



CDM: Recommendation Form for Small Scale Methodologies (version 01)
(To be used for presenting questions/proposals/amendments to the simplified methodologies for small-scale CDM project activity categories)

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| <i>Date of SSC WG meeting:</i> | 26–29 April 2010, SSC WG 25 |
| <i>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</i> | Clarification on the applicability condition of AMS-III.H to Greenfield project |
| <i>Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.</i> | AMS-III.H “Methane recovery in wastewater treatment” |
| <i>Name of the authors of the query:</i> | Shashi Shetty Institution: Carbon Advisory Services Pvt. Ltd l1.shetty@gmail.com |

Summary of the query:

Please use the space below to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

Original text from PP:

Clarification is required with respect to the applicability of the baseline methodology AMS III.H, version 13, option (i) “Substitution of existing aerobic wastewater or sludge treatment systems with anaerobic systems with biogas recovery and combustion” for a Greenfield project activity.

Considering that:

1. All the technology measures (Options i to vi) provided in the methodology AMS III.H version 13 are for the substitution of existing facilities.
2. The use of methodology AMS III.H to develop Greenfield projects is recognized in paragraph 9, only if they comply with the requirements included in the General Guidance for SSC Methodologies. Also refer to the earlier clarification F-CDM-SSCwg ver 01 SSC_267 (The SSC WG agreed to clarify that in accordance with paragraph 9 of AMS-III.H version 10, Greenfield projects are indeed eligible to apply the methodology;.....).
3. In the document Indicative Simplified Baseline and Monitoring Methodologies for Selected Small-Scale CDM Project Activity Categories, version 12, on paragraph 14, specifies that Greenfield projects can be developed using Type II and III small-scale methodologies if they demonstrate that the most plausible baseline scenario is the baseline. It also describes a way in which the most plausible baseline scenario has to be defined.

Description of the project activity to which baseline methodology is proposed being applied:

The project activity is a Greenfield facility where the wastewater treatment system and the sources of wastewater (two new paper machines and a de-inking plant) are new. The project activity is installation of an anaerobic digester and other allied units followed by aerobic treatment system for the post treatment of the effluent water in order to meet the regulatory effluent discharge standards.

The project proponent is well versed with the aerobic waste water treatment system technology as there already exist two such treatment systems for the existing paper machines. In the absence of the project activity the project proponent would have installed a similar type of a new aerobic system to treat the

newly generated source of wastewater. Also the prevailing practise in the region to treat similar type of wastewater is through aerobic systems; hence the most plausible baseline scenario is “In the absence of the project activity, the wastewater would have been treated in a new aerobic wastewater treatment system”.

1) Clarification is required whether this aerobic system (which is not existing, but would have come in the absence of the project activity) substituted by the project activity system (Anaerobic treatment system followed by aerobic) can be considered under the applicability “Substitution of existing aerobic wastewater or sludge treatment systems with anaerobic systems with biogas recovery and combustion”.

Further, as this is a new wastewater treatment system, the sources of the waste water (new paper machines and de-inking plant) and also the wastewater treatment plant did not exist at the time of investment decision.

It was decided by the management to install all the units at the same time, but due to the delay in the construction of anaerobic digester (Leakage, break down); the aerobic system (though not the primary treatment unit) got commissioned before the commissioning of anaerobic system. Because of the stabilization of the new paper machines, the wastewater generated from them is at present being treated by this partially implemented project treatment system.

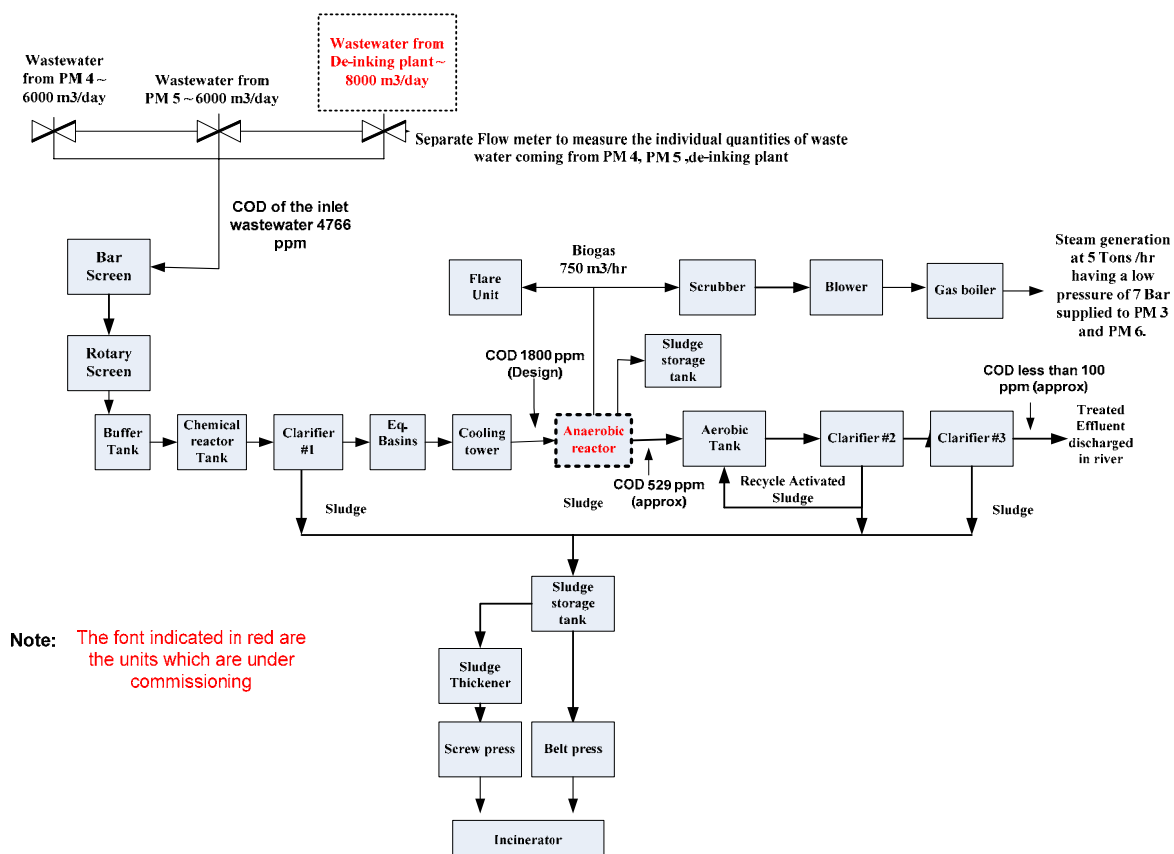
2) Clarification is required whether the applicability condition can be chosen considering the situation at the time of investment decision or the situation at the time of DOE site visit (who saw apparently treatment of portion of the wastewater by the partially implemented project treatment system) which indicates that the project activity is addition to the existing aerobic system and not as per the applicability requirement ‘Substitution’. This is specially considering this specific case as the project activity is a Greenfield activity implemented in a phase wise manner (due to delay in anaerobic digester commissioning).

Replies to email queries on - SSC_399: Clarification on the applicability condition of AMS-III.H for Greenfield project

As per your mail dated 10th April 2010 regarding the request on AMS III H for SSC WG meeting we are providing the following information as requested by you to facilitate the consideration by the SSC WG:

1. Schematic diagram(s) clearly showing the current status of treatment of all waste water generated, showing the technologies used to treat the respective quantities, if available the COD removal in each step

The diagram below gives a picture of the current status of treatment of wastewater generated from the project activity where the sources of the waste water at present are from PM 4 and from PM 5. The de-inking plant and the anaerobic digester are yet to be commissioned and their commissioning trials are underway.



2. Projections of increased generation of waste water and proposed method shall be separately indicated

(A) Generation of waste water and its sources and treatment systems

The wastewater coming in the project treatment system i.e. the waste water from PM 4 and from PM 5 is at present being treated by the aerobic system (part of project activity treatment system). After the commissioning of the anaerobic digester, aerobic treatment system will continue to be a part of the post treatment system and the total amount of wastewater to be treated in this system will be as follows:

Amount of waste water from PM 4: $\sim 6,000 \text{ m}^3/\text{day}$

Amount of wastewater from PM 5: $\sim 6,000 \text{ m}^3/\text{day}$

Amount of wastewater from De-inking plant: $\sim 8,000 \text{ m}^3/\text{day}$

Capacity of project activity waste water treatment plant = 20,000 m³/day

B) Proposed method of waste water treatment in the project activity

The sources of waste water in the project activity will be from PM 4*, PM 5 and De-inking plant.

The treatment method will be anaerobic followed by aerobic which will be a post treatment system. (Total estimated waste water generation from individual units is given in section (A) above.)

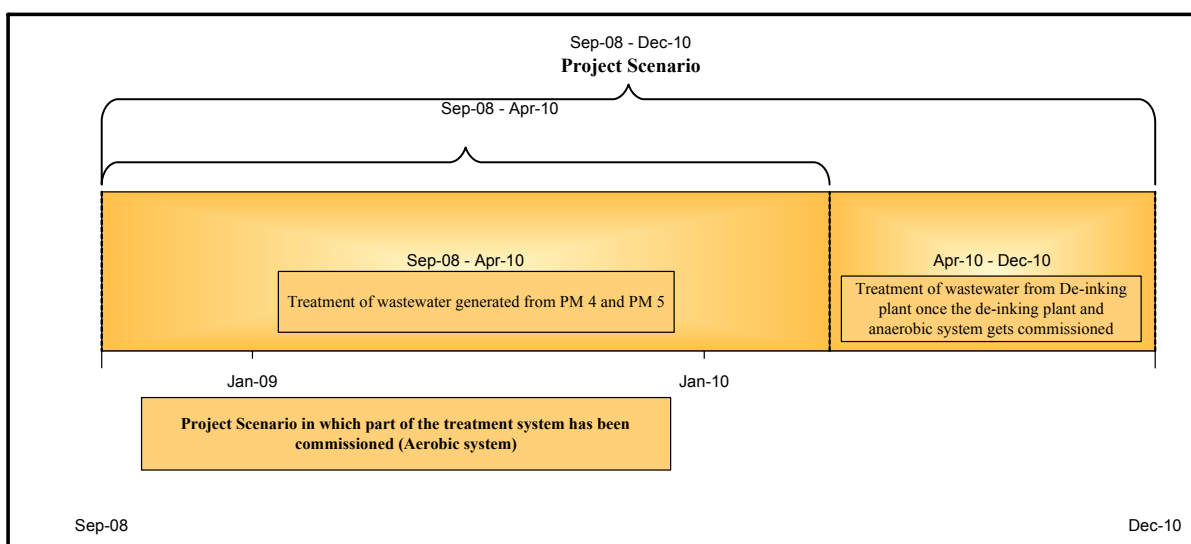
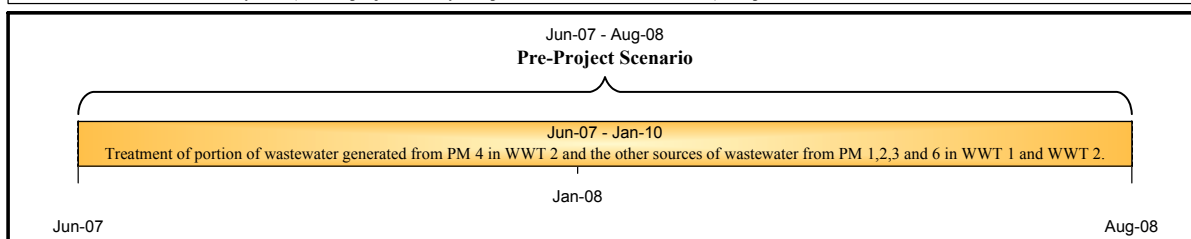
* - PM 4 was commissioned in June 2007 before the commissioning of the aerobic treatment system (part of project activity treatment system). During this period (June 2007-August 2008) portion of wastewater (500-1000 m³/day) from PM 4 amounting to around 5% of the total wastewater (20,000 m³/day) to be treated in the project activity was being temporarily treated in existing treatment system WWT 2.

3. Respective timelines of existing commissioned or proposed treatment systems shall also be indicated

The below timeline picture represents the pre-project scenario where in the waste water generated from PM 1,2,3 and 6 was being treated in WWT 1 and 2 (which are both of the aerobic type) and portion of the wastewater from PM 4 was being treated in WWT 2.

In the post-project scenario, (where in the part of project activity aerobic system got commissioned before anaerobic digester), the wastewater is being treated from PM 4 and PM 5.

Sources of wastewater in the Project activity: Wastewater generated from PM4, PM 5 and De-inking plant.
Existing treatment systems : WWT 1 and WWT 2 to treat wastewater generated from existing paper machines 1,2,3,6 and portion of wastewater from new machine PM 4.
Commissioning dates : PM 4 – June 2007
PM 5 -October 2008
Aerobic system (Part of project activity, for post treatment of effluent water) – September 2008



Recommendation by the SSC WG:

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

Please refer to paragraph 27 of the meeting report of the SSC WG 25
(http://cdm.unfccc.int/Panels/ssc_wg).

Answer to authors of query by the SSC WG:

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

The small-scale working group of the CDM Executive Board would like to thank the author for the submission.

The SSC WG, taking into account additional information provided by the project proponent, has the following observations:

1. The wastewater generated from the two new paper mills (PM4 and PM5) and one new de-inking plant are the wastewater streams that are not existing and would be treated in the project facilities at the start

date of the project activity;

2. The project activity is employing a technology consisting of a combination of anaerobic digester and allied aerobic treatment system, which are not existing at the start date of the project activity;
3. The baseline scenario of the project activity is the aerobic treatment of the wastewater streams mentioned in observation 1 above.

Based on the above observations, the SSC WG agreed to clarify that:

- (1) With respect to question 1, the underlying project activity is a Greenfield project which is eligible under the applicability 1 (i) of AMS-III.H, i.e., “Substitution of existing aerobic wastewater or sludge treatment systems with anaerobic systems with biogas recovery and combustion”;
- (2) With respect to question 2, the point in time for assessing the applicability condition (e.g., applicable technology/measure) of the methodology should be at the start date of the underlying CDM project activity. Please refer to para 67 of “Glossary of CDM terms” for the definition of the start date of a CDM project activity.

Signed by the Chair, Mr. Peer Stiansen

Date: 29/04/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 29/04/2010

Information to be completed by the secretariat

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| SSC-Submission number | SSC_399 |
| Date when the form was received at UNFCCC secretariat | 29 April 2010 |
| Date of transmission to the EB | 29 April 2010 |
| Date of posting in the UNFCCC CDM web site | 29 April 2010 |