



**CDM: Response form for request for clarification on Approved Methodologies (version 01.1)**

<i>Date of Meth Panel meeting:</i>	19 - 23 April 2010
<i>Title and number of request for clarification</i>	Clarification on whether power generation can be reduced due to increased grid supply due to factors outside the scope of the project activity  AM_CLA_0174

**Summary of the query:**

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

The approved methodology AM0036, “Fuel switch from fossil fuels to biomass residues in heat generation equipment”, is applicable to project activities that switch from use of fossil fuels to biomass residues in heat generation equipment.

In accordance with the case presented in this request for clarification, the underlying project activity is the installation of a biomass boiler that partially displaces the steam generation from fossil fuel fired boilers in a paper mill. The steam produced on-site is used to (i) generate electricity and (ii) meet the existing heat demands of the paper mill.

Furthermore, it is claimed that due to factors not related to the project activity (i.e. the connection of the paper mill to the local electric power grid) the amount of electricity produced on-site has been reduced during the last years prior to the project activity. It is indicated as well that the installed power generation capacity has remained unchanged under the project activity in contrast to the pre-project scenario (i.e. same steam turbines are used for power generation).

For a full description of the case, please refer to the request for clarification submitted, available at <http://cdm.unfccc.int/UserManagement/FileStorage/J74S615GQTMCDLWE8V3AF0BZXKHYU2>.

**Question from the project proponents:**

According to the project participants; taking into consideration that:

- The changes (i.e. reduction) in the power generation are not a result of the project activity, but a result of the new grid connection, which has changed the power generation already in the baseline;
- The power generation capacity is unchanged, because the turbines are physically the same and can still operate with the fossil fuel boilers, but will be operated at lower output while the biomass boiler is supplying steam; and
- The power generation will not be increased, but reduced as compared to the highest level in the most recent 3 years and about the same as the most recent year;

Can it therefore be concluded that such a project scenario is in line with the conditions for power generation as stated in AM0036?

**Recommendation by the Meth Panel:**

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

Not applicable.

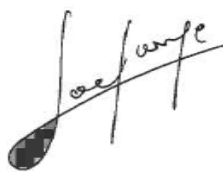
**Answer to authors of the request for clarification by the Meth Panel :**

Please use the space below to provide an answer to the authors of the above query

The panel clarifies that the project participants must comply with all the applicability conditions included in the methodology used by the project activity. In the case of AM0036, if the heat generated in the heat generation equipment is used for power generation, the DOE shall corroborate that:

- (a) The power generation capacity installed (i.e. installed MW) remains unchanged due to the implementation of the project activity and is maintained at the pre-project level throughout the crediting period; and
- (b) The annual power generation (i.e. annual MWh generated) during the crediting period is not more than 10% larger than the highest annual power generation in the most recent three years prior to the implementation of the project activity.

From the case as presented in this request for clarification, the panel considers that there are no hurdles that may impede or entangle the corroboration of these conditions by a DOE.



Signature of Meth Panel Chair .....

Date: 06/04/2010

(Lex de Jonge)



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

Date: 06/04/2010

(Philip Gwage)

**Information to be completed by the secretariat**

F-CDM-AM	AM_CLA_0174
Name of the authors of the query:	TUEV-SUED
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