



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:	21–24 September 2009, SSC WG 22
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Definition of existing facility in AMS-III.Q
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-III.Q, version 02
Name of the authors of the query:	Vikas Thakur Institution: vikasrjn@rediffmail.com

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:

A few projects which were under validation under ACM 0004 were not able to complete the validation process hence had applied AMS IIIQ ver-1. During this period the Baseline Project and the Project Activity also was/were implemented.

The need for this request for the clarification has arise due to the recent clarifications issued by SSC-WG as regards applicability of baseline for the AMS IIIQ ver-2 project activities. The issued clarifications give an impression that any Existing Facility as on the date of validation under this methodology also may not be considered as an existing facility if it were/was “Green field” projects at the time of deciding to implement the Project activity. Therefore would it qualify or not under this Methodology? Whereas the word “existing facility” has been used to simplify the assessment of baseline activities based on their existence as on the date of Validation. Hence the below mentioned request is submitted for clarification under fast track as what is to be treated as an “EXISTING FACILITY”.

In AMS III Q Ver-02 in “technology / measure” it is provided that the category is applicable for “existing facility”

As AMS III Q is a small scale version of ACM0012, and in ACM0012 “existing facility” is clearly defined in foot note -12 Page-4 which reads as under:

“12 Facilities where the commercial production had began at the time when the Project Activity is submitted for validation”

Kindly clarify whether this definition for “existing facility” which is given in ACM0012 Ver-03.1 also applicable under AMS III Q Ver-02.

Additional clarifications requested by SSC WG:

The submission states “A few projects which were under validation under ACM 0004 were not able to complete the validation process hence had applied AMS IIIQ ver-1. During this period the Baseline Project and the Project Activity also was/were implemented”.

Kindly elaborate this statement and particularly please clarify the following issues which are not clear to us:

Reasons for which ACM004 projects were not able to complete validation (which are these projects?)

If the expiry of ACM 004 was the reason and given the projects were large scale and also given ACM0012 replaced ACM004 what prompted the application of AMS III Q instead of ACM0012 (which would have been the logical choice).

What is meant by “During this period the Baseline Project and the Project Activity also was/were implemented”?

Response from PP submitted 26 Aug 2009

(1) The above clarifications are sought for the project activity under validation in the name of “Real Waste Heat Recovery CDM Project”

(<http://cdm.unfccc.int/Projects/Validation/DB/ORAH7YLLAX71QE18KRFRK9OTNGUMLX/view.html>)

The PP had originally decided to set up a sponge iron plant at village Siltara along with coal based captive power plant in the year 2003, subsequently the decision was taken to shift the project location to the current location at village Borjhara and decided to set up a sponge iron plant with 100tpd X 2no kilns and a 12 MW coal based captive power plant on dated 21/03/2004, subsequent to which based on the CDM support it decided to implement 5MW WHRB as a CDM Project activity on dated 05/06/2004 and remaining 7MW as a Coal based AFBC. The above decisions were taken within a gap of a few months of deciding to set up a sponge iron plant and AFBC. Similarly the purchase orders were placed for sponge iron plant on dated 20/08/2004 and for WHRB & AFBC on dated 27/12/2004. The decision to implement the Coal based Power plant was taken as the state grid was facing severe power crisis and also the rates were very high.

Subsequently the PP appointed a CDM consultant on 05/07/2005 which suggested that the only applicable methodology was ACM0004 and there was no small scale methodology available at that time. PP submitted its application for HCA which was considered on 12/12/2005 and was issued on 26/12/2005. Since the ACM0004 had no clarity about the proportioning of steam for the project activity to be implemented along with the Coal based AFBC. Thus a request in revision of the methodology was filed to UNFCCC on 05/10/2006. By the time the outcome of this request came the meth panel had already recommended for withdrawal of ACM0004 and had proposed ACM00012. Around then SSC methodology AMS IIIQ was introduced. Thus the PP revised it's PDD and submitted for validation under AMS IIIQ Ver.I. As the ver1 also expired on 9th June09, thus the PP is requesting the validation under ver2. During this period the sponge iron plant and the project activity i.e. 5MW WHRB and 7MW AFBC also got implemented. These plants were commissioned on various dates, sponge iron began trial run around August 2005, the TG SET with AFBC boiler trials were started on around April 2006 and the WHRB boilers were started in May 2006.

(2) As explained above due to the pending request for the revision in methodology ACM0004 the validation could not be completed in the mean time the methodology had expired.

(3) The project activity is only a 5MW WHRB which is not likely to reduce more than 39000 tonnes of CO2 per annum, and by this time AMS IIIQ had been introduced thus ACM00012 was not preferred.

(4) All these activities (i.e. Sponge Iron plant=Baseline source, AFBC= Baseline Project, WHRB= Project Activity) got implemented during the period i.e. from the date of decision to invest in project activity and during the process of seeking CDM support. Thus it was written as “During this period the Baseline Project and the Project Activity also was/were implemented”.

Recommendation by the SSC WG:

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

Please refer to paragraph 46 of the meeting report of the SSC WG 22
(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 reiterate the previous responses provided by the SSC WG to SSC_300, SSC_304, and SSC_306, that all the baseline conditions for waste heat/energy/pressure in the approved methodology AMS-III.Q are intended for existing facilities where the project activity is implemented, and not for a hypothetical baseline (Greenfield project).

Regarding the query as to whether the project facilities in existence as on the date of validation but were not in existence as on the date of deciding to go for the project activity can be considered as existing facility, the SSC WG agreed to recommend the following definition for an existing facility:

“A facility that is existing on the starting date of the CDM project activity (definition shall be in accordance with paragraph 67 of the EB 41 meeting report) such that all the options for demonstrating the use of waste energy in the absence of the project activity are based on historic information and not on a hypothetical scenario. The facility may not be considered as an existing facility if it does not exist on the starting date of the project activity.”



Signature of SSC WG Chair

(Hugh Sealy)

Date: 24/09/2009



Signature of SSC WG Vice-Chair

(Peer Stiansen)

Date: 24/09/2009

Information to be completed by the secretariat

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