



**CDM: Proposed New Methodology**  
**Meth Panel recommendation to the Executive Board**  
**(version 04)**  
*(To be used by the Meth Panel to make a recommendation to the Board regarding a proposed new methodology)*

Date of Meth Panel meeting:	17 - 19 October 2005
Related F-CDM-NM document ID number (electronically available to EB members)	F-CDM-NM0082-rev: "Khon Kaen fuel ethanol project"
Related F-CDM-NMex document ID number(s) (electronically available to EB members)	F-CDM-NMex0082-rev: Sari / Gruetter
Related F-CDM-NMpu document ID number(s) (electronically available to EB members)	F-CDM-NMpu0082-rev: Not applicable

*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. Preliminary recommendations by the Meth Panel**

##### **I. Recommendation on the proposed new baseline methodology: (checkmark the choice made)**

Title of proposed new baseline methodology:>> [Baseline methodology for the production of sugar cane based anhydrous bio-ethanol for transportation using life cycle assessment \(LCA\).](#)

a. To approve this proposed methodology with minor changes

☐

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

ii. Minor changes:

>>

b. To reconsider this proposed methodology, subject to required changes

☒

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

- [Pre-project production capacity within the national market for anhydrous bio-ethanol is less than 75% of the maximum potential demand level \(the maximum demand for bio-ethanol is the lower of 20% of gasoline demand or any national imposed ceiling on bio-ethanol/gasoline mix. The methodology specifies that the anhydrous bio-ethanol will be blended with gasoline at a maximum level of 20%\).](#)
- [There is no enforceable mandate in the host country to produce and use bio-ethanol to replace gasoline in the transport sector](#)

ii. Required changes:

- The revision (and re-revision of mid-October) to the methodology has considerably improved it. However, there are still some factors that require revision. These are outlined below:
  - i) Methodological gaps (a). Include further elements in the “Tool for the demonstration and assesment of additionality” to reflect this particular project type and contexts. While the revised version of the methodology includes further information for the investment analysis branch of the “Tool for the demonstration and assesment of additionality”, they also should do so for the barrier analysis branch.
  - ii) Methodological gaps (b). There is an inconsistency in the level of upstream emission sources considered in the baseline and project situation. A full LCA is done for the baseline situation, whereas only some key sources are included for the project situation. This imbalance does not lead to a conservative result. It may be more appropriate to also neglect some upstream emissions for the baseline scenario. Also, given the ranges in possible well-to-tank and tank-to-wheel LCA emission factors, it may be more appropriate to reduce the numbers for significant figures used.
  - iii) Methodological gaps (c). An equation outlining how to calculate baseline emissions linking the LCA factor and Q should be provided in the CDM-NMB (e.g. as in p16 CDM-NMM).
  - iv) Potential for double-counting. The Meth Panel after extensive discussions has referred the issue to the Board for consideration (please refer to Annex 6 of the report of the eighteenth meeting of the Meth Panel). We suggest that project participants take such Board guidance into account when resubmitting the methodology.
  - v) Errors in suggested equations. The equation for determining Q (p9 CDM-NMB) is incorrectly written. It is currently:
 
$$Q = [FEP-FEG*X] / [FEG-FEG*X]$$
 Justification should be provided for this equation (or it should be replaced, e.g. by  $Q = FEG/FEP$ ).
  - vi) Data gaps. Since the effect of ethanol blends is not the same for all vehicles, the methodology would need to ensure that FEP and FEG are calculated using a representative sample of vehicles. Further, if Q is volumetric fuel efficiency, its components should be measured in terms of volume. However, the parameters given for the second option for determining Q (ECE and ECP) are measured in terms of MJ/km.

Other minor points:

- i) As outlined on p 12 of the CDM-NMB, the annual mass of synthetic fertiliser should be monitored (not the recommended application rate).
- ii) IT is not clear why the methodology require the percentage of cane transported by trucks? Would it not be simpler to measure the amount of cane transported by truck? It is not clear what happens to the cane not transported by trucks?
- iii) Clarify which of approach is used - paragraph 48 (a) or (b) of the CDM modalities and procedures. (The CDM modalities and procedures indicates that 1 approach should be used).
- iv) The source for the values 0.005 and 0.007 in the equations used to calculate CH<sub>4</sub>trash and N<sub>2</sub>Otrash should be indicated (or the values justified).
- v) The source/value of EF<sub>4</sub> and EF<sub>5</sub> (used in calculating indirect N<sub>2</sub>O emissions from atmospheric deposition on soils of NO<sub>x</sub> and ammonium) should be clarified.
- vi) Sources/calculation procedure for all parameters presented in the CDM-NMB should be discussed in the CDM-NMB (e.g. procedure for estimating or source of Cane to anhydrous bio-ethanol conversion factor (CC) is not described in the CDM-NMB).

vii) -Other minor points are highlighted below.

*(Project participants shall make required changes to the proposed new methodology and send it back to the Meth Panel. The proposed new methodology will be reconsidered by the Meth Panel if changes required are made by the project participants. The Executive Board will only consider this proposed new methodology after the revised proposed methodology has been reconsidered by the Meth Panel.)*

c. Not to approve the proposed methodology

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i. Reasons for non-approval:

>>

*(A new proposal should be submitted in accordance with the procedures for submission and consideration of proposed new methodologies of the Executive Board.)*

## II. Recommendation on the proposed new monitoring methodology: (checkmark the choice made)

Title of proposed new monitoring methodology: >> [Monitoring methodology and lifecycle assessment for the production of sugar cane based anhydrous bio-ethanol for transportation use.](#)

a. To approve this proposed methodology with minor changes

☐

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

>>

ii. Minor changes:

>>

b. To reconsider this proposed methodology, subjected to required changes

☒

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

>> [As for proposed baseline methodology.](#)

ii. Required changes:

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- [Changes previously requested have not been made. The methodology is applicable to project types only when blended bio-ethanol/gasoline mix will be consumed in the host country and not exported to an Annex B country. As outlined in the previous recommendation, the CDM-NMM should be changed so that AHy represents the volume of anhydrous bio-ethanol produced and used in the host country. Only if this is done can credit be taken into account for the indirect emissions from gasoline production and delivery.](#)

[Changes in items monitored as a result of changing the baseline methodology, including:](#)

- [Annual data on gasoline consumed in the host country, domestic production, imports.](#)
- [What proportion \(if any\) of ethanol is used in gasoline blends. \(This will affect the emission factors\).](#)
- [Change the definition of AHy so that it represents the volume of anhydrous bio-ethanol produced and used in the host country; \(this has still not been done\)](#)
- [Monitor annually: the actual fertiliser use and actual amount of animal manure applied \(these items are used in the calculation of emissions associated with fertiliser production and use\).](#)

- v) Emissions from land-clearing related to increases in sugar-cane production areas.

Other minor points:

- i) It is difficult to “measure” a rate (l/ha etc.): PPs should clarify whether the underlying parameters will be measured/calculated.

Other changes are outlined below.

*(Project participants shall make required changes in the proposed new methodology and send it back to the Meth Panel. The proposed new methodology will be reconsidered by the Meth Panel if changes required are correctly made by the project participants. The Executive Board will only consider this proposed new methodology after required changes proposed have been made and the revised proposed methodology has been reconsidered by the Meth Panel.)*

- c. Not to approve the proposed methodology



- i. Reasons for non-approval:

>>

*(A new proposal should be submitted in accordance with the procedures for submission and consideration of proposed new methodologies of the Executive Board.)*

## **B. Details of the evaluation of the proposed new methodology by the Meth Panel:**

### **I. Proposed new baseline methodology (specify title here): >> [Baseline methodology for the production of sugar cane based anhydrous bio-ethanol for transportation using LCA.](#)**

#### **(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 proposed methodology is developed for bio-ethanol production for transportation purposes. The methodology consists of 5 steps:

- 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).
- 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).
- Use the “Tool for the demonstration and assessment of additionality tool” to evaluate whether investment in anhydrous bio-ethanol production capacity at the project site is a plausible baseline scenario.
- Assess the baseline fuel that will be displaced by the anhydrous bio-ethanol produced by the project activity.
- 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.

##### **b) State the approach selected:**

>> The approach selected is as per 48 (a) or 48 (b) of the CDM modalities and procedures: “Existing actual or historical emissions, as applicable”. “Emissions from a technology that represents an economically attractive course of action, taking into accounts barriers to investment”. However, the methodology appears to compare the project situation with one based on as per paragraph 48 (a) of the

CDM modalities and procedures. As per the Marrakech Accords, one approach should be chosen.

*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:*

>> Whether approach as per paragraph 48 (b) of the CDM modalities and procedures would be an appropriate approach to determine the fuel production component of the baseline depends in part on what baseline options are open to the project proponent/investor. If the project proponent/investor is a government or fuel-production company, it may have more options open to it than an ethanol or sugar production facility. For such facilities approach as per paragraph 48 (a) (which is the one essentially used by the methodology) is more appropriate.

**(2) Basis for determining the baseline scenario:**

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

>> Yes (both for the fuel production component and the fuel use component of the methodology).

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

>> Baseline emissions are calculated through life-cycle analysis of gasoline production and combustion. The default value given in the methodology for the well-to-wheel gasoline emissions factor is 2689.11 g CO<sub>2</sub>eq/litre of gasoline, based on a published study for Europe. However, project participants can use local data if available. If imported gasoline is used in the host country, the tank-to-wheel LCA emissions factor of 2269.93 gCO<sub>2</sub>e/litre is used for that proportion of total gasoline use. The methodology is applicable to project types only when blended bio-ethanol/gasoline mix will be consumed in the host country and not exported to an Annex B country (the CDM-NMM should be changed so that AH<sub>y</sub> represents the volume of anhydrous bio-ethanol produced and used in the host country). Emissions related to transport of bio-ethanol to the place of blending bio-ethanol with gasoline are also included.

*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?*

>> Yes. The methodology indicates that the "Tool for the demonstration and assessment of additionality" is to be used to assess additionality.

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

>>

Additionality: As previously requested, the "Tool for the demonstration and assessment of additionality" (both investment and barriers analysis branch) should be expanded with assessments relevant to the project type.

Baseline scenario: Yes

Emission reductions: No – see below.

- The methodology includes an innovative proposal of involving the DNA in order to ensure that double counting of emission reductions is avoided. This assumption may need to be changed/modified following forthcoming EB guidance on potential double counting issues.
- Further information is needed on how Q was calculated. The equation for determining Q (p9 CDM-NMB) is incorrectly written. It is currently:

$$Q = [FEP - FEG * X] / [FEG - FEG * X]$$

PPs should check whether this formula is correct, as a value of X of almost 1 would result in extremely high values of Q (should the formula read  $Q = FEG / FEP$ ?). Also since not all vehicles react in the same way to ethanol blends, the methodology would need to ensure that FEP and FEG are calculated using a representative sample of vehicles. Further, if Q is volumetric fuel efficiency, its components should be

measured in terms of volume. However, the parameters given for the second option for determining Q (ECE and ECP) are measured in terms of MJ/km.

- There is an inconsistency in the level of upstream emission sources considered in the baseline and project situation. A full LCA is done for the baseline situation, whereas only some key sources are included for the project situation. This imbalance does not lead to a conservative result. It may be more appropriate to also neglect some upstream emissions for the baseline scenario. Also, given the ranges in possible well-to-tank and tank-to-wheel LCA emission factors within a region (e.g. CONCAWE 2003 indicates a value of 388 g CO<sub>2</sub>e/litre for well-to-tank emission factor in Europe), it may be more appropriate to reduce the numbers of significant figures used for suggested LCA emission factors in the methodology.
- There seems to be a confusion on units used on p10 of NMB to justify the use of the LBST study for life cycle analysis. In particular, while engine efficiency changes emissions/km it does not change emissions/litre (which varies according to fuel use).
- All information relevant to defining and calculating the baseline emissions should be included in the CDM-NMB. Currently, only the CDM-NMM indicates the relationship between LCA and Q. An equation detailing how to calculate baseline emissions should be included in CDM-NMB. Similarly, the sources/definition of all parameters should be included in the CDM-NMB (e.g. CC, the default values included in the equations to calculate CH<sub>4</sub>trash and N<sub>2</sub>Otrash, what are the sources for EF4 and EF5, etc.).

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

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

>> Yes.

*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):*

>> Yes.

*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.*

>> Yes, the methodology could result in an appropriate baseline scenario.

*Please explain:*

> >Three potential baseline scenarios are assessed, and the “Tool for the demonstration and assessment of additionality” used to determine whether or not they are likely.

### **(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):*

>> Yes, the methodology includes several generic equations.

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

>> The data used to determine the baseline are based on a life-cycle analysis, which is appropriate for this project type.

*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:*

>>

- Gasoline lifecycle emissions factor, 2002 (appropriate for the proposed project, but would need to be revised periodically, e.g. at crediting period)



- Sugar cane based bioethanol lifecycle emissions coefficient: 2004 study. Appropriate.
- CO<sub>2</sub> emission factor for transportation vehicle fuel: from revised IPCC guidelines. Appropriate.
- Vintage for other components not specified.

**(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*

>> Life-cycle emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O) associated with production and combustion of gasoline, and with production and combustion of bio-ethanol fuel and its transportation to the blend/distribution location. Emissions associated with the cultivation and growth of sugar cane are also included. (Potential emissions associated with land clearing for sugar cane production are accounted for under leakage.)

*ii) Physical delineation*

>> Life-cycle emissions.

*b) Indicate whether this project boundary is appropriate:*

>> The project boundary is appropriate. However, it should be clarified that the boundary for baseline fuel emissions is national, i.e. only emissions are counted which occur in the project-site country.

**(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:*

>>

Implicit assumptions:

- 1) Life-cycle emissions of gasoline is constant over time.
- 2) The blended bio-ethanol/gasoline mix will be consumed in the host country and not exported to an Annex B country. (the CDM-NMM should be changed so that AH<sub>y</sub> represents the volume of anhydrous bio-ethanol produced and used in the host country).
- 3) Project proponents (PPs) will know how to adjust for the amount of fertiliser that volatilises as NH<sub>3</sub> and NO<sub>x</sub>.
- 4) PPs will know how to determine cane to anhydrous bioethanol conversion factor (CC) and the sugarcane molasses to anhydrous bioethanol conversion factor (MC).

Explicit assumptions:

- 5) Bio-ethanol will not necessarily replace gasoline on a one-to-one (volume) basis (transparent, OK).
- 6) The host country DNA will be “willing and able to ensure that no fuel switch projects are approved that use the same anhydrous bio-ethanol produced by the project activity”. This assumption may need to be changed following forthcoming EB guidance on potential double counting issues.
- 7) Data for the leakage calculation is available.

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

>> The implicit assumptions are not transparent.

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

>> See a) above for 1-6. Assumption 6 presumes a relatively high level of capacity and follow-up at the host country DNA level. This assumption and/or how it is verified may need to be revised following forthcoming Board guidance on double counting issues.

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

>> Ex ante life cycle emission factors are obtained from one literature study (but compared to a second, less conservative, one). IPCC default emission factors are used for CO<sub>2</sub> emission factors for transport fuels and for default emission factors for to calculate direct and indirect N<sub>2</sub>O emissions. Manufacturers' data are used for the fuel efficiency of haulage vehicles. Project-specific data is used for transport haulage distance, volume of biofuel produced and sold for transportation, ex post LCA analyses of sugar-cane based bioethanol.

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

> > Some data gaps have been highlighted above.

f) *State possible data gaps:*

>> (Some parameters need to be further explained, as outlined above). Data gaps included:

- The source for the values 0.005 and 0.007 in the equations used to calculate CH<sub>4</sub>trash and N<sub>2</sub>Otrash should be indicated (or the values justified).
- The source/value of EF<sub>4</sub> and EF<sub>5</sub> (used in calculating indirect N<sub>2</sub>O emissions from atmospheric deposition on soils of NO<sub>x</sub> and ammonium) should be clarified.

## **(7) Assessment of uncertainties:**

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

i) *The basis for determining the baseline scenario:*

>> The documentation of the proposed methodology includes uncertainties regarding the extent to which the production of bio-ethanol will lead to reduced emissions and the level of emissions associated with the production of ethanol.

ii) *Algorithms/formulae:*

>> No

iii) *Key assumptions:*

>> No.

iv) *Data:*

>> No. The LCA has potentially a high uncertainty, which is not addressed.

b) *State whether the uncertainties presented are reasonable:*

>> The magnitude of uncertainties is not presented in the proposed baseline methodology.

## **(8) Leakage:**

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

>> The methodology first establishes if the project activity leads to land clearance and deforestation by assessing whether the project activity results in an increase in the area of sugar cane planted, and if so, whether deforestation has occurred in the host country. If yes, then it is (conservatively) assumed that the increase in sugar cane area has lead to an equivalent area deforested and that there are associated one-time emissions with this activity. The project would only receive credits when cumulative emission reductions exceed the one-off emissions.

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

>> The treatment of leakage from potential land-use effects seems appropriate. Requiring that the bio-ethanol is blended with gasoline will reduce potential leakage from using bio-ethanol for non-transportation purposes. However, the methodology should include all relevant components from the IPCC GPG (good practice guidance), rather than just referring to this document.



**(9) Transparency and “conservativeness”:**

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

>> Yes.

b) *State whether the baseline methodology is conservative:*

>> The methodology is conservative in some respects. In particular, it uses European-based lifecycle emission factors for gasoline, and IPCC default factors for transport fuels. It also includes emissions from transporting the bio-ethanol to its location of distribution.

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

>>

Strength:

- Life-cycle analysis is robust.

Weaknesses:

- As outlined or in various section above.

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

>> The proposed methodology allows for national circumstances to be taken into account.

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

>> Widely applicable across countries and regions.

**(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:*

>> Documentation associated with the previous version of the methodology, NM0082 “Khon Kaen fuel ethanol project”

b) *Indicate any further comments:*

>> No further comments.

**II. Proposed new monitoring methodology (specify title here):** >> Monitoring methodology and lifecycle assessment for the production of sugar cane based anhydrous bio-ethanol for transportation use.

*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 revised monitoring methodology has been considerably expanded. It determines ex-post life cycle analysis GHG emissions from the production of bio-ethanol at the project activity. This includes monitoring emissions associated with diesel consumption from agricultural operations, production of synthetic fertiliser, soil N<sub>2</sub>O emissions, non-CO<sub>2</sub> GHG emissions from burning of crop residues, transporting sugar cane from the field to the bio-ethanol factory, fossil fuel consumption in production of bioethanol, electricity consumption for the production of bioethanol.

**(2) Key assumptions/parameters:**

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

>> The key assumption is the use of externally-sourced lifecycle emissions data for gasoline and sugar-cane based bioethanol. Issues arising from such assumption are discussed in section I above.

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

>> See discussion in section I above.

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

>> The parameter AHy should reflect the volume of anhydrous bio-ethanol produced and used in transportation in the host country.

**(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):*

>> Distance of bio-ethanol distribution (measured), fuel efficiency (manufacturers' data), carbon emission factor (IPCC), volume of bio-ethanol used in transportation (from factory and purchaser records), relative fuel efficiency of anhydrous bio-ethanol and gasoline (derived from local studies).

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

> Further items need to be monitored (see below).

*c) State possible data gaps:*

- What proportion (if any) of ethanol is used in gasoline blends. (This will affect the emission factors). Actual (not recommended) fertiliser application.
- Actual use of animal manure nitrogen intentionally applied per hectare.
- Indicating which methodology is used to calculate electricity-related emissions, and what needs to be monitored to use this methodology.
- The fertiliser application that is monitored should be the actual and not recommended fertiliser application.

**(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:*

>> Yes in general, although there are some gaps in the tables in section B2 of CDM-NMM.

*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):*

>> Revisions are needed to both the CDM-NMB and associated CDM-NMM (as outlined above) before this methodology can be applied to the referred proposed project activity.

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

> > Yes (but both need revision).

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

>> The treatment of leakage has been expanded, as per the proposed new baseline methodology. However, no item appears to be monitored that would allow PPs to determine whether or not there is deforestation in the host country. This should be corrected.

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

>> Only measurement and monitoring quality assurances are needed, and they are adequately addressed by the proposed monitoring methodology.

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

>>

Strength:

- Simple

Weaknesses:

- As outlined above.

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

>> Applicable across all countries which use ethanol blends in transportation fuels above mandatory levels.

**(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:*

>> None.

*b) Indicate any further comments:*

>> It is not clear what “extension service” data are. It is also not clear why the recommended fertiliser application for cane farmers supplying bioethanol factory is monitored, rather than the actual fertiliser application.

It is not clear why the grid combined margin emissions factor is “factory data”, nor how exactly it should be calculated (see section on baseline above for recommendations).



Signature of Meth Panel Chair .....

Date: 24/10/2005 (Jean-Jacques Becker)



Signature of Meth Panel Vice-Chair .....

Date: 24/10/2005 (José Miguez)

**Information to be completed by the secretariat**

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