	CDM: Response form for Request for revision of approved methodologies (version 01.1)	
<i>Date of Meth Panel meeting:</i>	07 - 11 April 2008	
<i>Title and number of Request for revision</i>	Inclusion of CNG, and combining associated and non-associated gas under AM0009 AM_REV_0086	
<u>Summary of the query:</u>		
Please use the space below to summarize the request for revision on the related approved methodologies.		
<p>AM0009 “Recovery and utilization of gas from oil wells that would otherwise be flared or vented” is applicable to project activities where associated gas, which was flared or vented prior to the start of the project activity, is recovered and delivered to a gas processing facility or a natural gas pipeline.</p> <p>The underlying project activity of the request for revision involves the capture of associated gas, its compression along with non-associated natural gas to produce Compressed Natural Gas (CNG) at the CNG Mother Station (installed as part of the project activity), and transportation by trucks to CNG Daughter Stations at end-users for de-compression and utilisation.</p> <p>In the request for revision it is proposed:</p> <ul style="list-style-type: none"> • To expand the applicability of AM0009 to project activities where the captured associated gas is compressed and transported by trucks to end-users; • To allow for mixing associated gas with non-associated gas while ensuring that only emissions from flaring of associated gas are accounted as the baseline emissions; • To introduce editorial changes in applicability conditions and other minor changes. 		
<u>Recommendation by the Meth Panel:</u>		
(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 considers that the underlying project activity is an activity eligible for CDM registration, however the proposed request for revision can not be recommended for approval as such for the reasons described below.

The rational behind project activities applying AM0009 is different from that of the underlying project activity. In AM0009 the captured associated gas is supplied to the natural gas market in a form of dry gas, LPG and/or condensate or to the existing natural gas distribution network. It is assumed that the whole amount of the gas would be consumed substituting the use of natural gas.

Unlike in AM0009, in the proposed project activity the gas, in a compressed form, is delivered directly to end-users. Therefore, a number of issues, related to the end-user aspect, has to be addressed:

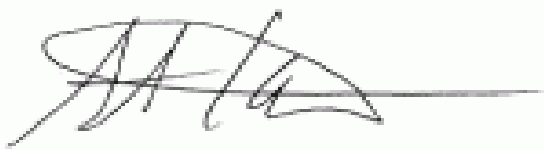
Baseline identification: Section on the baseline selection should include a procedure to identify baseline scenarios for end-user facilities (what fuel would be used at an end-user facility in the absence of the project activity). One important issue to be addressed is to ensure that the recovered associated gas will not displace renewable energy.

Project boundary: At its 36th meeting the CDM Executive Board clarified that “project activities that result in emission reductions due to the use/consumption of a product produced in the project activity are only eligible as CDM project activity if: (i) the users/consumers of the product are included in the project boundary; and (ii) monitoring takes place of the actual use/consumption and location of the product used/consumed by consumers.” It is thus necessary to include end-user facilities in the project boundary.

Project emissions: Emission from the consumption of fossil fuels and/or electricity at CNG Daughter stations at end-user facilities should be accounted for as project emissions.

Monitoring: As per the above mentioned guidance of the Board, procedures for monitoring of the final use of associated gas at end-user facilities should be developed.

In view of the above, the project participants are encouraged to develop a new methodology taking into account the points described above.



Signature of Meth Panel Chair

Date: 11/04/2008 (Akihiro Kuroki)



Signature of Meth Panel Vice-Chair

Date: 11/04/2008 (Philip Gwage)

Information to be completed by the secretariat

F-CDM-AM	AM_REV_0086
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