



**CDM: Response form for Request for revision of approved methodologies
(version 01.1)**

<i>Date of Meth Panel meeting:</i>	3 - 7 November 2008
<i>Title and number of Request for revision</i>	Revision to extend AM0048 applicability to include the cogeneration project type of supplying steam and electricity to newly introduced project customers AM_REV_0117

Summary of the query:

Please use the space below to summarize the request for revision on the related approved methodologies.

AM0048 “New cogeneration facilities supplying electricity and/or steam to multiple customers and displacing grid/off-grid steam and electricity generation with more carbon-intensive fuels” is applicable to fossil-fuel-fired cogeneration project activities that supply steam and electricity to multiple customers, including both grid and off-grid applications, limited to the existing capacity available at customers prior to the start of the implementation of the project activity.

In the request for revision it is proposed to expand the applicability of AM0048 to new demand of heat and electricity (new customers) rather than only to the existing demand prior to the start of the project activity.

The proposed project activity is the installation of a new cogeneration plant using liquefied natural gas as fuel to supply electricity to the grid and heat to households through a district heating system. The project activity supplies steam and electricity not only to meet existing demand (customers) but also to meet new demand.

This revision is submitted, in follow-up to previous requests AM_REV_0085, AM_REV_0092, and AM_REV_0104 after addressing the concerns raised by the Meth Panel.

Recommendation by the Meth Panel:

(a) Please use the space below to provide amendments /changes (in your expert view, if necessary).

The Meth Panel has following observations on revision of the methodology.

(1) Baseline scenario

There are problems regarding determination of baseline scenario for the new customers. It is not clear how to assess the baseline scenario on a continuous basis during crediting period.

The Project Proponent may consider to include in the methodology a classification of typical customers. During the crediting period the added new customers should belong to one of the predefined types. By doing so, the determination of the baseline scenario during the crediting period would be facilitated.

Further, it needs to be clarified how the baseline scenario for new customers will be determined. It should be noted that for existing customers it may be required to perform interviews or surveys to collect the information.

(2) Additionality

Two issues related with additionality would require further assessment. It should be noted that the methodology requires that the additionality shall be demonstrated both for the project facility as well as the project customers.

The additionality of a project is validated by a Designated Operational Entity (DOE) prior to registration. During the crediting period a different DOE has to verify the monitoring reports required for CERs issuance. It is needed to clarify how the additionality of the new customers will be validated.

The following situation should also be assessed. The consideration of the demand of electricity or steam of the new customers added during the crediting period could make the demonstration of additionality performed on the cogeneration facility owner level at the beginning of the crediting period no longer valid.

(3) Baseline emission equations for new customer

The calculation provided for existing customers conservatively included a cap based on the installed electricity generation capacity (before project activity) of customers. The calculation provided for new electricity customers doesn't have any similar consideration. Furthermore the calculation is based on total electricity production, while another equation for existing customers is already included. A different equation, considering existing and new customers is needed.

It is not clear how to determine the most likely technology. The prescriptions included in AM0029 may be followed, but it should be specified when this determination has to be performed.

The equation provided for steam customers needs to be further addressed. The minimum of following two components has to be selected: the amount of steam that would be supplied to new project customers in the year 'y' or the amount of steam that would be supplied to cluster i in the year 'y'. A definition of cluster is needed. The parameter that will be monitored, should be clarified. Is steam actually supplied? Or instead of steam that would be supplied, there will be an *ex ante* estimation of steam to be supplied to different customers?

(4) Procedure provided for the baseline fuel selection for new customers.

It is not clear whether the procedure included for existing customers has to be applied to new customers.

(5) The cluster level (instead of individual customer level) monitoring of electricity and steam generation from the project plant can only be accepted if it is proven that the clusters would have used same fuel or technology in baseline.

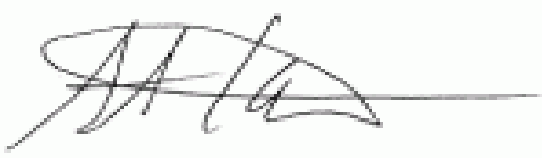
Based on the above observations, Meth Panel recommends not to accept the request for revision.

(b) Please use the space below for providing guidance, as per Para 93 of EB25 Report, on what type of projects need to revise the PDD as a consequence of the suggested revision, if the recommendation is to revise the methodology.

Not applicable.

Answer to authors of the request for revision by the Meth Panel :

Please use the space below to provide an answer to the authors of the above query



Signature of Meth Panel Chair

Date: 07/11/2008

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair

Date: 07/11/2008

(Philip Gwage)

Information to be completed by the secretariat

F-CDM-AM	AM_REV_0117
Name of the authors of the query:	DNV
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