



## CDM: Response form for Request for revision of approved methodologies (version 01.1)

<i>Date of Meth Panel meeting:</i>	23 - 27 June 2008
<i>Title and number of Request for revision</i>	Revision to recognise a baseline scenario that is a counterfactual anaerobic treatment system that generates methane without destruction by flaring or energy production  AM_REV_0098

### Summary of the query:

Please use the space below to summarize the request for revision on the related approved methodologies.

This request of revision for ACM0010 “Consolidated baseline methodology for GHG emission reductions from manure management systems” follows the request for clarification AM\_CLA\_0052 (Meth Panel 29) and request for revision AM\_REV\_0082 (Meth Panel 32), which were related to a situation where an existing anaerobic treatment system, that would be the baseline, is not functioning. Further the information presented in the CDM-PDD submitted with AM\_REV\_0082 seemed to present a centralized treatment plants that collects manure from individual farms and transports it to the centralized plant. As this was a similar case to NM0239, the Meth Panel requested to take into account issues raised in the Meth Panel’s recommendation for NM0239 before resubmitting a new request of revision.

In this new request for revision the project proponents have provided clarification which is produced below in their own text:

“1. Centralised Treatment Plant. It is correct that the manure will be treated at series of modular centralised plants. The situation at Landhi is unusual in that there is a high concentration of very small farms in this dedicated cattle colony, 400,000 animals on 2,000 farms on 750 acres of land. We have carefully examined NM0239 as suggested, but find unfortunately that the Landhi case fails to meet the conditions of applicability for this methodology. Due to the small size of the plots, there is no scope for manure storage of any kind at Landhi. The raw wet dung will not be mixed with water or transported by tanker. Instead the project will collect the fresh solid dung twice daily and transport it the very short distance to the digesters in the colony. Thus the timing of collection and delivery is as though the dung were produced on one large farm with a digestion facility in its boundaries. The farms are of such small scale that it is impractical for the individual farmers to store or produce manure, usable gas or electricity. Most farms are not residential family dwellings, but rather are inhabited only by the shed hands, who sleep but do not cook on the premises. There is thus neither household demand for gas, nor a viable market for the small quantities of energy an individual farm could produce, though collectively, there is good potential for fertiliser production and generation. Due to these unusual factors, we believe that the project outcomes will be as envisaged in ACM0010 and IPCC parameters may apply. We would address the issue by careful metering of input weight of the manure and the gas output at the treatment plants to verify the MCF.”

“2. Investment/operating costs. We have re-checked the investment costs in the PDD with a The figures full costs of the digester, with no gas collection, scrubbing or flaring are included in the baseline costs outlined in Supplier who confirms their continued validity, due to a prudent provision in the original quote for the expected increase in the price of steel. The costings are included in the baseline and project cost comparisons in the Tables in Section B of the PDD. Due to the high costs of land in the area, a digester package comes cheaper than a lagoon system. There is no cross-subsidy between the baseline digester cost and the cost of equipment for the full project. At time of writing, the forecast revenue also has not changed. There has been

no determination of a different tariff for renewable electricity from waste. The organic fertilizer market is still not commercially mature, and farm costs have risen due to the impact of imports. We therefore do not expect better prices for fertiliser. The revenue assumptions described under Step Three, Investment Analysis, p.19 of the PDD are thus still as good an estimate as we are able to make at this time. We shall try to insulate the project against the decline in value of the Pakistan Rupee by vigorously seeking local investment. Due to the political situation, there has been no upward movement in wages since the financial analysis was performed. Wages were calculated on a generous basis, and are still towards the top of the market. A fifteen-year supply agreement for the “fuel” has been signed by the farmer organisation, giving predictability to the most important operating cost. As almost all the other operating costs will be incurred on local products in local currency, these have not greatly escalated in price.”

“For the reasons above, i.e. that the project case matches the conditions envisaged in ACM0010 but does not meet the criteria for NM0239, and the IPCC parameters may apply ...”

#### **Recommendation by the Meth Panel:**

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

The Meth Panel recommends **not to accept this request for revision**. Although this new submission explains that the manure will not be stored and that transportation to the centralized plant is very short, no procedures or applicability conditions are presented in the revised methodology to take into account this new situation. Baseline scenario selection procedures should be provided for both the farm owners and the centralized treatment facility owners. All farms, where the manure is sourced from, should be included in the project boundary and monitoring should be done for all farms. Moreover, procedures should be provided in the methodology to specify the exact conditions where the transportation of manure does not result in CH<sub>4</sub> emissions. Furthermore, procedures to avoid double counting of emission reductions should be provided in the methodology.

Further, the first two sentences of point 2 above are not complete, giving very unclear meaning of what they want to state. The data provided by the Project Proponents related to the additionality assessment does not address the clarification by the Meth Panel in its last recommendation. Specifically, the Meth Panel inquired whether or not the full cost of the biodigester has been included in the analysis and that project proponents specify clearly in the methodology the components that should be included in the investment analysis. The information provided by the Project Proponents does not address these requests.

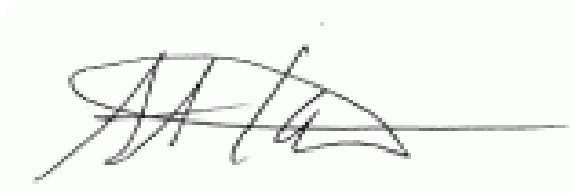
(b) Please use the space below for providing guidance, as per Para 93 of EB25 Report, on what type of projects need to revise the PDD as a consequence of the suggested revision, if the recommendation is to revise the methodology.

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

See recommendation above.



Signature of Meth Panel Chair .....

Date: 27/06/2008

(Akihiro Kuroki)



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

Date: 27/06/2008

(Philip Gwage)

**Information to be completed by the secretariat**

F-CDM-AM	AM_REV_0098
Name of the authors of the query:	TUEV-SUED
Date when the form was received at UNFCCC secretariat	27 June 2008
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