

For the attention of: **the CDM Methodologies Panel Chairman**, Mr. Jean-Jacques Becker

RE: AM0014 Methodology, “ Natural gas-based package cogeneration”

Dear Mr Becker,

Following the approval of the AM0014 Methodology, “ Natural gas-based package cogeneration”, EcoSecurities wishes to bring the Meth. Panel’s attention the fact that the methodology as approved is not applicable to the Al Sindian Paper Mill Co.S.A.E project. EcoSecurities requests the Meth. Panel to consider the proposed scenario as detailed below.

Subject: Request for amendment on the AM0014 Methodology (Natural gas-based package cogeneration). Propose to modify applicability conditions of the methodology to allow the cogeneration system to be owned or operated by the consuming facility that receives the project heat and electricity.

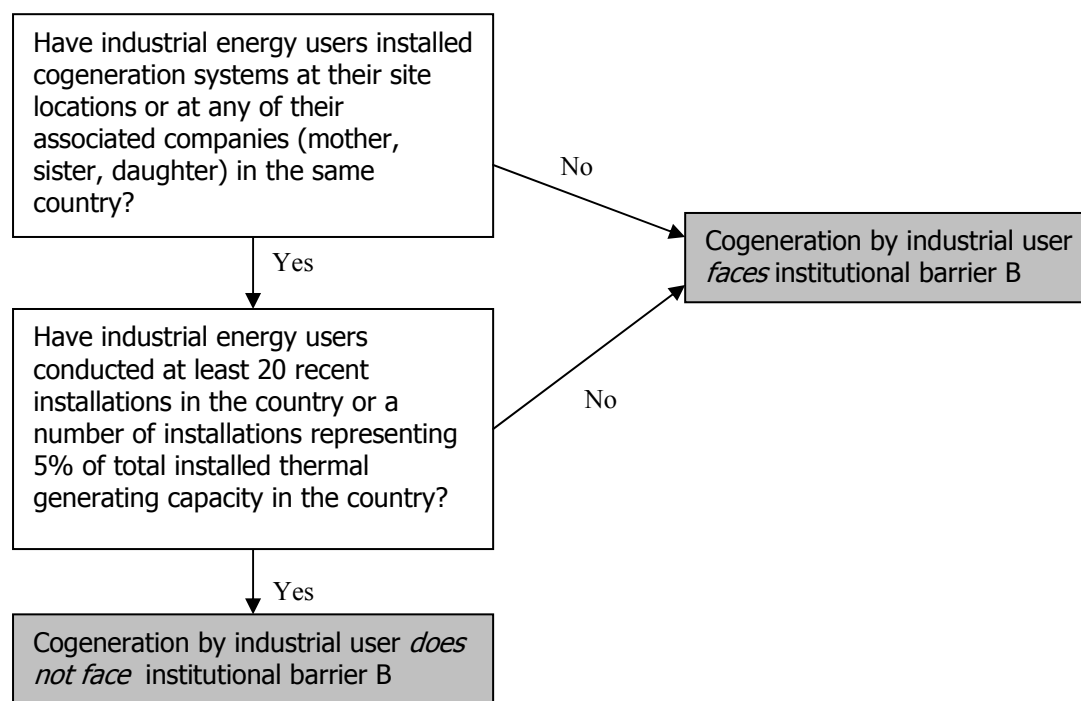
Suggested change and Justification: According to the applicability conditions, the AM0014 methodology requires that "The cogeneration system is a third party cogeneration systems, i.e. not own or operated by the consuming facility that receives the project heat and electricity". It is requested that this applicability condition be modified to allow the cogeneration system to be owned or operated by the consuming facility that receives the project heat and electricity. Thus the applicability condition would read as "The cogeneration system is a third party cogeneration system not owned or operated by the consuming facility that receives the project heat and electricity, OR the cogeneration system is a self-owned system, owned by the consuming facility that receives the project heat and electricity".

Allowing self-ownership of the cogeneration system creates wider applicability of the methodology, whilst not affecting the scope and nature of the methodology. The requested amendment would involve the same technology intervention in the same project environment as in AM0014. It would fit within the same project boundary, including likely leakage categories and none of the monitoring and baseline specifications for the methodology would change. For the additionality analysis the first two barrier tests (1 and 2.A) are identical and would remain the same. The third barrier test, which is specifically aimed at ESCOs, would require a small amendment to make it also applicable for industrial users. We propose to split 2.B into two tests: 2.B-I for cogeneration systems (the current 2-B) and 2-B-II for industrial users, installing the cogeneration system for use at its own site.

This would involve the following wording for 2-B-II:

Industrial users, installing the cogeneration system for use at its own site, face a number of barriers. Since energy generation is not their core business industrial users lack the experience of installing cogeneration projects. The industrial user would also require a special management unit to install, manage and ensure the monitoring of the cogeneration plant. Where such experience and institutional arrangement is lacking, promoting the new arrangement involves a significant institutional barrier.

Additionality test 2B-II is applied by following the flow chart below.



We also suggest that, as a result of this change to the applicability conditions, a further baseline alternative is included in the additionality section of the methodology, amending point 5 to read:

“Installation of a cogeneration system owned by the industrial plant OR installation of a third party-owned cogeneration system”.

Thank you for your kind consideration.

Yours sincerely,

Sumalee Khosla
CDM Project Manager

Date: 12/12/2005