



**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>	Revision to extend AM0048 applicability to include the cogeneration project type of supplying steam and electricity to newly introduced project customers AM_REV_0104

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 and AM_REV_0092, after addressing the concerns raised by 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 submitted and subsequent communication established to seek further clarification from project proponents.

1. The language is not clear with respect to definition, baseline scenario and other text added.

For example following sentence (page 1) in definitions is not clear.

“In case of newly introduced project customers which represent additional demand in the region of the project activity and an additional customer that does not substitute existing customer(s) that may choose not to *ex-ante* before the start of the project activity and not be fixed along the crediting period so, they have appropriate assumption or data can be provided for the determination of baseline scenario, this methodology also can be applied and should be used conservative method.”

Does this mean the project customer is to be chosen *ex-ante* (or not?) and should not remain fixed for the entire crediting period? Does this mean that the project proponents are at liberty to add new customers during crediting period and revalidate baseline every year? This is not the rationale behind the original methodology and would require proper justification for the same.

Similarly, following sentence in baseline scenario section is not clear (page 4).

“In case the most likely baseline scenario for electricity and steam supplied grid or newly developed resident/commercial area through district heating system would have gone for use of realistic and conservative fuel and facility and identified baseline scenario would have to be assessed for them on a continuous basis during crediting period.”

It should be further clarified how to perform an assessment of the baseline scenario on a continuous basis.

2. It looks like (though not clearly stated) from table-3, that this table represents the combination of baseline scenarios (electricity and steam), to which methodology is applicable. However, in fossil fuel power plants itself there can be number of alternatives possible, e.g. different fossil fuels such as coal, oil, gas and also different efficiencies. Similarly there can be scenarios for renewable energy based energy generation. Also, there is no procedure available for selection of fuel and efficiency of baseline energy source.
3. For the baseline emissions of newly introduced project customers receiving electricity from project plant, the baseline emission factor for grid electricity is defined using approach from AM0029 (though not clearly stated but it appears that text is copied from AM0029). The option-3 of this approach “The emission factor of the technology (and fuel) identified as the most likely baseline scenario under “Identification of the baseline scenario above”” probably refers to the table-3 of section of identification of baseline scenario. However, table-3 does not have reference to most likely technology.
4. The electricity and steam generation from the project plant are not monitored for individual new customer but monitored as a whole. This issue was also raised by Meth Panel in the response to request for revision AM_REV_0092, but not addressed by project proponents.

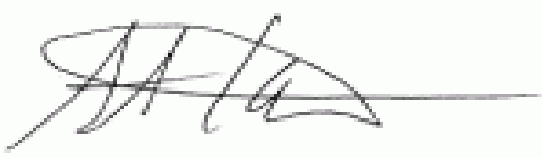
Based on the above observations, Meth Panel recommends not to accept the request for revision.

(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 :

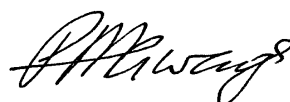
Please use the space below to provide an answer to the authors of the above query



Signature of Meth Panel Chair

Date: 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_0104
Name of the authors of the query:	DNV
Date when the form was received at UNFCCC secretariat	29 August 2008
Date of transmission to the EB	29 August 2008
Date of posting in the UNFCCC CDM web site	29 August 2008