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

Date of Meth Panel meeting:	3 - 7 November 2008
Title and number of Request for revision	Expansion of applicability conditions to ACM0006 to include a new scenario AM_REV_0112

Summary of the query:

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

ACM0006 "Consolidated methodology for electricity generation from biomass residues" is applicable to electricity generation project activities (cogeneration or not) using biomass residues, including greenfield power plants, power capacity expansion projects, energy efficiency improvement projects and fuel switch projects. The methodology is currently applicable to 20 different scenarios.

The request for revision seeks to include a new scenario (scenario 21) to expand the applicability of the methodology to project activities that install a new biomass residues fired cogeneration plant at a site where, prior to the implementation of the project activity, an existing cogeneration plant has been operated with a fuel mix composed by biomass residues and fossil fuels. The biomass residues used in the new cogeneration plant are the same that would be used in the existing plant. The request claims that the project activity results in the displacement of fossil fuels, which have historically been used in the existing cogeneration plant, and grid electricity through an increase of the electricity generation by the project activity.

The underlying project activity is the installation of a new cogeneration plant using sugarcane bagasse as fuel at a sugar mill where an existing cogeneration plant using sugarcane bagasse and coal is operating. After the implementation of the project activity, the existing plant is used as back-up for emergencies only. The new cogeneration plant will operate using only the same residual bagasse used in the existing plant.

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 the request for revision. The underlying project activity is reasonable, however the proposed revision of ACM0006 presents the following issues which have to be addressed.

Description of the project activity

The description of the project activity in the new scenario 21 states that the project activity involves the replacement of an existing power plant. However, the same description also states that the existing power plant may continue to operate next to the new power plant, for instance as back-up plant. Those two statements are contradictory and this contradiction has implications on the calculation of emissions reductions. The request should clearly explain whether the proposed project activity replaces the existing plant and this plant doesn't operate any longer, or whether the project is installed next to the existing plant and the existing plant may continue to operate. Please, note the fact that the existing plant may continue to operate as back-up also characterizes a situation in which the project activity is not replacing the existing plant.

Calculation of emissions reductions due to production of electricity

The proposal assumes that any electricity produced in the project power plant ($EG_{project\ plant,y}$) above average historical levels of electricity production ($EG_{historic,3yr}/3$) would have been produced, in the baseline scenario, by the grid. However, since the existing power plant is not replaced by the project activity and can continue to operate, as described in the new scenario 21, the level of generation in the project power plant alone doesn't reflect the total production of electricity at the project site. As a result, emissions reductions due to the production of electricity are inadequately calculated. A more adequate approach to deal with such situations is implemented in ACM0011, where any generation above average historical levels is treated conservatively by using the minimum between the existing power plant emission factor and the grid emission factor. Another approach which could be accepted is implemented in equation (9) of ACM0006.

Calculation of baseline emissions due to production of heat

The calculations of emissions reductions due to the production of heat is also inadequate because the amount $Q_{project\ plant,y}$ does not reflect the total production of heat in the project scenario and should be revised.

General approach of ACM0006 versus the request for revision

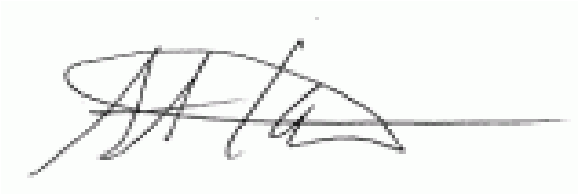
The general approach of ACM0006 is to allocate all emissions reductions to electricity production.

ACM0006 only includes emissions reductions from heat production when the baseline for heat is heat-only boilers (scenarios 2, 10, 16, 17 and 20) as in those cases the efficiency of the boiler is easier to be identified. In other scenarios, emissions reductions due to heat production are not applicable or conservatively disregarded (scenarios 1, 3, 7, 8 and 15), or they are accounted only when there is an increase in emissions (scenarios 4, 11, 12, 13, 14, 18 and 19). The panel advises that the request for revision follows this same general approach.

For instance, note that the case of the proposed revision is similar to scenario 7 of ACM0006 and could use some of the ideas implemented therein. The fundamental difference from this request and scenario 7 is that in the latter the existing cogeneration plant runs only on fossil fuels, whereas in the former a mix of fossil fuels and biomass is used. This fundamental difference could, perhaps, be solved by using an adapted version of equation (15) to calculate EG_y.

Project proponents may want to follow this general approach if they decide to submit again their request for revision.

Finally, the panel would like to inform that ACM0006 is currently being revised in an effort to make the methodology more user-friendly. Project proponents may want to follow up the revision process as new types of project activities will be included in the methodology due to other requests for revision which have been recently approved.



Signature of Meth Panel Chair ……..
Date: 07/11/2008 *(Akihiro Kuroki)*

Signature of Meth Panel Vice-Chair ……..
Date: 07/11/2008 *(Philip Gwage)*

Information to be completed by the secretariat	
F-CDM-AM	AM_REV_0112
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