

Additional clarifications from Stakeholder submitted 15 Apr 2011

Justification to replacing “three years historical data” to “most recent year” data

The category under AMS III.Q also allows to apply the methodology for the project activities which are implemented as new facility with the existing industrial facility having less than three years of age also. But due to this paragraph the DOE insist for three years historical data, in absence of which they say that the methodology is not applicable. Also in view of this the condition stipulated in page no.4 last para to proportion the electricity that would have been sourced from i^{th} source to the j^{th} recipient based on three most recent years historical data is not possible; because of the age of the industrial facility being less than three years. In the requested revision we have also proposed to apply this requirement only when identified baseline sources are more than “one”, during the course of validation normally the DOEs insist to select the most conservative baseline source thus if a conservative baseline source has already been selected while developing the PDD then the i^{th} source becomes one only. Hence even if the j^{th} recipient is drawing power from more than one sources then the need to proportion the electricity does not arise. It is also to submit that the methodology para 6 (b) allows to export the surplus power to the grid. Hence the quantity of the power i.e. exported to the grid should preferably be applied the grid emission factor. Hence keeping the proportion of j^{th} **recipient** also becomes difficult, based on the three years historical data. In view of this for simplification of PDD development and also for simplified monitoring procedure this revision is requested, to either delete this provision or allow it to be applied based on the most recent years data even if it is less than three years.

As regards the providing the PDD for the sake of clarity of applying the above request for revision it is submitted that there is not going to be any revision in

section B.1., B.2, B.3, and B5 . The revision will affect discussion only in section B.4 and B.6 which is explained as below:

B.4 description of baseline and its development

As per para 9 of methodology the baseline is existing source of power which is going to be affected by the project activity. The proportion of different sources is required to be established based on three years historical data. The project activity is established in an industrial facility having coal based captive power plant as well as parallel grid connectivity and is having only one year age hence the historical data only for one year is available thus proportioning of power based on three most recent years for i^{th} source by j^{th} recipient is not possible. Therefore, also as well as due to conservative approach grid has been selected as baseline. Although as per methodology both the sources can be identified as baseline sources, but in absence of most recent three years data as well as for conservative approach the grid is selected as baseline therefore, i^{th} source remains one. However for the sake of establishment of additionality the coal based CPP is considered as one of the baseline alternatives and additionality is demonstrated as per this also.

Since the baseline has been determined as per most conservative approach and therefore the grid has been found as baseline even though existing coal based CPP has been found to be economically most attractive but due to non availability of three years data the DOE's feel that the methodology will not apply. Even though all the applicability criteria are fulfilled as required from Para 1 to 6.

In view of this proportioning of electricity which would have been sourced from different sources is not required (applicable) for computation of baseline emission.

In view of this the request has been submitted to revise the methodology.

We would like to submit for example that even in the following situations the methodology is applicable:-

- A] A 100 TPD Sponge Iron plant started commercial production on 1st January 2009 and decided to setup 2.5 MW WHRB power plant on 15th March 2009 along with a 5MW Coal based CPP. The WHRB & AFBC power plant started production by April 2010. In this situation the data for three years is not available but methodology is applicable.

Also in this situation the PP is exporting 50% of the power to the grid and also importing 50% from the grid and using the remaining power as captive. Hence the jth recipient is also the industrial facility and the grid also, its source is only grid.

But as per methodology the grid is selected as baseline being the existing baseline as source of Power.

In **pre project activity scenario** the ith source is only grid, and jth recipient is only industrial facility. In **post project scenario** ith source is grid as well as Coal based AFBC and jth recipient is grid as well as industrial facility.

- B] A 100 TPD sponge iron plant with 10 MW Coal based AFBC; started commercial production of sponge iron and Coal based CPP both on 1st January 2009, with provision of 2.5 MW power export to Grid. The PP decided to set up the 2.5 MW WHRB on 15th March 2009. The WHRB power plant started production by April 2010. In this situation also methodology is applicable, the coal based CPP is in fact applicable as baseline scenario, however “Grid” is selected as baseline being conservative emission factor, but three most recent year data for ith source and jth recipient is not available.

In pre project activity scenario the ith source is grid as well as Coal based AFBC, and jth recipient is industrial facility as well as grid. In post project

scenario i^{th} source is grid as well as Coal based AFBC and j^{th} recipient is grid as well as industrial facility.

But here again last three years data is not available and here also grid is selected as baseline as a conservative approach. Thus need to proportion does not arise.

- C] A decision to install 100 TPD X 2 Nos. of sponge iron plant is taken and out of which 100 TPD sponge iron Kiln is started commercial production on 1st January 2009, thereafter on 15th March 2009 PP had decided to go for 5 MW WHRB power plant, and 5 MW Coal based AFBC along with the second 100 TPD DRI Kiln. On April 2010 the Second DRI Kiln as well as WHRB and AFBC started commercial production together. In this situation also “grid” is selected as baseline being existing source of power. The waste heat emission to atmosphere is proven as per methodology through 1 year historical data for sponge iron kiln. Last three data are not available in this situation also. The i^{th} source in pre project activity scenario is only grid, and j^{th} recipient is only industrial facility. In post project scenario i^{th} source is grid as well as Coal based AFBC and j^{th} recipient is grid as well as industrial facility.

Since in all the above three situation grid is selected as baseline for the purpose of calculation of emission reduction, therefore, the applicability of proportioning based on the source of power as well as based on the recipient of power does not seem to help the situation in any way. The purpose of small scale methodology has been to simplify the baseline scenario assessment as well as to simplify the additionality of the project activity.

In view of the paragraph requiring proportioning of baseline emission in proportion to the source as well as recipient based on the three years data creates enormous confusion in the mind of DOE and the projects are held up for lack of clarity in this issue.

Hence the purpose of our request to revise the methodology is to achieve the following objective:

1. In case grid is selected as baseline either as a conservative approach or as the existing source of power then the proportioning of baseline emission based on the i^{th} source to the j^{th} recipient is not required and even last three years data is not required if the applicability criteria as mentioned in para-1 to 6 are fulfilled then the application of methodology is satisfied.
2. $EG_{i,j,y}$ is gross electricity generation by the CPP, within which the project activity is generating power.
3. Auxiliary power consumption is treated as project emission and the proportion of project emission due to the project activity is arrived by using the factor f_{WCM} .

Since the above request for revision is not project specific but is related to a number of Projects hence it is difficult to provide the Section B of the PDD to provide as an example. We hope the above discussion will clarify to the SSC_WG to understand the need for the revision.

We express our sincere thanks to the CDM_EB and SSC_WG for immediately taking up our request to revised the methodology.