CDM: Proposed new methodology expert form
(version 04)
(To be used by methodology experts providing desk review for a proposed new methodology)

Name of expert responsible for completing and submitting this form	Sudhir Sharma
Related F-CDM-NM document ID number	NM0122

Note to those completing this form, as applicable: Please provide recommendations on the proposed new baseline and monitoring methodologies based on an assessment of CDM-NMB and CDM-NMM and of their application in sections A to E of the draft CDM-PDD, desk reviews and public input. Please ensure that the form is entirely filled and that arguments and expert judgements are substantiated.

A. Evaluation of the proposed new methodologies by desk reviewers:

I. Evaluation of the porposed new baseline methodology:

Title of new baseline methodology:>>Cogeneration at an Industrial Facility

i. Conditions under which this methodology is applicable to other potential projects (e.g. project type, region, data availability):

>>

- The activities covered by this methodology could involve the installation of new cogeneration capacity or increase in existing cogeneration capacity. The project activity may involve fuel switching because of the cogeneration technology used.
- Cases where cogenerated electricity meets some or all of the power demand at the industrial facility. The industry may purchase electricity from the grid in order to meet on-site demand or sell electricity to the grid when electricity generation exceeds on-site demand.
- This methodology is not applicable to projects that are limited to fuel switching only for equipment generating thermal energy.
- The methodology is not applicable to situations where the industry purchases from, or sells thermal energy to, other users, either in the baseline scenario or in the project scenario.
- The methodology is also not applicable to project activities involving improvements in end-use efficiency, i.e. where thermal energy and/or electricity is used more efficiently.
- The methodology is applicable to industries with existing cogeneration equipment. But if the new cogeneration equipment would replace some of the existing equipment, the crediting period would be limited by the remaining lifetime of any existing cogeneration.

ii. Strengths and weaknesses of the methodology:

>> STRENGTHS

- The methodology is simple and the data requirement is easy to address.

WEAKNESS

- The methodology doesn't provide sufficient details to translate the methodology into estimation of emission reduction.

The methodology doesn't address the situation where the implicit assumptions do not hold.

iii. Any changes needed to improve the methodology:

a. Minor changes:>>

- The steps to estimate dynamic baseline should be explained with more clarity and include

formulae to express the process.

- Include procedure to estimate fuel consumption in transport of fuel.

b. Major changes:>>

- The methodology should address the following issues:
  - Defining the baseline level of energy consumption such that change increase in activity in industrial facility does not result in overestimation of emission reduction.
  - Impact of energy input from the industrial facility to the equipment providing heat and/or electricity to the industrial facility.
  - steps to select baseline scenario between the existing equipment configuration to supply heat and/or electricity and "third party cogeneration".

II. Evaluation of the proposed new monitoring methodology:

Title of new monitoring methodology: >>

i. Conditions under which this methodology is applicable to other potential projects (e.g. project type, region, data availability):

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i. The activities covered by this methodology could involve the installation of new cogeneration capacity or increase in existing cogeneration capacity. The project activity may involve fuel switching because of the cogeneration technology used.

ii. Cases where cogenerated electricity meets some or all of the power demand at the industrial facility. The industry may purchase electricity from the grid in order to meet on-site demand or sell electricity to the grid when electricity generation exceeds on-site demand.

iii. This methodology is not applicable to projects that are limited to fuel switching only for equipment generating thermal energy.

iv. The methodology is not applicable to situations where the industry purchases from, or sells thermal energy to, other users, either in the baseline scenario or in the project scenario.

v. The methodology is also not applicable to project activities involving improvements in end-use efficiency, i.e. where thermal energy and/or electricity is used more efficiently.

vi. The methodology is applicable to industries with existing cogeneration equipment. But if the new cogeneration equipment would replace some of the existing equipment, the crediting period would be limited by the remaining lifetime of any existing cogeneration.

ii. Strengths and weaknesses of the methodology:

>> STRENGTH:

The methodology captures all the important data to be monitored for estimation of emission reduction as defined in the baseline methodology.

The methodology uses public and verifiable sources for sourcing data and also gives preference to national level data over default parameter values.

WEAKNESS:

The weakness is the monitoring methodology are related to the weakness in the baseline methodology.

The methodology doesn't provide QC/QA procedures.

iii. Any changes needed to improve the methodology:

a. Minor changes:>> Include QC/QA measures in the methodology

b. Major changes:>>Changes to reflect the changes suggested in the baseline methodology.

B. Details of the evaluation of the proposed new methodology by the desk reviewer:

I. Proposed new baseline methodology *(specify title here):* >>Cogeneration at an Industrial Facility

(1) Short description of the methodology, including an assessment of which approach from paragraph 48 of the CDM modalities and procedures was used:

a) Describe the methodology:

>>The methodology estimates reduction in emission by either increase in existing cogeneration capacity or installation of new cogeneration equipment at an existing industrial facility. The project could result in a situation where the electricity generated is in access of that required by the industrial facility, and is sold to the grid. The existing electricity generation by cogeneration could be less than the demand of the industrial facility and, hence, the balance is procured from the grid. The project could also result in fuel switching depending on the cogeneration system installed under the project. Therefore, the emission reduction occurs due to lower fuel requirement in the cogeneration system as well as avoided emissions from power generation sources connected to the grid. The methodology uses following steps:

(i) Identification of baseline scenario using the Step 1 of additionality assessment tool provided by CDM-EB. The step has been slightly modified.

(ii) Test the additionality of the proposed project using the additionality assessment tool. The methodology modifies step 1b and step 3 of the assessment tool.

(iii) The baseline scenario for the project is continuation of the present practice, where the entire thermal need and part or full electricity demand of the industrial facility is met from existing system and balance electricity demand is met through procurement from the grid.

(iv) Baseline for the project is (a) emission from fuel consumption in the existing heat and/or electricity producing equipment at the facility, and (b) net electricity displaced from the grid due to project activity.

(a) Fuel related emission is estimated ex-post using monitored data (though an ex-ante estimation process for baseline too is provided to report the baseline in CDM-PDD). The ex-post fuel baseline is estimated using historic relationship between fuel used and activity indicator multiplied by the activity level monitored during the project. Since the project boundary only includes equipment related to heat and/or electricity generation, the activity indicator is high pressure steam (HSP) production. Baseline includes emissions of CO_2, CH_4 and N_2O.

(b) The emission from displaced electricity is estimated as product of (i) sum of net electricity purchased from grid in absence of the proposed project and net electricity sold to grid under the proposed project, and (ii) grid electricity emission factor. Emission factor is estimated using the grid electricity emission factor estimation method described in ACM0002 or, if the exported power is less than 15 MW, using method described in AMS I.D.

(v) Project emissions are estimated as emissions from fuel consumption during the project activity. Project emissions include emissions of CO_2, CH_4 and N_2O.

(vi) CH_4 emissions from incremental, over the baseline, fuel production and CO_2 emissions from incremental fuel used for transportation are accounted for as project leakage.

b) State the approach selected:

>>48 a, Existing actual or historical emissions, as applicable.

c) Indicate (in summary form) why the approach selected is the most appropriate. Please provide your expert judgement on the appropriateness of the selected approach to the project category:

>>The methodology is applicable only if the "existing practice" is shown to be the baseline scenario (though this aspect has not been clearly stated in the methodology). The methodology in Section D.1 states that there are only two scenarios, the existing practice and the proposed project, and if additionality assessment

proves that the proposed project is additional then the existing practice is the baseline scenario. From this perspective the chosen approach is appropriate. But, the methodology in Section D.3 also considers "third party cogeneration facility", to supply the industrial facility heat and electricity, as an alternative to the proposed project. Though a test is provided to check if this particular option faces barriers, it is implicitly assumed that this option faces barriers and is not a likely baseline scenario. The methodology is silent on how to identify baseline scenario if the "third party cogeneration" too doesn't face barriers.

(2) Basis for determining the baseline scenario:

a) State whether the documentation explains how the baseline scenario is to be chosen and identified:

>>Yes.

b) State the basic underlying rationale for algorithms/formulae used (e.g. marginal vs. average basis) (see also section 4 below):

>>The project results in emission reduction from fuel used for heat and/or electricity production and displaced grid electricity.

The emission from fuel used is estimated as product of fuel consumed and emission factor for CO_2, CH_4, and N_2O.

The emission from displaced electricity is estimated as product of net electricity sold to grid in project case over and above that of the baseline and grid electricity emission factor. The grid electricity emission factor is estimated using method described in ACM0002 or AMS I.D.

c) State whether the documentation explains how, through the use of the methodology, it can be demonstrated that a project activity is additional and therefore not the baseline scenario. If so, what are the tools provided by the project participants?

>>The methodology uses "Tools for demonstration and assessment of additionality" to assess project additionality with certain modifications. These modifications are:

(i) Step 1a – an explanation of the various alternatives for the project situation and statement of broad categories of alternatives to be considered.

(ii) Step 1b – flow charts for undertaking analysis of compliance of alternatives with existing regulations.

(iii) Step 2 – justification that investment analysis is not unrealistic therefore will not be used in the assessment process.

(iv) Step 3a – inclusion of institutional barriers as an additional category of barriers for analysis. Further, the methodology provides project category specific flow charts to undertake analysis of barriers due to "prevailing practice" and "institutional barriers".

(v) Step 3b – flow chart to analyse "institutional barrier" to alternative "third party cogeneration".

(vi) Step4 – it is stated to be redundant if the project proponents use technology barrier analysis and barrier due to prevailing practice in Step 3.

(vii) Step 5 – incorporation of "impact on environmental image of the project proponent" as an category of impact to justify the use of CDM.

d) State whether the basis for determining the baseline scenario and for assessing additionality is appropriate and adequate:

>> The explanation of determining baseline scenario is not consistent across the document. In Section D.1 only two possible alternatives are discussed, the existing practice and the proposed project. If the proposed project is shown to be additional then the existing practice is the baseline scenario. Whereas, In section D.3, a third category of alternative "third party cogeneration" is also discussed. Further, it is stated that the "third party cogeneration" is expected to face barriers and, therefore, the "existing practice" will be the baseline scenario.

The additionality tool has been modified to reflect the circumstances of proposed CDM project activities. A few of the modifications are not adequately justified. These are:

(i) Step2 – justification of the exclusion of investment analysis on the ground that there could be infinite number of possible alternatives is not correct. The infinite options here are referred to the sizing of the project mainly (though the options on technology and fuel too are raised but these combinations are not infinite). The sizing of the project is function of the existing facility and the requirement and,

therefore, the choice is not arbitrary that it should result in infinite options.

(ii) Step 3 – the flow chart for analysis of institutional barrier introduced in Step 3a should also be used for evaluating the other alternatives. The essence of Step 3b is that the barriers faced by the proposed project do not affect atleast one other alternative. To prove this the other alternatives should be put through similar tests. Further, the institutional barrier discussed is "payment of power demand charges for whole year" by cogeneration facility. This particular institutional barrier would also be faced in situation where captive electricity generation facility is used to meet the electricity demand. Thus it is erroneous to say that this institutional barrier is faced only by cogeneration. Further, since the existing industrial facility is producing electricity, payment of power demand charge is likely to be an existing situation which will not change with implementation of the proposed project.

(3) Assessment of the description of the proposed methodology and its applicability

a) State whether the methodology has been described in an adequate manner:

>>The methodology would benefit from improvements. The following aspects in the methodology are not very clearly stated:

(i) The boundary of the project includes the equipments generating heat and/or electricity leaving out the other components of the industrial facility where the generated energy is used. The methodology is silent on the source of fuel used within the project boundary, whether these are procured or generated at the industrial facility or both. This has an important bearing on emission reduction since the proposed methodology does envisage changes in the existing fuel use.

(ii) The description of steps to estimate the baseline "dynamically" is not precise and one is able to understand the process only after reading the application of this step in the CDM-PDD.

- Further, it is stated that ex-post estimation, based on the steam output of facility within the project boundary, is done to account for changes in activity level of industrial facility. It is not explained why such changes in the activity level are expected. And how the methodology will address the issue of differentiating between the change in activity level due factors that purely independent of proposed CDM project implementation and others.
- The ex-post estimation of baseline is based on energy consumption per unit of steam produced from the installed equipments, as understood from application of the methodology in CDM-PDD (though the CDM-NMB defines it as ratio of energy input to enthalpy of steam and electricity output). This in case of the example project is High Pressure Steam (HPS). One also understands from the project that consumption of steam by the industrial facility is not HPS, but medium pressure steam (MPS), extracted from steam generation turbines used for generating electricity from HPS. Therefore, the basis of calculating the energy consumption per unit steam should be MPS, as this is expected to remain invariant to equipment configuration within the project boundary. One could envisage a situation where in the project scenario a boiler-turbine combination is installed purely for producing electricity. Since this would result in increased production of HPS, the methodology as suggested will estimate baseline fuel consumption higher than that based on historical data.
- The formulae described for the baseline estimation does not reflect the ex-post baseline calculation method described in the methodology.

(iii) Some of applicability conditions of the methodology have been stated in Sections other than Section A.3. Section D.1 states that methodology is applicable to projects where continuation of present situation is the only feasible baseline scenario. Similarly in Section D.4 it is stated that methodology is not applicable to projects where the proposed project activity will result in replacement of existing cogeneration equipment which is at the end of its useful life.

(iv) The justification for the choice of approach is not clearly stated.

b) State whether the proposed methodology is appropriate for the referred proposed project activity and the referred project context (described in Sections A - E of the draft CDM-PDD and submitted along with CDM-NMB):

>>No.

(i) The proposed methodology defines the project boundary as all equipments producing steam and/or electricity, whereas, in the referred proposed project activity "process boiler" are not included in the project boundary. The changes in steam supplied by the 'process boiler" could affect both the project and baseline emissions. The methodology proposed doesn't provide any formulation to address such issues.

(ii) The CDM-PDD doesn't demonstrate that the proposed project is not a replacement project of the existing cogeneration equipment whose useful life has expired or is close to expiry. Step 1a. of the methodology description (Section D.3 CDM-NMB) states that (if) proposed project activity comprises replacing existing cogeneration equipment close to the end of its useful life will not be considered additional.

(iii) The methodology in Section D.3 page 7 of CDM-NMB mentions that the "crediting period cannot be more than the life of any existing cogeneration equipment". The existing equipment at the industrial facility where the referred proposed project activities will be implemented are cogeneration equipments. The choice of 7 year renewable credit period stated in CDM-PDD should have been justified in context of the remaining life of the equipment replaced by the proposed project activity.

c) State whether the application of the methodology could result in a baseline scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity.

>> In some conditions the methodology could result in a baseline scenario is that is not reasonable.

(i) Changes in the steam supplied by sources other then included in the project boundary (such as process boiler in case of referred proposed project): In situations where say the steam provided by process boiler increases due to some changes in the industrial facility, project scenario will result in lower fuel consumption than the baseline scenario.

(ii) Situation where the industrial facility provides some of the fuel used in the baseline scenario.

Please explain:

>> See the explanation provided above.

(4) Assessment of algorithms/formulae and type of data needed:

a) State whether the description of the methodology includes algorithms and generic formulae that can be applied to other potential project activities (if not, the proposed new methodology will be considered as a project-specific methodology):

>>The formulae described in the methodology are neither adequately explained nor complete. For example, the baseline formula e used consumption of fuel i (BFC_i) to estimate the emissions from fuel consumed (Section D.6). The explanation on how to estimate BFC_i, whether use historical data or calculate using data monitored during project activity, is not stated. Further, in the section the steps are defined to estimate ex-post baseline but the formulae to use these steps are not reported.

The methodology doesn't provide any formulae for estimating the transport related fuel consumption to be used for estimating the leakage.

Similarly the methodology states that ex-ante estimation of baseline and project emissions, to report in the CDM-PDD, will be based on thermodynamic analysis. There is no formulae reported for using the thermodynamic analysis.

b) Explain the spatial scope of data used to determine the baseline and whether the scope is appropriate:

>>

(i) Project specific data: Baseline fuel consumption, baseline electricity purchase from the grid, project fuel consumption, and net electricity sale to grid in project situation. Project specific data for CO_2 emission factor for fuel is used where either there are significant variations in properties or fuel is not widely used commercially.

(ii) National level data: CO_2 emission factor for fuel used based on national GHG inventory. In absence of nation specific data IPCC default emission factors as last resort can be used.

(iii) IPCC default data: methane emission factor and nitrous oxide emission factor for fuels used, fugitive methane emission from fuel produced and CO_2 emission factor for transportation fuel.

(iv) Spatial scope of data used in estimating grid emission factor is as defined in ACM0002.

The spatial scope for data is appropriate.

Methodology needs to explain how transport fuel used for transportation of fuel to site will be sourced.

c) Explain the vintage of data used (in relation to the duration of the project crediting period) and whether the vintage of data is appropriate, indicating the period covered by the data:

>>The historical data used is for three years prior to start of the project. Rest of the data will be based on project monitoring.

(5) Definition of the project boundary related to the baseline methodology:

a) State how the project boundary is defined in terms of:

i) Gases and sources

>>CO_2, CH_4, and N_2O

ii) Physical delineation

>>Fuel consuming equipment at industrial plant to produce heat and/or electricity.

b) Indicate whether this project boundary is appropriate:

>>The physical boundary is appropriate for projects where the only link of the equipment for producing heat and/or electricity with the industrial facility is in terms of providing heat and electricity supply. Where either the waste fuels from the industrial facility are used as fuel or heat from industrial facility is supplied for electricity generation the project boundary should include such sources also, especially since the leakage doesn't include impact of such linkages.

(6) Key assumptions/parameters (including emission factors and activity levels) and data sources:

a) List the implicit and explicit key assumptions. Identify those, if any, which are problematic and explain:

>>No explicit assumption is listed in the document.

Implicit Assumptions:

(i) There are no interlinkages with the industrial facility except for supply of heat and electricity by equipment generating heat and/or electricity. This underlying assumption is critical to defining the project boundary and assessing leakage.

(ii) The "package cogeneration" option faces institutional barrier and, hence, is unlikely to be a baseline alternative.

(iii) The heat generation under project conditions will change only due to changes in the efficiency in the industrial facility.

b) State whether the key assumptions are arrived at in a transparent manner:

>>None of the assumptions are mentioned in the methodology.

c) Give your expert judgement on whether the assumptions/parameters are adequate:

>>No.

d) Indicate which data sources are used and how the data are obtained (e.g. official statistics, expert judgement):

>>Three main data sources are used (i) project specific data, (ii) National GHG inventory, and (iii) IPCC. The data sources for estimating grid electricity emission factor are in accordance to data defined in the ACM0002.

e) Give your expert judgement on whether the data used are adequate, consistent, accurate and reliable:

>>Data used are adequate, consistent, accurate and reliable to the extent the methodology has defined the variables. On variables and equations that have been left undefined, as mentioned in Section 4, there is no information on data to make an assessment.

f) State possible data gaps:

>>As mentioned in point e above.

(7) Assessment of uncertainties:

a) State whether the methodology includes an assessment of uncertainties regarding:

i) The basis for determining the baseline scenario:

>>No

ii) Algorithms/formulae:

>>Yes

iii) Key assumptions:

>>No

iv) Data:

>>No

b) State whether the uncertainties presented are reasonable:

>>yes.

(8) Leakage:

a) State how the baseline methodology addresses any potential leakage due to the project activity:

>>The baseline methodology considers leakage from (i) fugitive methane emission from production of fuel used at the project site; and (ii) emissions from transportation of fuel.

b) Indicate whether the treatment for leakage is appropriate and adequate:

>>The treatment of leakage is adequate if the underlying implicit assumption of the methodology mentioned in point (i) in Section 6(a) holds true.

(9) Transparency and "conservativeness":

a) Indicate whether the baseline methodology was developed in a transparent way:

>> The methodology lacks in transparency because of (i) unexplained formulae for estimating the baseline and leakage; and (ii) lack of discussion on the implicit assumptions made in the methodology.

b) State whether the baseline methodology is conservative:

>> Methodology could result in non-conservative estimate of baseline.

(10) Potential strengths and weaknesses of the proposed baseline methodology *(please explain)***:**

>> STRENGTHS

- The methodology is simple and the data requirement is easy to address.

WEAKNESS

- The methodology doesn't provide sufficient details to translate the methodology into estimation of emission reduction.
- The methodology doesn't address the situation where the implicit assumptions do not hold.

(11) Other considerations, such as a description of how national and/or sectoral policies and circumstances have been taken into account *(please explain)***:**

>> The methodology considers the following national and/or sectoral policies

- Legal requirements such as environmental impact assessment.
- Policies that promote proposed project activities.
- incentives that promote proposed project activities.
- The additionality assessment includes decision tree for evaluating the national and/or sectoral policies in the additionality assessment.
-

(12) Applicability of the proposed methodology across project types and regions *(please indicate)***:**

>>

- The activities covered by this methodology could involve the installation of new cogeneration capacity or increase in existing cogeneration capacity. The project activity may involve fuel switching because of the cogeneration technology used.
- Cases where cogenerated electricity meets some or all of the power demand at the industrial facility. The industry may purchase electricity from the grid in order to meet on-site demand or sell electricity to the grid when electricity generation exceeds on-site demand.
- This methodology is not applicable to projects that are limited to fuel switching only for equipment generating thermal energy.
- The methodology is not applicable to situations where the industry purchases from, or sells thermal energy to, other users, either in the baseline scenario or in the project scenario.
- The methodology is also not applicable to project activities involving improvements in end-use efficiency, i.e. where thermal energy and/or electricity is used more efficiently.
- The methodology is applicable to industries with existing cogeneration equipment. But if the new cogeneration equipment would replace some of the existing equipment, the crediting period would be limited by the remaining lifetime of any existing cogeneration.

(13) Any other comments:

a) State whether any other source of information (i.e. other than documentation on this proposed methodology available on the UNFCCC CDM web site) has been used by you in evaluating this methodology. If so, please provide specific references:

>>

b) Indicate any further comments:

>>

II. Proposed new monitoring methodology *(specify title here):* >>Cogeneration at an industrial facility.

In respect of the proposed new monitoring methodology, evaluate each section of CDM-NMM to the draft CDM-PDD. Please provide your comments section by section:

(1) Brief description of new methodology:

Describe new methodology:

>> The methodology is based on monitoring

(i) Fuel used to produce heat and electricity for use at an industrial facility to determine the project emissions.

(ii) Heat output of the cogeneration system to estimate emission associated with fuel consumption in the baseline.

(iii) Key parameter of grid to estimate grid electricity emission factor, as defined in monitoring methodology of ACM0002 or AMS I.D, whichever is used.

(iv) No monitoring is required for leakage estimation.

Leakage emissions are small and would be estimated without the need for additional monitoring.

(2) Key assumptions/parameters:

a) List the implicit and explicit key assumptions. Identify those, if any, which are problematic and explain:

>>The methodology mentions that assumptions are mentioned in relevant sections. Any assumption made should be clearly stated in Section B.6 of CDM-NMM. There are no assumptions listed in any of the section describing the methodology.

b) State whether the key assumptions are arrived at in a transparent manner:

>>No.

c) Give your expert judgement on whether the assumptions/parameters are adequate:

>>Yes.

(3) Data sources and data quality:

a) Indicate which data sources are used and how the data are obtained (e.g. official statistics, expert judgement):

>>Three data sources are used in the methodology – project specific data (for estimating total steam output of project, fuel consumption of the project, and electricity imported (in baseline) and exported (in project case) from the grid; National/ Governmental publications for sourcing CO_2 emission factor for fuels used and for estimating the grid electricity emission factor; IPCC default values for methane emission factor, nitrous oxide emission factor, and fugitive methane emission factor.

b) Give your expert judgement on whether the data used are adequate, consistent, accurate and reliable:

>>Data is adequate for using the methodology defined formulae.

c) *State possible data gaps:*

>> The data gap in the methodology are related to the gaps in the baseline methodology. The baseline methodology doesn't define the following formulae for: (i) thermodynamically estimating ex-ante baseline and project emissions; (ii) ex-post estimation of baseline fuel consumption using project monitored data on steam output; and (iii) estimating fuel consumed in baseline and project case for transportation of fuel. All the data related to these formulae are the data gaps of the methodology.

(4) Assessment of the description of the proposed methodology and its applicability:

a) State whether the proposed methodology has been described in an adequate manner:

>>No. The monitoring methodology doesn't suggest data to be collected/monitored for estimating (i) the historical data to be recorded for using the ex-post estimation of baseline emission, and (ii) fuel consumption for transporting fuel. For the later, the methodology argues that it is an estimated value, therefore, need not be monitored. But the estimation will be based on certain project related information and can't be independent of it.

b) State whether the proposed methodology is appropriate for the referred proposed project activity and the referred project context (described in Sections A - E of the draft CDM-PDD and submitted along with CDM-NMM):

>>The monitoring methodology is appropriate for the proposed baseline methodology. The in-appropriateness of its use is associated with the appropriateness of application of the baseline methodology.

c) State whether this proposed monitoring methodology is compatible with the proposed baseline methodology described in CDM-NMB of the draft CDM-PDD:

>>Yes.

(5) Leakage *(please elaborate, if appropriate)***:**

>>The limitation in leakage related monitor arises from limitation in the baseline methodology. As the baseline methodology has not defined the leakage estimation appropriately, the monitoring of information for leakage assessment is not adequately addressed.

(6) Quality assurance and control procedures *(please explain)***:**

>>The QC/QA table B7 only states what the data variable information will be used for. No details of QC/QA are provided in the table.

(7) Potential strengths and weaknesses of the proposed monitoring methodology *(please explain)***:**

>> STRENGTH:

The methodology captures all the important data to be monitored for estimation of emission reduction as defined in the baseline methodology.

The methodology uses public and verifiable sources for sourcing data and also gives preference to national level data over default parameter values.

WEAKNESS:

The weakness is the monitoring methodology are related to the weakness in the baseline methodology.

The methodology doesn't provide QC/QA procedures.

(8) Applicability of the proposed methodology across project types and regions *(please indicate)***:**

- >> The activities covered by this methodology could involve the installation of new cogeneration capacity or increase in existing cogeneration capacity. The project activity may involve fuel switching because of the cogeneration technology used.
- Cases where cogenerated electricity meets some or all of the power demand at the industrial facility. The industry may purchase electricity from the grid in order to meet on-site demand or sell electricity to the grid when electricity generation exceeds on-site demand.
- This methodology is not applicable to projects that are limited to fuel switching only for equipment generating thermal energy.
- The methodology is not applicable to situations where the industry purchases from, or sells thermal energy to, other users, either in the baseline scenario or in the project scenario.
- The methodology is also not applicable to project activities involving improvements in end-use efficiency,

i.e. where thermal energy and/or electricity is used more efficiently.

- The methodology is applicable to industries with existing cogeneration equipment. But if the new cogeneration equipment would replace some of the existing equipment, the crediting period would be limited by the remaining lifetime of any existing cogeneration.

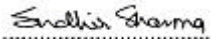
(9) Any other comments:

a) State whether any other source of information (i.e. other than documentation on this proposed methodology available on the UNFCCC CDM web site) has been used by you in evaluating this methodology. If so, please provide specific references:

>>

b) Indicate any further comments:

>>

Signature of desk reviewer …  ……..

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Information to be completed by the secretariat	
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Date when the form was received at UNFCCC secretariat	
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