = GHG emissions of the establishment of plantations to produce biomass in the project scenario during year y , (tCO₂e /t biomass)

$E_{FuelBurn,PJ,y}$ = CO₂ emissions from combustion of fossil fuels within the project boundary in the project scenario; tCO₂e yr⁻¹ in year y

$PE_{BB,y}$ = Project emissions arising from field burning of biomass at the plantation site (tCO₂e/yr)

$N_2O_{direct-N_{fertilizer},PJ,y}$ = N₂O emissions as a result of direct nitrogen application within the project boundary in the project scenario; (tCO₂e yr⁻¹ in year y)

$EP_{Vehicle,PJ,y}$ CO₂ emissions within the project boundary due to fossil fuel combustion from vehicles used to transport biomass to carbonization unit during year y of the project scenario; (tCO₂e /yr)

a. *Calculation of CO₂ emissions from burning fossil fuels*

According to explanation presented in Section C (a) of this MR version 1, parameter $E_{FuelBurn,PJ,y}$ is not accounted. Therefore,

$$E_{FuelBurn,PJ,y} = 0$$

b. *CH₄ and N₂O emissions from the field burning of biomass*

The project entity does not burn biomass for site preparation as a forestry management practice. Therefore, parameter $PE_{BB, y}$ shall be considered zero where applicable. So,

$$PE_{BB, y} = 0$$

c. Calculation of nitrous oxide emissions from nitrogen fertilization practices

According to explanation presented in Section C (a) of this MR version 1, parameter $N_2O_{direct - N_{fertilizer PJ, y}}$ is not accounted. Therefore,

$$N_2O_{direct - N_{fertilizer PJ, y}} = 0$$

d. Biomass transport to the carbonization sites

The project participants chose to calculate the GHG emissions associated with transportation of biomass based on distance travelled by vehicles.

$$EP_{Vehicle, PJ, y} = N_{v, PJ, i, y} \bullet AVD_{i, PJ, y} \bullet EF_{v, km, CO_2, PJ, y} \quad (A2.4)$$

Where:

$EP_{Vehicle, PJ, y}$	= CO ₂ emissions within the project boundary due to fossil fuel combustion from vehicles used to transport biomass to carbonization unit during year y of the project scenario; (tCO ₂ e /yr)
$N_{v, PJ, i, y}$	= Number of round trips (to and from) per type v of vehicle during year y in the project scenario
$AVD_{i, PJ, y}$	= Average round trip distance (to and from) between the biomass v production site(s) and the site of the project plantation during year y (km)
$EF_{v, km, CO_2, PJ, y}$	= CO ₂ emission factor for the type v of vehicle during year y in the project scenario (tCO ₂ e /km)

The average distance between the harvesting sites and the carbonization units in the Farms is 10.9km (see Section D.2). This is the distance considered for the biomass transport calculations. The wood is transported by truck (each truck transports 42m³ of wood²⁹) and the round trip distance from the plantation sites to the carbonization unit is 21.72km (see Section D.2). The amount of wood transported is 1,390,194 m³/y³⁰; the

²⁹ Project entity records. Conservatively, PP considered the biggest CO₂ emitter vehicle type.

³⁰ Project entity records.

fuel consumption is 1.8294³¹ (see Section D.2) L/km and the emission factor for diesel is 0.0026569 tCO₂e /l³².

Transport of biomass by Truck (project boundary)		Results	Calculations
$N_{v,PJ,i,y}$	(round trips)	28/12/2012 to 31/12/2012: 74 01/01/2013 to 31/12/2013: 16,101 01/01/2014 to 31/12/2014: 12,885	3,118 m ³ /y / 42m ³ /truck 676,239 m ³ /y / 42m ³ /truck 710,837 m ³ /y / 42m ³ /truck
$AVD_{i,PJ,y}$	(Km)	21.72	Round trip
$EF_{v,km,CO_2,PJ,y}$	(tCO ₂ e /Km)	0.00486	0.0026569 tCO ₂ e /l of diesel * 1.8294 l of diesel/Km

28/12/2012 to 31/12/2012: $EP_{Vehicle,PJ,y} = 74 * 21.72 * 0.00486$

01/01/2013 to 31/12/2013: $EP_{Vehicle,PJ,y} = 16,101 * 21.72 * 0.00486$

01/01/2014 to 31/12/2014: $EP_{Vehicle,PJ,y} = 16,925 * 21.72 * 0.00486$

Biomass Transport	
$EP_{Vehicle,PJ,y} = 8 \text{ tCO}_2\text{e}$	(28/12/2012 to 31/12/2012)
$EP_{Vehicle,PJ,y} = 1,700 \text{ tCO}_2\text{e}$	(01/01/2013 to 31/12/2013)
$EP_{Vehicle,PJ,y} = 1,787 \text{ tCO}_2\text{e}$	(01/01/2014 to 31/12/2014)

Applying all the results to **Equation A2.1**, the emissions in the establishment of plantations and production of biomass are:

³¹ Project entity records. Conservatively, PP considered the biggest CO₂ emitter vehicle type.

³² Sources: GHG Protocol Brazilian Program, 2013, <http://www.ghgprotocolbrasil.com.br/> and 2006 IPCC Guidelines for National GHG Inventories, Volume 2, Chapter 1, Table 1.4, calculated as: 0.00003552TJ/l*74800kgCO₂/TJ=2.656896kgCO₂/l (see Section D.2 parameter $EF_{vf,PJ}$).

$$EP_{PJ,y} = E_{FuelBurn,PJ,y} + 0 + N_2O_{direct-N_{fertilizer},PJ,y} + EP_{Vehicle,PJ,y}$$

$$28/12/2012 \text{ to } 31/12/2012: EP_{PJ,y} = 0 + 0 + 0 + 8$$

$$01/01/2013 \text{ to } 31/12/2013: EP_{PJ,y} = 0 + 0 + 0 + 1,700$$

$$01/01/2014 \text{ to } 31/12/2014: EP_{PJ,y} = 0 + 0 + 0 + 1,787$$

Establishment of plantations and production of biomass (Project Scenario)	
$EP_{PJ,y} = PCE_{PJ,y}$	
$PCE_{PJ,y} = 8 \text{ tCO}_2\text{e /t biomass}$	(28/12/2012 to 31/12/2012)
$PCE_{PJ,y} = 1,700 \text{ tCO}_2\text{e /t biomass}$	(01/01/2013 to 31/12/2013)
$PCE_{PJ,y} = 1,787 \text{ tCO}_2\text{e /t biomass}$	(01/01/2014 to 31/12/2014)

b) *Renewable charcoal production*

The project activity involves a complete use of renewable charcoal as the reducing agent within the iron ore reduction system. Hence, only the emissions related to these renewable reducing agents will be accounted as an applicable source of the emissions in the $RAP_{PJ,RA,y}$ calculation.

$$RAP_{PJ,RA,y} = RAP_{PJ,charcoal,y}$$

Where

$RAP_{PJ,RA,y}$ = Emissions associated with production of reducing agents within the project boundary for use in the iron ore reduction facility in the project scenario during year y; (tCO₂e /yr)

$RAP_{PJ,charcoal,y}$ = GHG emissions within the project boundary due to the production of charcoal used in the iron ore reduction facility in the project operation during year y; (tCO₂e /yr).

$$RAP_{PJ,charcoal,y} = P_{PJ,y} \bullet EF_{CH_4,charcoal,y} \bullet F_{PJ,charcoal} \bullet GWP_{CH_4} \quad (A2.5)$$

Where

$RAP_{PJ, \text{charcoal}, y}$	= GHG emissions within the project boundary due to the production of charcoal used in the iron ore reduction facility in the project operation during year y ; (tCO ₂ e /yr)
$P_{PJ, y}$	= Hot metal production in the project scenario in year y ; (expected hot metal production of the new iron ore reduction system) (tonnes of hot metal)
$EF_{CH_4, \text{charcoal}, PJ, y}$	= Emission Factor to produce one tonne of renewable charcoal identified in the project supply chain; (tCH ₄ / t of charcoal)
$F_{PJ, \text{charcoal}}$	= Quantity of charcoal necessary to produce one tonne of hot metal; (t charcoal/t of hot metal)
GWP_{CH_4}	= Global warming potential for CH ₄ ; (tCO ₂ e/tCH ₄)

The project activity monitors the methane emission factor as per the gravimetric yield results obtained in charcoal production.

$$EF_{CH_4, \text{charcoal}, PJ, y} = f(Y_{PJ}) \quad (A2.6)$$

Where

$EF_{CH_4, \text{charcoal}, PJ, y}$	= Emission Factor to produce one tonne of renewable charcoal identified in the project supply chain; (tCH ₄ / t of charcoal)
Y_{PJ}	= Carbonization gravimetric yield (t charcoal/ t wood on dry basis);

$f(Y_{PJ}) =$	$A - B * Y_{PJ} / 1,000$			
	A	B	Y_{PJ} 28/12/2012 to 31/12/2012 and 01/01/2013 to 31/12/2013	Y_{PJ} 01/01/2014 to 31/12/2014
$EF_{CH_4, \text{charcoal}, PJ, y}$	139.13	313.8	0.3345	0.3328

$$28/12/2012 \text{ to } 31/12/2012: EF_{CH_4, \text{charcoal}, PJ, y} = 139.13 - (313.8 * 0.3345)/1,000$$

$$01/01/2013 \text{ to } 31/12/2013: EF_{CH_4, \text{charcoal}, PJ, y} = 139.13 - (313.8 * 0.3345)/1,000$$

$$01/01/2014 \text{ to } 31/12/2014: EF_{CH_4, \text{charcoal}, PJ, y} = 139.13 - (313.8 * 0.3328)/1,000$$

Emission Factor	
$EF_{CH_4, \text{charcoal}, PJ, y} = 0.0342 \text{ tCO}_2\text{e}$	(28/12/2012 to 31/12/2012)
$EF_{CH_4, \text{charcoal}, PJ, y} = 0.0342 \text{ tCO}_2\text{e}$	(01/01/2013 to 31/12/2013)

$EF_{CH_4, charcoal, PJ, y} = 0.0347 \text{ tCO}_2\text{e} \quad (01/01/2014 \text{ to } 31/12/2014)$

Therefore, applying project results in the formula:

$$28/12/2012 \text{ to } 31/12/2012: \quad RAP_{PJ, charcoal, y} = 1,832 * 0.0342 * 0.7684 * 21$$

$$01/01/2013 \text{ to } 31/12/2013: \quad RAP_{PJ, charcoal, y} = 184,667 * 0.0342 * 0.6715 * 25$$

$$01/01/2014 \text{ to } 31/12/2014: \quad RAP_{PJ, charcoal, y} = 199,421 * 0.0347 * 0.6492 * 25$$

Emissions from Charcoal production (Project Scenario)	
$RAP_{PJ, charcoal, y} = RAP_{PJ, RA, y}$	
$RAP_{PJ, RA, y} = 1,010 \text{ tCO}_2\text{e} / y$	(28/12/2012 to 31/12/2012)
$RAP_{PJ, RA, y} = 105,904 \text{ tCO}_2\text{e} / y$	(01/01/2013 to 31/12/2013)
$RAP_{PJ, RA, y} = 112,305 \text{ tCO}_2\text{e} / y$	(01/01/2014 to 31/12/2014)

a. Transport of charcoal to the pig iron mill

On the project scenario, the renewable charcoal comes from PP's Carbonization Units located in a conservative distance of 369km from the plant and is transported by truck (each truck transports approximately 26.68 tonnes of charcoal³³). As previously stated, the round trip was considered – 738km. The amount of charcoal transported was 254,871 tonnes, the fuel consumption 0.4737 L/km³⁴ and the emission factor for diesel that is 0.002656896 tCO₂e /l³⁵.

Transport of charcoal by Truck (project boundary)		Results	Calculations
$N_{v, PJ, j, y}$	(round trips)	28/12/2012 to 31/12/2012: 53	1,408 t of charcoal/ 26.68 t capacity of each truck
		01/01/2013 to 31/12/2013: 4,647	123,995 t of charcoal/ 26.68 t capacity of each truck
		01/01/2014 to 31/12/2014: 4,853	129,468 t of charcoal/ 26.68 t capacity of each truck

³³ Project entity records.

³⁴ Project entity records.

³⁵ See Section D.2 parameter $EF_{vf, PJ}$.

$AVD_{j,PJ,y}$	(Km)	738	Round trip
$EF_{v,km,CO_2,PJ,y}$	(tCO ₂ e /Km)	0.00126	0.002656896 tCO ₂ e /l of diesel * 0.4737 of diesel/Km

As provided by the proposed new methodology, the following procedure is undertaken to conservatively calculate the emissions derived from the renewable reducing agents transportation.

$$RAT_{Vehicle,PJ,y} = N_{v,PJ,j,y} \bullet AVD_{j,PJ,y} \bullet EF_{v,km,CO_2,PJ,y} \quad (A2.9)$$

Where:

$RAT_{Vehicle,PJ,y}$	= CO ₂ emissions within the project boundary due to fossil fuel combustion from vehicles to transport reducing agent to iron ore reduction facility at the project scenario; (tCO ₂ e /yr)
$N_{v,PJ,j,y}$	= Number of round trips (to and from) per type v of vehicle had during the year y
$AVD_{j,PJ,y}$	= Average round trip distance (to and from) between the reducing agent type v production site(s) and the site of the project activity during the year y (km)
$EF_{v,km,CO_2,PJ,y}$	= CO ₂ emission factor for the type v of vehicle during the year y (tCO ₂ e /km)

By substituting the numbers in the formula, the following results are presented:

28/12/2012 to 31/12/2012:	$RAT_{Vehicle,PJ,y} = 53 * 738 * 0.00126$
01/01/2013 to 31/12/2013:	$RAT_{Vehicle,PJ,y} = 4,647 * 738 * 0.00126$
01/01/2014 to 31/12/2014:	$RAT_{Vehicle,PJ,y} = 4,853 * 738 * 0.00126$

Renewable Charcoal Route (Project activity Scenario)	
$RAT_{Vehicle,PJ,y} = 49 \text{ tCO}_2\text{e /y}$	(28/12/2012 to 31/12/2012)
$RAT_{Vehicle,PJ,y} = 4,317 \text{ tCO}_2\text{e /y}$	(01/01/2013 to 31/12/2013)
$RAT_{Vehicle,PJ,y} = 4,507 \text{ tCO}_2\text{e /y}$	(01/01/2014 to 31/12/2014)

Finally, applying the numbers identified above to **Equation 7**, the following results correspond to the total upstream emissions in the project scenario.

$$28/12/2012 \text{ to } 31/12/2012: \quad \text{RAE}_{\text{PJ},y} = 8 + 1,010 + 49$$

$$01/01/2013 \text{ to } 31/12/2013: \quad \text{RAE}_{\text{PJ},y} = 1,700 + 105,904 + 4,317$$

$$01/01/2014 \text{ to } 31/12/2014: \quad \text{RAE}_{\text{PJ},y} = 1,787 + 112,305 + 4,507$$

Project Upstream Emissions
$\text{RAE}_{\text{PJ},y} = 1,067 \text{ tCO}_2\text{e (28/12/2012 to 31/12/2012)}$
$\text{RAE}_{\text{PJ},y} = 111,920 \text{ tCO}_2\text{e (01/01/2013 to 31/12/2013)}$
$\text{RAE}_{\text{PJ},y} = 118,599 \text{ tCO}_2\text{e (01/01/2014 to 31/12/2014)}$

Project process emissions

a) Calculation of the project process emissions

The formula below is used to calculate the project scenario process emissions.

$$\text{IRE}_{\text{PJ},y} = \left(\text{P}_{\text{PJ},y} \bullet \text{EF}_{\text{Ind,PJ},y} \right) - \left(\text{P}_{\text{PJ},y} \bullet \text{CC}_{\text{HM,PJ},y} \bullet \frac{44}{12} \right) \quad (8)$$

Where:

$\text{IRE}_{\text{PJ},y}$	= Project process emissions in the iron ore reduction facility in year y (tCO ₂ e)
$\text{P}_{\text{PJ},y}$	= Hot metal production in year y (expected hot metal production of the new iron ore reduction system). (tonnes of hot metal)
$\text{EF}_{\text{Ind,PJ},y}$	= Emission factor of one tonne of hot metal production under the project scenario (tCO ₂ e/ t of hot metal) ³⁶
$\text{CC}_{\text{HMPJ},y}$	= Carbon content per t of hot metal produced in the year y (tC / t of hot metal)
$\left(\frac{44}{12} \right)$	= Conversion factor from carbon to tCO ₂ e; (dimensionless)

b) Calculation of project process emission factor

$$\text{EF}_{\text{Ind,PJ},y} = \sum_i \frac{(\% \text{C}_{\text{PJ},i} \bullet \text{RA}_{\text{PJ},i})}{100} \bullet \frac{44}{12} \quad (9)$$

³⁶ If no national/local emission factor is publicly available, an IPCC default value can be used.

Where:

$EF_{Ind,PJ,y}$	= Emission factor of one tonne of hot metal production under the project scenario (tCO ₂ e/ t of hot metal) ³⁷
$\%C_{PJ,i,j,k...}$	= Carbon content in percent of reducing agent <i>i</i> (e.g. coal coke, charcoal, etc.) used in the project scenario. It is equal to zero for renewable charcoal.
$RA_{PJ,i,j,k...}$	= Reducing agent type <i>i</i> (e.g. coal coke, charcoal, etc.) required to produce one tonne of hot metal (tonne of reducing agent/ tonne of hot metal)
$\left(\frac{44}{12}\right)$	= Conversion factor from carbon to tCO ₂ e (dimensionless)
<i>i</i>	= Type of reducing agent <i>i</i> (e.g. coal coke, charcoal, etc.)

As the project activity totally relies on renewable charcoal, parameter $\%C_{PJ,i}$ is equal to zero.

Parameter $RA_{PJ,i} = F_{PJ,charcoal}$ (see Section D.1).

So,

$$\%C_{PJ,i} = 0$$

28/12/2012 to 31/12/2012: $RA_{PJ,i} = 0.7684$ t

01/01/2013 to 31/12/2013: $RA_{PJ,i} = 0.6715$ t

01/01/2014 to 31/12/2014: $RA_{PJ,i} = 0.6492$ t

Therefore:

$$EF_{Ind,PJ,y} = \frac{0.00 \bullet RA_{PJ,i} \bullet 0.00}{100} \bullet \frac{44}{12}$$

Emission factor hot metal (Project activity scenario)	
$EF_{Ind,PJ,y} = 0$	28/12/2012 to 31/12/2012
	01/01/2013 to 31/12/2013
	01/01/2014 to 31/12/2014

³⁷ If no national/local emission factor is publicly available, an IPCC default value can be used.

c) Calculation of carbon fixation factor $C_{c_{HM, PJ, y}}$

$$C_{c_{HM, PJ, y}} = \frac{\%C_{HM, PJ, y}}{100} \quad (10)$$

Where:

$C_{c_{HMPJ, y}}$ = Carbon content fixed in hot metal per t of hot metal produced in year y (t C / t of hot metal)

$\%C_{HMPJ, y}$ = Percentage of carbon in hot metal (%)

According to the provisions of the AM0082 version 1, to increase conservativeness in the calculations of the project emissions the hot metal carbon content shall be accounted as zero.

Carbon content in hot metal (Project activity scenario)
$C_{c_{HM, PJ, y}} = 0$

Applying the results to **Equation 8**:

$$28/12/2012 \text{ to } 31/12/2012: IRE_{PJ, y} = (1,832 \cdot 0.00) - (1,832 \cdot 0.00 \cdot \frac{44}{12})$$

$$01/01/2013 \text{ to } 31/12/2013: IRE_{PJ, y} = (184,667 \cdot 0.00) - (184,667 \cdot 0.00 \cdot \frac{44}{12})$$

$$01/01/2014 \text{ to } 31/12/2014: IRE_{PJ, y} = (199,421 \cdot 0.00) - (199,421 \cdot 0.00 \cdot \frac{44}{12})$$

Project Process emissions
$IRE_{PJ, y} = 0.00 \text{ tCO}_2\text{e}$

Calculation of total project emissions

$$PE_y = RAE_{PJ, y} + IRE_{PJ, y} \quad (6)$$

Applying the above stated:

28/12/2012 to 31/12/2012: $PE_y = 1,067 + 0$

01/01/2013 to 31/12/2013: $PE_y = 111,920 + 0$

01/01/2014 to 31/12/2014: $PE_y = 118,599 + 0$

Therefore, by substituting the numbers above in the formula and adopting a conservative approach the following results are presented:

Renewable Charcoal Route Project Scenario
$PE_y = 1,067 \text{ tCO}_2\text{e /y (28/12/2012 to 31/12/2012)}$
$PE_y = 111,920 \text{ tCO}_2\text{e /y (01/01/2013 to 31/12/2013)}$
$PE_y = 118,599 \text{ tCO}_2\text{e /y (01/01/2014 to 31/12/2014)}$

E.3. Calculation of leakage

>> As per the Leakage section of the CDM Project 7577 PDD leakage emissions associated with the primary carbon extraction identified in this project activity is considered as zero. Therefore, no leakage emissions were accounted under this Monitoring Report.

E.4. Summary of calculation of emission reductions or net anthropogenic GHG removals by sinks

Item	Baseline emissions or baseline net GHG removals by sinks (t CO ₂ e)	Project emissions or actual net GHG removals by sinks (t CO ₂ e)	Leakage (t CO ₂ e)	Emission reductions or net anthropogenic GHG removals by sinks (t CO ₂ e)
Total	706,324	231,586	0	474,737

E.5. Comparison of actual emission reductions or net anthropogenic GHG removals by sinks with estimates in registered PDD

Item	Values estimated in ex-ante calculation of registered PDD	Actual values achieved during this monitoring period
Emission reductions or GHG removals by sinks (t CO ₂ e)	661,674 tCO ₂ e	474,737 tCO ₂ e

E.6. Remarks on difference from estimated value in registered PDD

>> N/A

E.7. Actual emission reductions or net anthropogenic GHG removals by sinks during the first commitment period and the period from 1 January 2013 onwards

Item	Actual values achieved up to 31 December 2012	Actual values achieved from 1 January 2013 onwards
Emission reductions or GHG removals by sinks (t CO ₂ e)	2,286 tCO ₂ e	472,451 tCO ₂ e

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Appendix 1. Contact information of project participants and responsible persons/ entities

Project participant and/or responsible person/ entity	<input checked="" type="checkbox"/> Project participant <input checked="" type="checkbox"/> Responsible person/ entity for completing the CDM-MR-FORM
Organization name	Plantar Carbon Ambiental Ltda
Street/P.O. Box	Av. Raja Gabaglia, 1380
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Website	http://www.grupoplantar.com.br/en/negocios/consultoria-em-mudancas-do-clima-e-sustentabilidade/
Contact person	Fábio Nogueira de Avelar Marques
Title	Director
Salutation	Mr.
Last name	Marques
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