



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:	22–25 August 2011, SSC WG 33
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Clarification on the applicability of AMS-III.AN to a project activity using supplementary fuel
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-III.AN “Fossil Fuel switch in existing manufacturing industries”
Name of the authors of the query:	Geetesh Sharma Institution: H&R Johnson (India) (A Division of Prism Cement Limited) s.geetesh@milanobath.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:

The following refers to Paragraph 1 of AMS.III.AN, Version 02 (EB 59):

“The methodology is applicable to project activities that involve switching from a fossil fuel to either: (a) A lower carbon content fossil fuel; or (b) A lower carbon intensive electric grid energy source in existing manufacturing industries.”

The PP presently uses coal gas and coal based indirect HAG in its Kunigal facility for meeting thermal energy requirements in the element processes (furnaces and vertical dryers) in baseline scenario. The PP now plans to switch from this higher GHG intensive fuel to Liquefied Natural Gas (LNG) which is a lesser GHG intensive fuel to meet the thermal energy requirement. As LNG is under fixed annual contract mechanism, this quantity will not be sufficient to cater to entire thermal requirement of the system and remaining requirement needs to be catered through LPG.

However, the methodology in the current form is ambiguous as to whether use of LPG can be considered as a additional fuel which will also be considered as a “fuel switch”, although its use is limited to purely contingency purposes and subject to non-availability of LNG. It is further clarified that LNG and LPG will not be fired together in any elemental process. (There will be no co-firing.)

Therefore, PP would like to seek guidance from SSC WG if consumption of LPG as a backup fuel will be considered as a fuel switch as part of project activity and methodology would be applicable in this case as well.

Recommendation by the SSC WG:

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

Please refer to paragraph 24 of the meeting report of the SSC WG 33
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 clarify that under AMS-III.AN, any fossil fuels combusted in thermal conversion equipment during the crediting period are accounted for and monitored as per the “Tool to calculate project or leakage CO₂ emissions from fossil fuel combustion”. Thus any supplementary fossil fuel that may be used in contingency situations shall be taken into account as project emissions.

As per paragraph 14 of AMS-III.AN project emissions due to consumption of fossil fuels and grid electricity are calculated for each element process following equation (5) and the fuel consumption is monitored as per the “Tool to calculate project or leakage CO₂ emissions from fossil fuel combustion” (per item 5 of the monitoring table in AMS-III.AN). In accordance with the tool, the quantity of fuel type i combusted in process j during the year y is required to be monitored to calculate project emissions, where i are the fuel types combusted in process j during the year y .

The group further clarified that AMS-III.AN is applicable in the case where the project activity displaces single type of baseline fossil fuel; multiple fossil fuel switch in element process is not covered.

It is to be noted that the above clarification does not include an assessment of the baseline scenario and the additionality aspects of the underlying project activity.

Signed by the Chair, Ms. Fatou Gaye

Date: 25/08/2011

Signed by the Vice-Chair, Mr. Peer Stiansen

Date: 25/08/2011

Information to be completed by the secretariat

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