



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

<i>Date of Meth Panel meeting:</i>	19 - 23 January 2009
<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_0134

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, AM_REV_0117 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

In response to Meth Panel’s MP35 recommendation, although the project proponents have provided the text in baseline scenario that the project customers added during the crediting period should be one of the predefined types, there is no explanation given on these “predefined types” and how they can be ascertained. Even the equations mention about each project customer and there is no indication of predefined types of customers. Also, there is no monitoring provided for these “predefined types”.

Further, it is still not clear whether the interview/ survey would be conducted for new project customer, or simply the baseline alternatives will be picked up based on interviews/ surveys conducted for these predefined customer groups before implementation of CDM project activity.

(2) Additionality

The issue related to additionality is still not addressed. Although it is defined that additionality of each new project customer (belonging to certain predefined type) shall be assessed individually, there is no clarity on

the realistic situations (as exemplified below), which may have impact on the additionality of project facility, demonstrated during its registration.

Example: A cogeneration project activity of rated capacity of 100 MW and 50 TPH steam is implemented. In the beginning of the crediting period there are customers only for 50 MW and 20 TPH steam, and therefore investment additionality of project is assessed based on actual customers. During the course of period new customers added which makes plant fully loaded. The investment analysis of the project during the crediting period therefore may make the additionality of project facility (demonstrated during registration) completely invalid, which is to be determined one time only.

The PP may consider a different approach to prove additionality in order to avoid this problem. In case the project activity is opened to include customers during the crediting period, the additionality has to be demonstrated considering operation of the cogeneration plant at full load level.

(3) Baseline emission equations for new customer

The new project customers can claim emission reduction based on the electricity or steam purchased from the project. There is no cap introduced based on historical capacity, as it is not applicable.

There is no clarity on electricity emission factor for new customers. The provisions of AM0029 are not followed (as recommended by Meth Panel) for most likely technology. For steam boiler efficiency, the approach of AM0044 is followed, which seems to be fitting.

(4) Although the project customer's definition includes reference to cluster, no provision is made in equations and monitoring section, how to monitor electricity and steam consumption from a cluster (instead of individual customer level). It is not clear whether the clusters would have used same fuel or technology in baseline.

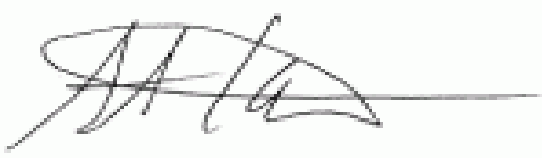
Based on the above observations, the Meth Panel recommends not to accept the request for revision.

(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: 23/01/2009

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair

Date: 23/01/2009

(Philip Gwage)

Information to be completed by the secretariat

F-CDM-AM	AM_REV_0134
Name of the authors of the query:	DNV
Date when the form was received at UNFCCC secretariat	23 January 2009
Date of transmission to the EB	23 January 2009
Date of posting in the UNFCCC CDM web site	23 January 2009