	<b>CDM: Response form for Request for revision of approved methodologies (version 01.1)</b>
<b>Date of Meth Panel meeting:</b>	19 - 23 January 2009
<b>Title and number of Request for revision</b>	<p>Request for revision to expand the applicability of methodology to projects where the annual power output of project is increased beyond 10% compared to baseline but which is not due to CDM project</p> <p>AM_REV_0131</p>
<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>AM0036 “Fuel switch from fossil fuels to biomass residues in boilers for heat generation” is applicable to project activities that switch from use of fossil fuels to biomass residues, in existing and, where applicable, new boilers. The project activities eligible are the retrofit of existing boilers, replacement of existing boilers, installation of new boilers or a combination of them.</p> <p>The methodology is applicable to project activities that either don't use the heat produced with biomass residues for the production of power, or, if power is generated, it is not increased as a result of the project activity, i.e. the power generation capacity existing prior to the implementation of the project activity remains unchanged with the implementation of the project activity throughout the crediting period and the annual power generation during the crediting period is not more than 10% larger than the highest annual power generation in the most recent three years prior to the implementation of the project activity.</p> <p>The request for revision proposes to expand the applicability of AM0036 to cases in which power generation increases beyond the 10% threshold.</p> <p>The underlying project activity is the use of malt bagasse (a biomass residue of the brewing process) for the production of heat and power in an existing cogeneration/heat-only plant at a brewery. The existing cogeneration/heat-only plant uses heavy fuel oil as main fuel complemented with biogas produced on-site. The project is being implemented at the same time as the brewery is expanding its production capacity by increasing the plant load factor, therefore, demanding more steam and power to operate. The installed capacity for heat and power generation won't be increased with the implementation of the project activity, as the facilities currently installed have been operated at partial load. However, the power generation will increase more than 10% as compared to historical levels. The malt bagasse is currently sold and used as cattle feed off-site.</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.

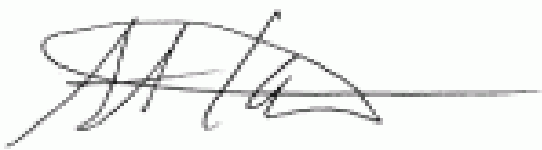
AM0036 is designed for fuel switch projects producing heat, where the heat is implicitly assumed to be used only as process heat and not to produce power. This is clear from the applicability conditions that states, in first place, that the heat generated in the boiler(s) is not used for power generation.

The inclusion of project activities where the heat is used for power production is an exception to the first condition above and only includes cases in which the power generated is not increased as a result of the project activity, further explaining that the power generation capacity existing prior to the implementation of the project activity remains unchanged with the implementation of the project activity, throughout the crediting period, and that the annual power generation during the crediting period is not more than 10% larger than the highest annual power generation in the most recent three years prior to the implementation of the project activity.

This restriction imposed on projects which involve power generation aims at reducing the complexity of the methodology by avoiding the consideration of cases where a baseline scenario would have to be identified and emissions reductions would have to be accounted for power generation. In other words, it is assumed that the production of electricity, if any, is not affected after the implementation of the project activity so as to avoid the cumbersome procedure of trying to identify a baseline scenario for electricity production. The 10% threshold is included only as a means of ensuring some flexibility in the application of the methodology, taking into account business-as-usual variations in the electricity production levels of the facility where the project is implemented.

Clearly, however, this isn't the case in the request for revision. The proposed request for revision is applicable to a scenario of capacity expansion of electricity generation in a cogeneration system. Although the project activity doesn't involve new installed capacity, but a higher load factor, the decision to use the biomass residues to increase the generation of steam and electricity cannot be disconnected from the fact that an increase in demand for heat and power has to be attended. The option of increasing the load factor of the existing power plant using biomass residues has to be assessed against other alternative baseline scenarios for power supply and corresponding emissions reductions or increases have to be assessed and accounted for. AM0036 doesn't contain the methodological elements to do it.

Furthermore, it is the purpose of the meth panel to keep AM0036 restricted to heat-only project activities, for the sake of simplicity, with one only exception as described above. Therefore, this case cannot be included in AM0036. Rather, ACM0006 is more suitable to deal with such situations because it contains other elements which are missing in AM0036 (e.g. baseline scenario selection and emissions reductions equations for electricity generation). Project proponents may consider to submit a request for revision of ACM0006 or propose a new methodology.



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_0131
Name of the authors of the query:	TUEV-NORD
Date when the form was received at UNFCCC secretariat	23 January 2009
Date of transmission to the EB	23 January 2009
Date of posting in the UNFCCC CDM web site	23 January 2009