



FRAMEWORK CONVENTION ON CLIMATE CHANGE - Secretariat  
CONVENTION - CADRE SUR LES CHANGEMENTS CLIMATIQUES -  
Secrétariat

Date: 30 November 2007  
Ref: CDM-EB-36

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

THIRTY-SIXTH MEETING

Report

**Date of meeting:** 26 - 30 November 2007

**Location:** Bali, Indonesia

**Attendance:** The names of members and alternate members present at the thirty-fifth meeting are in bold print below. Where only the name of an alternate member is in bold print, the alternate participated as a member.

Member	Alternate
Ms. Ulrika Raab <sup>2</sup>	<b>Mr. Martin Hession<sup>2</sup></b>
<b>Mr. Hernán Carlino<sup>1</sup></b>	<b>Mr. Philip M. Gwage<sup>1</sup></b>
<b>Mr. Akihiro Kuroki<sup>2</sup></b>	<b>Ms. Jeanne-Marie Huddleston<sup>2</sup></b>
<b>Mr. Samuel Adejuwon<sup>2</sup></b>	<b>Mr. Kamel Djemouai<sup>2</sup></b>
<b>Mr. Xuedu Lu<sup>1</sup></b>	<b>Mr. Richard Muyungi<sup>1</sup></b>
<b>Ms. Christiana Figueres<sup>2</sup></b>	<b>Mr. José Domingos Miguez<sup>2</sup></b>
N.N.	N.N.
<b>Mr. Evgeny Solokov<sup>1</sup></b>	<b>Ms. Natalia Berghi<sup>1</sup></b>
<b>Mr. Rajesh Kumar Sethi<sup>2</sup></b>	<b>Ms. Liana Bratasida<sup>2</sup></b>
<b>Mr. Hans Jürgen Stehr<sup>1</sup></b>	<b>Mr. Lex de Jonge<sup>1</sup></b>

1 Term: Two years (elected at COP/MOP 1 in 2005)

2 Term: Two years (elected at COP/MOP 2 in 2006)

NB: The term of service of a member, or an alternate member, starts at the first meeting of the Executive Board in the calendar year following his/her election and ends immediately before the first meeting of the Executive Board in the calendar year in which the term ends (see Rules of procedure of the Executive Board).

**Quorum** (in parenthesis required numbers): **10** (7) members or alternate members acting as members present of which **4** (3) from Annex I Parties and **6** (4) from non-Annex I Parties.

**WWW broadcasting** : < <http://cdm.unfccc.int/EB/Meetings> > .

**Agenda item 1. Membership issues (including disclosure of possible conflict of interest)**

1. The Chair of the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) opened the meeting and asserted that the quorum requirement was met. No conflict of interest was identified by any member or alternate member of the Board present at the meeting.
2. The Board noted that the secretariat was informed that Ms. Ulrika Raab was unable to attend the meeting and had provided proper justification for her absence.

**Agenda item 2. Adoption of the agenda**

3. The Board adopted the agenda and agreed to the programme of work.

**Agenda item 3. Work plan****Agenda sub-item 3 (a): Accreditation of operational entities**

4. The Board took note of the twenty-second progress report on the work of the CDM Accreditation Panel (CDM-AP), and an oral report by its Chair, Mr. Hernán Carlino. The report summarized information relating to the work of the CDM-AP including the status of applications and developments with respect to desk reviews, on-site assessments, witnessing activities and other accreditation related issues.

***Case specific***

5. The Board considered a recommendation of the CDM-AP relating to the review of work of three project activities for an entity under spot-check. The Board, took note that the DOE had made serious efforts to improve its performance and instituted a number of measures to meet the expected quality objectives of the Board. The Board also noted that the review of three project activities had also identified some areas for further improvements. It agreed to keep the DOE under observation and requested the CDM-AP to undertake the review of three additional project activities. The Board requested that the CDM-AP in its evaluation should focus, in particular, on identified areas where improvements are still required.
6. The Board considered the recommendation of the CDM-AP for the DOE under spot-check, agreed by the Board at its thirty-fourth meeting, noting the issue of conflict of interest with respect to its institutional set-up. The Board, hearing the DOE, took note of its proposed policy measures, commitment of their senior management and strengthening of its operational and institutional set-up in order to avoid any potential conflict of interest situations and threats to its impartiality and independence of its decision-making for providing validation and verification services. The Board agreed not to suspend the accreditation status of the DOE and requested the CDM-AP to verify the implementation of proposed measures and corrective actions by the DOE. The Board also agreed to instruct the DOE not to submit any validation reports or further request for registration and to perform its own evaluation on project activities that are already in its pipeline, with particular attention to those submitted for registration but not yet registered. This decision of the Board shall remain in effect until the implementation of the DOE proposed measures and corrective actions are fully implemented and are assessed by the CDM-AP and decided by the Board.
7. The Board agreed to conduct a spot-check for another DOE and further agreed on the scope of the spot-check. The Board requested the CDM-AP to finalize the spot-check assessment in an expeditious manner and submit its recommendation for the consideration of the Board.
8. The Board agreed to accredit and provisionally designate the entity 'Spanish Association for Standardisation and Certification (AENOR)' (Val: 1, 2 & 3; Ver: 1, 2 & 3) for sector specific validation



functions for the sectoral scope 13 (waste handling and disposal).

### *General guidance*

9. In the context of the preparation of the guidance for validation and verification activities, the Board took note of the progress of the work presented by the secretariat. The Board requested the secretariat to finalize the work in an expeditious manner.

10. The Board considered the recommendation of the CDM-AP, in response to the request of the AE/DOE Coordination Forum relating to acceptance of phased verification approach. The Board took note that the requested phased verification approach is not in compliance with the requirements of the CDM Modalities and procedures (paragraph 62 of CDM M&P) and the decision of the Board taken at its twenty-fifth meeting related to the conduct of verification activities during the first, and subsequent monitoring periods. The Board, therefore, decided that the request from the AE/DOE Coordination Forum is not accepted.

11. The Board, following the resignation of a panel member, considered a shortlist of applicants to the CDM-AP and appointed Mr. Hubert de Bonafas as a member of the CDM-AP for the remainder period of the term.

### *Further schedule*

12. The Board noted that the thirty-third meeting of the CDM -AP is scheduled on 21 - 23 January 2008 and that the documentation by the CDM-AP for the consideration of the Board shall be submitted to the Board after the deadline for submission of documentation.

### **Agenda sub-item 3 (b): Methodologies for baselines and monitoring plans**

13. The Board took note of the report of the thirtieth meeting of the Methodologies Panel on baseline and monitoring methodologies (Meth Panel), and an oral report by the Chair of the panel, Mr. Akihiro Kuroki, on the work of the panel.

### *Case specific*

14. Taking into consideration the inputs by experts (desk reviewers), the public, and the recommendations of the Meth Panel, the Board agreed to:

#### 15. **Approve cases:**

(a) **AM0060** - "Power saving through replacement by energy efficient chillers", which was proposed as NM0197-rev "Power saving through accelerated replacement of chillers" and link it to scope 03 (Energy Demand), as contained in the [annex 1](#) of this report;

(b) **AM0061** - "Methodology for rehabilitation and/or energy efficiency improvement in existing power plants", which was proposed as NM0202-rev ("AzDRES Power Plant Energy Efficiency and Change in Fuel mix") and link it to scope 1 (Energy Industries-Renewable and Non-renewable sources), as contained in the [annex 2](#) of this report;

(c) **AM0062** - "Energy efficiency improvements of a power plant through retrofitting turbines", which was proposed as NM0203-rev "Energy efficiency improvements of a power plant through retrofitting turbines" and link it to scope 1 (Energy Industries-Renewable and Non-renewable sources), as contained in the [annex 3](#) of this report;

(d) **AM0063** - "Recovery of CO<sub>2</sub> from tail gas in industrial facilities to substitute the use of fossil fuels for production of CO<sub>2</sub>", which was proposed as NM0230 ("Recovery and Utilization



of CO<sub>2</sub> from Refinery Tail Gas”) and link it to scope 5 (Chemical industries), as contained in the annex 4 of this report;

(e) **AM0064** - “Methodology for mine methane capture and utilisation or destruction in underground, hard rock, precious and base metal mines”, which was proposed as NM0236 (“Beatrix Underground Methane Capture Project”) and link it to scope 10 (Fugitive emissions from fuels), as contained in the annex 5 of this report;

(f) NM0227 (“Recovery of methane from on- and off-shore oil fields that otherwise will be vented into the atmosphere”), which was integrated into the approved methodology **AM0009**, as contained in annex 6 of this report. The Board agreed to expand the applicability of the approved methodology to project activities where in the absence of project activity gas would have been vented but limited the baseline emissions equivalent to those from flaring of the gas.

16. **Not to approve cases:** NM0216-rev, NM0225, NM0229, NM0232, NM0234, NM0237, and NM0240 which, if revised taking into account comments, can be resubmitted but will require new expert and public input.

17. The Board considered the revised version of revision of AM0047 “Production of biodiesel based on waste oils and/or waste fats from biogenic origin or from oil seeds cultivated in dedicated plantations for use as fuel”, recommended by the panel to the Board, as per Board's request (paragraph 13, EB Report 35). The Board thanked the panel for changes effected, but noted that not all issues had been addressed adequately and requested the panel to take these into account and revise the draft revision.

18. The Board considered the draft methodology “GHG emission reductions through waste heat utilisation for pre-heating of raw materials in sponge iron manufacturing process”, which was proposed as NM0231 (“Baseline methodology for green house gas reductions through waste heat and/or waste gas recovery and utilisation for pre-heating of raw material(s) in furnace/kiln operations”) proposed by the meth panel. The Board requested the panel to re-assess the options proposed by the panel and provide a revised version of the draft methodology with justification of each option if more than one option is proposed, for the Board's thirty-eighth meeting.

19. The Board considered the draft methodology “Replacement of SF<sub>6</sub> with alternate cover gas in the magnesium industry” proposed by the panel based on cases NM0212 (“Replacement of SF<sub>6</sub> with HFC134a as a cover gas in the magnesium industry”) and NM0222 (“Conversion from SF<sub>6</sub> to an Alternative Cover Gas for Magnesium Production”). The Board noted the fact that one of the proposed alternatives to cover gas, Fluoroketone (NOVEC-612), does not have a GWP value in any of the assessment reports of the IPCC, as highlighted by the panel. The Board requested the secretariat to undertake further analysis, including of existing literature on the GWP of Fluoroketone, for consideration at its next meeting before it takes a final decision on the draft methodology. The Board also considered the issue of allowing the use of “dilute-SO<sub>2</sub>” as an alternate cover gas and agreed that the applicability requirements specified in the draft methodology for the use of “dilute-SO<sub>2</sub>” ensures adequate environmental safety. Therefore, it agreed that “dilute-SO<sub>2</sub>” shall be allowed as an alternative cover gas.

### ***Responses to clarifications***

20. The Board took note of the responses to clarifications provided by the Meth Panel on the cases AM\_CLA\_0057 to AM\_CLA\_0062.

***Responses to requests for revisions and resultant revision of approved methodologies***

21. The Board agreed to the responses prepared by the Meth Panel to revisions and the resultant revision of approved methodologies:

- (a) Not to accept request AM\_REV\_0063 concerning AM0025 requesting a revision to incorporate an alternate method, to the first order decay (FOD) model presently provided in the approved methodology, to estimate emission reduction for composting activity;
- (b) Accept request AM\_REV\_0064 concerning AM0057 requesting a revision to expand the applicability to project activities that avoid methane emissions from agricultural residues by utilizing it as a raw material in bio-oil production, as contained in annex 7 of this report;
- (c) Not to accept request AM\_REV\_0065 concerning ACM0006 requesting a revision to add a new scenario for project activities that installs a new single- or co-fired cogeneration plant where the baseline is also single- or co-fired cogeneration;
- (d) Not to accept request AM\_REV\_0066 concerning AM0025 requesting to expand the applicability of the approved methodology to project activities that uses solid municipal waste, which in absence of the project activity would have been incinerated, to generate electricity;
- (e) Not to accept request AM\_REV\_0067 concerning AM0028 requesting to expand the applicability of the approved methodology to project activities that destroy N<sub>2</sub>O in new acid production facilities, where it can be demonstrated that the decision to build the new nitric acid plant was made without any reference to CDM;
- (f) Not to accept request AM\_REV\_0068 concerning AM0036 requesting to expand the applicability of the approved methodology to project activities that along with the replacement of existing equipment, expand the production capacity as well as energy generation capacity of the facility where the project activity is implemented;
- (g) Not to accept request AM\_REV\_0069 concerning AM0014 requesting a revision to expand the applicability to project activities: (i) that are implemented in a new facilities; (ii) where in the baseline electricity would have been supplied by the grid or fossil fuel based dedicated captive power plants; and (iii) where in the energy used in project case would have been come from other energy forms in the baseline;
- (h) Accept request AM\_REV\_0070 concerning AM0047 requesting a revision to expand the applicability to project activities that produce biodiesel from oil seeds grown on unutilized or marginal lands with uneconomical agricultural productivity. The draft revision of AM0047 shall be considered by the Board after further inputs from the panel as per paragraph 17 above.

22. The Board revised the following approved methodologies and methodological tools, which shall be effective from 14 December 2007 in accordance with the procedures for the revision of an approved methodology:

- (a) AM0021: to align the approved methodologies with the present format of approved methodologies, as contained in annex 8 of this report. The methodology was revised to improve the clarity and ease of application including: (i) clear procedures for the identification of the baseline scenario; (ii) clear procedures for estimating the baseline N<sub>2</sub>O emission including expressing the procedures in equations; (iii) a requirement to measure the N<sub>2</sub>O emissions before the destruction unit to estimate the baseline N<sub>2</sub>O emissions; and (iv) further clarity in the monitoring requirements;



- (b) AM0030: to update the methodology procedures to estimate baseline emission factors for PFC emissions based on the 2006 IPCC guidelines, as contained in [annex 09](#) of this report;
- (c) ACM0001: to clarify the procedure to calculate the Adjustment Factor, where in the baseline the landfill gas was captured and destroyed/used. Furthermore, it clarified how to apply the “Tool to determine methane emissions avoided from the dumping waste at a solid waste disposal site” for estimating ex-ante landfill gas emissions over the crediting period, as contained in [annex 10](#) of this report;
- (d) ACM0002: to clarify (i) that the methodology is applicable to project activities that increase the electricity generation through additional electricity generation equipment; (ii) removal of monitoring requirements for non-condensable gases in geothermal projects as these emissions are not accounted for; (iii) that if the run-of-river hydro project has a reservoir then the applicability conditions regarding reservoirs apply; (iv) the procedure to calculate the power density; and refer to (v) the “Tool to calculate project or leakage CO<sub>2</sub> emissions from fossil fuel combustion; and (vi) to the ‘Tool to estimate emission factor for an electricity system’. The revision is contained in [annex 11](#) of this report;
- (e) ACM0003: to clarify that the approved consolidated methodology is applicable to fuel switch in any part of the clinker production facility where combustion takes place by clearly defining the clinker production area. The revision is contained in [annex 12](#) of this report;
- (f) Tool for assessment and demonstration of additionality: the Board considered the draft revision to the tool as proposed by the panel. The Board agreed to further consider the suggested changes at its next meeting and furthermore revised footnote 7 clarifying that in undertaking benchmark analysis option, either of the financial indicators, project IRR or equity IRR, can be used provided appropriate benchmark indicator for the financial indicator is chosen. The revision is contained in [annex 13](#) of this report.
23. The Board approved the consolidation of the approved methodologies AM0013 and AM0022 into **ACM0014**, which is for project activities that capture/avoid methane from industrial/waste water treatment and flare/use it. The consolidation also includes the “Tool to calculate project or leakage CO<sub>2</sub> emissions from fossil fuel combustion”; the “Tool to calculate project emissions from electricity consumption”; and the “Tool to calculate the emission factor for an electricity system”. The revision is contained in [annex 14](#) of this report.
24. The Board agreed to withdraw the approved methodologies, AM0013 and AM0022 as the approved methodology AM0013 “Avoided methane emissions from organic waste-water treatment” and AM0022 “Avoided Wastewater and On-site Energy Use Emissions in the Industrial Sector” were consolidated as requested by the Board at its thirty-second meeting.
25. The Board approved the consolidation of approved methodologies AM0033 and AM0040 into **ACM0015**, which is for project activities that substitute non-carbonic raw materials in clinker production. The consolidation includes a reference to the “Tool to calculate emission factor for electricity systems”, “Combined tool for identification of baseline scenario and demonstration of additionality” and an expansion of the applicability to green field projects. The revision is contained in [annex 15](#) of this report.
26. The Board agreed to withdraw the approved methodologies, AM0033 and AM0040 as the approved methodologies AM0033 “Use of non-carbonated calcium sources in the raw mix for cement processing” and AM0040 “Baseline and monitoring methodology for project activities using alternative raw materials that contain carbonates in clinker manufacturing in cement kilns” were consolidated as requested by the Board at its thirty-second meeting.



27. The Board considered the clarification provided by the panel on the applicability condition in scenario 14 of the approved consolidated methodology ACM0006 concerning the thermal firing capacity of the boiler and agreed to consider the clarification at its next meeting.

28. The Board clarified that the applicability condition “Run-of-river hydro power plants; hydro power projects with existing reservoirs where the volume of the reservoir is not increased” shall only comprise of situations that do not result in an increase of the area of the water reservoir whatsoever. Therefore, if the run-of-river hydro project results in an increase of the water reservoir or has a reservoir then the applicability conditions regarding reservoirs shall apply and be checked. The clarification has been incorporated into the revised approved consolidated methodology ACM0002, included as annex 11 to this report.

### *General guidance*

29. The Board provided additional guidance regarding “project activities that result in emission reductions due to the use/consumption of a product produced in the project activity are only eligible as CDM project activity if: (i) the users/consumers of the product are included in the project boundary; and (ii) monitoring takes place of the actual use/consumption and location of the product used/consumed by consumers”, as contained in annex 16.

30. The Board also expressed its appreciation for the dedication and work by the outgoing members of the Meth Panel, Mr. Christophe de Gouvello and Mr. Vijay Kumar Mediratta.

31. The Board took note that the thirty-first meeting of the Meth Panel will be held from 4 to 8 February 2008 and that the deadlines for the submissions of proposed new methodologies for 2008 are 13 February 2008 (22nd round), 16 April 2008 (23rd round), 2 July 2008 (24th round), 17 September 2008 (25th round) and 17 December 2008 (26th round).

32. The Board took note of the oral progress report of the secretariat on the work related to energy efficiency.

### **Agenda sub-item 3 (c): Issues relating to CDM afforestation and reforestation project activities**

33. The Board took note of the report on the work of the seventeenth meeting of the A/R WG and an oral report by its Chair, Mr. Philip Gwage, on the work of the group.

### *Case specific*

34. Taking into consideration the inputs by experts (desk reviewers), the public, and the recommendations of the A/R WG, the Board agreed **not to approve case** ARNM0033 “Reforestation of grasslands using fast-growing species in Brazil” which, if revised taking into account comments, can be resubmitted but will require new expert and public input:

### *Responses to clarifications*

35. The Board took note of the responses to clarifications provided by the A/R working group on the case AR-AM\_CLA\_0001.

### *Response to requests for revisions*

36. The Board agreed to the responses prepared by the A/R WG to revisions and the resultant revision of approved methodology not to accept request AR-AM\_REV\_0001 concerning approved methodology AR-AM0004 requesting a revision to allow grazing activities in the project boundary.



### *Revision of approved methodologies*

37. The Board approved the following guidance, also to be included in several approved methodologies (see paragraph 39 below), on the application of the definition of the project boundary A/R CDM project activities, in according to decision 5/CMP.1:

(a) The “project boundary” geographically delineates the afforestation or reforestation project activity under the control of the project participants. The A/R CDM project activity may contain more than one discrete area of land. At the time the PDD is validated the following shall be defined:

- (i) Each discrete area of land shall have a unique geographical identification.
- (ii) The project participants shall describe legal title to the land, rights of access to the sequestered carbon, current land tenure, and land use for each discrete area of land.
- (iii) The project participants shall justify, that during the crediting period, each discrete area of land is expected to be subject to an afforestation or reforestation project activity under the control of the project participants.

38. The Board requested the A/R WG to provide further input on the application of the definition project boundary to A/R project activities to allow for more flexibility, in particular for those features of the project boundary that differ from those of non-A/R CDM project activities, for consideration by the Board in its thirty- eighth meeting.

39. The Board approved the revision of approved methodology AR-AM0004 as contained in [annex 17](#) of this report, replacing the current description of the application of the definition of the project boundary in approved methodology. The Board requested the secretariat to revise in the same fashion, the following approved methodologies, which also require the clarification in paragraph 32 above: AR-AM0003, AR-AM0007, AR-AM0008 and AR-AM0010.

40. The Board approved the revision of approved methodology AR-AM0009, as contained in [annex 18](#) of this report, to broaden the applicability conditions, further clarify application of the definition of the project boundary and to include several editorial changes.

41. The above revised methodologies are effective from 14 December 2007 in accordance with the procedures for the revision of an approved methodology.

### *General guidance*

42. The Board approved the methodological tool: “Estimation of GHG emissions related to displacement of grazing activities in A/R CDM project activity”, as contained in [annex 19](#) of this report. The tool provides for (i) conditions under which the leakage from displacement of grazing animals can be considered as zero, (ii) an approach for the estimation of leakage for the displacement of animals to known lands; and (iii) an approach for estimation of leakage when the displacement of animals is to lands that are not known to project proponents.

43. The Board approved the methodological tool: “Estimation of GHG emissions from clearing, burning and decay of existing vegetation due to implementation of a CDM A/R project activity”, as contained in [annex 20](#) of this report. The tool provides a two tier approach to estimate GHG emissions caused by site preparation using: (i) a simplified approach based on default data; and, (ii) an advanced approach allowing for time dependent estimation of GHG emissions.



44. The Board approved the guidance related to the registration fee for large- and small-scale proposed A/R clean development mechanism project activities, as contained in [annex 21](#) of this report.

#### *Further schedule*

45. The Board took note of the deadlines for the submission of proposed new methodologies for 2008 as 7 January (16th Round), 3 March (17th Round), 26 May (18th Round), 4 August (19th Round) and 27 October (20th Round). Furthermore the Board took note that the eighteenth meeting of the A/R WG will be held from 11 - 13 February 2008.

#### **Agenda sub-item 3 (d): Issues relating to small-scale CDM project activities**

46. The Board took note of the report on the work of the thirteenth meeting of the working group to assist the Board in reviewing proposed methodologies for small-scale CDM project activities (SSC WG) and of an oral report by its Vice Chair, Mr. Richard Muyungi, on the work of the group.

#### *Case specific*

47. The Board approved a new small-scale methodology titled “AMS III.T Plant oil production and use for transport applications” assigned to sectoral scope 7 (transport) as contained in [annex 22](#) of this report for project activities that displace fossil fuel with plant oil. The Board noted that consideration of this methodology under Type I may limit the viability of potential projects applying this methodology. In noting the definition of renewable energy and the reference to the indicative list of small-scale project activities, as contained in decision Annex II in decision 4/CMP.I, the Board agreed to clarify that fuel switch project activities in the transport sector, which include the switch to biofuels, belong to Type III project activities. Further the Board requested the SSC WG to explore options to broaden the applicability of the methodology to other types of biofuels (e.g. biodiesel).

48. The Board approved a new small-scale methodology titled “AMS III.S Introduction of low-emission vehicles to commercial vehicle fleets” assigned to sectoral scope 7 (transport) as contained in [annex 23](#) of this report. The new methodology is for transport sector applications for activities introducing low-greenhouse gas emitting vehicles for commercial passenger and freight transport, operating on a number of identified fixed routes.

#### *Revisions of approved methodologies:*

49. The Board agreed to the revised approved methodology “AMS III.H Methane recovery in wastewater treatment”, expanding its applicability to allow for the bottling of recovered methane, as contained in [annex 24](#) of this report. The Board requested the SSC WG to further expand the applicability of the methodology by including the possibility for pipeline transport of the recovered methane for domestic consumption. The revision also clarifies in which cases the emissions from dissolved methane in the treated wastewater should be taken into account and where they can be ignored. Furthermore, clarity has been provided on the use of IPCC default factors for the degradable organic content of sludge for the ex-post baseline emission calculations.

50. The Board agreed to the revised approved methodology “AMS III.E Avoidance of methane production from biomass decay through controlled combustion”, to clarify the applicable MCF (methane correction factor) and k (decay rate of the waste) values to use for biomass stockpiles in the baseline emissions calculation as contained in [annex 25](#) of this report.

51. The Board noted that approved methodology “AMS I.D. Grid connected renewable electricity generation” referred to the “tool to calculate the emission factor for an electricity system” by first referring to the approved methodology ACM0002 and therefore agreed to revise AMS I.D to refer directly to the tool for reasons of clarity. The revised methodology is contained in [annex 26](#) of this report.



52. The above revised methodologies are effective from 14 December 2007 in accordance with the procedures for the revision of an approved small scale methodology.

### *General guidance*

53. The Board took note of the compendium of all guidance, regarding the determination of the occurrence of debundling including Appendix C of the simplified modalities and procedures for small-scale CDM project activities, PoA debundling guidance contained in [annex 27](#) of this report.

### *Further schedule*

54. The Board took note that the fourteenth meeting of the SSC WG will be held from 11 - 13 February 2008.

### **Agenda sub-item 3 (e): Matters relating to programme of activities**

55. The Board agreed to the following forms related to programme of activities (PoA) for both large and small scale afforestation and reforestation project activities:

CDM Programme of Activities Design Document Form for A/R (CDM-PoA-DD-AR), as contained in [annex 28](#) of this report;

(a) CDM Programme Activity Design document Form for A/R (CDM-CPA-DD-AR), as contained in [annex 29](#) of this report;

(b) CDM Programme of Activities Design Document Form for Small-Scale A/R (CDM-PoA-DD-SSC-AR), as contained in [annex 30](#) of this report;

(c) CDM Programme Activity Design Document Form for A/R (CDM-CPA-DD-SSC-AR), as contained in [annex 31](#) of this report.

56. The Board also agreed to revise the CDM Glossary of Terms (CDM-Glos), to include terms used in large and small scale non-A/R and A/R PoA, as contained in [annex 32](#).

### **Agenda sub-item 3 (f): Matters relating to the registration of CDM project activities**

57. The Board took note that 854 CDM project activities have been registered by 30 November 2007. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website at <https://cdm.unfccc.int/Projects/index.html>.

### *Case specific*

58. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered a request for review of forty-eight (48) requests for registration by DOEs.

59. The Board agreed to register the project activity;

(a) "N2O decomposition project of PetroChina Company Limited Liaoyang Petrochemical Company" (1238) taking note of the initial comments provided by the project participant and the DOE (DNV Certification AS) in response to the request for review;

(b) "The Wulabo 30 MW Wind-Farm Project in Urumqi, Xinjiang of China" (1244) taking note of the initial comments provided by the project participant and the DOE (TÜV-SÜD) in response to the request for review.



60. The Board agreed to register, as corrected, the project activity
- (a) “Waste heat power generation project at Hunan Anshi Xingyuan Power Generation Co., Ltd.” (1155) if the revised PDD and validation report submitted by the project participant and DOE (TÚV Rheinland) in response to the request for review is displayed on the UNFCCC CDM website.
  - (b) “Berlin Binary Cycle power plant” (1218) if the revised PDD and validation report submitted by the project participant and DOE (DNV Certification AS) in response to the request for review is displayed on the UNFCCC CDM website.
  - (c) “Tultitlan – EcoMethane Landfill Gas to Energy Project” (1242) if the revised PDD and validation report submitted by the project participant and DOE (SGS) in response to the request for review is displayed on the UNFCCC CDM website.
  - (d) “Power capacity expansion project at Dwarikesh Puram” (1257) if the revised PDD and validation report submitted by the project participant and DOE (TÚV-SÜD) in response to the request for review is displayed on the UNFCCC CDM website.
61. The Board agreed to register with corrections the project activities:
- (a) “Shandong Changdao 27.2 MW Wind Power Project” (1090) if the DOE (DNV Certification AS) submits a revised validation report corresponding to the PDD submitted in response to the request for review.
  - (b) “Shandong Weihai 69 MW Wind Power Project” (1128) if the DOE (DNV Certification AS) submits a revised validation report corresponding to the PDD submitted in response to the request for review.
  - (c) “ESTRE Pedreira Landfill Gás Project (EPLGP)” (1134) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation which;
    - (i) Applies version 3 of the Tool for the demonstration and assessment of additionality,
    - (ii) Includes the additional information supplied in response to the request for review regarding the simple cost analysis and measurement equipment, and
    - (iii) Describes in detail the method of flaring occurring in the baseline and on the basis of this description and other available evidence justifies the applied adjustment factor.
  - (d) “Amurang Biomass Cogeneration Project” (1141) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which includes the clarifications with regard to the baseline and monitoring of biomass availability submitted in response to the request for review.
  - (e) “PROBIOGAS-JP – João Pessoa Landfill Gas Project” (1165) if the DOE (SGS) and the project participant submit a further revision of the PDD and a corresponding revised validation report which incorporate the initial comments submitted regarding the calculation of the adjustment factor and the DOE’s validation opinion of this calculation respectively.



- (f) “Bundled wind energy power projects (2003 policy) in Rajasthan” (1167) if the DOE (SGS) and the project participant submit a revised PDD and corresponding revised validation report which;
- (i) Provide clarification regarding suitability of the applied benchmark, as this benchmark is used to determine the applicable tariff and therefore it is not clear why the calculated IRR is lower than this rate;
  - (ii) Apply a fixed electricity tariff through the lifetime of the project;
  - (iii) Applying input values for the specific project activity rather than input values scaled up from the planned lower capacity; and
  - (iv) Include the information related to the metering equipment submitted in response to the request for review.
- (g) “Enercon Wind Farm (Hindustan) Ltd in Rajasthan” (1168) if the DOE (SGS) and the project participant submit a revised PDD and corresponding revised validation report which provide clarification regarding suitability of the applied benchmark, as this benchmark is used to determine the applicable tariff and therefore it is not clear why the calculated IRR is lower than this rate;
- (h) “GIPPL Waste Heat based 11.5 MW Captive Power Project” (1169) if the DOE (SGS) and the project participant submit a further revision of the PDD and a corresponding revised validation report which;
- (i) Use revised version 3 of the additionality tool;
  - (ii) Use the equity IRR as the relevant financial indicator taking into account the selected benchmark; and
  - (iii) Show how the levelized costs for the FBC power plant and grid electricity were calculated.
- (i) “Fujian Pingtan Changjiang’ao 100 MW Wind Power Project” (1177) if the DOE (DNV Certification AS) and the project participant submit a revised PDD, and corresponding revised validation report, which;
- (i) Incorporates the response to the request for review and spreadsheets relating to the investment analysis; and
  - (ii) Confirms that the net electricity supplied by the project activity will be monitored continuously and recorded in accordance with the methodology.
- (j) “Biomass thermal energy plant – Hartalega Sdn.Bhd, Malaysia” (1186) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which include the reference on the technical lifetime of the thermal oil heaters.
- (k) “Coronel landfill gas capture project” (1219) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding validation report which contain the responses to the request for review regarding the simple cost analysis, the common practice analysis, and the calculation of the adjustment factor.
- (l) “Flare gas recovery project at Uran plant, Oil and Natural Gas Corporation (ONGC) Limited” (1220), if the DOE (DNV Certification AS) and the project participant submit a revised



PDD and corresponding validation report which contain the information regarding the prior consideration of the CDM as submitted in response to the request for review.

- (m) “Wahei Hydroelectric Project” (1223), if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding validation report which contain further explanation of the investment analysis and the validation opinion of this analysis.
- (n) “Nobrecel fuel switch in black liquor boiler Project” (1224) if the DOE (DNV Certification AS) submits a revised validation report corresponding to the PDD submitted in response to the request for review.
- (o) “Yuyao Electricity Generation Project using Natural Gas” (1227), if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which incorporates the response to the request for review relating to the sensitivity analysis and common practice analysis.
- (p) “Waste Gas based Captive Power Plant in Liangang Group” (1228) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which incorporates the response to the request for review relating to the description of the project activity, the baseline, the project boundary description, and the monitoring plan.
- (q) “6 MW bagasse based cogeneration plant for electricity generation for grid supply at Mawana Sugars Limited (MSL) at Mawana in Uttar Pradesh” (1233) if the DOE (RWTÜV) and the project participant submit a further revision of the PDD and a revised validation report, which:
  - (i) Justifies the calculation of an equity IRR of 13.33%, as the evidence to support the benchmark indicates that the tariff is determined to provide a 16% return on equity; and
  - (ii) Provides a clearer description of the pre project scenario, including the type, function and remaining operating lifetime of the boilers being replaced by the project activity.
- (r) “AWMS Methane Recovery Project BR06-S-23, Mato Grosso and Goias, Brazil” (1234) if the DOE (TÜV-SÜD) and the project participant submit a further revision of the PDD and validation report to include the justification for the use of animal weights to determine values for volatile solids and the clarification on whether or not more recent data (i.e., post 2004) are available to update the emission factor used in determining the electricity consumption.
- (s) “Sulige Natural Gas based Power Generation Project” (1243), if the DOE (TÜV-SÜD) and project participant submit a revised PDD and corresponding revised validation report which provide greater detail regarding how the baseline selection complies with the requirements of the approved methodology, in particular with regarding to ensuring that the proposed baseline provides similar services to the project activity.
- (t) “Shanxi Yangcheng Coal Mine Methane Utilization Project” (1250) if the DOE (TÜV-SÜD) and the project participant submit a further revision of the PDD submitted in response to the request for review, and a corresponding revised validation report, that ensures that the monitoring plan will include specific parameters and data for each site.



- (u) “5 MW Upper Awa small hydroelectric project, Himachal Pradesh, India” (1252) if the DOE (SGS) and the project participant submit a revised PDD and corresponding validation report which;
- (i) Demonstrates additionality based on revised IRR calculations which are not limited to the proposed crediting period, as the other barriers have not been adequately substantiated; and
  - (ii) Includes clarification on the net electricity monitored which was submitted in the response to the request for review.
- (v) “e7 Galapagos / San Cristobal Wind Power Project” (1255) if the DOE (SGS) and the project participant submit a revised PDD and corresponding validation report containing the responses given to the request for review regarding additionality, project start date and crediting period and further information on leakage related to existing equipment being transferred to another activity.
- (w) “Enercon Wind Farm (Hindustan) Ltd in Karnataka” (1259) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which:
- (i) Provide clarification regarding suitability of the applied benchmark, as this benchmark is used to determine the applicable tariff and therefore it is not clear why the calculated IRR is lower than this rate;
  - (ii) Include the information on the calculation of the build margin submitted in response to the request for review; and
  - (iii) Include the information related to the metering equipment submitted in response to the request for review.
- (x) “Shandong Wudi Biomass Generation Project” (1263) if the DOE (TÜV Rheinland) submits a revised validation report corresponding to the PDD submitted in response to the request for review.
- (y) “20MW Waste gas based captive power project based at Kharagpur, West Bengal” (1266) if the DOE (SGS) and the project participant submit a revised PDD, and corresponding revised validation report, which;
- (i) Incorporates the comments provided in response to the request for review that justify why the baseline of importing electricity from the grid is the most economically attractive alternative;
  - (ii) Applies version 3 of the additionality tool to the project activity; and
  - (iii) Includes for each parameter in section B.7.1, the values of the data applied for the purpose of calculating expected emission reductions in section B.5.
- (z) “Tungabhadra wind power project in Karnataka” (1268) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which provide clarification regarding suitability of the applied benchmark, as this benchmark is used to determine the applicable tariff and therefore it is not clear why the calculated IRR is lower than this rate.



- (aa) “Ningxia Yinyi 49.50MW Wind-farm Project” (1269), if the DOE (TÜV-SÜD) submits a revised validation report, corresponding to the revised PDD, that includes the substantiation of the sensitivity analysis provided in response to the request for review and confirms the validation that the scenarios where the IRR is above the benchmark are not probable.
- (ab) “AWMS Methane Recovery Project MX06-S-48, Jalisco, México” (1271) if the DOE (TÜV-SÜD) and the project participant submit a further revision of the PDD and the corresponding revised validation report to include the justification for the use of animal weights to determine values for volatile solids excretion rate and the clarification on whether or not more recent data (i.e., post 2004/2005) are available to calculate the emission factor used in determining the electricity consumption.
- (ac) “Hua'an Xipi Hydropower Project” (1275), if the DOE (JCI) submits a revised validation report which provide greater clarity as to how the DOE has validated the compliance of the common practice analysis with the step 4 of the Tool for the demonstration and assessment of additionality.
- (ad) “Enercon Wind Farms in Karnataka Bundled Project - 73.60 MW” (1286) if the DOE (SGS) and the project participant submit a revised PDD and corresponding revised validation report which;
- (i) Provide clarification regarding suitability of the applied benchmark, as this benchmark is used to determine the applicable tariff and therefore it is not clear why the calculated IRR is lower than this rate;
  - (ii) Apply a fixed electricity tariff through the lifetime of the project; and
  - (iii) Justify the existence of common practice (under sub step 4b of the additionality tool).
- (ae) “Enercon Wind Farms in Karnataka Bundled Project – 30.40 MW” (1291) if the DOE (SGS) and the project participant submit a revised PDD and corresponding revised validation report which;
- (i) Provide clarification regarding suitability of the applied benchmark, as this benchmark is used to determine the applicable tariff and therefore it is not clear why the calculated IRR is lower than this rate; and
  - (ii) Apply a fixed electricity tariff through the lifetime of the project.
- (af) “NSSM – Narkatiaganj Biomass Power Project” (1294) if the DOE (SGS) submits a revised validation report corresponding to the PDD submitted in response to the request for review.
62. After the submission of the specified documentation, the secretariat, in consultation with the Chair of the Board, will check the revised documentation before the activity is displayed as registered.
63. The Board agreed to undertake a review of the project activity:
- (a) “Demand side energy efficiency project at IPCL-Vadodara Complex” (0929), submitted for registration by the DOE (BVC), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 33](#) to this report.
  - (b) “Fuel oil to animal tallow switching at Companhia de Fiação e Tecidos Santo Antônio” (1117), submitted for registration by the DOE (RWTÜV), and that the scope of this review is



relating to issues associated with validation requirements, as contained in [annex 34](#) to this report.<sup>1</sup>

(c) “DSM-Asmoli Bagasse Cogeneration Project” (1148), submitted for registration by the DOE (BVC), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 35](#) to this report.

(d) “6.0 MW Biomass based cogeneration power plant of Rama Paper Mills Limited, Kiratpur, Uttar Pradesh.” (1181), submitted for registration by the DOE (SGS), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 36](#) to this report.<sup>2</sup>

(e) “BHL Palia Kalan Project” (1184), submitted for registration by the DOE (DNV Certification AS), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 37](#) to this report.

(f) “DSM-Dhampur Bagasse Cogeneration Project” (1215), submitted for registration by the DOE (BVC), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 38](#) to this report.

(g) “Rio Grande do Sul Cooperatives Small Hydro Power Plants” (1235), submitted for registration by the DOE (SGS), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 39](#) to this report.

(h) “Effective utilization of waste heat by installing vacuum pre-concentrator in urea section at Indo Gulf Fertilisers (A Unit of Aditya Birla Group), Jagdishpur” (1272), submitted for registration by the DOE (TÜV-SÜD), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 40](#) to this report.<sup>3</sup>

(i) “Nava Bharat RE Bagasse Project” (1288), submitted for registration by the DOE (SGS), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 41](#) to this report.<sup>4</sup>

(j) “Shree Chhatrapati Shahu RE Project” (1297), submitted for registration by the DOE (SGS), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 42](#) to this report.

64. The Board agreed on the nomination of the members of the review teams for the above. The review teams may call on outside expertise in consultation with the Chair of the Board, as appropriate.

65. In accordance with the procedures for review as referred to in paragraph 41 of the CDM modalities and procedures, the Board considered the recommendations of the review teams for the eight (8) project activities which were placed “Under review” at the thirty-fifth meeting of the Board.

66. In accordance with paragraphs 17 and 18 (b) of the procedures mentioned in paragraph 65, the Board agreed to register, subject to satisfactory corrections, the project activities:

(a) “67.5 MW Wind Power Project in Kadavakallu, Andhra Pradesh” (1131) if the DOE (BVC) and the project participant submit a revised PDD and corresponding revised validation report which incorporate the information supplied to the review team regarding the additionality of the project activity.

(b) “2.76 MW Grid Connected Renewable Energy Project in Rajasthan by Kalani Industries” (1132) if the DOE (BVC) and the project participant submit a revised PDD and corresponding revised validation report which incorporates a copy of the original of the minutes of the Board



meeting from 8 September 2000, and the DOE's validation opinion of this, and provide further explanation of how the IRR has been calculated to be 12.8% if the tariff is determined to provide a return on equity of 16%.

(c) "9.8 MW Renewable Energy Generation for the grid at South Asian Agro Industries Limited in Raipur District, Chattisgarh." (1175) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which incorporate the response to the review team's questions.

(d) "LG Chem Naju plant fuel switching project" (1185) if the DOE (KEMCO) and the project participant submit a revised PDD and corresponding revised validation report which ensures that the monitoring of fuel use and output is in accordance with the approved small scale methodology AMS-III.B version 10.

(e) "10 MW Somasila Hydro Power Project for a grid system by Balaji Energy Pvt. Ltd." (1201) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which;

(i) Exclude taxation from the calculation of the required return on equity in the calculation of the IRR;

(ii) Justify the choice of the assessment period for the investment analysis; and

(iii) Apply the assumptions regarding electricity tariff which were used in the original PDD submitted for registration.

68. In accordance with paragraphs 17 and 18 (c) of the procedures mentioned in paragraph 65, the Board could not register the following project activities:

(a) "Way Ganga hydro power project, Sri Lanka" (1173), submitted for registration by the DOE (SGS), because the DOE and project participant failed to substantiate the assumption regarding the applied benchmark. Therefore the Board could not determine that the project activity could be considered additional.

(b) "6 MW RPPL biomass based power plant" (1195), submitted for registration by the DOE (DNV Certification AS), because the DOE and project participant failed to substantiate that without the benefits of the CDM the project activity would not continue to operate as a predominantly biomass fired power generation unit. Therefore the Board could not determine that the project activity could be considered additional.

(c) "Erathna hydro power project, Sri Lanka" (1204), submitted for registration by the DOE (SGS), because the DOE and project participant failed to substantiate the assumption regarding the applied benchmark and the escalation of certain costs by 15% per annum. Therefore the Board could not determine that the project activity could be considered additional.

69. In accordance with the clarifications to paragraph 18 (b) of the above-mentioned procedures the Board considered eight (8) project activities for which corrections had been submitted in response to the outcome of a previous review.

70. The Board agreed to register, as corrected, the project activities:

(a) "Central Izalco Cogeneration Project" (1033) submitted for registration by the DOE (DNV Certification AS).



- (b) “Emission reduction through partial substitution of fossil fuel with alternative fuels like agricultural byproducts & Municipal Solid Waste (MSW) in the manufacturing of portland cement at Vikram Cement (VC), Neemuch (MP), India.” (1085) submitted for registration by the DOE (RWTÜV).
- (c) “Ancon – EcoMethane Landfill Gas Project” (1104) submitted for registration by the DOE (DNV Certification AS).
- (d) “Jiaozishan Landfill Gas Recovery and Utilisation Project” (1120) submitted for registration by the DOE (SGS).
- (e) “Ciudad Juarez Landfill Gas to Energy Project” (1123) submitted for registration by the DOE (TÜV-SÜD).
71. The Board could not register the project activities:
- (a) “Fuel switch at BSM sugar mills” (1022), submitted for registration by the DOE (DNV Certification AS), because the corrections submitted by the DOE and project participant have failed to demonstrate that the annual electricity generation of the project activity increases by not more than 10% of the historical highest annual generation. Therefore the approved methodology AM0036 is not applicable to the project activity.
- (b) “M/S. Kothari Sugars and Chemicals Ltd (KSCL)’s Bagasse Based Co-generation Project, at Perambalur district, Tamil Nadu, India” (1109), submitted for registration by the DOE (DNV Certification AS), because the corrections submitted by the DOE and project participant have failed to demonstrate that the project activity is not common practice, in accordance with the requirements of the "Tool for the demonstration and assessment of additionality".
- (c) “Renewable biomass residue based steam generation at Arvind Mills, Santej” (1217), submitted for registration by the DOE (SGS), because the corrections submitted by the DOE and project participant have failed to demonstrate that the investment analysis is based on prices applicable at the time of the decision to undertake the project activity in 2001. Therefore the Board could not determine that the project activity could be considered additional.
72. The Board considered three (3) requests for deviations from approved methodologies related to project activities undergoing validation, agreed to answer them, and requested the secretariat to inform the DOEs accordingly.

### ***General guidance***

73. The Board agreed to adopt version 3 of the “Procedures for renewal of a crediting period of a registered CDM project activity”, as contained in [annex 43](#) of this report.
74. The Board took note of an assessment prepared by the secretariat of the key issues resulting in requests for reviews, reviews and rejections of proposed CDM project activities. The Board noted with particular concern recurring errors by DOEs and project participants in the following areas:
- (a) Investment analysis (validation of parameters, validation of sensitivity analysis);
- (b) Substantiation of barriers (clear validation of why the barriers prevent implementation, submission of required evidence);
- (c) Applicability of small scale methodologies;



- (d) Completeness of monitoring plans (listing of all required parameters, compliance with Board's general guidance); and
- (e) Lack of clarity on the validation conducted by DOEs/inconsistent information in documents.

The Board requested the Secretary of the Board to write to each DOE informing of the recurring errors identified by the Board in their respective submissions this year. The Board, noting that addressing the issues identified above could contribute to reduce the number of requests for review, will continue to monitor the performance of DOEs. This initial assessment also contributes to the ongoing work in the development of the validation and verification manual.

75. The Board took note of the revised "Procedures for requests for deviation to the Executive Board" which was prepared by the secretariat and made available as annex 8 to the annotated agenda to its thirty-fifth meeting. Due to time constraints the Board could not consider this document and agreed to consider it at its thirty-seventh meeting.

### **Agenda sub-item 3 (g): Matters relating to the issuance of CERs and the CDM registry**

76. The Board took note that 93,886,193 CERs have been issued as at 30 November 2007, and that the secretariat, in its capacity as the CDM registry administrator, continues to process requests for opening of holding accounts and for forwarding of CERs. The status of requests for issuance of CERs can be viewed on the UNFCCC CDM website.

#### ***Case specific issues***

77. In accordance with the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures, the Board considered a request for review of eleven (11) requests for issuance.

78. In accordance with paragraph 10 of these procedures the Board agreed to instruct the CDM registry administrator to issue 68,777 CERs for "Destruction of HFC-23 at refrigerant (HCFC-22) manufacturing facility of Chemplast Sanmar Ltd" (0499), taking note of the initial comments from the DOE (SGS) and project participant in response to the request for review. The Board also noted that the DOE should submit a request for revision of monitoring plan which includes the changes in the frequency of calibration of HFC23 flow meters prior to the next request for issuance.

79. In accordance with paragraph 10 of these procedures, the Board agreed, subject to a check by the secretariat of the revised documentation and in consultation with the Chair of the Board, to instruct the CDM registry administrator to issue CERs for:

- (a) "Clarion 12MW (Gross) Renewable Sources Biomass Power Project" (0075), if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding verification report which include the information on the *ex-ante* grid emission factor and the monitoring of diesel consumption and auxiliary consumption submitted in response to the request for review. The Board further noted that the DOE should submit a request for revision of the monitoring plan which includes the monitoring of diesel consumption and the change in the monitoring of auxiliary consumption prior to the next request for issuance.
- (b) "Pochos I Project" (0086), if the DOE (DNV Certification AS) submits a revised verification report which includes the verification of the updated NEC values and the changes in the status of current and future cogeneration plants in the grid.



- (c) “4.5 MW Maujhi Grid-connected SHP in Himachal Pradesh, India” (0098), if the DOE (DNV Certification AS) submits a revised verification report that corrects the inconsistent description of the frequency of calibration of meters.
- (d) “N2O Emission Reduction in Onsan, Republic of Korea” (0099), if the DOE (TÜV SÜD) if the DOE submits a revised verification report that incorporates information on the calibration of instruments and the assessment on local N2O regulations provided in response to the request for review.
- (e) “Bandeirantes Landfill Gas to Energy Project (BLFGE)” (0164), if the project participant and the DOE (TÜV SÜD) submit:
- (i) a revised monitoring report which incorporates the correct amount of imported electricity and the corresponding CERs; and
  - (ii) a revised verification report which includes the corrections and information submitted in response to the request for review, and covers the verification of the correct amount of imported electricity and the corresponding CERs.
- (f) “Wigton Wind Farm Project (WWF)” (0239), if the project participant submits a revised monitoring report which includes correction on the comments in Annex 4 in accordance with the revised verification report submitted in response to the request for review.
- (g) “The Godavari Sugar Mills Ltd (TGSML)’s 24 MW Bagasse Based Co-generation Power Project at Sameerwadi” (0577) if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding revised verification report which contain submitted corrections on the description of the grid emission factor and incorporate the additional information regarding the net electricity generation submitted in response to the request for review.
- (h) “Optimization of steam consumption at the evaporator”(0679) if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding revised verification report which include:
- (i) The use of highest value of monthly project specific steam consumption ratio (SSCR) recorded in the  $\pm 5\%$  range since the operation of the plant, and explanation on the reasons of the production at baseline that differs significantly from the production after project implementation;
  - (ii) The correct steam pressure and temperature in the spreadsheet in accordance with the actual figures presented in the monthly utilities report; and
  - (iii) The correct calculation of steam enthalpy and the corresponding emission reductions.
- (i) “7.5 MW Grid Connected Biomass Power Project” (0736) if the revised verification report submitted by the DOE (TÜV SÜD) in response to the request for review is displayed on the UNFCCC CDM website.

80. In accordance with the provisions of paragraph 10 of these procedures, the Board agreed to undertake a review of the request for issuance of CERs and to appoint members of the review team for the project activity “Optimum utilisation of clinker by PPC production at Binani Cement Limited, Rajasthan” (0361) submitted by the DOE (TÜV SÜD), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 44](#) to this report.



81. With regard to the remaining project activity “10.6 MW wind farm at Village Badabagh, District Jaisalmer, Rajasthan” (0571), which was requested for review for this meeting, the project participant has communicated to the Board its intention to withdraw the request of issuance.

82. In accordance with the procedures for review as referred to in paragraph 65 of the CDM modalities and procedures, the Board considered the recommendations of the review teams for four (4) project activities which were placed “Under review” at the thirty-fifth meeting of the Board.

83. The Board agreed to instruct the CDM registry administrator to issue CERs for “Landfill Gas to Energy Project at Lara Landfill, Mauá, Brazil” (0091) for the monitoring period 15 September 06 - 21 March 2007 if the revised monitoring report and the revised verification report submitted by the DOE (SGS) in response to the review are displayed on the UNFCCC CDM website. The Board underlined that the project was reviewed by the Board because initial comments were not submitted in response to the request for review.

84. The Board agreed to instruct the CDM registry administrator to issue CERs, subject to satisfactory corrections, for:

(a) “HFC Decomposition Project in Ulsan” (0003) for the monitoring period 01 April 2007 - 30 June 2007 if the project participant and the DOE (DNV Certification AS) submit:

(i) A revised monitoring report which applies deduction based on the maximum accuracy specification of the measuring instruments for all parameters for which the calibration records were not available; and

(ii) A corresponding revised verification report which also includes the verification that the calibration has been done by an entity with the appropriate competencies and qualifications.

(b) “Cerradinho Bagasse Cogeneration Project (CBCP)” (0203) for the monitoring period 15 September 06 - 21 March 2007 if the project participant and the DOE (DNV Certification AS) submit a revised monitoring report and a revised verification report which incorporate:

(i) Information on the date of physical construction of G4 and G5;

(ii) Description/diagram illustrating the configuration of electricity generation, supply to the sugar plant, and supply to the grid by G4 and G5; and

(iii) The updated emission factor and the corresponding emission reductions provided in response to the request for review.

The Board further noted that the DOE should submit a request for revision of monitoring plan which includes the monitoring of the electricity generation and export to the grid by G5.

(c) “Deoband Bagasse based Co-generation Power Project” (0578) for the monitoring period 01 November 2004 - 31 March 2007 if the project participant and the DOE (SGS) submit a revised monitoring report and a revised verification report which incorporate:

(i) the additional information on the steam and electricity generation provided in response to the review; and

(ii) the clarification on the monitoring of steam temperature and pressure provided in response to the request for review.



85. In accordance with the clarifications to paragraph 18 (b) of the above-mentioned procedures, the Board agreed to instruct the CDM registry administrator to issue CERs, considering that the corrections requested by the Board at its thirty-fifth meeting following a review had been made, for:

- (a) “Cuyamapa Hydroelectric Project” (0045) submitted by the DOE (DNV Certification AS).
- (b) “Nagda Hill Window Energy Project (India)” (0112) submitted by the DOE (RWTÜV).
- (c) “Aços Villares Natural gas fuel switch project” (1037) submitted by the DOE (DNV Certification AS).

86. The Board considered seven (7) requests for deviation related to monitoring reports undergoing verification, agreed to answer them and requested the secretariat to inform the DOEs accordingly.

#### *General guidance*

87. The Board took note of an assessment prepared by the secretariat of the key issues resulting in requests for reviews, reviews and rejection of requests for issuance of CERs. The Board noted with particular concern recurring errors by DOEs and project participants in the following areas:

- (a) Monitoring issues (parameters not monitored in accordance with methodology, monitoring method and frequency, reporting)
- (b) Calibration issues (calibration not performed, missing records, frequency of calibration)
- (c) Calculations of emission reductions and application of emission factors
- (d) Typographical errors/inconsistent information in documents
- (e) Verification of project implementation against project design in PDD

The Board requested the Secretary of the Board to write to each DOE informing of the recurring errors identified by the Board in their respective submissions this year. The Board, noting that addressing the issues identified above could contribute to reduce the number of requests for review, will continue to monitor the performance of DOEs. This initial assessment also contributes to the on going work in the development of the validation and verification manual.

#### *Update on the status of the CDM Registry*

88. The Board took note that the CDM registry and the national registry of Japan are now connected to the ITL, and that CERs have been forwarded to the national registry of Japan. The Board looks forward to the connection of other registries to the ITL, which will take place subject to the assessment by the ITL administrator of the compliance of these registries with the functional and connectivity requirements.

#### **Agenda sub-item 3 (g): Modalities for collaboration with the Subsidiary Bodies**

89. The Board requested the Mr. José Domingos Miguez to follow the Subsidiary Body for Scientific and Technological Advice (SBSTA) agenda item related to “Implications of possible changes to the limit for small-scale afforestation and reforestation clean development mechanism project activities” and report on the outcome to the Board.

90. The Board further requested Mr. José Domingos Miguez to follow the Subsidiary Body for Scientific and Technological Advice (SBSTA) agenda item relating to “Implications of the establishment of new hydrochlorofluorocarbon-22 (HCFC-22) facilities seeking to obtain certified emission reductions for the destruction of hydrofluorocarbon-23 (HFC-23)” and report on the outcome to the Board.



91. The Board further requested Ms Christiana Figueres to follow the agenda item at the Subsidiary Body for Scientific and Technological Advice (SBSTA) relating to “carbon dioxide capture and storage in geological formations as clean development mechanism project activities” and report on the outcome to the Board.

92. The Board further requested Mr. Rajesh Kumar Sethi to follow the agenda item at the Subsidiary Body for Implementation (SBI) relating to the “Report of the administrator of the international transaction log under the Kyoto Protocol” and report on the outcome to the Board.

93. The Board further requested Ms Christiana Figueres to follow the agenda item at the Subsidiary Body for Implementation (SBI) relating to "Privileges and immunities for individuals serving on constituted bodies established under the Kyoto Protocol" and report on the outcome to the Board.

#### **Agenda item 4. CDM management plan and resources for the work on the CDM**

##### ***CDM-MAP***

94. In accordance with decision 1/CMP.2 relating to the Management plan (CDM-MAP), the Board took note of the presentation by the secretariat on the proposed version of the CDM MAP to cover CDM activities in 2008 which included the needs identified by the Board at its last meeting. The secretariat took note of comments, guidance and inputs provided by the Board with the view of presenting a revised draft for consideration at the thirty-seventh meeting of the Board.

##### ***Resources***

95. The Board took note of information provided by the secretariat on the status of resources received as reflected in table 2 of [annex 45](#). It was noted that since the thirty-fifth meeting of the Board, the income generated by registration fees and share of proceeds has reached a total of USD 37,66 million. As the operational reserve is set at USD 30 million, the remainder USD 7.66 million has been used to finance the activities of the CDM. Considering the current level of expenditure and expected income until the end of 2007, an approximate amount of USD 6.90 million is expected to be carried over into 2008. This amount represents 37% of the CDM budget for 2008 as shown in the CDM MAP 2007 (version 02). Germany and Sweden have indicated that they are planning to provide more resources to support the work of the CDM in 2007.

#### **Agenda item 5. Other matters**

##### **Agenda sub-item 5 (a): Regional distribution of project activities**

96. The Board took note of the presentation of the secretariat on the issue of regional distribution of CDM project activities, in particular on the status of implementation of the Nairobi Framework and provided feedback on how to focus the ongoing and planned activities.

97. The Board took note of the update from the Chair on the plans of the government of Denmark to initiate work, in cooperation with the Board, to identify the potential and scope for synergy and co-operation between CDM and micro-finance mechanisms.

##### **Agenda sub-item 5 (b): Relations with Designated National Authorities**

98. The Board, with regret, could not find the time to meet with DNA representatives participating in the fourth DNA Forum meeting held from 29 - 30 November in Bali, Indonesia and agreed to continue these interactions in the future.

**Agenda sub-item 5 (c): Relations with Designated Operational and Applicant Entities**

99. The Chair of the AE/DOE Coordination Forum elaborated the input received from entities for the consideration of the Board, which relates to the grace period for the application of the additionality tool.

100. The Chair of the Forum also announced that this is his last interaction with the Board in the capacity as Chair of the Forum. The Board members thanked Mr. Werner Betzenbichler for his contributions, in his capacity of the Chair of the AE/DOE Coordination Forum and wished for the Forum's continual cooperation and interaction with the Board.

101. In responding to questions of Board members, Mr. Betzenbichler underlined the importance for further clarity on standards and decisions of the Board. In highlighting some of the difficulties DOEs face, he mentioned that a wider scope of expertise is required by companies to perform DOE CDM operations than in other certification areas. He mentioned such expertise includes economic analyses, high level of technical competencies, and communication skills to convey findings to a non-technical community.

**Agenda sub-item 5 (d): Relationship with stakeholders, intergovernmental and non-governmental organizations (registered accredited observers)**

102. The Board met with registered observers for an informal interaction on 30 November 2007 and agreed to continue with such meetings in the afternoon of the last day of its future meetings, unless otherwise indicated. These meetings are available on webcast.

103. The Board further agreed to continue to meet with the same type of arrangement at its thirty-sixth meeting, with space being made available for 70 observers, and to reconsider the issue when necessary. The Board will further consider options for improvement interactions with observers. Observers to the thirty-seventh meeting of the Executive Board shall have registered with the secretariat by **9 January 2008, no later than 17:00 GMT**. In order to ensure proper security and logistical arrangements, the Board emphasized that this deadline will be strictly enforced by the secretariat.

**Agenda sub-item 5 (f): Other business**

104. The Board agreed on the provisional agenda for its thirty-seventh meeting (30 January - 1 February 2008) as contained in [annex 46](#) to this report, with an open session on the 31 January to 1 February 2008.

**Agenda item 6. Conclusion of the meeting**

105. The Chair summarized the main conclusions. The Board thanked the secretariat for excellent preparation and servicing the meeting.

106. The Board expressed its deep appreciation to the outgoing Chair, Mr. Hans Jürgen Stehr, and Vice-Chair, Mr. Rajesh Kumar Sethi, for the outstanding leadership and dedication. The Board also thanked all outgoing members and alternate members for their hard work and dedication to the process during their tenure. The Board agreed that options to find ways to draw on the expertise and knowledge of outgoing/former members and alternate members should be considered.

**Agenda sub-item 6 (a): Summary of decisions**

107. Any decisions taken by the Board shall be made publicly available in accordance with paragraph 17 of the CDM modalities and procedures and with rule 31 of the rules of procedure of the Executive Board.



**Agenda sub-item 6 (b): Closure**

108. The Chair closed the meeting.

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## Annexes to the report

### Methodologies

Annex 1 - Approved baseline and monitoring methodology AM0060 (Power saving through replacement by energy efficient chillers) based on case NM0197-rev

Annex 2 - Approved baseline and monitoring methodology AM0061 (Methodology for rehabilitation and/or energy efficiency improvement in existing power plants) based on case NM202-rev

Annex 3 - Approved baseline and monitoring methodology AM0062 (Energy efficiency improvements of a power plant through retrofitting turbines) based on case NM0203-rev.

Annex 4 - Approved baseline and monitoring methodology AM0063 (Recovery of CO<sub>2</sub> from tail gas in industrial facilities to substitute the use of fossil fuels for production of CO<sub>2</sub>) based on case NM0230

Annex 5 - Approved baseline and monitoring methodology AM0064 (Methodology for mine methane capture and utilisation or destruction in underground, hard rock, precious and base metal mines) based on case NM023

Annex 6 - Revision to AM0009 (Recovery and utilization of gas from oil wells that would otherwise be flared or vented ) to incorporate case NM0227.

Annex 7 - Revision to AM0057 (Avoided emissions from biomass wastes through use as feed stock in pulp and paper production or in bio-oil production)

Annex 8 - Revision to AM0021 (Baseline Methodology for decomposition of N<sub>2</sub>O from existing adipic acid production plants)

Annex 9 - Revision to AM0030 (PFC emission reductions from anode effect mitigation at primary aluminium smelting facilities)

Annex 10 - Revision to ACM0001 (Consolidated Baseline Methodology and monitoring methodology for landfill gas project activities)

Annex 11 - Revision to ACM0002 (Avoided emissions from biomass wastes through use as feed stock in pulp and paper production or in bio-oil production)

Annex 12 - Revision to ACM0003 ( Emissions reduction through partial substitution of fossil fuels with alternative fuels or less carbon intensive fuels in cement manufacture)

Annex 13 - Revision to the methodological Tool for assessment and demonstration of additionality (Version 04)

Annex 14 - Consolidated approved methodologies ACM0014 (Avoided methane emissions from wastewater treatment) based on approved methodologies AM0013 and AM0022

Annex 15 - Consolidated approved methodologies ACM0015 (Consolidated baseline and monitoring methodology for project activities using alternative raw materials that do not contain carbonates for clinker manufacturing in cement kilns) based on approved methodologies AM0033 and AM0040

Annex 16 - Guidance on project activities that result in emission reductions due to the use/consumption of a product produced (Version 02)

**Issues relating afforestation and reforestation CDM project activities**

Annex 17 - Revision to AR-AM0004 (Reforestation or afforestation of land currently under agricultural use)

Annex 18 - Revision to AR-AM0009 (Afforestation or reforestation on degraded land allowing for silvopastoral activities)

Annex 19 - Approved methodological Tool for Estimation of GHG emissions related to displacement of grazing activities in A/R CDM project activity (Version 01)

Annex 20 - Approved methodological Tool for estimation of GHG emissions from clearing, burning and decay of existing vegetation due to implementation of a CDM A/R project activity (Version 01)

Annex 21 - Guidance related to the registration fee for proposed A/R clean development mechanism project activities (Version 01)

**Issues relating to small-scale CDM project activities**

Annex 22 - AMS III.T Plant oil production and use for transport applications

Annex 23 - AMS III.S Introduction of low-emission vehicles to commercial vehicle fleets

Annex 24 - Revision to AMS III.H Methane recovery in wastewater treatment

Annex 25 - Revision to AMS III.E Avoidance of methane production from biomass decay through controlled combustion

Annex 26 - Revision to AMS I.D. Grid connected renewable electricity generation

Annex 27 - Compendium of debundling guidance including diagrammatic representation (Version 01)

**Matters related to Programme of Activities**

Annex 28 - CDM Programme of Activities Design Document Form for A/R (CDM-PoA-DD-AR)

Annex 29 - CDM Programme Activity Design Document Form for A/R (CDM-CPA-DD-AR)

Annex 30 - CDM Programme of Activities Design Document Form for Small-Scale A/R (CDM-PoA-DD-SSC-AR)

Annex 31 - CDM Programme Activity Design Document Form for Small-Scale A/R (CDM-CPA-DD-SSC-AR)

Annex 32 - CDM Glossary of Terms (CDM-Glos) (Version 03)

**Matters relating to the registration of CDM project activities**

Annex 33 - Scope of review (registration) - Project 0929

Annex 34 - Scope of review (registration) - Project 1117

Annex 35 - Scope of review (registration) - Project 1148

Annex 36 - Scope of review (registration) - Project 1181



Annex 37 - Scope of review (registration) - Project 1184

Annex 38 - Scope of review (registration) - Project 1215

Annex 39 - Scope of review (registration) - Project 1235

Annex 40 - Scope of review (registration) - Project 1272

Annex 41 - Scope of review (registration) - Project 1288

Annex 42 - Scope of review (registration) - Project 1297

Annex 43 - Procedures for renewal of a crediting period of a registered CDM project activity  
(Version 03)

**Matters relating to the issuance of CERs and the CDM registry**

Annex 44 - Scope of review (issuance) - Project 0361

**Resources**

Annex 45 - Status of resources and pledges to support 2007 CDM activities

**Other matters**

Annex 46 - Provisional agenda for EB37

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## Endnotes

1. If the Board ultimately decides to register the project activity, the PDD shall include the revision on calculations of emission reductions as per the methodology i.e. baseline emissions,  $BE_y = HG_y * EFCO_2 / \eta$  where  $HG_y$  is the net quantity of steam/heat supplied by the project activity during the year  $y$  in TJ and a corresponding monitoring plan.
2. If the Board ultimately decides to register the project activity the PDD shall include the revision already supplied regarding the monitoring of biomass availability and the annual average estimated emission reductions.
3. If the Board ultimately decides to register the project activity, the PDD shall include the justification on the approach for monitoring the production rate of urea and the explanation on how the fuel testing to determine fuel-related parameters is conducted.
4. If the Board ultimately decide to register the project activity the PP/DOE will be required to supply a revised PDD applying version 3 of the additionality tool, the new calculation of the electricity generation and the new monitoring plan.