

	<p align="center"><b>CDM: Proposed New Methodology</b>  <b>Meth Panel summary recommendation to the Executive Board</b>  <b>(version 01)</b>  <i>(To be used by the Meth Panel in addition to the full recommendation to the Board regarding a proposed new methodology (F-CDM-NMmp))</i></p>
Date and number of Meth Panel meeting:	31 January – 03 February 2006
Related F-CDM-NM document ID number (electronically available to EB members)	F-CDM-NM0126: “National Fertilizers Limited (NFL) Nitrous Oxide Abatement Project”
Title of proposed new baseline methodology:	"Measurement of the abatement of Nitrous Oxide (N <sub>2</sub> O gas) from a Nitric acid plant”
Title of underlying project activity:	National Fertilizers Limited (NFL) Nitrous Oxide Abatement Project:
History of submission: (new section)	<p>First submission (Round 12; 13 July 2005)</p> <p>Clarifications received in response to preliminary recommendation at Meth Panel 18</p> <p>Final recommendation at Meth Panel 19</p>
1. One sentence describing the purpose of the methodology. (new section)	
>> This methodology is designed for projects that reduce N <sub>2</sub> O emitted as a byproduct of nitric acid production, through insertion of additional catalytic devices just after the ammonia burner (i.e. secondary destruction method).	
2. Suggested applicability of methodology (former section A.I and B.I)	
>> This methodology is applicable, though inadequate, for projects which aims to reduce N <sub>2</sub> O emitted as a byproduct of nitric acid production through secondary destruction method.	
3. Summary description of baseline methodology . Short statements on each on how the proposed methodology: (chooses the baseline scenario, demonstrates additionality, calculates baseline emissions, calculates project emissions, calculates leakage, calculates emission reductions) (former section B.I.)	
<p>&gt;&gt; The baseline methodology is as follows:</p> <ul style="list-style-type: none"> <li>• <u>Baseline scenario</u>: Simple comparison of project / no project, based on the assertion that conceivable alternatives are unrealistic</li> <li>• <u>Demonstration of additionality</u>: A modified version of the additionality tool, which consists in confirming and providing evidence to support each of the following four conditions: <ul style="list-style-type: none"> <li>○ Condition 1: At the starting date of the project activity the nitric acid plant complies with national regulations on N<sub>2</sub>O emissions.</li> <li>○ Condition 2: The project activity is not a common practice at nitric acid plants in the region.</li> <li>○ Condition 3: The project activity would not be commercially viable, even if market value of potential by-product of the N<sub>2</sub>O destruction technology is taken into account, without the revenues from the sales of the CERs.</li> <li>○ Condition 4: The financial benefits of the revenues obtained by selling CERs from the project activity will lead to the implementation of the project activity.</li> </ul> </li> </ul>	

<ul style="list-style-type: none"> <li>○ <u>Calculation of baseline emissions</u>: Baseline emissions are calculated from measurement, over a eight week period prior to the installation of the catalyst, of the stack gas volume flow rate, the N<sub>2</sub>O concentration of the stack gas, and the nitric acid production. If legal regulations on N<sub>2</sub>O emissions are introduced or altered during the crediting period, the baseline emissions will be adjusted from the time the legislation is to be implemented.</li> <li>• <u>Calculation of project emissions</u>: Project emissions include the non destroyed N<sub>2</sub>O at the outlet, calculated as a product of volume flow rate times N<sub>2</sub>O concentration at the stack.</li> <li>• <u>Calculation of leakage</u>: Leakage are assumed not to occur, since the secondary catalyst (project activity) is not expected to result in any measurable increase in utility usage in the plant.</li> <li>• <u>Calculation of emission reductions</u>: Calculated by subtracting project activity and leakage emissions from baseline emissions.</li> </ul>
4. Suggested “recommendation level” for the baseline and monitoring methodologies (A, B or C). (former section A.I and A.II.)
>> C. Not to be approved.
5. Major reasons for B/C choice from the proposed baseline methodology: (outline the major reasons for needing revision/rejection) (former section A.I.)
>> A fundamental flaw in this methodology, pointed out in the preliminary recommendation, is not addressed. The baseline emissions, calculated from parameters measured ex-ante, is fixed in absolute terms, which could result in a situation where maximum CER is claimed when the facility ceases to operate, which could be due to market conditions or accident, etc. Measurement period is increased to eight weeks rather than four, though it is stated to be conservativeness, no justification or explanation of the same is provided.
6. Any major issues arising from the assessment of the proposed monitoring methodology (if different to those already raised above). (former section A.II.)
>> Addressed above.
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).
>> None.



Signature of Meth Panel Chair .....

Date: 13/02/2006

*(Jean-Jacques Becker)*


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

Date: 13/02/2006

*(José Miguez)***Information to be completed by the secretariat**

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