



CDM: Response form for request for clarification on Approved Methodologies (version 01.1)

| | |
|--|--|
| <i>Date of Meth Panel meeting:</i> | 7 - 11 March 2011 |
| <i>Title and number of request for clarification</i> | Verification of total energy supplied by the generator through summation of electricity received by the recipient plants. AM_CLA_0201 |

Summary of the query:

Please use the space below to summarize the request for clarification on the related approved methodologies.

In the request for clarification, the DOE refers to the monitoring requirement of the parameter $EG_{j,y}$ (Quantity of electricity supplied to the recipient plant j by the project activity during the year y in MWh) in ACM0012 version 2.0.

“The data shall be measured at the recipient plant(s) and at the generation plant for cross check. Sale receipts shall be used for verification. DOE shall verify that total energy supplied by the generator is equal to total electricity received by the recipient plants.”

The DOE describes the following situations and raises some questions.

Situation-1: When the generator and recipient plant(s) are independent entities, two sets of meter(s) will be installed at the recipient plant and generation plant(s) respectively, and their readings can be used to cross check, as shown in Figure 1. However, under this circumstance, minor differences exist between the readings of two sets of meters due to the transmission loss.

In this case how can the following sentence be satisfied?

“DOE shall verify that total energy supplied by the generator is equal to total electricity received by the recipient plant”

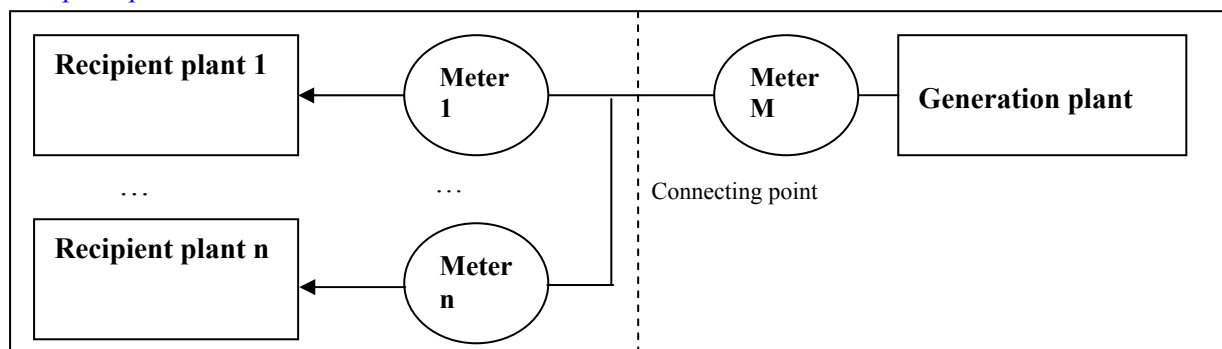


Figure 1

Situation-2: As shown in Figure 2 consider the following case. Consider that there are other power generation plant(s) or the grid which exist out of the project boundary (besides the power generation plant(s) of the project which is inside the project boundary), which supply electricity to the recipient plant. In this case the readings of meter M at the generation plant may be significantly smaller than meter 1 at the recipient plant if a great portion of the electricity used in the recipient plant is from the other generation plant or the Grid.

In this case, how shall the DOE verify the following sentence?

“ total energy supplied by the generator is equal to total electricity received by the recipient since the readings of meter G are not available for the project owner”

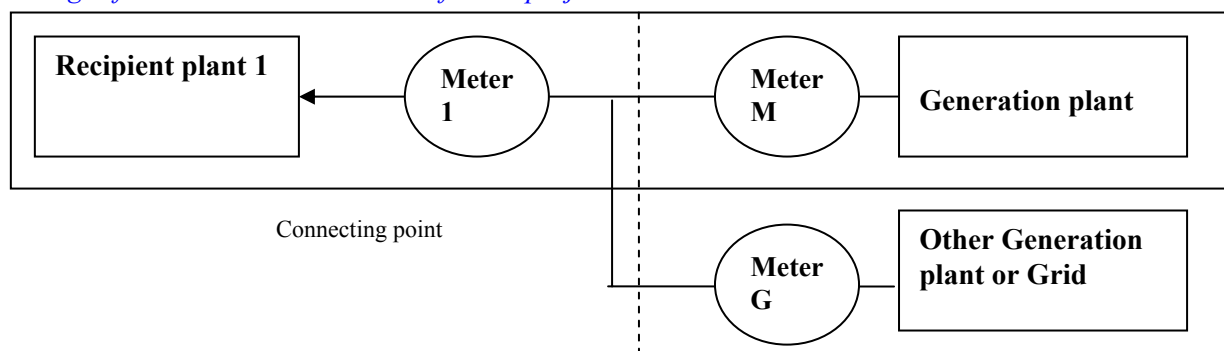


Figure 2

Situation-3: The recipient plant and the generation plant belong to the same owner and are in the same factory, the distance between the recipient plant and generation plant is short and the transmission line is directly connected from the generation plant to the recipient plant, the electricity output from the generation plant is directly supplied to the receipt plant through identified transmission lines. The situation is shown in Figure 3:

In this case, it is cost effective for the project owner to install only one dedicated meter at the interconnection point between the generation plant and the recipient plant at the transmission line.

Both the recipient plant and the generation plant will record readings of the same meter to cross check. Only under this circumstance can the DOE verify that the total energy supplied by the generator is exactly equal to the total electricity received by the recipient plant(s).

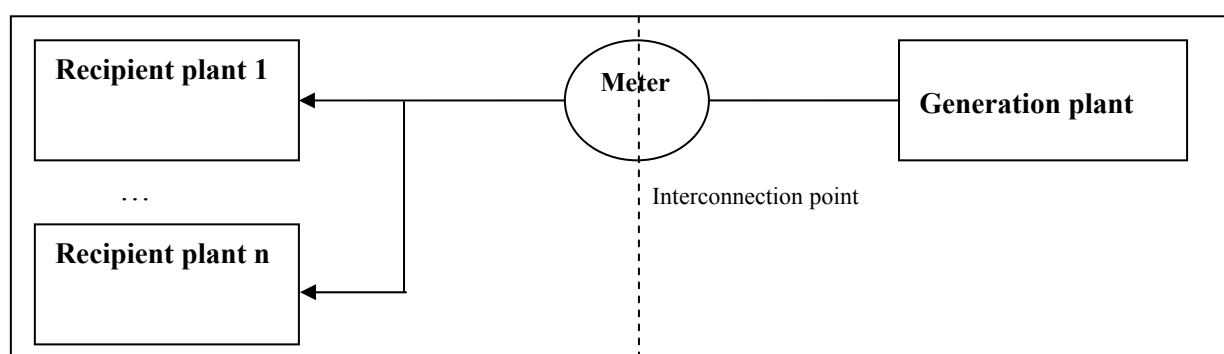


Figure 3

In this case, is it necessary for the PP to install two sets of meters measuring $EG_{j,y}$ at the recipient plant(s) and generation plant (s), respectively?

Following is the additional question from the DOE on the same monitoring requirement.

In some cases the proposed project is for captive use, therefore the recipient plant(s) and generation plant(s) belong to the same owner within a factory, there is no trading action hence no sale receipt is available. In this case, how can the following requirement be satisfied?

“Sale receipts shall be used for verification”

Recommendation by the Meth Panel:

Please use the space below to provide amendments /changes (in your expert view, if necessary).

The Meth Panel would like to thank the DOE for bringing these practical issues to its notice. The Meth Panel provides the following clarification to the request.

In general the purpose of this monitoring requirement in the methodology is to ensure the accuracy and conservativeness in the estimation of emission reductions due to electricity generated using the waste energy. This means: (a) that the electricity coming from any other source (apart from that generated using waste energy under CDM project) should not be accounted for in the estimation of emission reductions, and (b) no emission reductions are claimed for losses in the line between the producer and the recipient.

Under **Situation-1**, it is important to keep in mind that baseline is only determined based on the energy received by the recipient. Therefore, it has to be determined based on the reading of meter 1 (or meter n) to be multiplied by baseline emission factor of respective recipients. What needs to be ensured is that the sum of electricity received by the recipients is not higher than the electricity supplied measured by meter M. In case the amount of electricity supplied is higher, the amount of electricity received could be used to calculate baseline emissions.

However it may happen that due to accuracy differences, the sum of the electricity measured by the recipient/s surpasses the reading of the meter at the supplier's end. In such a case, the reading of the supply side meter should be adopted as the final conservative value of electricity supplied to the recipient/s (and received by the recipient/s). In case of multiple recipients, the electricity consumption of each recipient should be recalculated proportionately, by multiplying proportions of electricity received (using recipient side meters) with the total value of electricity supplied (supply-side meter).

Under **Situation-2**, a separate meter has to be installed before the electricity from the grid or other generation is supplied in the same electrical line. The metering of electricity generated by the CDM project and received by recipient plant 1 has to be maintained separately from that supplied by any other source. Clarification provided for Situation-1 above also applies here.

Under **Situation-3**, as the owner of the generation and recipient plant is the same (and not independent entities) and electricity is supplied within the same facility, a separate metering of electricity is not required for electricity generation and electricity received. Therefore one meter can suffice the requirement of monitoring of electricity as shown in Figure 3.

As the owner of the generation plant and the recipient plant is the same and the electricity is supplied within the same factory (same as in Situation-3 above), there is no need to verify the readings of the meter with the sales receipt.

The Meth Panel agreed to editorially clarify the monitoring requirement of parameters $EG_{j,y}$ and $EG_{i,j,y}$ in the methodology with respect to the situations discussed above.

Answer to authors of the request for clarification by the Meth Panel :

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

[As above.](#)

Signed by the Chair, Mr. Philip Gwage

Date: 01/03/2011

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

Date: 01/03/2011

Information to be completed by the secretariat

| | |
|---|--------------|
| F-CDM-AM | AM_CLA_0201 |
| Name of the authors of the query: | SGS |
| Date when the form was received at UNFCCC secretariat | 1 March 2011 |
| Date of transmission to the EB | 1 March 2011 |
| Date of posting in the UNFCCC CDM web site | 1 March 2011 |