

	<p align="center">CDM: Proposed New Methodology Meth Panel summary recommendation to the Executive Board (version 01) <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>
<i>Date and number of Meth Panel meeting:</i>	<p>6 – 9 September 2005 Meth Panel 17</p>
<i>Related F-CDM-NM document ID number (electronically available to EB members)</i>	<p>F-CDM-NM0108: “Biodiesel production and switching fossil fuels from petro-diesel to biodiesel in transport sector - 30 TPD Biodiesel CDM Project in Andhra Pradesh, India”</p>
<i>Title of proposed new baseline methodology:</i>	<p>Baseline methodology for biodiesel production and switching fossil fuels from petro-diesel to biodiesel in transport sector</p>
<i>Title of underlying project activity:</i>	<p>Biodiesel production and switching fossil fuels from petro-diesel to biodiesel in transport sector - 30 TPD Biodiesel CDM Project in Andhra Pradesh, India</p>
<i>History of submission: (new section)</i>	<p>First submission (Round 10, 19 April 2005) Clarification received as response to preliminary recommendation at Meth Panel 16 Final recommendation at Meth Panel 17</p>
1. One sentence describing the purpose of the methodology. <i>(new section)</i>	
>> The methodology calculates emission reductions from the substitution of petro-diesel in road transportation by biodiesel, accounting for fossil fuels and electricity required at the biodiesel production plant and differences in motor efficiency between biodiesel and petro-diesel use but not accounting for a number of important upstream emissions associated with the project activity (potential decreases of carbon pools, use of fossilized carbon from methanol, use of N-fertilizers).	
2. Suggested applicability of methodology <i>(former section A.I and B.I)</i>	
>> The applicability conditions will depend on how the methodology is further elaborated (e.g. whether the use of N-fertilizers is excluded, etc). The following indicative applicability conditions may apply: <ul style="list-style-type: none"> • Project activities that generate biodiesel, which is used for road transportation. • Where the project activity is the first CDM project activity that produces biodiesel in the host countries (other CDM project activities that produce biodiesel would need to use a different methodology). • The project activity uses only renewable biomass sources for the generation of biodiesel. • The host country has no regulation in place which requires the use of biodiesel 	
3. Summary description of baseline methodology . Short statements on each on how the proposed methodology: <i>(chooses the baseline scenario, demonstrates additionality, calculates baseline emissions, calculates project emissions, calculates leakage, calculates emission reductions)</i> <i>(former section B.I.)</i>	
>> The methodology is developed for fuel-switch activities that partially or fully substitute biodiesel by fossil fuels in road transportation. The baseline scenario is the use of one type of fossil fuel instead of biodiesel. This	

“baseline fuel type” is the fuel that involves the lowest discounted costs for the vehicle owners, based on current fuel prices. Additionality is assessed using the “Tool for the demonstration and assessment of additionality”. Baseline emissions include CO₂, N₂O and CH₄ and are calculated based on the quantity of actual biodiesel sold, taking into account the difference in motor efficiencies for biodiesel and the “baseline fuel”. Project emissions include CO₂ emissions from electricity and fossil fuel consumption used for biodiesel production (it is not defined precisely what comprises production), CO₂, N₂O and CH₄ emissions from transportation of raw vegetable oils to the project plant and transportation of biodiesel to filling stations, CO₂ emissions from clearance of vegetation (fossil fuels and decreases of biomass stocks). Leakage emissions comprise CO₂ emissions from harvesting of the plantations (not very clearly described) and fugitive methane emissions during the production of methanol which is used as feedstock.

4. Suggested “recommendation level” for the baseline and monitoring methodologies (A, B or C).
(former section A.I and A.II.)

>> B. To be reconsidered.

5. Major reasons for B/C choice from the proposed baseline methodology: (outline the major reasons for needing revision/rejection)

(former section A.I.)

>>

- Lack of appropriate methodological approaches to account decreases of carbon pools.
A consistent methodological approach to reflect decreases of carbon pools as a result of the project activity is lacking. Firstly, as also outlined in the review of NM0069, the approach to consider CO₂ emissions from land clearance is methodologically not sufficient. Secondly, the methodology should assess whether the project activity involves any significant decreases of carbon pools on land areas outside the project boundary, e.g. due to deforestation as a result of land pressure due to the project activity. These emissions should be either accounted (see guidance by EB20) or it should be ensured that they do not occur.
- Important emission sources are neglected.
Important emission sources in the biodiesel production process are neglected. This refers in particular to emissions from the use of N-fertilizer for the cultivation of soils, which is regarded by most Life Cycle Assessments as the most important emission source. Potential anaerobic treatment of co- or by-products during biodiesel generation is not taken into account. Furthermore, - although not yet noted in the preliminary recommendation - the fraction of fossilized carbon in biodiesel due to the reaction with the methanol in the esterification process should be taken into account. Conversely, the Meth Panel also notes that a number a minor emission sources are considered, which could potentially be neglected in order to reduce transaction costs.
- Identification of the baseline scenario.
- While the generic approach to identify the baseline scenario (economically most attractive course of action) appears appropriate, the procedures still needs revision and further elaboration. It is not sufficiently clear how the economically most attractive option is determined.

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).

>> None.



Signature of Meth Panel Chair

Date: 14/09/2005

(Jean-Jacques Becker)


Signature of Meth Panel Vice-Chair

Date: 14/09/2005

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

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