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)

Date of SSC WG meeting:	27–30 October 2009, SSC WG 23
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Revision of AMS-I.C to include additional baseline scenario(s) for cogeneration
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-I.C, version 15
Name of the authors of the query:	Raymond Caguioa Institution: Mitsubishi UFJ Securities Co., Ltd. raymond-caguioa@cefc.ph

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:

This Request for Revision suggests additional baseline scenario(s) under Paragraph 12 of AMS-I.C version 15, which represents other possible baseline scenario(s) for project activities that clearly meets the applicability conditions of the approved methodology.

Description of the project activity

The purpose of the project activity is to utilize empty fruit bunches (EFB), an abundant waste product of the palm oil milling process, palm fruit fibers and palm nut shells as the primary biomass fuel for power generation. The project proponent will construct a biomass based co-generation power plant with gross generation capacity of 6MW at their palm oil mill.

The majority of the electricity generated, about 80%, will be sold to the grid, while the balance of about 20% will be utilized for the proponent's milling operation and the Project plant's in-house (parasitic) consumption.

The project proponent currently owns and operates two palm oil mills. The steam and power requirements of which are being met by in-house steam boilers fired by fruit pericarp fibers and palm kernel shells. These plants currently dispose of their EFB waste at dedicated solid waste disposal sites within the plant premisses. Electricity is generated by a steam turbine with 1,000 kW capacity, which is more than enough to meet the 800 kW required for milling operations. The project proponent plans to construct its third palm oil mill incorporating the basic designs of their existing palm oil mills. But after hearing about CDM, they have decided to make improvements and implement a CDM project activity to displace fossil fuel based grid electricity by generating excess electricity to be supplied to the community and avoid methane emissions from the decay of biomass by utilizing their waste by-product, EFB, as fuel source.

Therefore, the Project's baseline and project scenarios are as follows:

Baseline scenario

- Electricity and thermal energy (steam) for on-site consumption are produced in a co-generation unit using biomass waste form the palm oil milling process (pericarp fibers and palm kernel shells only).
- EFB are disposed and left to decay.
- Existing system is sufficient for the electricity and steam needs of the mill.

Project scenario

- 6MW biomass co-generation system will be installed.
- Waste biomass from the palm oil milling process, including EFB will be used as fuel.
- The new system will still provide the electricity and steam requirements of the mill, but the excess electricity generated will be exported, displacing grid electricity.

Applicability conditions under AMS-I.C version 15:

From the project description above, it is clear that the Project meets the applicability conditions of AMS-I.C version 15.

- The Project is a renewable energy technology from renewable biomass.
- The Project is a biomass-based co-generation system which supplies electricity and thermal energy for on-site consumption, and excess electricity supplied to the grid.
- Emission reductions of the cogeneration project activity are solely on account of electrical energy production. No emission reductions accrue from thermal energy component. Total installed electrical energy generation capacity is 6MW, not exceeding the 15MW limit.

However, we note that from the baseline scenarios presented under paragraph 12 of AMS-I.C version 15, the Project does not seem to specifically apply to any of the options (a to g) provided, i.e., the scenario wherein the baseline is the production of electricity and steam/heat in a biomass co-generation system for captive use. As mentioned above, the Project would be claiming emission reductions only from the electricity supplied to the grid, which displaces fossil fuel based electricity generation. Therefore, the calculation of emission reductions applies under paragraph 14 *"Baseline emissions for supply of electricity to and/or displacement electricity from a grid shall be calculated as per the procedures detailed in AMS-I.D."*

For this purpose, the proposed revision to the approved methodology AMS-I.C version 15 with changes highlighted is attached together with this submission.

Recommendation by the SSC WG:

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

Please refer to paragraph 5 of the meeting report of the SSC WG 23 (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 agreed to recommend a revision of AMS-I.C as contained in annex 1 of the SSC WG 23 meeting report. The proposed revision expands the applicability of the methodology to biomass based cogeneration project activities supplying surplus electricity to a grid.

Signature of SSC WG Chair ……..

(Hugh Sealy)

Date: 30/10/2009

Signature of SSC WG Vice-Chair ……..

(Peer Stiansen)

Date: 30/10/2009

Information to be completed by the secretariat	
SSC-Submission number	SSC_358
Date when the form was received at UNFCCC secretariat	30 October 2009
Date of transmission to the EB	30 October 2009
Date of posting in the UNFCCC CDM web site	30 October 2009