	<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:	06 - 09 June 2006 / Meth Panel 21
Related F-CDM-NM document ID number (electronically available to the Board members)	F-CDM-NM-0118-rev: “The model project for renovation to increase the efficient use of energy in brewery”
Title of proposed new baseline methodology:	“Introduction of integrated demand-side energy saving system for existing beer brewing system”
Title of underlying project activity:	The model project for renovation to increase the efficient use of energy in brewery
History of submission: (new section)	<p>First submission (Round 11; 01 June 2005)</p> <p>Clarifications received in response to preliminary recommendation at Meth 17</p> <p>Final recommendation at Meth 18 (“B”)</p> <p>Second submission (Round 14; 11 January 2005)</p> <p>Final recommendation at Meth Panel 21</p>
1. One sentence describing the purpose of the methodology. (new section)	
>> This methodology is designed for project activities in the brewery sector that install integrated retrofit high energy efficiency applications in the beer brewery production process.	
2. Suggested applicability of methodology (former section A.I and B.I)	
>> The methodology is suggested to be applicable to a project activity if;	<ul style="list-style-type: none"> <li>• The project does not involve the construction of a new/additional beer production facility;</li> <li>• The project does not set its crediting period beyond the lifetime of existing utility system;</li> <li>• The project does not export electricity or heat to the outside of the beer factory;</li> <li>• The project does not emit effluent water under an anaerobic condition in the open air;</li> <li>• The project participants shall use a theoretical model to have an energy audit for the beer brewery factory energy utility system.</li> </ul>
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.)	
>> The methodology consists of three steps:	<ul style="list-style-type: none"> <li>• Step 1: Check applicability conditions of the methodology to the project activity;</li> <li>• Step 2: Determination of the most likely baseline scenario, using partly the procedure proposed in the draft consolidated methodology for coal mine methane recovery;</li> <li>• Step 3: Calculation of baseline and project emissions based on an energy audit model.</li> </ul>



**Baseline Scenario.** The methodology identifies the most likely baseline scenario with a thorough procedure that is based on the procedure in the consolidated methodology for coal mine methane recovery.

**Additionality.** is determined using the consolidated “Tool for the demonstration and assessment of additionality”

**Baseline emissions.** comprise CO<sub>2</sub> emissions from fossil fuel combustion for heat and electricity generation (on-site and/or grid) for the production of beer in the absence of the project activity. Baseline emissions due to electricity and heat consumption are the sum of annual production measured ex-post of all specific categories of beer produced, multiplied by an adjustment factor, multiplied by the sum of the product of the specific energy intensity and the CO<sub>2</sub> emission factor for each specific type of energy consumed (electricity, diesel, coal, etc). T&D losses are accounted for. The adjustment factor for each specific category of beer is based on a “Pilsner-equivalence concept”. The specific electricity and heat intensity of beer production is established through an energy audit model, which is not clearly described in the methodology.

**Project emissions.** are estimated as the amount of annual beer production, multiplied by the specific energy intensity of beer production, multiplied by the CO<sub>2</sub> emission factor of the fuel/electricity taking, into account T&D losses for the emission factor of external electricity. The specific energy intensity is estimated based on a theoretical energy model, which is not clearly described in the methodology.

**Leakage.** No leakage is included.

**Emission reductions** are estimated as the baseline emissions minus the project emissions minus leakage.

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.)

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- **Emission reduction estimation using a “theoretical energy audit model”.** In the previous recommendation by the Board, it was pointed out that the methodology heavily builds on the application of a theoretical energy audit model. Key parameters for the calculation of emission reductions are determined with this model. However, although mentioned in the last the Board recommendation, still there is no sufficient description or requirements provided for this model. It is not clear how the specific energy consumptions in the baseline and project scenario will be estimated and which element processes / production units will be included in the calculations. The theoretical values calculated with a model could substantially deviate from the actual values in the project and the baseline scenario, depending on the quality and type of model used. This model is the core of the emissions reduction estimation of the method and with its current insufficient description in the methodology the calculation of emission reductions is not transparent and can not be reproduced in an objective manner. This is the major reason for the rejection of the methodology.
- **Identification of the baseline scenario.** The Board in its last recommendations pointed out that the procedure to identify the most plausible baseline scenario candidates is not appropriate, since it allows to establish scenarios that involve different production levels of beer. Baseline scenario candidates for this type of energy efficiency improvements are only comparable if they refer to the same amount of output (beer production) as in the project scenario. However, this issue was not modified in the current submission and is still a problem.
- **Applicability conditions.** It was noted by the Board in its last recommendation that an applicability condition should be added to limit the use of methodology to situations where the existing capacity of the energy utility system is not expanded. Alternatively, a methodological proposal should be provided to account for cases where the energy intensity decreases as a result of increased beer production requiring an expansion of capacity of existing utility system. This issue is still not accounted for in the current



submission.	
6. Any major issues arising from the assessment of the proposed monitoring methodology (if different to those already raised above). (former section A.II.)	
>> None.	
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).	
>>No further comments..	
	
Signature of Meth Panel Chair .....	
Date: 21/06/2006	(Rajesh Kumar Sethi
	
Signature of Meth Panel Vice-Chair .....	
Date: 21/06/2006	(Jean-Jacques Becker
<b>Information to be completed by the secretariat</b>	
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