	CDM: Response form for Request for revision of approved methodologies (version 01.1)	
<i>Date of Meth Panel meeting:</i>	4 - 8 February 2008	
<i>Title and number of Request for revision</i>	(AM0014-v.04): Natural gas-based package cogeneration AM_REV_0079	
Summary of the query: Please use the space below to summarize the request for revision on the related approved methodologies.		
<p>The project proponent, a real estate developer, will commission a 9.8 MW (1.4 MW X 7 gas engines) natural gas based cogeneration system at its building complex to cater the energy requirements of the building. This request of revision was previously submitted as AM_REV_0069 and not approved by the Meth Panel.</p> <p>The following main amendments to AM0014 have been proposed:</p> <ol style="list-style-type: none"> 1) To make the methodology also applicable to new facilities (the methodology is only applicable to existing facilities); 2) To extend the methodology from industrial plants only to commercial or institutional establishments as well; 3) To allow the methodology to include situations where the heat requirements in the baseline would have been met by an electrical system as well; 4) To include an additional baseline approach (48b) in the case of new plants / commercial or institutional establishments (48b); 5) New equations for estimating CO₂ emissions in the baseline scenario because of the annual baseline electricity displaced due to heat generation from natural gas in the project situation; 6) Additionality: Scenarios are provided for power and heat generation for existing and new facilities. 		
Recommendation by the Meth Panel:		
(a) Please use the space below to provide amendments /changes (in your expert view, if necessary).		
<p>Some of the issues raised by the Meth Panel in its last meeting (Meth 30th) have been addressed, but not satisfactorily. As such, the recommendation is not to approve the new request because of the following reasons:</p> <ol style="list-style-type: none"> 1) Neither the current approved methodology, nor the new modified proposed one, are applicable to the project activity in question due to the nature of ownership of the cogeneration plant. As also stated by the Meth Panel in its previous recommendation (Meth 30th), as it is (and also the proposed one) the methodology is either applicable to a third party or to the user of the electricity and the heat that is generated in cogeneration plant, who shifts from grid and fossil fuel energy in the baseline situation to self generation, provided no excess electricity / heat is supplied outside of the plant. However, the project activity in question, a 9.8 MW NG fired cogeneration plant, belongs to an Indian real estate company DLF, which aims at supplying electricity and heat (for vapour absorption chiller) to its own building in which offices (probably) are given on lease to IT companies. Therefore, the case in the sample CDM-PDD does not fit in the definition of third party ownership. This issue has not been addressed again in this re-submission of the request for revision. 2) New baseline scenarios have been provided for power and heat generation for existing and new facilities separately. It is not clear for the heat generation, however, what is the difference between the 		

alternatives for existing or new facilities, as the scenarios proposed seem to be quite the same. Furthermore, it is not clear that what is the purpose of introducing the points 3 to 7 on page 12 of the proposed methodology. Since the heat scenarios are broad based and may not involve the refrigeration or air conditioning, no scenarios related to air conditioning are defined. This could have also been taken care of in the CDM-PDD, which is not the case. The CDM-PDD could have alternative heat scenarios such as those discussed in the previous recommendation by Meth Panel (Meth 30th); for example: a) The installation of direct-fired or steam based vapor absorption chiller; or b) Providing split air conditioners or window A/Cs in each office of the building are not clearly reflected.

- 3) Even though the baseline scenarios are elaborated for heat and power, it is not clearly defined for which scenarios the methodology is applicable.
- 4) **Additionality:** Text in the top of page 13 of the proposed modified methodology remains the same as in the original methodology, though a paragraph has to be deleted because it has been copied twice. Then, no modification in the text of Option 2 of the demonstration of additionality has been proposed to also include the new applicability proposed to commercial or institutional establishments (as text only makes reference to industrial installations).
- 5) **Baseline Emissions:** Baseline CO₂ emissions due to annual baseline electricity displaced by heat generation in the project situation are calculated based on the annual baseline electricity displaced due to heat generation from natural gas in the cogeneration installation. For estimating this last variable, a factor ($\eta_{\text{conversion}}$) of conversion from effective heat energy output in the project case to the electrical equivalent in the baseline is used. This factor is estimated ex-ante for the crediting period based on the best efficiency available for such systems in country OR three year historic average of existing system. No further guidance is given on this factor, however. Again, a much more detailed and specific procedure on how to estimate this factor is needed. In its current form the steps to be followed and the information required are not well defined. Similarly, for the factor used for conversion of heat energy into output ($\eta_{\text{heat fraction}}$), no further guidance is provided. This has to be much more specific than it is in the current form.
- 6) It should be also noted that the order of the equations have to be changed as well: 1) Baseline CO₂ emissions due to annual baseline electricity displaced due to heat generation and then 2) Annual baseline electricity displaced due to heat generation.

(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 as the request for revision is not accepted.

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

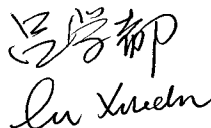
It is strongly recommended that since the project activity in question does not follow the applicability condition “The cogeneration system is either third party cogeneration systems, i.e. not owned or operated by the consuming facility that receives the heat and electricity from project cogeneration systems or the cogeneration system is owned by the industrial user (henceforth referred to as self-owned) that consumes the heat and electricity from project cogeneration systems “, which is very much the function of baseline determination and additionality test embedded in this methodology. The Project Proponents should consider submitting a new methodology for their project specific case.



Signature of Meth Panel Chair

Date: 08/02/2008

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair

Date: 08/02/2008

(Xuedu Lu)

Information to be completed by the secretariat

F-CDM-AM	AM_REV_0079
Name of the authors of the query:	SGS UK Ltd.
Date when the form was received at UNFCCC secretariat	8 February 2008
Date of transmission to the EB	8 February 2008
Date of posting in the UNFCCC CDM web site	8 February 2008