



CDM: Recommendation Form for Small Scale Methodologies (version 01)
(To be used for presenting questions/proposals/amendments to the simplified methodologies for small-scale CDM project activity categories)

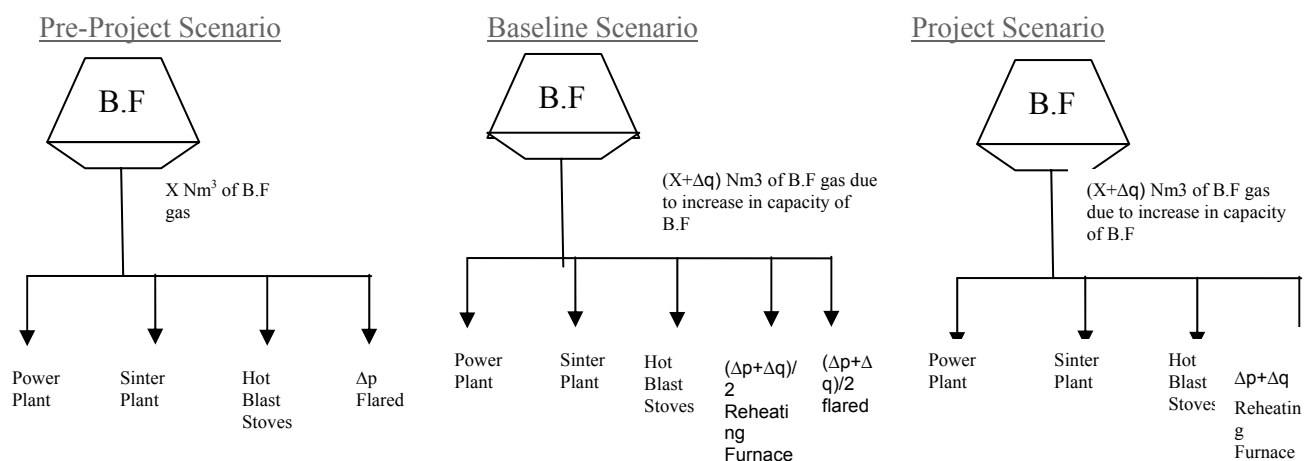
Date of SSC WG meeting:	15–18 June 2010, SSC WG 26
Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):	Clarification on the treatment of waste gas recovery as new initiative or an incremental gain in existing practice under para 3 of AMS-III.Q
Indicative methodology to which your submission relates (refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable.	AMS-III.Q (Version 03) “Waste Energy Recovery (gas/heat/pressure) Projects”
Name of the authors of the query:	Susanta Moitra Institution: Jayaswal Neco Industries Limited susanta.moitra@necoindia.com

Summary of the query:

Please use the space below to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

Original text from PP:

The description of the project activity concerned is described through the diagram below:



Project start date: 29/04/2007

Commencement of operation of the blast furnace after its capacity augmentation: August 2008

Project Commissioning Date-October 2008

In the pre-project scenario the BFG coming out of the blast furnace (existing facility) was recovered and utilized subsequently in the power plant, sinter plant and the hot blast stoves and surplus portion (Δp Nm³) of the waste gas had no other utilization within the steel plant and was flared.

The capacity of the Blast Furnace (existing facility) was increased and the surplus waste gas which

increased to $(\Delta p + \Delta q)$ Nm³ had no point of utilization within the steel plant and was flared. Historical data (flaring record of $(\Delta p + \Delta q)$ Nm³ for two months before the commissioning of the rolling mill as well as three years prior to the capacity augmentation of the blast furnace i.e flaring record of Δp Nm³) supporting the same before the implementation of the rolling mill is available.

However the PP came up with the installation of reheating furnaces in the Bar Mill and the Wire Rod Mill and started utilizing the entire $(\Delta p + \Delta q)$ Nm³ amount of BFG which had no point of utilization within the steel plant as a process heat with the help of special type of regenerative burners.

Baseline Scenario

The most commonly undertaken practice in the integrated iron & steel plants of India is the utilization of furnace oil along with BFG using recuperative burners in the reheating furnace. The technical consultants of the Rolling Mill have specified the usage of F.O and BFG in equal ratio of heat value (i.e. 50% of BFG and 50% F.O in terms of energy value) in the reheating furnaces as the most feasible option.

Thus the baseline scenario involves the usage of some portion of the BFG (50% of the BFG which was flared post increase in capacity of the Blast Furnace) and flaring of remaining portion of the BFG since it has no other point of utilization within the plant.

Project Scenario

The project activity is installation of Special type of regenerative burners which enables utilization of 100% BFG without any provision of supplementary F.O. firing. The project activity resulted in utilization of the portion of BFG which would have been flared in the absence of project activity, to replace the heat energy which would have been otherwise supplied by firing furnace oil. The practice is the 1st of its kind in the steel sector of India.

Clarification Required

The project is being developed under the guidance of the AMS IIIQ/Version 03. PP is requesting a clarification on the paragraph 3 of the methodology AMS IIIQ/Version 03 which states that "*The recovery of waste gas/heat may be a new initiative or an incremental gain in an existing practice*".

According to the definition of waste energy according to ACM 0012/Version 03.2

Waste Energy: A by-product gas/heat/pressure from machines and industrial processes having potential to provide usable energy, for which it can be demonstrated that it was wasted. For example gas flared or released into the atmosphere, the heat or pressure not recovered (therefore wasted).

Thus going by the above definition the entire BFG is not a waste energy since a portion of the same was being as well as presently being utilized in the upstream processes like the sinter plant, hot stoves and power plant. Only the portion of the waste energy that was flared into the atmosphere prior to the implementation of the project activity i.e. $(\Delta p + \Delta q)$ Nm³ is the waste energy in the context of the project activity which after the implementation of the project activity was completely utilized for the supply of process heat to reheating furnaces.

The PP is of the opinion that the recovery of $(\Delta p + \Delta q)$ Nm³ amount of BFG (where Δp is the portion of BFG which was flared before the expansion of the blast furnace and Δq portion generated due to expansion) is the waste energy according to the definition of 'waste energy' is a new initiative.

The PDD for the project is attached for reference.

In the light of the above the PP would like to know from SSC WG the following:

1. Whether the recovery of waste gas is a new initiative or an incremental gain in existing practice?
2. Whether the entire BFG is a by product (according to definition by ACM0012) or part of the BFG which is available after the expansion of the blast furnace is a by product?

Recommendation by the SSC WG:

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

Please refer to paragraph 26 of the meeting report of the SSC WG 26
<http://cdm.unfccc.int/Panels/ssc_wg>.

Answer to authors of query by the SSC WG:

Please use the space below to provide answer to the authors of the above query.

The small-scale working group of the CDM Executive Board would like to thank the author for the submission.

It is understood from the submission that in the absence of the regenerative burners (project activity), a portion of BFG would have been flared as the re-heating furnace could only use 50% of BFG and 50% of fuel oil (in energy basis) to produce heat energy. The SSC WG is of the opinion the proposed baseline scenario is hypothetical and argument is based on consultant's specification, and not on historical data (prevailing practice).

It is also understood that the additional Δq amount of BFG is as a result of capacity expansion and/or new installation at the facilities of the industry. It should be noted that AMS-III.Q does not cover capacity expansion/Greenfield project activities where a detailed procedure to determine baseline would be needed to demonstrate that in the absence of the project activity, the waste gas would be vented-off. Consequently AMS-III.Q is not applicable to the project case. The SSC WG evaluated that the procedures needed to cover these situations will make the methodology complicated and a simplified small-scale methodology may not provide the right framework for the kind of technology/measure being addressed by the proposed project taking into account the board guidance (EB 47, paragraph 58).

The project proponent may explore applying ACM0012 for the project case.

Signed by the Chair, Mr. Peer Stiansen

Date: 18/06/2010

Signed by the Vice-Chair, Mr. Hugh Sealy

Date: 18/06/2010

Information to be completed by the secretariat

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