 <p style="text-align: center;">CDM: Response form for Request for revision of approved methodologies (version 01.1)</p>	
<i>Date of Meth Panel meeting:</i>	23 - 27 June 2008
<i>Title and number of Request for revision</i>	Time boundary constraint AM_REV_0087:
<p><u>Summary of the query:</u></p> <p>Please use the space below to summarize the request for revision on the related approved methodologies.</p> <p>The request is to revise the approved consolidated methodology ACM0006 to allow project activities where biomass residues are used only during the cropping season to limit the period of the year during which the plant is operated as a CDM project and during which emission reductions are accounted. This is presently not allowed under the methodology.</p> <p>It is proposed that if the project participants choose a shorter time period than a year for accounting emission reductions, they have to demonstrate that the plant operation outside the time boundary is comparable with the baseline scenario in the absence of the project activity.</p> <p>The project activity is the installation of a new cogeneration plant to meet the energy demand of an existing sugar production facility where the sugar processing capacity is expanded.</p>	
<p><u>Recommendation by the Meth Panel:</u></p> <p>(a) Please use the space below to provide amendments /changes (in your expert view, if necessary).</p> <p>The Meth Panel recommends not approving the request for revision.</p>	
<p>(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.</p> <p>Not applicable.</p>	

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 not approving the request for revision.

The current methodology already covers the situation where fossil fuels are co-fired. Fossil fuel consumption from co-firing is accounted under project emissions and the displacement of grid electricity that would be generated with fossil fuels is considered as baseline emissions. If the efficiency and fossil fuel type of the project plant and power plants in the grid are similar (as indicated for the underlying project activity), the corresponding emissions factor out. This has the same effect on net GHG emission reductions as the proposed shortening of the time period during which emission reductions are accounted. If the GHG intensity of electricity generation is different in the grid and in the project plant, the difference is also automatically accounted. In this regard, it is unclear why such a revision would be needed.

Secondly, it is not very clear how the provision that “plant operation outside the time boundary is comparable with the baseline scenario” should be applied. Firstly, “comparable” is not very precise and may be subject to different interpretations. Secondly, it is not clear what the basis for comparison is if the baseline is grid electricity generation (e.g. the combined margin, the build margin or the operating margin).

Finally, and most importantly, the definition of the project boundary based on the time period when the plant is operated by bagasse is artificial and is not appropriate. The main reason is that the demonstration of additionality and the identification of the most likely baseline scenario do not make sense if they are undertaken for a partial operating time of the plant. For example, in the case of the investment analysis, it would not make sense to consider the financial viability of the project plant only for a certain time period of the year. Moreover, if the baseline scenario is that the plant would not be constructed in the absence of the CDM, then ignoring the emissions from coal combustion would result in a wrong estimation of emission reductions. In the absence of the CDM, the plant would not operate and would thus also not combust any coal. The electricity would be generated elsewhere (in the grid or in another on-site power plant).

Should the main constraint of the project activity be the applicability condition that biomass residues should be the predominant fuel, it may be necessary to propose a revision to this applicability condition and to include provisions in the methodology from methodologies for the construction of new fossil fuel based power plants (e.g. AM0029, ACM0013). In this situation, fossil fuel based power generation would be the main activity, and biomass residues would be co-fired.


Regarding the specific situation of the project activity, it appears questionable whether grid electricity is a credible and realistic baseline scenario. The PDD specifies that the sugar mill expands its capacity considerably and that other smaller mills are closed down. If these smaller mills have previously also used the bagasse for power generation, this may be part of the baseline scenario. Moreover, the PDD outlines that generation of power with bagasse is a common practice in Mauritius amounting to 15% of total electricity generation. This makes it quite questionable whether it is a likely baseline scenario that the bagasse from the expanded capacity of the sugar will not be used at all and that electricity would be generated in the grid instead (assumed scenario P4).



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

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