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

Date of Meth Panel meeting:	24 - 28 September 2007
Title and number of Request for revision	Proposal of new scenario for efficiency project activities. ACM0006 version 6 / AM_REV_0062

Summary of the query:

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

The request for revision aims to include a new scenario designed to cover project activities, where fossil fuels and biomass residues (i.e. co-firing) were historically used in their existing cogeneration systems for the generation of heat and power and where this situation would continue in the absence of the project activity.

The proposed project activity consists of two major elements. On one hand, it includes demand-side energy efficiency activities such as the installation of new electrical motors to replace some mechanical systems in the sugar mill; this component will be covered by AMS II-D. On the other hand, the project activity involves the installation of a new high efficiency boiler and two new turbo-generators to replace part of the current cogeneration system, which is the component that relates to ACM0006.

Recommendation by the Meth Panel:

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

The request makes reference to the recommendation prepared at MP27 for AM_REV_048, where the Meth panel addressed the issue of allowing co-firing in existing biomass residue fired power generation unit(s). This recommendation noted that a different procedure would be required to determine to which extent the project activity (increase biomass power generation) displaces on-site electricity generation with fossil fuels or electricity generation in the grid.

The Meth Panel appreciates the efforts made, however the following issues require further attention:

- In the generic equation, presented for the estimation of baseline emissions, the variable for $EG_{maxBL,y}$ should be subject to the generation in the project activity. That is to say, as long as the monitored generation is higher than the generation in the BL, the maximum value can be applied. This may cover situations where the generation in the project is lower than in the baseline for reasons out of control of the project developers (i.e. economic).

$$ER_{electricity,y} = EG_{\max,BL,y} \cdot EF_{BL} + \left\lfloor EG_{bought,BL,y} + EG_{sold,project,y} \right\rfloor \cdot EF_{grid,y}$$

- Impact of demand side versus supply side measures in the project activity. For instance, the proposed approach does not cover the excess of steam, which will be available for the generation of power in the project activity, due to electrification of some equipment that used steam in the baseline scenario.
- Additionality demonstration and baseline scenario selection. The project participants presented very good illustrations in the PDD showing the configuration of the equipment before and after the implementation of the project activity. From the PDD, at least the following items can be observed as the main components of the entire project activity:
  - (i) Demand side: installation of new electrical motors in replacement of some previously used mechanical systems.
  - (ii) Supply side: a new high efficiency boiler and two new turbo-generators will be installed replacing part of the current cogeneration system.

(iii) Fuel switch: the cogeneration plant uses both fossil fuels and biomass residues for the production of heat and electricity - Due to the efficiency measures brought about by the project activity, the use of fossil fuels at the site gets drastically reduced.

Supply and demand side measures are not entirely independent from one another as implicitly assumed through the application of two different methodologies. The proposed methodological approach should be able to demonstrate the additionality of each component of the whole project activity. More important, the methodology should provide a procedure to estimate the contribution of different measures to the overall reduction of emissions. Therefore, non-additional activities should be excluded from the calculation of emission reductions.

(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.

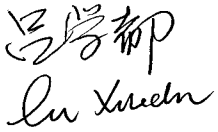
Answer to authors of the request for revision by the Meth Panel :

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

Not to revise ACM0006 on the basis of this request. The issues listed above still need to be resolved.

Signature of Meth Panel Chair ……..

Date: 28/09/2007 *(Akihiro Kuroki)*



Signature of Meth Panel Vice-Chair ……..

Date: 28/09/2007 *(Xuedu Lu)*

Information to be completed by the secretariat	
F-CDM-AM	AM_REV_0062
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