Overview of changes made to NM0071 in revised submission of 25 May 2005

Sr. No.	Methodologies Panel Recommendation on baseline methodology	How addressed in NMB, NMM and PDD
1.	Need to justify use of weighted average for operating margin (OM), or change this and correct the combined margin accordingly (already asked but not properly addressed).	Under section D.6, the operating margin estimation has been modified to make this dynamic. The performances of all operating plants have been evaluated on a 'least merit order scale' using actual annual dispatch data, to identify the 'worst performers' who contributes 10% of the grid generation. The 'worst performers' comprise the set of plants in the 'operating margin'. This makes the OM both dynamic and realistic for each year of the crediting period. The combined margin has, hence, undergone corresponding change. Similar changes have been incorporated in the NMM and the PDD.
2.	In all cases, complete reference to IPCC emission factors has should be provided all time (already asked but not properly addressed).	This has been provided wherever IPCC factors have been used.
3.	Use relative emissions as baseline rather than absolute emissions, or justify (already asked but not properly addressed).	Under section D.6, the references to absolute emissions have been removed, and substituted with relative emissions for each year of the crediting period (e.g., in use of waste gas quantity and characteristics to calculate quantum of electricity generated).
4.	There should be internal consistency in Case II mentioned in Section D.1 of CDM-NMB and Baseline II. In Baseline II it is stated in the assumptions listed in CDM-NMB that it is applicable to new power projects based solely on waste gas. From this interpretation Baseline II only addresses a sub-set of situations possible under Case (ii) (already asked but not properly addressed).	This has now been clearly explained under section D.6, and its earlier reference under section D.1 has been removed. The NMB under section D.6 now clearly identifies situations for application of Baselines I or II or both.

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5.	The use of the "Tool for the demonstration and assessment of additionality" for testing the additionality of the project activity should be clearly stated in the text and not in a footnote.	The use of the additionality tool has now been clearly explained under section D.3.
6.	Methodology should include a more robust process for assessment of all possible alternative baseline scenarios as well as procedure for evaluating these alternatives (already asked but not properly addressed).	The assessment of alternative baseline scenarios has been now provided under section D.3.
7.	The methodology should include conditions for application of Baseline I and II (already asked but not properly addressed).	This has now been addressed under section D.6.
8.	There is ambiguity in the methodology whether it is applicable to existing steel plants or newly constructed steel plants or both. This has an implication both on the formulae for the baseline as well as designing the monitoring methodology (already asked but not properly addressed).	This has been explained under applicability condition of section A.3, and under section D.6. The NMB identifies areas in a steel industry where the waste gases are normally used for internal heating requirements, and establishing normal usage quantity in such areas (actual monitoring of such quantity will be checked in the corresponding NMM). While determining the quantity of waste gases required for meeting the internal heating requirements, the practices followed prior to the project activity should be used as benchmark for estimating internal requirements at existing steel operations; for new or proposed steel operations, design values or common practice, whichever is lower, should be used.

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9.	Treatment of leakage due to use of hydrocarbon fuel (if displaced by project activity and in turn used by other smaller power generators who currently use renewables like biomass) should be better addressed and not simply disregarded.	This has been now elaborately addressed under section D.8. Leakages could occur due to use of displacement of any GHG intensive fuel by other power generators (e.g., other smaller power generators who currently use renewables like biomass or a larger power generator using same hydrocarbon or proposing use of it). If used by a smaller generator, it would require replacement and retrofitting of existing power generating equipment, which may not be feasible for such a generator. Leakage emissions can occur, if and only if, such displaced fuels is used by a larger generator. Any leakage emissions due to use of such displaced fuel needs to be directly attributable to the project. If such a situation is identified, then leakage emissions will be calculated as per formula provided in the NMB.