



Annex 3

NM0017 - Steam system efficiency improvements in refineries in Fushun, China

Required changes to the baseline and monitoring methodologies:

- The additionality part of the annex 3 is only relying on a “common practice” test, which was considered as non-sufficient by the Board at a previous meeting. Although in the project design document a barrier analysis (lack of knowledge, lack of capital, etc...) is developed, the use of such a tool is not required and outlined in the annex 3. Annex 3 should provide for a clear barrier analysis tool;
- There is a lack of consistency between the formulae of baseline emissions (always relying on the past performance of the project plant) and the narrative description of baseline in the annex 3, section 2 and 5 (which indicates that baseline emissions are adjusted according to the outcomes of the surveys of similar plants);
- The project participant asks to undertake an audit in the group of similar plants and interviews of the managers; a second interview of the managers 6 months to 1 year later is supposed to supplement the findings of the first inquiry (but no new audit); the quality of this second source of information can be questioned as well as the way it is used (If it is observed that 3% of the traps in the control are changed between the two inquiries, should it not be concluded that every year during the crediting period this is going to happen?)
- The information about condensate recovery seems rather qualitative (interview of the manager) but is nevertheless supposed to be used to modify the level of baseline emissions;
- The proposal of asking a letter to a lawyer or the DNA certifying that no policy requires the maintenance of traps seems not workable and should be deleted.