



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

<i>Date of Meth Panel meeting:</i>	25 - 29 August 2008
<i>Title and number of Request for revision</i>	AM_REV_0102 Expand applicability by applying five changes

**Summary of the query:**

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

AM0058 "Introduction of a new primary district heating system" is applicable to project activities that introduce a new primary district heating system to supply heat to residential and commercial consumers, where the heat comes from a cogeneration plant (CHP) which may involve the introduction of new modern heat only boilers to supplement heat from CHP; or from heat only boilers, in which case the project boundary includes only existing buildings.

The request proposes to revise the methodology with respect to five points, with the goal of enabling new district heating projects under the CDM:

- (1) Allow projects where heat is generated by a backpressure cogeneration plant;
- (2) Allow the baseline of a boiler supplying heat to only one building;
- (3) Allow projects where three years' historical data on electricity generation are not available. Project proponents also want the Meth Panel to allow the claim for the emission reduction for the cases where power plant historically operated under loaded and will perform at optimal or higher load after start of project activity. They have given example of an approach to be followed in line with approved methodologies AM0061 and AM0062;
- (4) Allow projects where heat is also used for production processes in industry;
- (5) Take into account the replacement of "existing buildings" in the baseline emissions calculation.

**Recommendation by the Meth Panel:**

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

The following is observed by Meth panel on various issues related to the request:

- (1) The Meth Panel agrees with the request to allow backpressure plants in the current methodology;
- (2) The inclusion of a baseline of a boiler supplying to one building can be achieved; Methodologically, the boiler providing heat to one existing building can be treated as a dedicated boiler house that provides heat to the building rather than a group of buildings. Following the original methodology, historical data on fuel consumption is necessary;
- (3) As the third request is in two parts, the response to these parts is given separately as follows:
  - (a) The use of three previous years of data to estimate the electricity produced by the power plant in the baseline scenario is a conservative way to calculate emissions in the baseline scenario. This is to take into consideration, the operational performance over a substantial period of time, taking into account inter annual fluctuation. Therefore the baseline data requirement cannot and should not be altered below three years.

(b) The project proponents have given example of AM0061 and AM0062, which are energy efficiency improvement methodologies. The project activity itself results in an increase in generation of electricity. This methodology is primarily based on district heating facility, which also allows the emission reduction towards power generation in a cogeneration plant. The project proposed by project proponents is about heat recovery in an existing power plant, enhancing the heat generation to make its use in a district heating system. This activity does not have characteristics of enhancing the power generation. Therefore, the approach of other energy efficiency improvement methodology cannot be followed for this case, as for this case a new baseline should be defined for incremental power generation, in line with EB guidance.

- (4) Methodology AM0058 as it stands is applicable for district heating systems that include only residential or commercial sector users, because it does not contain procedures to determine the baseline scenarios for industrial applications. In an industrial context, the range of available heating technologies is wider and includes also alternatives such as high pressure boilers, waste heat utilization, use of residues from industrial processes, etc. The industrial applications (steam based as proposed by project proponents) can be of varied types e.g. direct /indirect heating, reactors, heat exchangers, ovens, space heating etc. This will require a clear procedure in terms of definition of baseline scenarios specific for the industrial context given. Project proponents would need to propose amendments with respect to baseline scenarios and estimation of baseline emissions pertaining to different baseline technology types (and temperature levels) for industrial consumers;
- (5) The Meth Panel took into consideration the issue of existing buildings in existing district heating networks that are replaced by new (and potentially larger) buildings. Equation 4 in the present AM0058 v01 provides a simple methodological approach to take the limited nameplate capacity of the baseline system into account. New buildings may be more spacious than older ones they replace (which seems the case in the underlying project), but improved building standards and insulation also tend to reduce specific heat demand per area for newer buildings. Therefore it cannot be assumed that heat demand for newly built buildings (on sites formerly connected to existing district heating system) increases linearly with each additional square meter of carpet area (as equation 4a in the proposed AM stipulates). Although the proposed approach to assume that a significant increase of carpet area in new buildings that replace existing customers would in the baseline case be covered by state of the art heating systems is correct, the proposed equation 4a in the draft does not adequately describe the limitations set by existing nameplate capacity. A different approach in which increases in carpet areas on sites originally connected to the district heating system would be treated as demand from new buildings as described by step 1(b) in the baseline section of the present AM0058 v01 (p.9) might be considered.

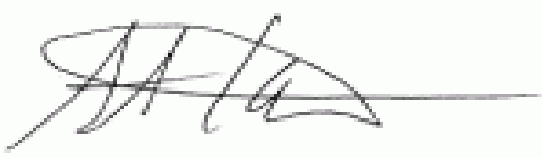
(b) Please use the space below for providing guidance, as per Para 93 of EB25 Report, on what type of projects need to revise the PDD as a consequence of the suggested revision, if the recommendation is to revise the methodology.

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

The recommendation is to accept the revision of the methodology including some of the elements of the request as discussed above.



Signature of Meth Panel Chair .....

Date: 29/08/2008

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair .....

Date: 29/08/2008

(Philip Gwage)

**Information to be completed by the secretariat**

F-CDM-AM	AM_REV_0102
Name of the authors of the query:	DNV
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