

 CDM: Response form for Request for revision of approved methodologies (version 01.1)	
<i>Date of Meth Panel meeting:</i>	02 - 06 May 2011
<i>Title and number of Request for revision</i>	Revision in AM0049 to incorporate usage of natural gas in the baseline scenario AM_REV_0209
Summary of the query: Please use the space below to summarize the request for revision on the related approved methodologies.	
<p>AM0049 “Methodology for gas based energy generation in an industrial facility” is applicable to project activities that install a gas based energy generation (electricity and/or steam/heat) system at an existing industrial facility to meet its own energy demands.</p> <p>The request for revision aims at expanding the applicability of the methodology by allowing the use of natural gas in the baseline scenario. The list of baseline scenarios has also been revised to incorporate the continuation on current practice as one of the baseline alternatives. The baseline emissions’ calculation procedures have thus been revised to include the provision of a baseline emission factor calculation based on historical fuel consumption data. An additional scenario for baseline heat emissions in case of steam extraction in the baseline has also been incorporated in the section on baseline heat emissions.</p>	
Recommendation by the Meth Panel:	
(a) Please use the space below to provide amendments /changes (in your expert view, if necessary).	
Please, refer to the box below.	
(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.	
Please, refer to the box below.	

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 Meth Panel recommends not to approve the request for revision.

The Meth Panel considers that this request for revision does not address a number of issues that arise from allowing the use of natural gas in the baseline scenario.

1. $EF_{BL,CO_2,y}$ (Emission factor of electricity generated in the baseline year y)

(a) The proposed revision states that:

“ $EF_{BL,CO_2,y}$ would be the grid emission factor in case the baseline scenario imports electricity from grid. In case, prior to the implementation of the project activity, there was onsite co-generation of electricity and heat, the emission factor for the electricity generation system should be calculated using “Tool to calculate baseline, project and/or leakage emissions from electricity consumption” and used for estimation of baseline electricity emissions.”

It is not clear how the tool can be used to calculate $EF_{BL,CO_2,y}$, since the tool provides procedure to calculate $PE_{EC,y}/BE_{EC,y}/LE_{EC,y}$ (project/baseline/leakage emissions from electricity consumption in year y) rather than emission factor ($EF_{BL,CO_2,y}$).

(b) The proposed revision of the methodology on page 9 contains a paragraph stating that:

“The emission factor for the entire electricity generation scenario prior to the implementation of the project activity should be calculated based on actual data of historical three years’ average fuel consumption and electricity generation, e.g. in case of a co-generation system in which steam is being produced from boilers and then sent to process and steam turbines, the fuel consumption corresponding to the percentage of steam being sent to steam turbine could be taken as the baseline emission. $EF_{BL,CO_2,y}$ can be calculated based on the weighted average of the electricity being produced by each system; co-generation and other power generating sources.”

The proposed revision does not provide any equations and guidance on how to actually calculate the emission factor for the electricity generation. Furthermore, it is not clear what the relation is between the paragraph b) and the tool mentioned in the paragraph (a) above. This paragraph (at page 9 of the proposed revised methodology) is key to the request for revision. Therefore, the project participants should elaborate this paragraph with equations and detailed procedures.

2. The request for revision revises the determination of parameter $EF_{BL,CO_2,y}$ and includes the use of fossil fuels for power and heat generation in the baseline situation in its calculation. However, it is not clear how the apportioning of emissions from fossil fuels is carried out. For example, in case of a co-generation plant in the baseline that would result in double counting of baseline emissions, as co-generation is the sequential generation of power and heat from a common fuel source.

3. The proposed revision includes “Scenario 3: Steam is extracted from the steam turbine and the quantity decreases after reduction power output of the steam turbine”. It is not clear what this scenario means and how the combination of the three scenarios works. It is also not clear whether this steam is low pressure steam extracted from the steam turbine to preheat boiler feed water or something else.

4. The proposed revision does not provide enough guidance on how to determine the parameter $EF_{CO_2,MT,fi,y}$ [Weighted Average Emission Factor, based on fuel consumption data for the past 3 years, for fuel type fi (tCO₂/Ton of steam) in the baseline scenario]. This parameter is listed in the monitoring table (page 24) along with other parameters such as $EF_{CO_2,coal}$, $EF_{CO_2,oil}$, $EF_{CO_2,NG}$, $EF_{CO_2,LF}$, $EF_{CO_2,MRG}$ with a description:

“The default emission factor for a fuel used in the baseline or the project activity and in synfuel plant. International data most recently published.”

However, this is not consistent with the description of this parameter ($EF_{CO_2,MT,fi,y}$) provided at page 12, which states that this parameter is to be calculated based on historical fuel consumption data.

Furthermore, the Meth Panel clarifies that methodology AM0049 follows a rationale that the primary emission reduction results from the fuel switching (grid to Natural Gas) and not from the energy efficiency. In addition, the methodology restricts capacity expansion and the use of project fuel in the baseline situation. Due to these facts, the Meth Panel believes that expanding the scope of the methodology by allowing the use of natural gas in the baseline situation would significantly complicate the methodology. Therefore, the Meth Panel strongly recommends the project participants to submit a proposed new methodology rather than a revision to AM0049.

Signed by the Chair, Mr. Philip Gwage

Date: 06/05/2011

Signed by the Vice-Chair, Mr. Lex de Jonge

Date: 06/05/2011

Information to be completed by the secretariat

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