	<b>CDM: Response form for Request for revision of approved methodologies (version 01.1)</b>
Date of Meth Panel meeting:	23 - 27 June 2008
Title and number of Request for revision	Revision of ACM006 in accordance with the baseline of the Paramonga project.  AM_REV_0093
<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>ACM0006 “Consolidated methodology for electricity generation from biomass residues” is applicable to biomass residues fired electricity generation project activities (cogeneration or not), including greenfield power projects, power capacity expansion projects, energy efficiency improvement projects and fuel switch projects. The methodology is currently applicable to 20 different scenarios.</p> <p>The request seeks the revision of ACM0006 to include a new scenario (scenario 21) to expand the applicability of the methodology to projects that install a new biomass residues fired cogeneration plant at a site where, prior to the implementation of the project activity, an existing cogeneration plant has been operated with a fuel mix composed of fossil fuels and biomass residues. The biomass residues used in the new cogeneration plant include the biomass residues that have been historically used in the existing plant and new biomass residues that would be dumped, left to decay or burnt in an uncontrolled manner. As a consequence, the project results in the increase of the total use of biomass residues beyond historical levels. Furthermore, the project activity also results in the displacement of the fossil fuels historically used in the baseline cogeneration plant and in the increase of the electricity generation capacity. This type of project activities is currently not covered under ACM0006.</p> <p>The underlying project activity is the installation of a new biomass cogeneration system at a sugarcane based sugar and pulp mill including a new biomass boiler and steam turbine. The new cogeneration plant will operate using bagasse (a residue of the sugar mill), pith (a residue of the pulp mill) and tops and leaves of sugarcane (a residue of sugarcane harvesting). The project activity replaces an existing cogeneration plant which operates with residual fuel oil, bagasse and pith.</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.

The Meth Panel acknowledges the fact that the proposed project activity and the new scenario are not covered under the current version of ACM0006. The new scenario could in principle be included in the methodology ACM0006. However, the request cannot be accepted due to fundamental flaws in the revisions proposed. Project participants are encouraged to submit a request for revision which considers these issues:

- CDM-NM - Calculation of  $EF_{\text{electricity},y}$  - The proposal to calculate  $ER_{\text{electricity},y}$  is flawed, especially when considered together with the proposal to calculate  $ER_{\text{heat},y}$ . Scenario 21 cannot be included together with scenarios 5, 6, 7, 8 and 17 as proposed in the request for revision. The approach for those scenarios is only applicable when the baseline for electricity includes a captive power plant (P3) using only fossil fuels. This is not the case of scenario 21 and its underlying project activity, where the baseline for electricity is a cogeneration plant firing a mix of biomass residues and fossil fuels. For instance, it is not clear how  $EG_{CP,y}$  is defined for the underlying project activity.
- CDM-NM - Calculation of  $ER_{\text{heat},y}$  - The proposal to calculate  $ER_{\text{heat},y}$  is flawed, especially when considered together with the proposal to calculate  $ER_{\text{electricity},y}$ . Scenario 21 cannot be included as proposed, with scenario 20, because the approach for scenario 20 assumes that in the baseline, heat would be produced by means of a heat only boiler, i.e. a dedicated boiler which produces only steam and is not used as part of a cogeneration system. The underlying project activity for scenario 21 is a cogeneration plant. Therefore, the accounting of  $ER_{\text{heat},y}$  as proposed results in double counting of emission reductions as the use of fossil fuels in the baseline has already been considered in the calculation of  $ER_{\text{electricity},y}$ .
- CDM-NM - Calculation of  $BF_{PJ,k,y}$  - The proposal to calculate  $BF_{PJ,k,y}$  is flawed. Scenario 21 cannot be included with scenario 3 because the latter refers to the generation of heat in dedicated boilers (i.e. not operating in cogeneration) in the baseline scenario. Furthermore, the incremental biomass used in the project scenario in case of Scenario 21 is a different (new) type of biomass than the biomass used in the baseline scenario, which is not the case in scenario 3. In addition, the baseline boiler in Scenario 21 also uses fossil fuels. As a consequence, the use of equations 31 and 32 for scenario 21 leads to mistaken results concerning the incremental amount of biomass combusted in the underlying project activity. Please refer also to the next bullet point.
- Concerning the previous bullet point, related to the calculation of  $BF_{PJ,k,y}$ , project proponents should have noted that in the underlying CDM-PDD the result for  $BF_{PJ,k,y}$  is negative (CDM-PDD, page 31, Table 4) and, as a consequence, so are  $BE_{\text{biomass},y}$ . This seems unreasonable. Please, clarify what is the meaning of a negative incremental amount of biomass combusted in the underlying project activity, especially considering that the proposed project activity is deemed to enable an increase of the use of biomass residues beyond historical levels.
- Concerning the CDM-PDD, for the calculation of emissions, refrain from presenting tables only with the final results of baseline emissions, project emissions, leakage and emission reductions. Rather, present the detailed calculations, explicitly showing where each parameter is being used and which values are being considered.
- In the CDM-NM, the description of scenario P10 is “generation of power by means of a boiler firing a fuel mix composed by fossil fuels and biomass residues”. The language should improve, as generation of power (electricity in the context of ACM0006) by means of a boiler is rather unclear.
- In the CDM-NM, the new baseline scenario for biomass use B9 is not appropriate. The methodology already foresees the situation that different biomass residue types are used and specifies that “the baseline scenario should be identified for each type of biomass residue separately”. In this regard, the current scenarios for biomass use cover already the assumed baseline for the respective project activity.
- Finally, it is of utmost importance that the description of the underlying project activity, in the CDM-

PDD, is improved. Project proponents are requested to provide two diagrams, one for the baseline scenario and another for the project scenario, containing a detailed description of:

- (i) The fuels used (types and average amount used).
- (ii) The sources of those fuels (make sure that all fuels used in the project scenario are also described in the baseline explaining their fate in the absence of the project activity).
- (iii) The boilers and turbines (number, type, capacities, efficiencies, modes of operation).
- (iv) The demands of steam and electricity being served by the project activity (make sure that all steam and electricity demands affected by the project activity are fully described in the diagrams with estimated average flows).

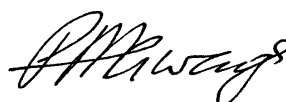
The diagrams have to provide a clear description of every flow of fuel, heat and electricity in the baseline and project scenarios, their sources and final users. The diagrams have to consider the same levels of service both in the baseline and project scenarios in terms of heat and electricity. It is also important to have details on the physical arrangement of the equipments in terms of connections among them, flows of matter and energy, capacities, production level and what exactly they are serving for. Please, don't forget to clearly represent cogeneration schemes, heat only boilers, grid connections, condensing and extraction modes turbines and the flows of steam, to supply heat demands, which are extracted directly from boilers and those which are extracted from turbines. If the project affects heat/electricity demands in the manufacturing processes, that has to be clearly mentioned and quantified (note that Table 1 of the CDM-PDD mentions "energy and heat efficiency activities to optimize heat use" without further reference to those activities or their impact in the heat use). Finally, explain the processes of collection and treatment of biomass sources used in the project activity.



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**

F-CDM-AM	AM_REV_0093
Name of the authors of the query:	DNV
Date when the form was received at UNFCCC secretariat	27 June 2008
Date of transmission to the EB	27 June 2008
Date of posting in the UNFCCC CDM web site	27 June 2008