



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

<i>Date of Meth Panel meeting:</i>	23 - 27 January 2012
<i>Title and number of Request for revision</i>	Revision of the baseline methodology procedure in order to broaden the methodology's scope and applicability AM_REV_0223
Summary of the query: Please use the space below to summarize the request for revision on the related approved methodologies.	
<p>AM0074 "Methodology for new grid connected power plants using permeate gas previously flared and/or vented" is applicable to project activities where the permeate gas, previously flared and/or vented at the existing natural gas processing facility, is used as fuel in a new grid connected power plant.</p> <p>The request for revision seeks to broaden the applicability of the current methodology by:</p> <ol style="list-style-type: none"> (1) Including the barrier analysis in the additionality assessment procedure, to be used as an alternative to the benchmark investment analysis; (2) Allowing for the use of technology based industry benchmarks for the financial indicator of alternative investments (options), as an alternative to calculating the financial indicator based on plant specific financial analysis of options. <p>In addition the request also seeks to improve the language in the baseline selection procedure, by correcting the text that refers to additionality.</p>	
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 recommends approving the request for revision related to consideration of barriers for the demonstration of additionality, but with the condition that permeate gas has a heating value below a specific threshold. However, the Meth Panel has revised the methodology broadly by making several changes in addition to those proposed by the project participants. In particular the Meth Panel has:

- (a) Introduced a new definition of permeate gas;
- (b) Introduced an applicability condition limiting the amount of permeate gas used under the project activity compared to the historical situation;
- (c) Introduced procedures on the demonstration of the use of permeate gas prior to the implementation of the project activity; and
- (d) Made changes in the approaches for the calculation of baseline emissions, by restricting the baseline emission factor to be the combined margin (using 50/50 weights of OM and BM) of the grid to which electricity is supplied.

The Meth Panel did not agree to allow the use of technology based industry benchmarks for the financial indicator of alternative investments (options), as an alternative to calculating the financial indicator based on plant specific financial analysis of options.

The draft revised methodology is annexed to the report of fifty-fourth Meth Panel meeting.

Signed by the Chair, Mr. Philip Gwage

Date: 27/01/2012

Signed by the Vice-Chair, Mr. Lex de Jonge

Date: 27/01/2012

Information to be completed by the secretariat

F-CDM-AM	AM_REV_0223
Name of the authors of the query:	TUEV-NORD
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