



**Approved baseline and monitoring methodology/
methodological tool clarification response form
(Version 02.0)**

INFORMATION TO BE COMPLETED BY THE SECRETARIAT OR PANEL/ WG

Date and number of Panel/ WG meeting:	28 April – 2 May 2014/MP 63
Title/Subject of the request for clarification:	Clarification on the approved methodology AM0087 version 02 regarding applicability for a new Coal Bed Methane based power plant supplying electricity to the grid or a single customer
Reference number of the request for clarification:	AM_CLA_0258
Exact reference (number, title and version) of the methodology or methodological tool to which the request for clarification applies:	“AM0087: Construction of a new natural gas power plant supplying electricity to the grid or a single consumer” --- Version 2.0
Fast track or Regular track:	<input type="checkbox"/> Fast track <input checked="" type="checkbox"/> Regular track

Summary of the request for clarification

Original text from Stakeholder:

This request for clarification refers to the methodology AM0087, Version 02 “Construction of a new natural gas power plant supplying electricity to the grid or a single consumer”. The first applicability condition mentions that the methodology is only applicable for new natural gas based power plants.

The purpose of our project activity is to set up a coal bed methane (CBM) based combined cycle power plant of 54MW at Panagarh Industrial Park, in the Burdwan District of West Bengal and partially utilize the generated electricity for captive consumption in its fertilizer plant at the same location and also export to the regional grid. Coal bed methane would be the only fuel for the project. No secondary fuel is envisaged. The project would receive CBM from the adjacent coal mine owned by another company, Essar Oil Ltd.

We wish to seek clarification:

1. Whether new Coal Bed Methane gas based power plants are also eligible to use this methodology since the composition and characteristics of natural gas and CBM are similar. A letter from Dr. Sanjay Mahajani, Professor – Department of Chemical Engineering, Indian Institute of Technology, Bombay attests to this fact and is also being submitted along with this clarification request. We find that our project activity fulfils all the other requirements of the above methodology including the emission reduction calculation approach and the associated monitoring methodology.
2. We also request the Meth Panel to kindly clarify if the methodology could be applied in this situation wherein the electricity would be utilized for captive consumption with the possibility of exporting a surplus to the regional grid.

Clarification by the secretariat or Panel/ WG

The Methodologies Panel (Meth Panel) of the CDM Executive Board would like to thank the author for the submission.

The Meth Panel agreed to clarify as follows:

Question 1: Clarification on the use of the coal bed methane gas (CBM):

The approved methodology AM0087, Version 02, in its current form is applicable to project activities that implement new power generation plants that use **natural gas as fuel** (consisting primarily of methane), and displace electricity from the electric power grid or from a specific baseline power generation technology.

The methodology also defines natural gas, and it limits the applicability of natural gas based on its source of exploration i.e. natural gas generated from: (i) Natural gas fields (non-associated gas), (ii) associated gas found in oil fields; and/or (iii) Gas captured from landfills and allow other sources only up to 1 per cent on the total volume basis, the rationale for this limitation is explained in foot note 3 of this approved version of the methodology.

The proposed submission claims to apply the methodology comparing the composition and quality between the natural gas and CBM, however based on the aforementioned reasons, in particular based on the source of exploration it is not possible to apply this methodology to a power plant that uses only CBM. However, the submission author may explore submitting a request for revision of an appropriate methodology or propose a new methodology.

Question 2: Clarification related to the captive consumption of power:

According to the applicability criteria in the approved methodology, this methodology applies to situation where the project activity is the construction and operation of a new natural gas fired power plant that supplies electricity to: (i) the electric power grid; and/or (ii) an existing electricity consuming facility that is also connected to the electric power grid.

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Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
02.0	18 July 2013	Revised to remove the row "Date and signature of the chair and vice chair of Panel/WG (in case of clarification by Panel/WG)"
01.0	4 July 2013	Initial publication. This document supersedes and replaces the following documents: <ul style="list-style-type: none"> • Recommendation Form for Small Scale Methodologies (F-CDM-SSCwg) (Version 01.1) • Recommendation Form for Small Scale A/R Methodologies and Procedures (F-CDM-SSC-AR) (Version 01.1)

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