CDM: Proposed New Methodology
Meth Panel summary recommendation to the Executive Board
(version 01)
(To be used by the Meth Panel in addition to the full recommendation to the Board regarding a proposed new methodology (F-CDM-NMmp))

Date and number of Meth Panel meeting:	04 - 07 April 2006 / Meth Panel 20
Related F-CDM-NM document ID number (electronically available to EB members)	F-CDM-NM0082-rev: "Khon Kaen fuel ethanol project"
Title of proposed new baseline methodology:	Baseline methodology for the production of sugar cane based anhydrous bio-ethanol for transportation using LCA (life cycle analysis)
Title of underlying project activity:	Khon Kaen fuel ethanol project
History of submission: (new section)	First submission (Round 08; 28 October 2004) Final recommendation at Meth 15 Second submission (Round 11; 01 June 2005) Clarifications received in response to preliminary recommendation at Meth Panel 18 Final recommendation at Meth Panel 20

1. One sentence describing the purpose of the methodology.

>> The proposed methodology is developed for bio-ethanol production for transportation purposes.

2. Suggested applicability of methodology

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- The implementation of the project activity will not lead to national production capacity exceeding the maximum potential demand (the lower of 20% of the gasoline demand or any nationally imposed ceiling on bio-ethanol/gasoline mix).
- There is no enforceable mandate in the host country to produce and use bio-ethanol to replace gasoline in the transport sector
- It can be readily verified that the anhydrous bio-ethanol will be used as a transportation fuel within the relevant national market.
- The anhydrous bio-ethanol will be blended with gasoline at a maximum level of 20%.
- The project activity will not result in other alternative fuel vehicles (such as LPG, LNG, CNG and bio diesel) switching to gasohol;
- Investing in capacity to produce another alternative fuel (such as LPG, LNG, CNG or bio diesel) is not a feasible option for the project proponent;
- The project activity shall include the production of the sugar cane used for production of the anhydrous bio-ethanol.

3. Summary description of baseline methodology.

>> The methodology consists of 5 steps:

1. Determine that the applicability conditions apply. These focus on the current production capacity of anhydrous bio-ethanol being lower than a percentage of "maximum demand" (which is defined).
2. Outline feasible baseline scenarios at the site that will produce the bio-ethanol (i.e. no investment, investment in other transport fuel capacity or investment in bio-ethanol production capacity but not as a

CDM project).

3. Use the "Tool for the demonstration and assessment of additionlity" to evaluate whether investment in anhydrous bio-ethanol production capacity at the project site is a plausible baseline scenario.

4. Assess the baseline fuel that will be displaced by the anhydrous bio-ethanol produced by the project activity.

5. Determine baseline and project emissions on a life-cycle basis. Baseline emissions are defined as emissions that would result from the production and combustion of the substituted non-renewable fuel.

Since the methodology uses a life-cycle approach, leakage is restricted to emissions related to any land-use change resulting from the project activity.

4. Suggested "recommendation level" for the baseline and monitoring methodologies (A, B or C). *(former section A.I and A.II.)*
>> A. To be approved.
5. Major reasons for B/C choice from the proposed baseline methodology: (outline the major reasons for needing revision/rejection)
>> Not applicable.
6. Any major issues arising from the assessment of the proposed monitoring methodology (if different to those already raised above).
>> Not applicable.
7. Any other issues arising to be stated, if necessary (e.g. cross-cutting, general or precedent-setting issues raised by the proposed new baseline or monitoring methodology).
>>This methodology uses life-cycle emission factors to calculate both baseline and project emissions. This is appropriate because of the importance of up-stream/life-cycle emissions for this project type.

Signature of Meth Panel Chair ……..
Date: 13/04/2006 *(Rajesh Kumar Sethi)*

Signature of Meth Panel Vice-Chair ……..
Date: 13/04/2006 *(Jean-Jacques Becker)*

Information to be completed by the secretariat	
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