 <b>CDM: Response form for Request for revision of approved methodologies (version 01.1)</b>	
<i>Date of Meth Panel meeting:</i>	26 - 30 March, 2007
<i>Title and number of Request for revision</i>	"Flare reduction and gas utilization at oil and gas fossil fuel processing facilities" AM_REV_0040
<b>Summary of the query:</b> Please use the space below to summarize the request for revision on the related approved methodologies.	
<p>The revision relates to AM0037 "Flare reduction and gas utilization at oil and gas fossil fuel processing facilities" and seeks to expand the scope to facilities other than oil and gas processing plants by including all fossil fuel plants, such as coke oven plants.</p> <p>The revision has two major components:</p> <ul style="list-style-type: none"> <li>• Expand the scope of the methodology to include fossil fuel processing facilities other than oil and gas processing plants, such as coke ovens as a source of flare gas, which can be used as feedstock.</li> <li>• Enable to claim emission reductions from end-use facilities, so long as the facility has lower emission rate than the facility which would have been built in the absence of the project activity.</li> </ul>	
<b>Recommendation by the Meth Panel:</b> (a) Please use the space below to provide amendments /changes (in your expert view, if necessary).	
<p>The Meth Panel recommends not to revise the methodology. The reasons are the following.</p> <p><u>1. Expansion of scope.</u></p> <p>The Meth Panel notes that AM0037 could be possibly expanded to facilities other than oil or natural gas processing facilities, which are flaring the associate gas. However, in view of its applicability condition "<i>The surplus tail gas substitutes the same type of fuels/feedstock or fuel/feedstock with a higher CO<sub>2</sub> equivalent emissions impact.</i>", the Meth Panel further notes that the methodology is not applicable to cases where the characteristics of the associate gases differ substantially from the gases that would have been used in the baseline scenario, as envisaged by the attached project activity (COG vs. natural gas). The change in characteristics will trigger significant changes in the down stream facility using the gas and affect the carbon balance, which are not addressed by the proposed request of revision.</p> <p><u>2. Emission reduction from end-use facilities.</u></p> <p>The Meth Panel notes that AM0037 can possibly include provisions to claim emissions reductions from end-use facilities. However, the proposed revision cannot be accepted since the revision seems to lack a clear framework to define the performance of the baseline plant. This is especially salient since the end-use facility is a greenfield one, for which the baseline plant would be hypothetical.</p> <p>The proposed revision uses the parameter <math>EF_i</math> (GHG emission factor to produce the product / intermediate <math>i</math> in the baseline scenario assuming that all carbon content of the input fuel / feedstock is converted into CO<sub>2</sub>). And cites "Appropriate information sources, e.g., statistical data, on-site energy consumption data, 2006 IPCC GHG Inventory Guidelines." The PDD cites the standard industrial benchmark for the host country for such source of data. The benchmark, however, incorporates both fuel and feed components, whereas the project emission may only take into account fuel components. This may result in overestimation of emission reduction from end-use facility, compared with that of baseline (in the PDD, it indicates a four-fold difference in efficiency).</p> <p>Furthermore, What constitutes as "<i>appropriate</i>" is a difficult question which may involve expert judgment by the DOE, however, since there seems to be little reason as to why the end-use facility in the absence of the project activity should employ technology inferior to that implemented as part of the project activity, there</p>	

needs to be some sort of benchmark to ensure that the baseline and project end-use facilities are at the same level of technology. This is compounded by the fact that the intended project is an integrated ammonia-urea facility, where hypothetical substitution of natural gas by hydrogen-rich COG has implications with respect to its carbon balance.

Baseline emissions along the pipeline should be taken into account, as specified in the methodology, according to the specifications of the project activity.

(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.

None.

**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

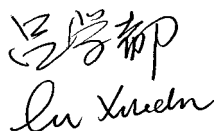
Not applicable.



Signature of the Meth Panel Chair .....

Date: 30/03/2007

(Akihiro Kuroki)



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

Date: 30/03/2007

(Xuedu Lu)

**Information to be completed by the secretariat**

F-CDM-AM	AM-REV-0040
Name of the authors of the query:	JQA
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