 <b>CDM: Response form for Request for revision of approved methodologies (version 01.1)</b>																					
<i>Date of Meth Panel meeting:</i>	4 - 8 February 2008																				
<i>Title and number of Request for revision</i>	Proposal of new scenario for efficiency project activities. ACM0006 version 6.  AM_REV_0072																				
<b>Summary of the query:</b> Please use the space below to summarize the request for revision on the related approved methodologies.																					
<p>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.</p> <p>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.</p> <p>This request was earlier submitted by PPs through AM_REV_0062, but was rejected by Meth Panel for various reasons explained. The PPs have addressed the concerns raised by Meth Panel and resubmitted the request.</p>																					
<b>Recommendation by the Meth Panel:</b> (a) Please use the space below to provide amendments /changes (in your expert view, if necessary).																					
<p>The issues raised by 29<sup>th</sup> meeting of Meth Panel have been addressed by project proponents in following ways:</p> <ol style="list-style-type: none"> <li>1. The new applicability condition is added for the scenario that the efficiency measures only should come through supply-side measures and not demand side e.g. excess steam available through demand side measures cannot be diverted for extra electricity generation. This limits the applicability of project and also it is very difficult to validate. It should be noted that though the claims for excess steam based generation are not made, the fossil fuel savings are also on account of saving of steam. It is very difficult to demonstrate, however, that this steam is not diverted to electricity generation.</li> <li>2. Based on the above, the following can be concluded:</li> </ol> <p>The calculation is an improvement as compared to previous submission, but it includes also the effect of decrease in electricity consumption (possibly due to conservation measures, decrease in production or simple fluctuation) to be accounted when calculating ER. This can be demonstrated by following examples based on equations provided in the revised methodology:</p> <table border="1" data-bbox="295 1661 1360 1854"> <thead> <tr> <th></th> <th>Generated</th> <th>Bought</th> <th>Sold</th> <th>Consumed</th> </tr> </thead> <tbody> <tr> <td>Baseline = historical</td> <td>100</td> <td>50</td> <td>10</td> <td>140</td> </tr> <tr> <td>Project 1</td> <td>200</td> <td>10</td> <td>100</td> <td>110</td> </tr> <tr> <td>Project 2</td> <td>200</td> <td>10</td> <td>50</td> <td>160</td> </tr> </tbody> </table>			Generated	Bought	Sold	Consumed	Baseline = historical	100	50	10	140	Project 1	200	10	100	110	Project 2	200	10	50	160
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Project case 1 yields a reduction of  $100*EF_{BL} + (40+90)*EF_{grid}$  whereas project case 2 yields a figure of  $100*EF_{BL} + (40+40)*EF_{grid}$ . Therefore, the equations include emission reduction associated with supply-side components. In other words, the proposed revision is based on the assumption that supply side characteristics do not change. Furthermore, the above is based on the assumption that the baseline reflects historical conditions, which is not the case to the underlying project activity. Therefore, it is recommended that the project participant propose a new methodology taking into account both demand and supply side measures.

(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

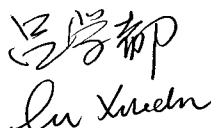
The decision is not to accept the revision in view of above observations.



Signature of Meth Panel Chair .....

Date: 08/02/2008

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair .....

Date: 08/02/2008

(Xuedu Lu)

**Information to be completed by the secretariat**

F-CDM-AM	AM_REV_0072
Name of the authors of the query:	DNV-CUK
Date when the form was received at UNFCCC secretariat	8 February 2008
Date of transmission to the EB	8 February 2008
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