

	CDM: Response form for Request for revision of approved methodologies (version 01.1)
Date of Meth Panel meeting:	14 - 18 September 2009
Title and number of Request for revision	Expansion of applicability condition to ACM0006 for the scope of “greenfield power projects” AM_REV_0154
Summary of the query: Please use the space below to summarize the request for revision on the related approved methodologies.	
<p>ACM0006 “Consolidated methodology for electricity generation from biomass residues” is applicable to electricity generation project activities (cogeneration or not) using biomass residues, including greenfield power plants, power capacity expansion projects, energy efficiency improvement projects and fuel switch projects.</p> <p>The request seeks to expand the applicability of the methodology by the inclusion of a new category of project activities in which a power plant was operated in the project site prior to the implementation of the project activity and stopped operation independently of the decision of implementing the project activity. The request proposes that such cases should be treated as greenfield projects. To that end, the proposed revision amends the applicability conditions and the description of scenarios 1, 2, 3 and 4. The applicability is restricted to situations in which the decision of discontinuing the operation of the pre-existing power plant is due to legal or regulatory constraints, and the pre-existing plant is limited to coal-fired power plant (no cogeneration plant) which have higher emission factor than the grid. The baseline scenario should be defined as that of greenfield projects.</p> <p>The scenario existing prior the implementation of the project activity was that a coal fired power plant used to operate at the project activity site. This plant was shut down in June of 2006 in compliance with local regulations. The biomass residues used in the project activity were dumped or left to decay or burnt in an uncontrolled manner without utilizing for energy purposes.</p> <p>The project scenario is the installation of 3x12MW cogeneration plants based on biomass residues that supply electricity to the grid. The project introduces three new biomass-fired boilers. The project also includes the pre-existing 3x12MW fossil fuel fired power plants which will be retrofitted to use biomass residues (including turbines and generators).</p> <p>The baseline scenario is that electricity would have been generated by other power plants connected to the grid. The biomass residues would have been dumped or left to decay or burnt in an uncontrolled manner without utilizing for energy purposes. Scenario 2 of ACM0006 is used in the CDM-PDD.</p> <p>This request is based on the response provided by meth panel the request for clarification AM_CLA_0134.</p>	
Recommendation by the Meth Panel: (a) Please use the space below to provide amendments /changes (in your expert view, if necessary). Not applicable.	

(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

The Meth Panel recommends not to approve the request for revision mainly due to following:

- The project case as described in the PDD could have been considered as a green field project only in case where the entire old plant is replaced by a new biomass residue fired power plant. In this case only the boilers are being replaced and the turbine and the generators of the old coal fired power plant are being retained. It is more or less a case of retrofitting rather a green field biomass fired power plant;
- The project case is closer to Scenario 5 of ACM0002 rather Scenario 2. The PP may use Scenario 5 in this case. However, if PP decides to do so they will be required to address the issue of remaining lifetime of the equipment adequately;
- In response to the clarification request CLA_0134 it was clarified that the proposed project activity is not meeting the eligibility criteria for Scenario 2, as per the current version of ACM0006. In response to the clarification request CLA_134 the panel suggested to the PP to submit a revision request after taking into account some of the issues. While the PP's has taken into account most of the suggestions while submitting the revision request one of the important aspect has got left out. This pertains to consider the conditions under which discontinuation of the operations of the power plant would have happened anyway;
- The assessment of additionality of facilities which are facing operational/regulatory constraints, including legal and regulatory constraints such as the case described in the request, may require further guidance to take into account the fact that the implementation of the project activity may be either mandatory or the only feasible option to sustain the operation of the existing business. In both cases, one cannot claim that the project activity is additional. Although the Meth Panel highlighted this issue in the response to AM_CLA_0134, project proponents included no special considerations in the additionality assessment to take into account the fact that the existing power plant had to shut down and as a consequence an alternative business should be developed in its place, from the project developers perspective. The Meth Panel reiterates that further guidance should be included in the procedure for the assessment of additionality in order to address such situations and demonstrate that, irrespectively of the operational/regulatory constraints, other alternative baseline scenarios are more likely to happen than the proposed project activity undertaken without the CDM incentives.



Signature of Meth Panel Chair

Date: 18/09/2009

(Philip Gwage)



Signature of Meth Panel Vice-Chair

Date: 18/09/2009

(Pedro Martins Barata)

Information to be completed by the secretariat

F-CDM-AM	AM_REV_0154
Name of the authors of the query:	TUEV SUED
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