



**Approved baseline and monitoring methodology/
methodological tool clarification response form
(Version 02.0)**

INFORMATION TO BE COMPLETED BY THE SECRETARIAT OR PANEL/ WG

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| Date and number of Panel/ WG meeting: | 27–31 January 2014/MP 62 |
| Title/Subject of the request for clarification: | Clarification on Annex 1 option 1 & option 2 of ACM0012 version 4.0.0 |
| Reference number of the request for clarification: | AM_CLA_0257 |
| Exact reference (number, title and version) of the methodology or methodological tool to which the request for clarification applies: | Approved consolidated baseline and monitoring methodology ACM0012 version 4.0.0 "Consolidated baseline methodology for GHG emission reductions from waste energy recovery projects" |
| Fast track or Regular track: | <input type="checkbox"/> Fast track <input checked="" type="checkbox"/> Regular track |

Summary of the request for clarification

Original text from Stakeholder:

The project activity is to implement a CDM project in green field to generate electricity by utilizing surplus Blast Furnace gas (WECM) that is produced from Blast Furnace (a green field project facility) to produce electricity on Boiler, Turbine, and generator route for the captive use in an integrated Steel Plant in India.

As per Annex 1, of ACM0012, version 4.0.0, either option1 or option2 is applicable for green field projects to determine f_{practice} factor for the use of waste energy that is generated at green field facility.

While applying option 1 of annex 1 to above project, if PP cannot identify the minimum required five facilities to arrive " f_{practice} " factor within geographical area (India) for the use of WECM, the factor " f_{practice} " cannot be arrived.

In such case, then PP has to use option2 and arrive " f_{practice} " factor for the use of WECM by obtaining alternative design from the manufacturer of project facility and to demonstrate through investment analysis whether such alternative design would have been the baseline scenario for the waste energy generated in the green field facility. The alternative design provides the value of factor " f_{practice} " that is referred in Option 1.

Question 1:

While using Option 2, is it necessary to refer option1 of Annex 1 again to determine the f_{practice} factor repeating the steps mentioned in option 1?

Question 2:

As per the manufacturer specification, the project facility (Blast furnace) has option to operate with all coke operation as well as with coke + auxiliary fuel injection. The operational capacity envisaged for project facility (Blast Furnace) is 2.33 Million tons per year in case of all coke operation, and 2.5 Million tons per year in case of operation with coke + auxiliary fuel injection. In general the capacity envisaged for the project facility (Blast furnace) is in the range of 2.33 to 2.5 Million Tons per year.

In such condition, whether the PP can consider the capacity of facilities in the range of 2.094 to 2.75 Million tons per year as compared to the project facility for arriving at f_{practice} as per Option 1 of annex1?

Clarification by the secretariat or Panel/ WG

The Methodologies Panel (Meth Panel) of the Executive Board (Board) of the clean development mechanism (CDM) would like to thank the author for the submission.

The Meth Panel agreed to clarify that:

1. Option 2 is standalone option and to be used when the project participants are not able to identify five facilities of similar type as the Greenfield project activity. While applying option 2 there is no requirement to refer again to option 1 and $f_{practice}$ in option 2 is derived from the alternative design;
2. As per the option1 of annex 1 the selected facilities can vary by +/-10% in terms of the capacity of the facility as compared to the proposed facility under CDM. Considering the varying capacity of project activity; to cover more number of similar facilities, project participants can use the range from -10% of lower capacity of project activity and +10% of higher capacity of the project activity (ex: in this case 2.094 to 2.75 million tons/year), provided that this range belongs to a single type (model) of facility and the range represents different assumptions.

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Document information

| <i>Version</i> | <i>Date</i> | <i>Description</i> |
|----------------|--------------|--|
| 02.0 | 18 July 2013 | Revised to remove the row "Date and signature of the chair and vice chair of Panel/WG (in case of clarification by Panel/WG)" |
| 01.0 | 4 July 2013 | Initial publication. This document supersedes and replaces the following documents: <ul style="list-style-type: none"> • Recommendation Form for Small Scale Methodologies (F-CDM-SSCwg) (Version 01.1) • Recommendation Form for Small Scale A/R Methodologies and Procedures (F-CDM-SSC-AR) (Version 01.1) |

Decision Class: Regulatory
Document Type: Form, Clarification
Business Function: Methodology
Keywords: applying methodologies and tools