



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

<i>Date of Meth Panel meeting:</i>	02 - 06 March 2009
<i>Title and number of Request for revision</i>	Expansion of ACM0006 to include a new scenario AM_REV_0135

**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 request seeks the revision of ACM0006 to include a new scenario described as below:

*“The project activity involves fuel switch from fossil fuels to biomass residues at an existing power plant which is connected to the grid, at the project site. Prior to the implementation of the project activity, only fossil fuels have been used in the existing power plant. However the fossil fuel power plant has to be shut down because policy requesting shut down of the fossil fuel power plant or obsolescence of the fossil fuel power plant. The biomass residues are not used in any other facilities at the project site for power or heat generation and would in the absence of the project activity be dumped or left to decay or burnt in an uncontrolled manner without utilizing it for energy purposes. In case of cogeneration plants, the heat would in the absence of the project activity be generated in boilers fired with fossil fuels, or by other means not involving the biomass residues. This may apply, for example, where prior to the project implementation heat has been generated in boiler using fossil fuels”.*

The request argues that, since the project activity is being implemented because of policy or obsolescence of the existing fossil fuel plant, the new biomass power plant should be considered as a greenfield project and the grid emission factor should be used. The request proposes that the new scenario adopts the formulas of existing scenario 2 in ACM0006 to calculate the emission reductions.

The request for revision addresses cases which are similar to those described in AM\_CLA\_0121 and AM\_CLA\_0134 considered recently by the meth panel.

**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 following issues should be addressed before the revision can be accepted:

- Applicability conditions: The applicability of the new scenario is not clear. The new scenario describes that it is applicable to project activities which “involves fuel switch from fossil fuels to biomass residues at an existing power plant which is connected to the grid, at the project site”. Nevertheless the PDD described the project as being: “In 2007, after the boilers were obsolete, the proposed project developer decided to install a biomass residue fired power plant with two new 75 t/h biomass boilers and one set of 25 MW turbine and generator system”. It is not clear hence whether the methodology is applicable to a fuel switch, meaning that the existing fossil fuel plant is adapted for the use of a new fuel, or if the methodology is applicable to a completely new power plant that is being built at the same site of an existing power plant which will, in turn, be dismantled. Or, perhaps, the situation is an intermediary case between the two cases just described: part of the existing installation will be kept and part will be dismantled. This should be clarified.
- Additionality assessment: The assessment of additionality of facilities which are facing operational constraints, including legal and regulatory constraints, or ageing and obsolescence of equipment, poses important additionality questions because the implementation of the project activity may be either mandatory or the only feasible option to sustain the operation of the existing business. In both cases, one cannot claim that the project activity is additional. Project proponents should provide further guidance to the procedure for the assessment of additionality on how to address such situations and demonstrate that, irrespective of the operational constraints, other alternative baseline scenarios are more likely to happen than the proposed project activity undertaken without the CDM incentives.
- Baseline scenario selection: The revision to the methodology should clearly specify under which conditions the decision of discontinuing the operation of the pre-existing power plant would have happened anyway, i.e. cannot be considered as a consequence of the decision to retrofit the pre-existing power plant or construct a new power plant. Only under such condition one could consider that the pre-existing power plant would have stopped its operation anyway and, therefore, could be disregarded as a potential baseline scenario for the biomass based project activity. If those conditions are not rigorously demonstrated, the pre-existing power plant should be considered as a potential baseline scenario. This is important because there is a possibility that, for instance, a fuel oil or natural gas plant is discontinued and replaced by a biomass plant and project proponents claims that the grid emission factor, which could be coal dominated, should be taken as the baseline emission factor, overestimating emissions reductions.



Signature of Meth Panel Chair .....

Date: 06/03/2009

(Philip Gwage)



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

Date: 06/03/2009

(Pedro Martins Barata)

**Information to be completed by the secretariat**

F-CDM-AM	AM_REV_0135
Name of the authors of the query:	TUEV-SUED
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