



**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)*

<b>Date of SSC WG meeting:</b>	16–19 August 2010, SSC WG 27
<b>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</b>	Applicability of AMS-III.N for manufacturing of PUF using Pentane by installing new production lines in existing facilities
<b>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</b>	AMS-III.N “Avoidance of HFC emissions in rigid Poly Urethane Foam (PUF) manufacturing”
<b>Name of the authors of the query:</b>	Ngaah Moses Institution: CO2focus AS <a href="mailto:moses@co2focus.com">moses@co2focus.com</a>

**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:

**Background:**

1. Our company in China is in the business of manufacturing reefer containers and reefer units used for intermodal transportation. To meet these requirements, we have established different production plants (new project activities) for discontinuous panels and appliances, i.e. (1) Reefer Container Base, (2) Reefer Container Doors, (3) Reefer Container Roof, (4) Reefer Container Sides, (5) Reefer Container Front Wall and (6) Reefer Unit Chassis. These six project activities have started over different periods of time. The outputs from these plants are used in the final assembly of the reefer containers.
2. Polyurethane Foam (PUF) is used as insulation material inside the discontinuous panels and appliances produced in these six Greenfield project activities.
3. We have previously used HCFC141b as blowing agent in the manufacturing of PUF. HCFC141b is controlled under the Montreal Protocol and will be phased out in China (i.e. the project host country) by 2030. However, phase-out is not yet systematically implemented in our sector through any regulatory compliance requirements.
4. Nonetheless, we have decided to implement six separate Greenfield plants for production of PUF using a non-HFC chemical, which is cyclo-pentane, to manufacture discontinuous panels and appliances. None of these project activities produce similar outputs (discontinuous panels and appliances), and are implemented and operated independently.

**Clarification Request 1:** Whether the six Greenfield project activities as described above are eligible to use the methodology AMS III.N (version 03).

**Key reasons for selecting possible use of AMS III.N (version 03):**

- We had the option of using HFC based chemicals in the new plants that are safer to use.

- Local regulations in China do not constrain us to use any HFC, nor do they constrain us to use pentane. The use of pentane is a voluntary action on our part.
- We have taken the necessary safety precautions as required for the use of pentane.

**Clarification Request 2:** Whether these Greenfield project activities attract the de-bundling provisions as provided under Annex 32 of EB 47.

**Key reasons why de-bundling provisions might not be applicable to our project activities:**

- As per Annex 32 of EB47, debundling is defined as the fragmentation of a large project activity into smaller parts. In our case, we have initiated six separate project activities over different periods in time for production of PUF used in manufacturing of discontinuous panels and appliances.
- There is no registered small-scale CDM project activity or an application to register another small-scale CDM project activity that attracts the provisions of Clause 2 in Annex 32 of EB47.

**Queries sent to the PP based on preliminary assessment sent 19 May 2010**

We would like to draw your attention to the response provided by SSC WG 25 to the request for revision SSC\_408 in which assumption on shifting from HCFC to HFC foam blowing agents to set up a hypothetical baseline is considered not appropriate and not in accordance with the modalities and procedures of SSC CDM that clearly exclude refrigerants controlled under the Montreal Protocol. Please see the detail response to SSC\_408 available at

<http://cdm.unfccc.int/UserManagement/FileStorage/GA98M3VYI4B6FW2COH05RQLJKDSXET>

**Additional clarification from PP submitted 21 May 2010**

Thanks for providing us with the details about the HCFC project from India (SSC\_408). After carefully reading the project information, we need to explain that our proposed CDM project activities are not replacement or retrofit of HCFC with pentane. Hence, these are not similar to the Indian project in several ways.

We had the option of changing from HCFC to HFC in the existing PUF manufacturing facilities at minimum (nil) investments. However, we have chosen to implement Greenfield project activities using pentane as the foam agent, at significant investments, by installing new production lines for the new chemical.

Our project activities do not claim any benefits under the Montreal Protocol. Our decision is voluntary, and it is only incidental that we have used HCFC in the past.

Our circumstances around developing our project activities are similar to the registered projects activities 2790 and 2795 that use AMS III.N.

We wait for your guidance on structuring these project activities as CDM project activities. Should you require further clarification, please send us a list of information that you require from us.

**Recommendation by the SSC WG:**

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

Please refer to paragraph 13 of the meeting report of the SSC WG 27  
([http://cdm.unfccc.int/Panels/ssc\\_wg](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.

Based on the information provided by the submission, the SSC WG was unable to see how the six projects proposed can be considered as Greenfield as the projects involved installation of new production

lines in existing facilities for the production of PUF using a non-HFC chemical (cyclo-pentane) to manufacture discontinuous panels and appliances.

The author stated “We had the option of changing from HCFC to HFC in the existing PUF manufacturing facilities at minimum (nil) investments. However, we have chosen to implement Greenfield project activities using pentane as the foam agent, at significant investments, by installing new production lines for the new chemical”. According to the paragraph 2 of AMS-III.N “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.”.

Based on the information above the SSC WG agreed to clarify that the hypothetical baseline proposed for the underlying project activity is not eligible under AMS-III.N.

The group further agreed to reiterate the response provided to SSC\_408 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: 19/08/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 19/08/2010

**Information to be completed by the secretariat**

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