



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

<i>Date of Meth Panel meeting:</i>	14 - 18 September 2009
<i>Title and number of Request for revision</i>	Revision to extend AM0014 to include newly developing facility AM_REV_0126

Summary of the query:

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

This request for revision is in continuation of the earlier requests AM_REV_0084 and AM_REV0097, which were partially accepted by the Meth Panel. In this new request, a revision is asked to extend the applicability of the methodology to newly developing facilities as well.

In the earlier requests, project proponents have requested the revision in the context of a project activity for installation of a new 56.3 MW cogeneration facility to supply heat and electricity to new commercial and residential complexes. The request AM_REV_0097 was to revise the methodology to remove the applicability condition which requires that no excess electricity will be supplied to the grid and no excess heat will be supplied to other user/s.

The Meth Panel did not accept the above request stating the following, which requires more work on the request before being approved.

“The Meth Panel has the following observations regarding the proposal from project proponents:

- (1) The emissions due to supply of electricity/heat to grid and/or other users, because they occur within the boundary of the project activity, must be calculated as project emissions rather than as leakage emissions. This means that the grid and the possible other users should be included in project boundary and all relevant parameters related to the baseline of the grid (combined emission factor) and of the other users (use of fossil fuel in the baseline) should be monitored for a minimum duration of one year. Also, the probable baseline scenario of heat or electricity for the other users in the absence of the project activity would also need to be determined (This does not need to be applied to the grid if it is the only customer, because the combined margin approach takes into account the emissions of future fuels and technologies which are included in the built margin). In case the most likely baseline scenario is that the other users would have gone for use of an even lower carbon fuel in the baseline, than this new scenario should be used for estimation of the baseline emissions. The scenario selection in such cases should not allow the selection of a baseline fuel with higher carbon intensity than that of the existing fuel used by the project proponent. This revision should not allow for credits if the excess electricity/heat supplied actually leads to emission reduction due its lower carbon intensity as compared to that of grid or other users;
- (2) Also it needs to be demonstrated by project proponents that the excess electricity supplied to the customer is really excess, which means that they are not meeting their domestic energy demand from other sources while selling the energy generation through cogeneration plant to others for economic (or any other) reasons. This has to be properly covered up in the applicability conditions; and
- (3) In view of above, the demonstration of additionality also has to take into account the (possible) revenues earned through the selling of excess electricity/heat to other users. “

The project proponents have addressed many of the issues above and submitted the revised draft of methodology again for Meth Panel's consideration.

Recommendation by the Meth Panel:

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

The Meth Panel recommends not to accept this new request for revision due to following reason.

The panel considered this request for revision of methodology in combination with another request AM_REV_0125. The Panel also considered making several other changes in the methodology.

However, at the end of the discussions, the Panel agreed that further work is required on determining the baseline emissions and emission reductions in case the methodology is extended to multiple users. The methodology, with the proposed extension, has a potential to serve district heating systems as well, a situation which is would not be well covered by the methodology. Therefore, it should follow the approaches of approved methodology AM0058, in particular those related to determination of heat losses between the source of heat and recipient of heat (heat losses from pipeline) etc, before a new request for revision submitted.

(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.

No 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 secretariat will separately send the work done by the panel on the draft revision of methodology, while considering requests for revision AM_REV_0125 and AM_REV_0126. Project proponents may wish to work on this reformatted version, in case they submit a new request for revision, addressing issues raised above.



Signature of Meth Panel Chair

Date: 18/09/2009

(Philip Gwage)



Signature of Meth Panel Vice-Chair

Date: 18/09/2009

(Pedro Martins Barata)

Information to be completed by the secretariat

F-CDM-AM	AM_REV_0126
Name of the authors of the query:	TUEV-SUED
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