



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

<i>Date of Meth Panel meeting:</i>	25 - 29 August 2008
<i>Title and number of Request for revision</i>	Revision of AM0034 Ver. 3 AM_REV_0103

**Summary of the query:**

Please use the space below to summarize the request for revision on the related approved methodologies.

AM0034 “Catalytic reduction of N<sub>2</sub>O inside the ammonia burner of nitric acid plants” is applicable to project activities that install a secondary N<sub>2</sub>O abatement catalyst inside the ammonia burner of a nitric acid plant, underneath the precious metal gauze pack.

The applicability of N<sub>2</sub>O abatement methodologies has been restricted to plants in operation before a cut off date, which in the case of AM0034 version 3 is 31 December 2005. The revision proposes to expand the applicability of AM0034 to apply to nitric acid plants that were already approved by the government for construction by the cut off date of 31 December 2005, provided that the approval is a reliable indicator that the plant would be constructed. This revision is proposed because it permits the CDM to provide more incentives for more secondary N<sub>2</sub>O abatement technology to be implemented in Non-annex I country nitric acid plants, while avoiding concerns over gaming via “unnecessary new plants”, “induced migration of production from Annex I countries” or “baseline manipulation”.

**Recommendation by the Meth Panel:**

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

The current version of the methodology AM0034 states that:

The applicability of the methodology is limited to the existing production capacity measured in tonnes of nitric acid, where the commercial production started no later than 31 December 2005

Reasons for this decision are:

- (1) New plants with commercial production starting after 31 December 2005 might be configured to intentionally increase the by-product emission rate, or deliberately neglect to implement “business-as-usual” measures which help decrease them by manipulating operational parameters within their design range.
- (2) New plants with commercial production starting after 31 December 2005 might divert the supply of products from existing plants which may have a lower emission factor (or has an abatement device already built in).
- (3) New plants with commercial production starting after 31 December 2005 might divert the supply of products from existing plants which are imported from Annex I countries (or by exporting to Annex I countries). On top of issue #2, it can lead to double counting since the amount of emissions reduced in Annex I countries due to decreased production can be once again transferred as CERs (when the plants in Annex I is not abated).

The proposed revision needs to address at least the following issues:

- The proposed revision replaces the criteria associated to the cut-off date. A rationale explaining why the change is needed that is missing. Further, the consequences of such change in terms of benefits and losses for potential project proponents should be described;
- The proposed revision states that the authorisation of the government bodies could be considered “a reliable indicator that the plant would be constructed”. An authorization from a government body is not considered an appropriate indicator to assure that the construction of the plant will occur and thus this argument cannot be considered valid;
- The proposed revision needs to explain how it will provide incentives for more secondary N2O abatement technology implementation in non-Annex 1 countries while preventing gaming via “unnecessary new plants”, “induced migration of production from Annex 1 countries” or “baseline manipulation”;
- It is not clear in the proposed revision why the appropriate governmental bodies should be defined case by case and not at the methodological level. The possibility of acceptance of a local government instead of a national government authorization should be justified;
- The proposed revision should justify the limitation of three years or less between the approval of the governmental authorization and the start of construction. No rationale was provided to justify this applicability condition;
- The proposed revision requires that the investment decision for the nitric acid facility be taken (provisionally) prior to the date of government approval. A provisional investment decision rather than a final investment decision is not considered an appropriate argument to assure that the project will be implemented.

(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 not to revise the methodology.](#)


Signature of Meth Panel Chair .....

Date: 29/08/2008

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair .....

Date: 29/08/2008

(Philip Gwage)

**Information to be completed by the secretariat**

F-CDM-AM	AM_REV_0103
Name of the authors of the query:	DNV
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