



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

<i>Date of Meth Panel meeting:</i>	23 - 27 June 2008
<i>Title and number of Request for revision</i>	Revision of AM0028 to include the relocated plant. AM_REV_0090

Summary of the query:

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

In this request of revision of the methodology AM0028, it is proposed to expand the definition of “existing facilities” in the methodology only to the case of relocation of second-hand nitric acid production plant that had been operated in the other site of the country or other countries.

A new applicability condition have been included to keep the consistency of the original applicability conditions and related logics:

“The relocated plant began its commercial production at the original site no later than 31 December 2005 with more than 5 years production history.”

The objective of the relocation of second-hand nitric acid production plant shall not be the implementation of CDM project activities. To establish this, the relocation project shall meet following conditions:

- The decision to relocate the production plant, as well as selection of the associated equipments, was taken no later than 31 December 2005. There is no capital relationship between the owners of the original and new plant sites;
- The potential demand of the final products associated with nitric acid production of the plant is much larger than the supply in the country in order to avoid the gaming, which is to produce excess amount of the products for obtaining more CERs than the market demand. This can be demonstrated that the import is much larger than export of the product.

In the case of relocated plants, the operating conditions of ammonia oxidization reactor (AOR) can be established in advance based on actual conditions at the original plant site in order to avoid the gaming. The following conditions shall be met by the project activity:

- The production capacity of the second-hand nitric acid plant shall not be expanded after the relocation and retrofit of the plant. Therefore, it shall be possible to apply the operating manual of original plant to the relocated second-hand plant. If possible, historical data of original plant shall be applied to the relocated second-hand plant;
- The design capacity is not changed by the relocation. And the operating manual applied at the original plant site can be used at the relocated project site;
- The historical composition of the ammonia oxidization catalysts used at the original plant site is specified.

Recommendation by the Meth Panel:

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

Meth Panel cannot accept the request for revision for the following reasons.

1. There is no mention in methodology on how the demand for nitric acid is going to be satisfied in the previous location (or country) for the plant. A detailed analysis regarding nitric acid production and GHG emissions in the previous location as well as in the new location is necessary.
2. There is no mention about whether the country from where plant is imported is an annex-I or non-annex-I country. This is particularly significant from the point of view that, if an annex-I country transfers its plant from their country to non-annex-I country and still imports nitric acid from the plant, it's a clear case of displacement of nitric acid production in annex-I country.
3. Determination of the baseline scenario (and consequently the Specific N₂O emissions per unit of output of nitric acid) would require an additional consideration. It should be noted that one of the alternatives available for the project proponent would be to install a new plant with a much lower level ratio of N₂O emissions per unit of output of nitric acid. The baseline scenario determination procedure included in the methodology can only be used for existing capacity. The baseline alternatives evaluated differ only in the level of destruction of produced N₂O, but all of them assume the same specific N₂O ratio.
4. There has to be a proper definition of baseline scenario for the case of relocated second hand plants. The baseline scenarios should be defined for both the locations (seller and buyer of the plant).
5. There has to be an applicability condition stating that the second hand plant cannot be less energy intensive and more N₂O emitting than the common practice plant (without N₂O abatement unit) in the country of relocation.

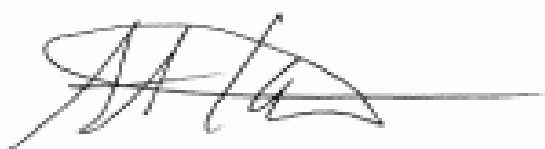
(b) Please use the space below for providing guidance, as per Para 93 of EB25 Report, on what type of projects need to revise the PDD as a consequence of the suggested revision, if the recommendation is to revise the methodology.

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 accept this request of revision.. Please refer to the recommendation above.



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

F-CDM-AM	AM_REV_0090
Name of the authors of the query:	DNV
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