



**CDM: Proposed New Methodology**  
**Meth Panel summary recommendation to the Executive Board**  
**(version 01)**

*(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>Date and number of Meth Panel meeting:</i>	17 - 19 October 2005
<i>Related F-CDM-NM document ID number (electronically available to EB members)</i>	F-CDM-NM0128: “Modal shifting in industry for transport of product/feedstocks”
<i>Title of proposed new baseline methodology:</i>	Baseline methodology for modal shifting in industry for product/feedstocks
<i>Title of underlying project activity:</i>	Modal shifting in industry for transport of product/feedstocks
<i>History of submission: (new section)</i>	First submission (Round 12, 05 October 2005) Final recommendation at Meth Panel 18.
1. One sentence describing the purpose of the methodology. (new section)	
>> The methodology is designed for projects that use a more efficient transportation mode to bring an individual feedstock or product to a plant.	
2. Suggested applicability of methodology (former section A.I and B.I)	
>> Emission reduction in the transport sector.	
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 is an evaluation of CO <sub>2</sub> emission reduction due to the transport modal shift. It includes the following steps:	
<ul style="list-style-type: none"> <li>• Procedure to determine the baseline scenario – an assumption of continuing business as usual mode and associated quantity of goods transported and transportation efficiency is made but these are not justified. No procedure/methodology to assess the baseline scenario is outlined;</li> <li>• Additionality is assessed by using the Executive Board approved “Tool for the demonstration and assessment of additionality”;</li> <li>• Given the (inappropriate) assumptions in 1. above, calculating baseline and project emissions is relatively straightforward. However, there are errors in calculating CH<sub>4</sub> and N<sub>2</sub>O from fuel combustion;</li> <li>• No leakage is assumed.</li> </ul>	
The methodology does not include a link between the amount of feedstock/raw material transported and the amount of product produced by the project-site plant. This is problematic, as it could allow projects to generate credits by reducing plant output, rather than increasing the efficiency of raw material/feedstock transport to the project.	

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.)
>> The proposed methodology is clearly presented and laid out. However, it has some significant gaps, outlined below.
<ul style="list-style-type: none"> <li>• <b>Baseline scenario:</b> No procedure to determine the baseline scenario is given. Rather, the methodology assumes that the baseline scenario is the continuation of the current transport mode (and implicitly assumes that efficiency and load factors remain identical during the project lifetime). A change in possible transport mode, efficiency, and load factor should also be considered;</li> <li>• <b>Erroneous/not justified assumptions:</b> The methodology assumes that all emission reductions are due to modal changes in transport for feedstocks/raw materials. However, transport-related emission reductions could also occur if there were process changes in the plant requiring feedstocks/raw materials, or if this plant reduced its output (or changed its mix of outputs). Neither of these factors is accounted for in the proposed methodology, but should be. This may require major changes in the methodology, and introduction of new equations indicating how transport emissions can be linked to plant outputs;</li> <li>• <b>Vintage of data used to determine the baseline:</b> The methodology uses one year’s data as sufficient for determining the baseline. This should be extended to three;</li> <li>• <b>Errors in formulae:</b> The J/Cal conversion factor is not needed in formula using heating values expressed in SI units.</li> </ul>
6. Any major issues arising from the assessment of the proposed monitoring methodology (if different to those already raised above). (former section A.II.)
>> It is assumed that any project proponent has a “quality and environmental management system that assures all necessary records are kept and procedures established for all data, including procedures for monitoring, measuring and calibrating equipment used to conduct these activities”. However, no information is given on what this system is or how it should be verified.
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 identified.



Signature of Meth Panel Chair .....

Date: 24/10/05 (Jean-Jacques Becker)



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

Date: 24/10/05 (José Miguez)

**Information to be completed by the secretariat**

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