	<b>CDM: Response form for Request for revision of approved methodologies (version 01.1)</b>	
<i>Date of Meth Panel meeting:</i>	19 - 23 January 2009	
<i>Title and number of Request for revision</i>	Expansion of applicability conditions to ACM0006 to include a new scenario  AM_REV_0130	
<b><u>Summary of the query:</u></b>		
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 for revision is a follow-up on the response to AM_REV_0112 and seeks to include a new scenario (scenario 21) to expand the applicability of ACM0006 to project activities that install a new biomass residues fired cogeneration plant at a site where, prior to the implementation of the project activity, an existing cogeneration plant has been operated using a mix of fossil fuels and biomass residues. The biomass residues used in the new cogeneration plant are the same as those which would have been used in the existing plant in the absence of the project activity. The request claims that the project activity results in the displacement of fossil fuels, which have historically been used in the existing cogeneration plant, and grid electricity due to an increase of the electricity generation by the project activity.</p> <p>The underlying project activity is the installation of a new cogeneration plant using sugarcane bagasse as fuel at a sugar mill where an existing cogeneration plant using sugarcane bagasse and coal is operating. After the implementation of the project activity, the existing plant is used as back-up only for emergencies. The new cogeneration plant will operate using only the same residual bagasse that would have been used in the existing plant in the absence of the project activity.</p>		
<b><u>Recommendation by the Meth Panel:</u></b>		
(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 recommendation is not to approve the request for revision. The request for revision hasn't addressed the issues raised previously in the response to the request for revision AM\_REV\_0112. The following issues remain open and should be addressed in case project proponents decide to resubmit this request for revision:

General approach of ACM0006 versus the approach proposed in the request for revision

The general approach of ACM0006 is to allocate all emissions reductions to electricity production. Project proponents should follow this same approach in the request for revision in order to prevent further complexity in ACM0006. An alternative to this would be to submit a new proposed methodology designed specifically to address the case described in the underlying project activity. Project proponents should note that:

- ACM0006 is focused on the production of electricity from biomass residues and only accounts for emissions reductions from heat generation in certain scenarios in which the heat would have been produced in heat-only boilers in the baseline. In most of the scenarios, emissions reductions due to heat generation are either not applicable or conservatively disregarded. In other scenarios only emissions increase due to heat generation are accounted. Particularly in the case of cogeneration plants, whether in the project or baseline scenarios, ACM0006 implicitly assumes that the heat is fully generated in cogeneration mode. Therefore, all emissions are allocated to electricity generation and the heat is considered as a by-product of electricity generation. Project proponents should take that into account;
- The case underlying the request for revision is similar to scenario 7 of ACM0006. The main difference is that in scenario 7 the existing cogeneration plant runs only on fossil fuels, whereas in the request for revision, a mix of fossil fuels and biomass is used. The general approach of scenario 7 could be adapted to the request for revision by undertaking appropriate revisions to equation (9) for the calculation of  $EF_{electricity,y}$  and equation (15) for the calculation of  $EG_y$ .

Calculation of emissions reductions due to production of electricity

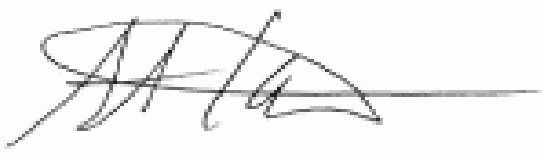
In this new proposed revision of ACM0006, project proponents introduced two conditionals in the equation that calculates  $EG_y$ . This change doesn't solve the issue raised in the response to AM\_REV\_0112.

- Firstly, if  $EG_{existingplant,y} \geq EG_{existingplant,historic,3y} / 3$ , it is not adequate to assume that all electricity generated in the project activity would have been produced in the grid. One could imagine the situation in which  $EG_{projectplant,y}$  is generated as a result of the diversion of biomass from the existing plant to the project plant and the increase in  $EG_{existingplant,y}$  above historical levels is due to an increase in the use of fossil fuels at the existing plant. In this case, at least part of the electricity produced in the project plant using the biomass residues (i.e. part of  $EG_{projectplant,y}$ ) would have been produced in the baseline using the same biomass residues in the existing plant. This situation is neither ruled out by the proposed revision nor procedures are provided to account for or prevent this situation. The methodology has to provide means to ensure that emissions reductions are only accounted for if the project activity actually results in higher efficiency of the biomass use for electricity generation. This is implemented, for instance, in the first expression of equation 15 in ACM0006;
- Secondly, if  $EG_{existingplant,y} < EG_{existingplant,historic,3y} / 3$ , the proposal assumes that any electricity produced in the project power plant ( $EG_{projectplant,y}$ ) above average historical levels of electricity production ( $EG_{existingplant,historic,3y}/3$ ) would have been produced, in the baseline scenario, by the grid. This is inadequate. As stated in the response to AM\_REV\_0112, the generation of electricity in the project activity power plant ( $EG_{projectplant,y}$ ) doesn't reflect the total generation of electricity at the project site ( $EG_{projectplant,y} + EG_{existingplant,y}$ ) and the latter should be compared to the historical generation of electricity, instead of the former. This is implemented in the second expression of equation 15 in ACM0006.

Please, note also that the parameter  $EG_{existingplant,historic,3y}$  hasn't been defined in the proposal.

Calculation of baseline emissions due to production of heat

As stated before, project proponents should follow the general approach of ACM0006 and allocate all emissions reductions to electricity production.



Signature of Meth Panel Chair .....

Date: 23/01/2009

(Akihiro Kuroki)



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

Date: 23/01/2009

(Philip Gwage)

**Information to be completed by the secretariat**

F-CDM-AM	AM_REV_0130
Name of the authors of the query:	SGS
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