



**CDM: Response form for Request for revision of approved methodologies
(version 01.1)**

<i>Date of Meth Panel meeting:</i>	23 - 27 June 2008
<i>Title and number of Request for revision</i>	Revision to extend applicability to include the use of Biomass Residues before the Project Activity AM_REV_0096

Summary of the query:

Please use the space below to summarize the request for revision on the related approved methodologies.

ACM0003 (version 7) - "Emissions reduction through partial substitution of fossil fuels with alternative fuels or less carbon intensive fuels in cement manufacture" is applicable to project activities in the cement industry where fossil fuel(s) used in an existing clinker production facility are partially replaced by one or more carbon less intensive fossil fuel(s) and/or alternative fuels.

The underlying project activity of the request for revision aims at the reduction of CO₂ emissions by the substitution of traditional fuels consumed in the kilns for the clinker production in the cement manufacturing facility Cimentos Liz in Brazil by biomass and other alternative fuels. The facility has been already consuming some biomass residues (charcoal) from pig iron industries in its clinker kiln since 2004 and intends to increase the share of this alternative fuel (replacing fossil fuel - petroleum coke).

This request for revision of ACM0003 (version 7) aims at expanding its applicability to project activities that used alternative fuel(s) during the most recent three years prior to the implementation of the project activity. Consequently, ACM0003 would be applicable both for the introduction of alternative fuel and/or less carbon intensive fuel or increase in the use of alternative fuels beyond historical levels when that would not technically be possible at the project site without a significant capital investment.

If alternative fuels have already been used for cement manufacturing at the project site prior to the implementation of the project activity, the most plausible baseline scenario for the use of the alternative fuels should only be determined for the additional alternative fuels used over and above the historical use levels. In other words, the amount of alternative fuels that were used in the baseline scenario should be discounted of the amount of alternative fuels that will be used in the project activity emissions and leakage calculations.

In summary, the proposed modifications are the following:

- Review of the applicability conditions;
- Review of the baseline determination;
- Review of the project, baseline emissions and leakage calculus, including the guidance on determination of quantity of alternative fuels as a amount of alternative fuels that were used in the baseline scenario that should be discounted of the amount of alternative fuels that was used prior to the project's implementation;
- Review of the Data and parameters not monitored; and
- Review of the Data and parameters monitored.

Recommendation by the Meth Panel:

(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 proposed request for revision cannot be recommended for approval for the reasons described below.

1. In the proposed revision it is stated: *“If alternative fuels have already been used for cement manufacturing at the project site prior to the implementation of the project activity, the most plausible baseline scenario for the use of the alternatives fuels should only be determined for the additional alternative fuels used over and above the historical use levels”*. This approach is not in line with procedures used in other approved methodologies and relevant methodological tools and as such is not adequate. The proposed revision states: *“This methodology is only applicable if F2 (the continuation of the current fuel mix or less alternative fuels than in the past) or F3 (a different fossil fuel mix portfolio) results to be the most plausible baseline scenario for the use of fuels in the cement plant”*. This explicitly implies that the selected most plausible baseline scenario can lead to a higher level of emissions than the current situation at the cement plant. This is not conservative and cannot be supported. Moreover, in case of facilities that use already biomass residues there is considerable uncertainty about the level of biomass residues that would be used in the future, given that fuel prices may change over time. The proposed revision does not sufficiently ensure that the baseline takes this large uncertainty into account and ensures that the baseline is a conservative scenario.
2. Equations 13 and 14 have minor errors, but equations 20 to 25 appear incorrect and contain multiple unknowns and have assumptions not explained clearly.

In view of the above, the project participants are encouraged to develop a new methodology taking into account the points described above. In doing so, project participants may refer to methodology AM0036 which covers for the situation where biomass residues are already used in a boiler and their use is expanded beyond historical levels.



Signature of Meth Panel Chair

Date: 27/06/2008

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair

Date: 27/06/2008

(Philip Gwage)

Information to be completed by the secretariat

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