



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:	15–18 June 2010, SSC WG 26
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Clarification on selection of emission factor of baseline fossil fuel under AMS-III.AH
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-III.AH “Shift from high carbon intensive fuel mix ratio to low carbon intensive fuel mix ratio”
Name of the authors of the query:	Mr. Manoj Patwa Institution: Gokulanand Texturizers Private Limited manojpatwa@hotmail.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:

Background:

M/s. Gokulanand Texturizers (GT) and Gokulanand Petrofibres (GP) belong to the Gokulanand Group of companies. The companies specialize in yarn processing and Partially Oriented Yarn (POY) spinning. The companies have production unit located at Vanz in Surat district of Gujarat, India. M/s Gokulanand Texturizers and M/s Gokulanand Petrofibres, located at Vanz have 3MW facilities each for meeting their respective energy requirements.

Continual uninterrupted supply of energy is essential for the efficient functioning of the POY process. In order to increase the overall production reliability and thereby enhance the total effectiveness of the production units, the project proponent proposes a fuel switch of 6 MW (3 MW each at GT and GP facilities) from high carbon intensive mix of fossil fuel (viz. LDO/FO/Coal/Lignite) based energy generation to Natural Gas (NG) based captive power production.

Pre-Project Scenario:

- Gokulanand Texturizers, having a requirement of 3 MW meets the energy required for the process through a fuel mix of comprising LDO/FO (85-15%) based DG sets (2 Nos, 950 kVA)
- Gokulanand Petrofibres generate the energy required for their process through fuel mix of comprising LDO/FO (85-15%) based DG sets (5 Nos, 950 kVA)
- GTPL and GPF draw energy from a common 16 TPH Lignite/coal fired FBC boiler with steam turbine. On the basis of last year data the GTPL consumption is 40% and GPF consumption is 60%.

Project Scenario:

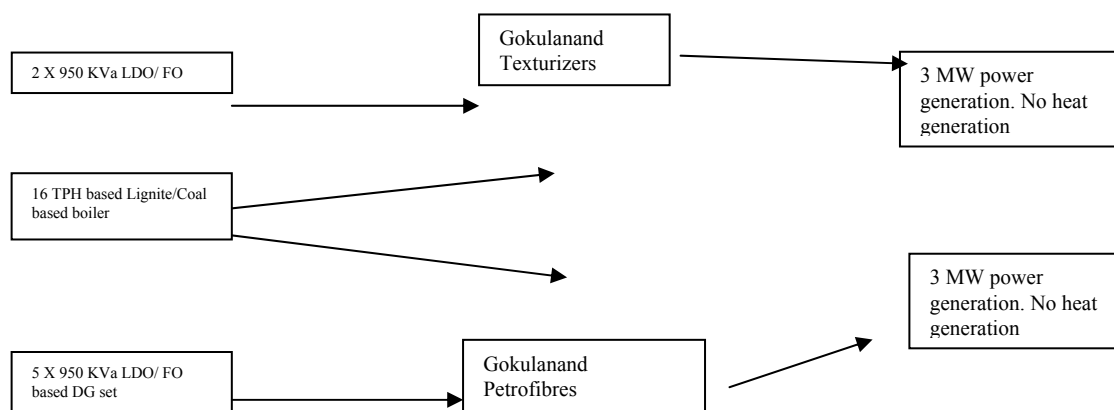
The project activity is the replacement of fossil fuels based power generation with Natural Gas at project locations. The project proponent has replaced the fossil fuel based energy generation with NG based power production. For the same, the proponent has installed 6 nos. x 1 MWe capacity natural gas engine

gensets.

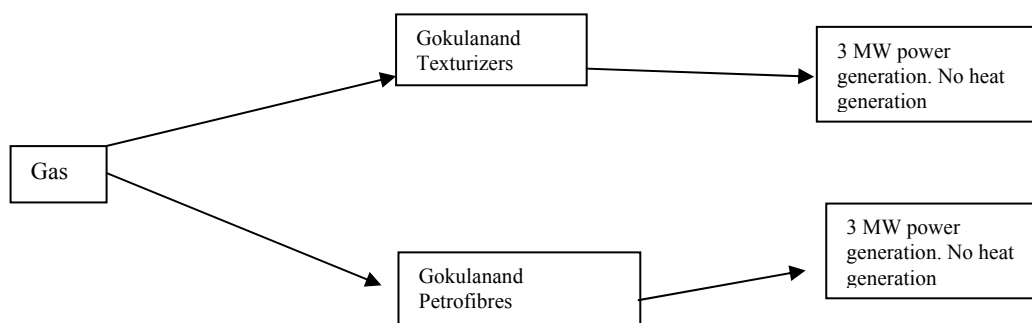
Project proponent wishes to clarify the following:

- a) The 16 TPH boiler is only meant for electricity generation. No steam is being generated here.
- b) In the baseline scenario electricity alone was being produced by the boilers.
- c) In the baseline scenario, the project proponent was using 2 no. of FO fired thermopack of 5Lac, Kcal/Hr. each, before installation of gas engine.
- d) Presently project proponent has 3 thermopacks:
 - 1) 1 X 5 Lac Kcal / Hr. Gas fired,
 - 2) 1 X 8 Lac Kcal / Hr. Gas Fired and
 - 3) One Standby FO fired thermopack of 5 Lac Kcal / Hr.
 None of these thermopacks come into the project boundary.
- e) Co-generation is not considered as a part of this project activity.
- f) There is heat/steam requirement in the facility in both baseline and project scenario. However, the heat requirement is met only by thermopacks which do not come into the project boundary.
- g) Schematic Diagram:

Pre-Project Scenario



Project Scenario



As per AMS III.AH

“element process” is defined as fuel combustion, energy conversion or energy use in single equipment. Each element process generates a single output (such as electricity, steam, hot air) by using a single or combinations of fossil fuels.”

Project proponent is only considering power generation and has hence accounted for element process as per definition.

Clarification required:

Due to the high costs of power generation using the existing configuration, project proponent had to look into other alternatives. The alternatives were:

- 6MW coal-based power plants
- Power generation using NG

Keeping carbon finances in mind, project proponent decided to proceed with the more expensive option of NG as fuel as it is a more environment friendly option than coal.

Paragraph 13 of AMS. III-AH states that for Baseline calculations-“Historical information (detailed records) on the use of fossil fuels and the element process output (e.g., heat or electricity) from at least three years prior to project implementation shall be used in the baseline calculations...”

- a) Project proponent wishes to clarify whether emission factor of baseline fuel can be considered for that of coal-based power plant or whether the emission factor should be for LDO/FO/Coal.
- b) Project proponent also wished to clarify whether this methodology is applicable for the scenario where fuel mix ratio in project scenario is 100% NG.

Recommendation by the SSC WG:

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

Please refer to paragraph 13 of the meeting report of the SSC WG 26
<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.

In response to the clarification sought on whether AMS-III.AH also covers project activity that involves fuel switch from mix of high carbon intensive fossil fuels (fuel oil, diesel and coal) based electricity generation to a single low carbon intensive fossil fuel i.e. natural gas based electricity generation, the SSC WG would like to clarify that the underlying project activity is eligible to apply AMS-III.AH provided that all other conditions of the methodology are met.

In response to the request to clarify whether the baseline emission factor shall be based on the most plausible baseline alternative i.e. new coal based captive plants or based on the historical mix of fossil fuels (diesel, fuel oil and coal), the SSC WG agreed to clarify in accordance to paragraph 13 of AMS-III.AH that for existing facilities, historical information on the use of energy sources (e.g. electricity and fossil fuel) and the plant output (e.g. steam or electricity) in the baseline plant from at least three years prior to project implementation shall be used in the baseline calculations. For facilities that are less than three years old, all historical data shall be available (a minimum of one year data would be required). In the case that project activity exports energy to other facilities included in the project boundary, the above historical information from the recipient plants are required. The SSC WG thus agreed to clarify that the use of a hypothetical emission factor of coal for an existing facility using furnace oil/LDO/Coal is not appropriate. Please note that this clarification is related to selection of the baseline emission factor only and not for the selection of the baseline alternatives.

Signed by the Chair, Mr. Peer Stiansen

Date: 18/06/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 18/06/2010

Information to be completed by the secretariat

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