



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

<i>Date of Meth Panel meeting:</i>	3 - 7 November 2008
<i>Title and number of Request for revision</i>	Revision of certain equations of AM0066 version-1 and determining auxiliary power consumption for individual kilns based on their proportion of output  AM_REV_0123

### **Summary of the query:**

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

Following issues have been identified by project proponents, which are altogether proposed in this request for revision of AM0066 ver-1. The following text is given from the request submitted.

- (1) Equations 13 and 14 of the approved methodology are used for calculating the actual Project Specific Energy Consumption (PSEC) values. This should normally be derived from actual energy consumed and actual production in the year.

However, methodology uses a term  $P_{ymin}$  in the denominator, which is the minimum of actual production in the year  $y$  and the annual production capacity. This is erroneous, as using minimum of these two parameters, unnecessarily inflates PSEC. Equations 13 and 14 should rather just use  $P_y$ ,

where  $P_y = \sum P_i$

$P_{ymin}$  is also used in the Monitoring table "Data and parameters monitored" and described as 'Actual production quantity for the year  $y$ ', which is incorrect and rather table should have been for  $P_y$ ,

where  $P_y = \sum P_i$ .

Further, in case the objective of  $P_{ymin}$  was to cap the emission reductions to avoid the effect of increased production due to project activity as per EB 08 guidelines, then the following approach is suggested.

$BE_y$  is calculated for Production output for year  $y$  ( $P_y$ ) from values obtained from equations 21 and 22.

$PE_y$  will also be calculated for  $P_y$  as per equation 1. Hence, to correct effect of increased output, emission reduction equation 26 can be adjusted by a factor  $(P_{ymin}/P_y)$ , where For existing plants  $P_{ymin} = \text{Lowest of } [P_{hist,max}, P_y]$

Where  $P_{hist,max} = \text{Maximum annual production from the historic production data vintage, } t \text{ of product. [The maximum annual production output in the historic vintage is recommended considering possible external constraints on production output in pre-project years like suppressed demand, force majeure, raw material shortages, etc]}$

For new installations  $P_{ymin} = \text{Lowest of } [P_{opt}, P_y]$

Hence, in light of the above changes required, methodology has to be again checked for consistency.

- (2) In the production facility, some electrical auxiliaries are common for both the kilns and there is a single energy meter for measuring total auxiliary electrical energy consumed by both kilns. Since, the methodology requires auxiliary consumption monitored ‘from plant measurements’, determining electricity consumption kiln wise is difficult.

As sponge iron manufacturing is mainly a thermal process, effect of auxiliary electrical energy on emission reductions is insignificant. Hence, it is requested that methodology be revised to give **another option** of determining auxiliary electrical energy consumption for a kiln from total electrical energy of the facility in proportion to the output from respective kilns.

- (3) Following Minor errors are highlighted.

- (3a) In the monitoring table “Data and parameters not monitored”, for  $BSEC_{hist, th}$  and  $BSEC_{hist, el}$  the comment mentions “*The scanned copies of relevant pages of design specification will have to be published along with the CDM-PDD*”. We suppose this comment is not required here for  $BSEC_{hist}$  data.

- (3b) Descriptions of  $BSEC_{ini, el}$  and  $PSEC_{ini, el}$  are referring to ‘fossil fuel’ and not ‘electricity consumption’ in the monitoring tables.

#### **Recommendation by the Meth Panel:**

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

Meth Panel makes following observations about the request:

- (1) The equations 13, 14 and 15 are recommended to be deleted as  $PSEC_{th, y}$  and  $PSEC_{el, y}$  do not play any role in determination of baseline emissions. The approach suggested by project proponents on use of  $P_{y, min}$  to limit the emission reductions to historical levels is also accepted;
- (2) The Meth Panel has also noted a small editorial error in equation 17, where parameter  $TFE_y$  is used in place of  $TEE_y$ . This will be corrected;
- (3) Project participants have provided text in the monitoring section which now facilitates the allocation of emissions due to electricity/thermal energy consumption of auxiliaries to each kiln based upon their respective output capacities. This approach is accepted;
- (4) Point 3a) above is accepted. The comment will be deleted from  $BSEC_{hist, th}$  and  $BSEC_{hist, el}$ ;
- (5) Point 3b) above is also accepted. Changes made in revised draft are acceptable;

Therefore the Meth Panel recommends accepting the request for revision in line with most of the above changes suggested.

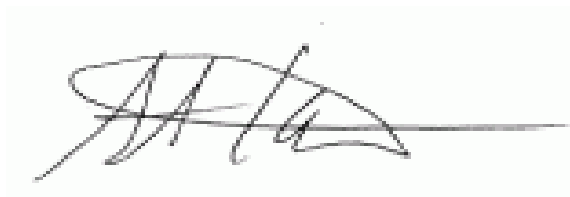
(b) Please use the space below for providing guidance, as per Para 93 of EB25 Report, on what type of projects need to revise the PDD as a consequence of the suggested revision, if the recommendation is to revise the methodology.

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


As above.



Signature of Meth Panel Chair .....

Date: 07/11/2008

(Akihiro Kuroki)



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

Date: 07/11/2008

(Philip Gwage)

**Information to be completed by the secretariat**

F-CDM-AM	AM_REV_0123
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