	CDM: Response form for Request for revision of approved methodologies (version 01.1)
Date of Meth Panel meeting:	19 - 23 January 2009
Title and number of Request for revision	Revision to extend the application of ACM0002 and corresponding calculation of baseline emissions AM_REV_0129
Summary of the query: Please use the space below to summarize the request for revision on the related approved methodologies.	
<p>The consolidated methodology ACM0002, “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”, is applicable to grid-connected renewable power generation project activities that involve electricity capacity additions.</p> <p>The present Request for Revision of this methodology intends:</p> <p>(1) To change the following applicability condition,</p> <p style="padding-left: 40px;"><i>“5 years of historical data (or 3 years in the case of non hydro project activities) have to be available for those project activities where modification/retrofit measures are implemented in an existing power plant”,</i></p> <p style="padding-left: 40px;">by,</p> <p style="padding-left: 40px;"><i>“Project activities where modification/retrofit/expansion measures are implemented in an existing power plant”.</i></p> <p>This is to adjust the methodology to the particular project activity of the project proponents. In their case, 5 years data is not available for a capacity expansion project of a recently commissioned hydropower plant. Only 3 years data is available.</p> <p>(2) To modify the calculation of $EG_{historical}$ as currently presented in the Baseline Emissions section of the methodology. The proposal is to allow two different alternative methods for calculating $EG_{historical}$, from equation (9) of ACM0002, when the project activity is the installation of additional power units at an existing grid-connected renewable power plant. Method-1 is the one already included in the current version of the methodology (i.e. using a minimum of 5 years historical data of the existing power plant), and Method-2 is for cases when 5 years data is not available. The latter method proposed calculates $EG_{historical}$ as the maximum value between $EG_{actual,y}$ and $EG_{estimated,y}$.</p> $EG_{historical} = MAX (EG_{actual,y}, EG_{estimated,y})$ <p>Where:</p> <p>$EG_{actual,y}$: the actual, measured electricity delivered to the grid by the existing facility in year y; $EG_{estimated,y}$: the electricity delivered to the grid by the existing facility that would have been estimated based on manufacturer’s data or by independent qualified/certified external process experts.</p>	

The project activity, related to this request for revision, is the expansion of an existing hydropower plant with an installed capacity of 30 MW. The expansion project, seeking CDM status, is an additional unit with an installed capacity of 15 MW. The first phase project (i.e. 30 MW unit) was commissioned in December 2004, and project proponents will have only 3 years of historical data for the existing plant by December 2008.

Furthermore, project proponents mention that this request for revision is a response to a suggestion of the Meth Panel: *“During the validation, the project proponents previously submitted a request for deviation on “Considering insufficient historical data, different treatment on historical EG of existing renewable power generation facility for modified/retrofit facility under ACM0002”, but subsequently the Meth Panel suggested that the project proponents submit a request for revision of the approved methodology to include such procedures. This submission was prepared in response to that suggestion.”*

Recommendation by the Meth Panel:

(a) Please use the space below to provide amendments /changes (in your expert view, if necessary).

Not applicable.

(b) Please use the space below for providing guidance, as per Para 93 of EB25 Report, on what type of projects need to revise the PDD as a consequence of the suggested revision, if the recommendation is to revise the methodology.

Not applicable.

Answer to authors of the request for revision by the Meth Panel :

Please use the space below to provide an answer to the authors of the above query

The recommendation is not to approve this request for revision.

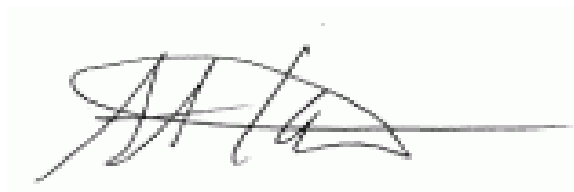
The proposed method-2, when 5 years of historical data is not available, does not ensure a conservative determination of $EG_{\text{historical}}$ and leaves room for gaming. Firstly, it would be quite troublesome for the DOE to verify the objectivity and transparency of a feasibility or technical report from *“independent qualified/certified external process experts”*. Concerning manufacturers’ data, equipment manufacturers can provide data related to the nominal power output of the turbines, but not related to the annual energy yield of the hydropower plant. Concerning the feasibility study, the actual power generation of the existing plant may in some cases differ significantly from the feasibility study; the use of this data alone may not be suitable to determine $EG_{\text{estimated},y}$.

The revision request is also not fully clear about the definition of $EG_{\text{actual},y}$. The text explaining method-2 suggests that $EG_{\text{actual},y}$ is the average *historical* annual electricity generation from the start of operation of the existing unit until the start of operation of the expansion project, where as the description of $EG_{\text{actual},y}$ after the equation suggests that it refers to the *actual* quantity of electricity supplied by the existing plant in year y of the crediting period.

In order to ensure conservativeness in case of limited availability of historical generation data it may be necessary to use historical generation data in a more conservative manner than the average value (e.g. using higher values among a certain historical period), and making conservative assumptions on the maximal possible power generation of the existing plant (e.g. using a certain default minimum load factor derived in an objective and transparent manner). If historical data over a short time is used, it would also need to be ensured that the operation of the plant is not operated prior to the implementation of the project with the view of increasing the eligible CERs.

Besides, in case of retrofit or expansion projects that are undertaken only a short time after the construction of the plant, the methodology should provide further guidance that ensures that the capacity expansion was not already planned and decided at the construction of the plant. In the case of hydropower plants, due to the usual long time required for planning, construction, and commissioning of a hydroelectric plant (i.e. years), it is not common that expansion projects are undertaken after few years of starting operation, unless that this expansion was already planned in the first phase. For example, if the project developers already decided to invest in the

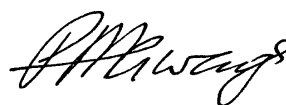
required civil work for the expansion (e.g. modifications to the dam and penstock, available room for a new turbine), during the first phase of the project and spent thereby a significant amount of the overall investment, then it could be argued that the investment decision was already taken in the first phase.



Signature of Meth Panel Chair

Date: 23/01/2009

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair

Date: 23/01/2009

(Philip Gwage)

Information to be completed by the secretariat

F-CDM-AM	AM_REV_0129
Name of the authors of the query:	TUEV NORD
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