



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

<i>Date of Meth Panel meeting:</i>	13–17 August 2012
<i>Title and number of Request for revision</i>	AM0090 Version 01.1.0: Expansion of applicability criteria to include various routes and cargo types AM_REV_0244

Summary of the query:

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

AM0090 version 01.1.0 'Modal shift in transportation of cargo from road transportation to water or rail transportation' is applicable to project activities that result in modal shift in transportation of a specific cargo (excluding passengers) from road transportation using trucks to water transportation using barges or ships or rail transportation.

With this request for revision, project proponent is requesting to expand the applicability to various cargo types or various fixed routes. All the routes with all cargo types are fixed at the time of validation.

To accommodate the new applicability, the following changes are proposed:

1. Expansion of applicability condition including the different types of cargos and various routes.
2. Revision in additionality. *If the project activity includes various cargos and/or various routes the financial assessment shall also include a situation where cargo goods / routes which have a negative cash flow (transport by project means involves a higher operational costs than transporting the same good on the same route by truck) are excluded;*
3. Revision in baseline scenario section. *If the project involves various routes then the baseline scenario must be determined per route and only routes can be included for emission reduction calculations where the resulting baseline scenario is road transport;*
4. Inclusion of specific fuel consumption factor for project emission calculations; where the stretch is not managed by project proponent.

Recommendation by the Meth Panel:

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

Please refer to the box below.

(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.

Please refer to the box below.

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 Meth Panel recommends not to approve the request for revision.

The Meth Panel provides the following reasons for not accepting the request for revision:

1. The purpose of limiting the applicability of the existing version of the methodology to a situation where cargo is transported in one route is to simplify the baseline selection and demonstration of additionality procedure. Therefore, if the methodology is expanded to a situation where cargo is

transported in more than one route, the baseline selection and demonstration of additionality has to be carried out for each route. The request for revision has mentioned that the baseline scenario selection should be done for each route; however no clear guidance is provided for the additionality assessment.

Also, additionality in the PDD is demonstrated as a project considering all the routes and total investment. In reality it may happen that some routes are profitable and some routes are not. This could lead to a situation where the baseline scenario would be realization of the profitable lines and not the entire set of lines. It is requested that the procedures in the methodology have to be presented in a manner to clearly demonstrate separately the additionality for each route and entire project. This is also consistent with the stated baseline scenario selection procedure. In case some routes are not additional and the baseline option is hybrid system that operates with two mode of transport may be more costly because of higher investment costs in relation to the extent of the lines (e.g. need of terminal facilities for two kind of transport modes) and higher operational costs. This shall be taken into account in the baseline determination and additionality demonstration.

2. Regarding inclusion of the specific energy consumption calculations in project emissions for the stretch which are beyond the control of project proponent, the revision mentions that appropriate regional or national level data can be taken.

This could lead to inaccuracy where the regional or national level data is influenced by rails whose situation is very different from that of the project line. There could be a systematic bias where investment in rail systems elsewhere can lead to an increase in overall efficiency, even though there is no change in the project rail system.

Therefore, it is requested to propose the procedure to ensure the relevance and conservativeness of the specific energy consumption.

The case presented in this request for revision requires further procedures for additionality demonstration & project emission calculations to be added in the methodology. Project proponents are encouraged to submit a revised request for revision or a new methodology.

Signed by the Chair, Mr. Thomas Bernheim

Date: 17/08/2012

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 17/08/2012

Information to be completed by the secretariat

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