CDM: Recommendation Form for Small Scale Methodologies (version 01)

(To be used for presenting questions/proposals/amendments to the simplified methodologies for small-scale CDM project activity categories)

Date of SSC WG meeting:	26–29 April 2010, SSC WG 25
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Revision in the applicability criteria of AMS-III.N
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-III.N "Avoidance of HFC emissions in Poly Urethane Foam (PUF) manufacturing"
Name of the authors of the query:	Mr. Anup Kumar Dave Institution: METECNO (India) Pvt. Ltd anup@metecno.in

Summary of the query:

Please use the space below to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

Original text from PP:

We refer to the small scale methodology AMS III N version 3, ***Avoidance of HFC emissions in Poly Urethane Foam (PUF) manufacturing***. The methodology is applicable to HFC abatement projects in polyurethane foam (PUF) manufacturing units, applicable to both Greenfield as well as existing manufacturing facilities of PUF. We refer to the following applicability criteria mentioned in the methodology:

1. This category is applicable to project activities that avoid the fugitive emissions of HFC gases (Hydroflourocarbons) used as a blowing agent during the production of Poly Urethane Foam (PUF) in an existing or a Greenfield manufacturing facility.

We understand that, in the case of existing facilities, the above criteria is applicable to facilities (currently using blowing agents such as HCFC) which would have used HFC as a blowing agent in the baseline, and the project activity(ies) would avoid fugitive emissions of HFC gases (Hydroflourocarbons) during the production of Poly Urethane Foam (PUF).

2. In the case of existing facilities, this category is only applicable if it can be demonstrated, with historical data, that for at least three year prior to the project implementation, only HFC blowing agent was used in PUF production.

We understand from criteria 2 above that it is applicable to existing projects using only HFCs as blowing agents with historical data of HFC usage three years prior to project implementation.

With regards to the above we would like to bring to the attention of SSC WG the following:

Companies that are using HCFC 141b as blowing agent in their existing facilities

Being party to the Montreal Protocol, India has a mandate to abate the use of Ozone Depleting Substances (ODS) . The Montreal Protocol has stated that HFCs are alternatives that can be used to replace CFCs and HCFCs. The PUF manufacturing process involves the use of ODS such as HCFCs as blowing agents. In India the most commonly used blowing agent has been HCFC 141b . Further, alternatives provided to PUF manufacturers' to replace these ODS are to use HFCs .

We are a PUF manufacturing company in India, currently in the process of replacing our blowing agent HCFC 141b with pentane in our existing facility. We had the option to use HFC as a blowing agent; however, owing to its Global Warming Potential (GWP) we have opted to use Pentane instead. We had considered the benefits of CDM as a key determinant in the decision making process of this retrofit activity, considering the barriers posed and risks associated with pentane usage. However, due to the applicability condition 2 of this methodology we are unable to proceed further with our CDM process.

Currently, there are over 264 PUF manufacturing companies (both continuous and discontinuous) in India. Some PUF Manufacturing companies in India are currently in the process of replacing their blowing agent HCFC 141b with pentane in their existing facilities. Please note that the option to use HFC as a blowing agent is also available to these PUF Manufacturing Companies, however, they have opted to use pentane.

Therefore, a provision to include PUF Manufacturing Companies using HCFCs as blowing agents in their existing facilities (and in the process of switching to other hydrocarbons such as pentane), in the methodology AMS III.N would encourage many such organisations to take up this retrofit activity.

It is evident that the use of HFC as a replacement to HCFC as the blowing agent is not prohibited by any local law and is a feasible option available to PUF manufactures. Therefore, existing manufacturing facilities currently using HCFCs but opting to use a non-GHG gas such as pentane are also contributing to GHG abatement and must qualify under this methodology.

We are proposing a revision to the approved small-scale methodology (AMS III.N Version 3) to the following applicability criteria and humbly request the Small Scale Working Group to kindly consider this revision:

"2. In the case of existing facilities, this category is applicable if it can be demonstrated, with historical data, that for at least three year prior to the project implementation, that HFC/HCFC blowing agent was/would have been used in PUF production."

Recommendation by the SSC WG:

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

Please refer to paragraph 17 of the meeting report of the SSC WG 25 (http://cdm.unfccc.int/Panels/ssc_wg).

Answer to authors of query by the SSC WG:

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

The small-scale working group of the CDM Executive Board would like to thank the author for the submission.

The SSC WG agreed to clarify that AMS-III.N can only cover avoidance of HFC emissions in Poly Urethane Foam (PUF) manufacturing. The group agreed that assuming that HCFC facilities would have shifted to use HFC foam blowing agents to set up a hypothetical baseline is not appropriate and is not in accordance with the modalities and procedures of SSC CDM that clearly exclude refrigerants controlled under the Montreal Protocol.

Signed by the Chair, Mr. Peer Stiansen

Date: 29/04/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 29/04/2010

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