



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

<i>Date of Meth Panel meeting:</i>	9 – 13 July 2007
<i>Title and number of Request for revision</i>	Revision of AM0037 to include fossil fuel processing facility / AM_REV_0050
<b><u>Summary of the query:</u></b> Please use the space below to summarize the request for revision on the related approved methodologies.	
AM0037 is currently applicable to project activities that recover previously flared tail gas from oil and gas processing facilities and use it as a fuel or feedstock. The request for revision suggests amending the applicability of AM0037 to the use of coke oven gas. In addition, a number of changes are suggested to reflect the fact that emissions reductions depend on the technology, fuel and feedstock that would be used in the absence of the project activity to provide the energy or product that is produced with the tail gas in the project activity.	

**Recommendation by the Meth Panel:**

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

The Meth Panel recommends **not approving** the request for revision. Although a number of issues in the revision request are very helpful, some approaches are not fully appropriate. The most important issues are the following:

- The guidance on how to determine the emission factor in case of new ammonia facilities is not fully appropriate. It is proposed to base the emission factor on a default value (which seems generally appropriate), local or national data or the performance of similar facilities operated by the company. The following issues need further consideration:
- It is not fully clear which data sources are suggested in case of local and national data. For example, emissions statistics from existing plants in country would not be appropriate, as the performance of existing plants is not comparable to the performance of newly installed plants. Moreover, very few countries have at all any reliable data on the total emissions intensity of ammonia production (including electricity consumption and auxiliary fossil fuel consumption). Local data could include data from one or two plants only, which may not be representative. Further guidance, qualifying acceptable data, would be required.
- The performance of existing plants operated by the same company is not necessarily an appropriate indicator for the performance of new plants that would be established in the absence of the project activity. Existing plants may include very old and inefficient plants that are not comparable to the state-of-the-art.
- It is not addressed that in the absence of the project activity, the ammonia may (partly) be produced in an Annex B country. In this case, as the assigned amount for a commitment period under the Kyoto Protocol is fixed, the displacement of production in an Annex B country would not reduce GHG emissions.
- The draft proposed methodology distinguishes between the situation where CERs are claimed for the replacement of production in the end-use facility and where no CERs are claimed. However, as highlighted very well on page 4 of the request for revision, in case of new installations the emission reduction result from the fact that less fossil fuel is used in other end-use facilities that would produce the same product in the absence of the project activity. A differentiation in the calculation of emission reductions is appropriate; however, it is suggested to consistently determine the baseline scenario for (a) the fate of the tail gas and (b) the production of useful products. The procedures to calculate emissions reductions should then depend on the applicable scenario.
- The relation of the procedure to correct the identified baseline emission factor for a different baseline feedstock/fuel type (with a different C/H ratio) is not clear. It is not clear why and how one specific feedstock/fuel type can be identified if the production in the project activity displaces the production in many other plants. For example, if the default emission factor for European modern plants from the IPCC would be used, it is unclear whether and, if yes, why this emission factor would be corrected for another feedstock/fuel type with a different C/H ratio. Moreover, in case of new plants established as a result of the CDM project activity, it seems difficult to identify one single feedstock/fuel type in cases where the project activity may displace ammonia production in several other new plants that would be constructed in the absence of the project activity.
- More generally, the information on how data should be collected is not fully consistent within the methodology and sometimes not clear. For example:
- Generally it would be necessary to differentiate clearly between the data sources for existing plants and for the situation of new plants. This is partly done in the procedure to calculate emission reductions but not in the tables for data and parameters.
- Whereas the top of page 8 suggests three different data sources to determine the baseline emission factor for ammonia production, the tables under the section “data and parameters monitored” make generally only reference to the IPCC guidelines.

- It is suggested that the electricity emission factor (quantity of electricity consumed per ton of NH<sub>3</sub> produced) is obtained from the IPCC Guidelines. Please provide a clear reference, as we could not find any such emission factor in the IPCC Guidelines.
- It is also recommended to improve the clarity of the language. Several expressions are not clear and difficult to understand (e.g. what is exactly a “calorific carbon content factor”? Please refer to expressions as used in the IPCC, such as “carbon content”, “net calorific value” and or “emission factors”). Several sentences are difficult to understand.

(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.

N.A.

**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

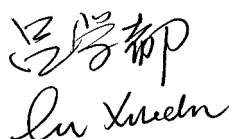
Please, see above.



Signature of Meth Panel Chair .....

Date: 17/07/2007

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair .....

Date: 17/07/2007

(Xuedu Lu)

**Information to be completed by the secretariat**

F-CDM-AM	AM_REV_0050
Name of the authors of the query:	JQA
Date when the form was received at UNFCCC secretariat	17 July 2007
Date of transmission to the EB	17 July 2007
Date of posting in the UNFCCC CDM web site	17 July 2007