



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>	<p>The purpose of the revision is to make this methodology applicable to a wider range of project activities, without hindering the conservative nature of the emission reductions achieved when applying this methodology.</p> <p>AM_REV_0094</p>

Summary of the query:

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

ACM0011 “Consolidated baseline methodology for fuel switching from coal and/or petroleum fuels to natural gas in existing power plants for electricity generation” is applicable to project activities that switch from coal and/or petroleum fuels to natural gas for electricity generation in an existing power plant with an operation history of at least three years using the baseline coal and/or petroleum fuels. Other relevant applicability conditions are:

- The project activity power plant either supplies electricity only to the grid or only to a captive consumer. Captive consumer(s) is/are defined as a consumer or multiple consumers that are supplied with electricity from the project activity power plant alone and that are either located directly at the site of the project activity power plant or are connected through (a) dedicated electricity line(s) with the project activity power plant but not via the electricity grid.
- Under the project activity, only natural gas is used in the project activity power plant except for auxiliary fuel consumption (e.g., for start-ups), which shall not exceed one percent of the total fuel consumption in the project activity power plant (measured on an energy basis).
- The methodology is neither applicable to fuel switch for cogeneration projects nor to energy efficiency improvement projects.

The request seeks the revision of ACM0011 as described below:

(1) Change of the definition of captive consumer. The request proposes to change the definition of captive consumer so that captive consumers can be connected to the grid and, thus, receive electricity from both the project activity power plant and the grid.

(2) Change of the first applicability condition. In line with the change of the definition of captive consumer, the request proposes to change the first applicability condition to allow that some small amounts of electricity might be transported to the grid due to operational constraints.

(3) Deletion of the second applicability condition. The request proposes to delete the second applicability condition, which states that the methodology is only applicable for complete fuel switches, allowing only small amounts of other auxiliary fuels.

(4) Revision of the second condition when the methodology is not applicable. The request proposes to revise the applicability condition that states that the methodology is not applicable to cogeneration projects.

(5) Revision of equations 8 and 9. The request proposes to revise equations 8 and 9 used to calculate the efficiency of the power plant.

The underlying project activity is a combined-cycle cogeneration plant at the Dead Sea Works (DSW) facilities, located in Israel. The power plant supplies electricity to the DSW facilities and both are (the power plant and the DSW facilities) are connected to the grid. In the yearly balance more electricity is imported from the grid than exported to it. The DSW facilities produce many types of potash, different grades of salt, magnesium oxide, bromine and cosmetic products. The power plant currently operates with heavy fuel oil without any back-up fuel system. The project will retrofit the power plant to operate on three fuels: natural gas (as main fuel) and diesel and HFO (for backup purposes).

Recommendation by the Meth Panel:

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

Revision of equations 8 and 9. The Meth Panel agrees with the revision of equations 8 and 9 and recommends an editorial revision of the methodology with this regard.

(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 approving the request for revision, except for the revision of equations 8 and 9, due to the reasons explained below:

Deletion of the second applicability condition. The Meth Panel recommends not approving the deletion of the second applicability condition. The reason is that the deletion of the second applicability condition would allow the use of multiple fuels in the project scenario and this would create a serious issue on the assessment of additionality, given that project proponents would be able to constantly change their fuel mix in the project scenario considering changes in prices of fuels and electricity. That fact is not currently considered in the assessment of additionality of the methodology which presumes a one-time full fuel switch with an allowance that auxiliary fuels other than natural gas are used (less than 1%). The assessment of the additionality of the project activity under the circumstance of a continuous and flexible fuel switch is a challenge to which neither the methodology, in its current version, nor the request for revision have solutions. This would require a resubmission of the methodology. Therefore, the recommendation is not to approve the deletion of the second applicability condition.

Revision of the second condition when the methodology is not applicable. The Meth Panel recommends not approving this change. The presence of cogeneration in any situation (baseline only, project only or both) creates an issue which neither the methodology in its current version nor the request for revision have addressed. Two main issues arise when cogeneration is considered: what is the baseline for the steam produced by the cogeneration plant, besides the baseline for electricity, and how would the fuel used by the cogeneration plant be allocated between electricity and steam? This is particularly relevant in cases where with the project activity the amount of heat/steam generation changes compared to the baseline. The request for revision has not addressed any of those issues.

Revision of equations 8 and 9. The Meth Panel agrees with the revision of equations 8 and 9 and recommends an editorial revision of the methodology with this regard.



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_0094
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