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)

Date of SSC WG meeting:	27–30 October 2009, SSC WG 23
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Clarification on the applicability of AMS-I.C to a new biomass cogeneration project exporting electricity to a grid
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-I.C
Name of the authors of the query:	Rajesh Kumar Institution: P B Private Limited Rajesh.singla@yahoo.co.in

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:

The project activity is installation of a renewable biomass based cogeneration project at an existing plant.

In the pre project scenario the plant had renewable biomass based cogeneration plants, which used to provide steam to meet the process requirements. The electricity generated was consumed for captive consumption and surplus was exported to the grid.

The proposed project activity would generate additional electricity using the same amount of biomass as in the pre project scenario and export additional power to grid. The project activity would provide same quantity of steam for meeting the process requirement.

We understand from clarification 174 that export of power is eligible as per AMS IC.

The project proponent wishes to claim emission reductions only for incremental export to the grid.

We would like to confirm from the Small Scale Working Group, that para 12 (e) of the methodology is applicable in this case for claiming emission reductions for incremental export to the grid.

Additional clarifications requested by SSC WG:

In order to consider your submission complete, you are requested to provide following additional information:

a) It is understood that the proposed co-generation project activity would be installed in an existing cogeneration plant. It is however not clear from the submission that how the proposed project activity would generate additional electricity using the same amount of biomass as in the pre project scenario. A schematic diagram (including energy balance) representing baseline and project scenario would be necessary.

b) It is also not clear how this project activity would fit under one of the baseline scenarios stipulated in paragraph 12 of AMS-I.C

While you are clarifying the above issues, please also take into account the response provided by SSCWG to clarification request SSC_286 particularly the paragraph "The SSC WG is of the opinion that the project cannot be considered under Type I (renewable energy) as the project activity is the installation of a new electricity generation unit, which will not result in the direct conversion of energy from a renewable source. It should be noted that the same amount of biomass is used before and after project activity."

Response from PP submitted 02 Oct 2009:

The queries are explained below:

1. The project activity is addition of high efficiency new cogeneration plant (including boiler and turbine) to the existing low efficiency cogeneration plants. Since the project plant has a better efficiency as compared to the existing plants, it would generate additional power as comapred to the existing units using the same amount of biomass as in the baseline scenario. The steam to biomass ratio for existing units is approx 2.2 ton of steam per ton of biomass, where as ffor the project plant is approx 2.4 ton of steam per ton of biomass. The exisiting units would either continue to operate or would be kept as standby.

2. As per our understanding of AMS IC para 12(e), the interpretation of baseline scenario "electricity imported from the grid" is that it is also applicable to the baseline scenario "electricity is generated in the grid". Same has been explained in para 20 and para 16 of the methodology, where it is clearly mentioned that the methodology is applicable to cases where project activity "displace grid electricity import and/or supply electricity to the grid." In this project the project activity will supply electricity generated to the grid by producing power using high efficiency cogeneration system.

Clarification 286 is not relevant to our project activity.

Recommendation by the SSC WG:

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

Please refer to paragraph 12 of the meeting report of the SSC WG 23 (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.

The SSC WG agreed to clarify that AMS-I.C in its current form is not applicable to the described project activity, where due to introduction of efficient equipment the same amount of biomass fuel as compared to the baseline plant is used to generate surplus electricity for export to the grid.

The baseline situation described in paragraph 12 (e) of AMS-I.C refers to the situation where in the absence of the project activity electricity is produced from fossil fuel plants (grid connected or captive) and steam is produced from biomass. The project activity in this case is the implementation of a biomass cogeneration plant producing electricity and steam. The new cogeneration plant displaces the captive or the grid plants and the biomass fired unit producing steam. Emissions reductions are claimed only for the electricity produced whereas the situation for the project activity described in the request is different to Para 12 (e), i.e., in the baseline, steam and electricity are produced in a biomass fired unit, and in the project with the same amount of biomass, additional electricity is produced and exported to the grid.

The SSC WG agreed to invite the project proponents to submit a revision to cover their project activity. The main issues to be considered in the revision are:

- Each of the energy types supplied (captive heat/electricity and grid electricity) during the crediting period shall be equal to or higher than that in the pre-project situation.

- It is noted that the existing unit will be continued to be operated as a back up unit, in this regard the response provided by the SSC WG to the submission SSC_336 shall be taken take into account.
- The determination of incremental electricity generation as compared to the existing scenario is not captured in AMS-I.C. An algorithm that fits the project case shall be provided.
- Specific monitoring procedures shall be included to ensure that the same amount of biomass is used both in the project and baseline situation.

Signature of SSC WG Chair ……..

(Hugh Sealy)

Date: 30/10/2009

Signature of SSC WG Vice-Chair ……..

(Peer Stiansen)

Date: 30/10/2009

Information to be completed by the secretariat	
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