

	<b>CDM: Response form for Request for revision of approved methodologies (version 01.1)</b>
<i>Date of Meth Panel meeting:</i>	3 - 7 November 2008
<i>Title and number of Request for revision</i>	Projects that rely on a cogeneration plant that has operated for fewer than three years  AM_REV_0119
<b><u>Summary of the query:</u></b>	
Please use the space below to summarize the request for revision on the related approved methodologies.	
<p>The project participants (PPs) are interested in the case where a cogeneration plant that has operated for fewer than three years, or one that is new, is used to supply heat under the project activity. The aim of the project under AM0058 is to reduce fuel consumption for provision of space heating, by installing a new district-heating network. If the methodology in its current form were to be applied to such a project, then baseline emissions for only heat supply would be compared to project emissions for both heat and electricity supply. If the emissions factor of the electricity supply by the cogeneration plant during the project is similar to or lower than the combined margin for that grid, then it does not make sense to decrease the emission reductions from the provision of space heating only because the cogeneration plant supplies this electricity to the grid (as the current version would).</p> <p>The project proponents do not request to allow power plants that have historically operated at lower loads to claim additional CERs by operating at optimal or higher load after start of project.</p> <p>The PPs propose that the methodology be revised to apply to projects where a cogeneration plant that has operated for fewer than three years, supplies heat to a primary district heating system.</p> <ul style="list-style-type: none"> <li>• For the case of a new plant implemented as part of the project activity, the timing, costs and benefits of the plant would need to be considered in the baseline and additionality analysis; the baseline alternatives type (1) would already cover this case;</li> <li>• PPs propose that in the case of a cogeneration plant operating for fewer than three years, there is an “automatic baseline” for the electricity generation: It is assumed that all electricity generated would have been supplied by the grid in the baseline, as described by the “combined margin” (see pages 12-13 of the proposed revised methodology);</li> <li>• In this case, the baseline emissions associated with all electricity generation are calculated by multiplying the total electricity generation with the minimum of the power plant EF at optimal load and the grid combined margin (see page 13 of the proposed revised methodology);</li> <li>• PPs propose that the baseline fuel, in this case, be determined as part of baseline determination; however, as this already occurs under the methodology, no text need be added.</li> </ul>	

**Recommendation by the Meth Panel:**

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

As it is pointed in the request for revision, the approved methodology AM0058 “Introduction of a new primary district heating” does not allow new power plants to use the methodology because they require to have at least three years of historic information to estimate the baseline emissions. The purpose of the restriction is to avoid possible claiming of emission reductions due to electricity production, for which this methodology does not provide the related procedures.

In that sense any possible solution to allow plants with less than three years or new plants should provide additional procedures to deal with the related issues in selecting baseline scenarios, additionality and emission factors, in line with earlier methodologies for power plants.

With the potential inclusion of new power plants into the applicability, an additional issue arises: It is not evident that in absence of the project activity the same type of plant would have been built, as the technological and economic requirements for a CHP may be different than for a power plant without heat utilization. In order to allow for new plants, the methodologies would also need to include guidance on how to determine adequately the fuel and efficiency of the hypothetical baseline plant, as the characteristics of the baseline plant might differ significantly from the (known) project plant. With existing plants, this problem is not existent, as the characteristics of the plant are already set by the existing equipment.

(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.

The recommendation is not to revise the methodology according to this request.

**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 above.



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_0119
Name of the authors of the query:	DNV
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