



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

Date: 19 October 2007  
Ref: CDM-EB-35

EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM

THIRTY-FIFTH MEETING

Report

**Date of meeting:** 15 - 19 October 2007

**Location:** Bonn, Germany

**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.

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

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

<sup>2</sup> 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. Natalia Berghi and Mr. Richard Muyungi were unable to attend the meeting and had provided proper justification for their 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***Case specific*

4. The Board took note of the oral update by the Chair of the Accreditation Panel and the secretariat on the progress of the work on a spot-check case, decided by the Board at its thirty-fourth meeting. The Board requested the secretariat to finalise the work expeditiously and in a way that recommendation from the CDM-AP is submitted for the consideration of the Board at its thirty-sixth meeting.

*General guidance*

5. The Board took note of the progress of the work for the elaboration of the CDM EB validation and verification manual, aimed to promote quality and consistency in verification and validation reports. The work is expected to lead to the issuance of the first version in early 2008. The Board also took note of the progress of the work on the elaboration of accreditation standards for the operational entities, as agreed by the Board at its thirty-third meeting.
6. In the context of the preparation of the VVM, the Board requested the secretariat to compile and assess in a systematic manner, the issues resulting in requests for review and reviews undertaken so as to categorize them and disseminate this information. This information is intended to enable the Board to provide the DOEs and project participants with a systematic feedback to enable continuing improvement in their performance.
7. The Board appointed Mr. Narendra Paruchuri as an additional methodological expert to the CDM-AP for a period of two years.
8. The Board took note of resignation of one CDM-AP member Mr. George Anastasopoulos. The Board expressed its deep appreciations for the work and contributions of Mr. George Anastasopoulos as the panel member. The Board also agreed to open a call for experts to replace Mr. George Anastasopoulos. The Board requested the secretariat to open the call starting on 22 October 2007, 17:00 GMT with a view to prepare a shortlist of experts for consideration by the Board at its thirty- sixth meeting. The Board also noted that new member, if possible, not come from the same region as the members that are in office. The Board encourages, however, candidates from all regions to apply.

*Further schedule*

9. The Board noted that the thirty-second meeting of the CDM -AP is scheduled on 7 - 9 November 2007.

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

10. The Board took note of the report of the twenty-ninth 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*

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

**12. Approve cases:**

(a) **AM0058** - "Introduction of a new primary district heating system", which was proposed as NM0181-rev (Introduction of a new primary district heating system - Houma District Heating project, Shanxi Province, P.R.C.) and link it to scope 01 (Energy Industries), as contained in the annex 1 of this report. The Board took note of an editorial change made to further clarify the applicability of the methodology and correct the equation to estimate the energy supplied to a sub-area of a sub-station;

(b) NM0226 (Fuel switching from naphtha to natural gas at grid-connected power generation facility of GIPCL, in Vadodara, Gujarat), which was integrated into the approved consolidated methodology **ACM0011**, as contained in annex 2 of this report. Applicability of the approved methodology is expanded to project activities where power generation increases significantly due to the fuel switch without an increase in capacity. In approving the revision, the Board also acknowledged that version 1 of the approved consolidated methodology restricts the applicability to situations where the capacity of the project activity plant is not changed by more than 5% and not where the generation of project activity power plant is increased by more than 5%;

(c) **AM0059** - "Reduction in GHGs emission from primary aluminium smelters", which was proposed as NM0209 (Reduction in GHGs emission from primary aluminium smelter at Hindalco, Hiraikud India) and link it to scope 09 (Metal Production), as contained in the annex 3 of this report. In this regard, the Board agreed that the additionality of the project activities using the approved methodology should be demonstrated using investment analysis. Furthermore, the Board asked the deletion of the applicability condition "At least 50% of the aluminium plants in the relevant geographical area use the same type of smelting technology". The Board also took note of the changes made to the draft recommended by the panel to improve the clarity on emission estimation procedures.

13. The Board discussed the case NM0228 (AGRENCO Biodiesel Project in Alto Araguaia", proposed by Agrenco do Brasil S/A) and noted the excessive treatment of the estimation of project emissions from the cultivation of raw material used in production of biofuel compared to the calculation of the baseline emissions from the production of petrodiesel. The Board requested the panel to review the estimation of project emissions from cultivation of raw material with a view to identify the relevance of the various emissions source in terms of their significance vis à vis inclusion of similar emissions sources in the production of petrodiesel. The Board also requested the panel to provide inputs on the extent to which upstream emissions should be considered and also the criterion that could be used to eliminate minor emission sources, both in the baseline and the project situation.



14. **Not to approve case:** NM0224 which, if revised taking into account comments, can be resubmitted but will require new expert and public input.

15. The Board clarified that methodologies are approved for application both to CDM project activity and to CDM programme activities (CPA) under a Programme of Activities (PoA). The Board also clarified that proposed new methodologies submitted for consideration by the Board should clearly define the activity to which the proposed methodology is applicable. The Board requested the Meth Panel to finalize its work on the case NM0197-rev based on the definition of the activity, as provided by the project participants of case NM0197-rev.

#### *Responses to clarifications*

16. The Board took note of the responses to clarifications provided by the Meth Panel on the cases AM\_CLA\_0050 to AM\_CLA\_0056 and AM\_CLA\_TOOL\_0001 to AM\_CLA\_TOOL\_0002.

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

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

- (a) Accept request AM\_REV\_0055 concerning ACM0003 requesting a revision to expand the applicability to project activities that use biomass produced from dedicated plantations on land that was previously used for growing crops, as contained in annex 4 of this report;
- (b) Not to accept request AM\_REV\_0056 concerning AM0036 requesting a revision to expand the applicability to project activities that increases renewable electricity generation, which is supplies to the grid, as a result of fuel switch from fossil to biomass in the project activity boiler.
- (c) Accept request AM\_REV\_0057 concerning AM0051 requesting a revision to allow allows measurement of the N<sub>2</sub>O in the flue gases after the secondary catalyst (catalyst inserted in the reaction chamber to destroy N<sub>2</sub>O) at a location further down the production chain from the reaction chamber, as contained in annex 5 of this report;
- (d) Accept request AM\_REV\_0058 concerning AM0043 requesting to expand the applicability of the approved methodology to project activities that replace old steel pipes with polyethylene pipes, as contained in annex 6 of this report;
- (e) Not to accept request AM\_REV\_0059 concerning ACM0012 requesting a revision to expand the applicability to project activities that increase waste pressure/heat recovery for power generation where existing facilities already use a share of pressure/heat in electricity generation.
- (f) Accept request AM\_REV\_0060 concerning ACM0008 requesting to expand the applicability of the approved methodology to project activities that flare ventilation air methane using catalyst oxidation, as contained in annex 7 of this report;
- (g) Not to accept request AM\_REV\_0061 concerning AM0034 requesting a revision to expand the applicability to project activities that destroy N<sub>2</sub>O from production of caprolactam and the use of NSCR devices (in the baseline scenario) besides the abatement technology implemented in the project activity.
- (h) Not to accept request AM\_REV\_0062 concerning ACM0006 requesting a revision to expand the applicability to project activities that undertake both supply side and demand side efficiency measures within the project boundary.



18. The Board revised of the following approved methodologies and methodological tools:

- (a) AM0039 “Methane emissions reduction from organic waste water and bioorganic solid waste using co-composting” in order to make reference to the use of the “Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site”, as contained in annex 8 of this report;
- (b) ACM0010 “Consolidated baseline methodology for GHG emission reductions from manure management systems” in order to clarify (i) the definition of “number of animals”; and (ii) default value of methane leakage from a digester applicable to the total biogas produced and accordingly adjust the equation estimating methane generation from digester; and include (iii) the “tool to calculate project emissions from the consumption of electricity” and the “tool to calculate project or leakage CO<sub>2</sub> emissions from fossil fuel combustion”; (iv) a procedure for estimating project emissions from the consumption of electricity where electricity consumption is not measured. The revision is contained in annex 9 of this report;
- (c) “Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site” to (i) clarify that in the case of empty fruit bunches (EFB), as their characteristics are similar to wood in terms of cellulose, hemi-cellulose, and lignin content, the parameters correspondent of wood should be used and add (ii) sewage sludge as a possible category of waste for which the tool can be used to estimate emissions of disposed waste in a landfill. The revision is contained in the annex 10 of this report.

19. The Board agreed to consolidate the approved methodologies AM0002, AM0003, AM0010, and AM0011 into approved consolidated methodology ACM0001, as contained in annex 11 of this report. The revised consolidated methodology covers the applicability conditions of all the approved methodologies included in the consolidation. The consolidation also provides a clear structure for all components of the methodology. Furthermore, the consolidation refers to relevant tools thereby increasing the flexibility of implementing the methodology. The consolidation also expands the application of the methodology to project activities that use captured landfill gas for supply to consumers through a distribution network by including estimation this situation in different sections of the methodology. The Board also agreed to withdraw approved methodologies AM0002, AM0003, AM0010 and AM0011.

20. The revised versions of the methodologies and tools referred to in the paragraphs above will come into effect on 2 November 2007, 17:00 GMT, in accordance with the procedure for the revision of approved methodologies.

### ***General guidance***

21. The Board considered the request for guidance from the panel on project activities that: (i) reduce the consumption of a raw material, which is produced outside the project boundary; and (ii) where one cannot ensure that the raw material use, which is avoided by the project activity, will not be produced (outside the project boundary). The Board noted that in such project activities it is difficult to assess the production units where the production is reduced as well as that there is an issue of assessing the emission factor from production of raw material as this might vary widely among raw material production facilities. The Board also agreed that in developing countries the growth in demand for raw material due to economic growth makes it difficult to demonstrate that the project activities reduces the production of raw material below the baseline production levels. The Board requested the panel to provide pros and cons of accepting such project activities as eligible CDM project activities for consideration at its next meeting.

22. The Board clarified that 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.

23. The Board agreed to approve the “Methodological tool to calculate emissions factor for electricity system”, as contained in [annex 12](#) of this report. The tool further improves the procedures provided in the approved consolidated methodology ACM0002 by providing (i) alternatives for estimating emission factors where data on actual fuel consumption of the power plants is not available; (ii) definition of significant transmission constraint; (iii) clear definition of vintage of data required; and (iv) allowing for freedom to project participants to choose among the different alternatives to estimate operating margin emissions factor. Furthermore, the Board agreed that in estimating building margin, the power plant capacity additions registered as CDM project activities should be included in the build margin. These plants are included only if the set of power units in the build margin would consist of power units that have been operational for more than 10 years before the submission of the proposed CDM-PDD to the DOE.

24. The Board in approving the above tool, requested the secretariat to amend all the approved methodologies and tools that refer to ACM0002, replacing the reference to ACM0002 by a reference to the above approved tool. This will constitute a revision of the methodologies and these revisions shall come into effect 2 November 2007, 17:00 GMT.

25. The Board clarified that the approved methodology AM0036 is applicable to project activities where heat is also used to produce electricity only if the electricity generation of the project activity does not increase the historical electricity generation by more than 10%.

26. The Board considered the feasibility and benefits of conducting the meetings of the Meth Panel and the SSC Working Group and possibly also the A/R Working Group simultaneously in one meeting location. The Board requested the secretariat to continue assessing the pros and cons of holding joint meetings with a view to providing an update at its thirty-ninth meeting.

27. The Board requested the Meth Panel to clarify the reasons for the applicability condition "does not apply to a project activity where the thermal firing capacity of the boiler is increased" in scenario 14 of approved consolidated methodology ACM0006.

28. The Board requested the Meth Panel to revise the approved methodology AM0018 to provide procedures for estimating the baseline specific steam consumption ratio (SSCR) in situations where the production capacity during the project activity increases compared to the nominal capacity at which the baseline SSCR was estimated at the start of the project activity.

29. The Board requested the Meth Panel to provide clarification on approved methodology AM0001 on how to address situations where HCF-23, generated in production of HCFC-22, is stored when the HCF-23 incineration plant is temporarily not functioning and subsequently destroyed. Furthermore, the Board requested the panel to provide guidance on whether to take into account the HCFC22 produced during the down times of HFC23 incineration plants including its implications on the calculation of CERs.

30. The Board agreed to revise the procedures for the revision of approved methodologies to reflect the guidance provided by the Board in its previous meetings, which comes into effect on 22 October 2007, as contained in [annex 13](#).

31. The Board took note that the thirtieth meeting of the Meth Panel will be held from 12 to 16 November 2007 and that the deadline for the twenty-first round of submissions of proposed new methodologies is to be 19 November 2007. The Board also, in view of the proximity of the panel meeting to the Board's thirty-sixth meeting, agreed that as an exception in order not to delay the consideration of cases/recommendations, the Board shall consider the inputs from the panel if they are made available on the website by 21 November 2007.



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 sixteenth 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 to:

- (a) **Approve case AR-AM0009** “Afforestation or reforestation on degraded land allowing for silvopastoral activities” which was proposed as ARNM0024-rev (San Nicolás CDM Reforestation Project), as contained in the [annex 14](#) of this report;
- (b) **Approve case AR-AM0010** “Afforestation and reforestation project activities implemented on unmanaged grassland in reserve/protected areas” which was proposed as ARNM0034 (AES-Tiete Afforestation/Reforestation Project Activity around the Borders of Hydroelectric Plant Reservoirs), as contained in the [annex 15](#) of this report.

#### *General guidance*

35. In accordance with Appendix B of decision 6/CMP.1, the Board agreed to recommend for adoption to CMP the simplified baseline and monitoring methodology for small scale CDM afforestation and reforestation project activities implemented on wetlands (according to the definition used in the IPCC Good Practice Guidance for LULUCF), as contained in [annex 16](#) of this report. The methodology is applicable to small-scale afforestation or reforestation CDM project activities that are implemented on selected categories of degraded wetlands, and requires conformance to national legislation, policies and international conventions (inter alia the Ramsar Convention), applicable to wetlands in the host country.

36. The Board revised the "Tool for the demonstration and assessment of additionality in A/R CDM project activities", as contained in the [annex 17](#) of these report. This revised tool, which comes into effect on 19 October 17:00 GMT, includes inter alia:

- (a) An applicability condition which excludes use of the tool when forestation may lead to non-compliance with any of the applicable laws;
- (b) Explicit consideration of lands forested since 31 December 1989; and
- (c) A common practice analysis test.

37. The CMP at its second session requested the Board to prepare, after a call for public input, new procedures to demonstrate the eligibility of lands for afforestation and reforestation project activities under the clean development mechanism providing for a call for public inputs on a final draft (decision 1/CMP.2, paragraph 26). Taking into account the public comments received as a response to the call for inputs, the Board agreed to the “Procedures to demonstrate the eligibility of lands for A/R CDM project activities”, as contained in [annex 18](#) of this report.

38. The Board agreed to the “Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities” (CT-A/R), as contained in [annex 19](#) of this report. The CT-A/R applies the same approach used in the combined tool to identify the baseline scenario and demonstrate additionality for non-A/R project activities, while including specific guidance for use in the



afforestation/reforestation CDM project activities. The CT-A/R is consistent with the revised tool for the demonstration and assessment of additionality in A/R CDM project activities and facilitates development of new baseline and monitoring methodologies by providing a stepwise procedure to identify the baseline scenario and demonstrate additionality.

39. In order to align the related forms for afforestation and reforestation project activities with the “Proposed New Baseline and Monitoring Methodology for A/R” (CDM-AR-NM) form, and align the small-scale afforestation and reforestation project activities PDD form and guidelines with the above changes, the Board agreed to the following revised documents:

- (a) Project Design Document form for afforestation and reforestation project activities (CDM AR-PDD), as contained in [annex 20](#) of this report;
- (b) Guidelines for Completing the Project Design Document and the Proposed New Methodology for A/R, as contained in [annex 21](#) of this report.
- (c) Project Design Document form for small-scale afforestation and reforestation project activities (CDM-SSC-AR-PDD), as contained in [annex 22](#) of this report;
- (d) Guidelines for completing the simplified project design document for small-scale A/R (CDM-SSC-AR-PDD) and the form for submissions on methodologies for small-scale A/R CDM project activities (F-CDM-SSC-AR-Subm), as contained in [annex 23](#) of this report;

40. The Board considered a proposal by the secretariat on guidance related to the registration fee for proposed clean development mechanism project activities and agreed to request the secretariat to provide a revised proposal at its next meeting, ensuring that the fee requirements are equitable with those extracted for non-A/R project activities.

41. The above revised forms and guidelines will come into effective on 19 October 2007, 17:00 GMT. Documentation using previous versions of the revised forms will not be accepted six months after the adoption of the new version (EB32, annex 21).

42. The Board took note that the seventeenth meeting of the A/R WG will be held from 7 to 9 November 2007.

43. The Board took note that 7 January 2008 is the deadline for the seventeenth round of submissions of proposed new methodologies.

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

44. The Board took note of the report on the work of the twelfth 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 Chair, Ms. Ulrika Raab, on the work of the group.

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

45. The Board approved a new small-scale methodology “AMS III.O Hydrogen production using methane extracted from biogas” assigned to sectoral scope 05 as contained in [annex 24](#) of this report. This methodology is for project activities that produce hydrogen from methane recovered from biodegradable organic matter (e.g. methane recovered from a wastewater treatment system). The recovered methane will displace LPG as both feedstock and fuel in a hydrogen production unit.

46. The Board approved new small-scale methodologies “AMS III.P. Recovery and utilization of waste gas in refinery facilities” and “AMS III.Q. Waste gas based energy systems” assigned to sectoral scope 4 (Manufacturing industries) as contained in [annex 25](#) and [annex 26](#) of this report. These methodologies are for project activities that use waste gas, waste heat or waste pressure gainfully to



reduce emissions of greenhouse gases. AMS III.Q is applicable when the energy produced with recovered waste gas/heat or waste pressure is directly measurable. AMS III.P is applicable to situations where it may not be possible to directly measure the energy produced with recovered waste gas/heat or waste pressure as in the case of a refinery facility.

47. The Board considered the draft methodology titled “Demand-side GHG emission reduction through reduction in cement consumption during concrete mix preparation” and requested the SSC WG to further clarify the demonstration of additionality by including more precise examples with a view to recommending a revised version for consideration by the Board. In doing so, the Board requested that the SSC WG consults the Meth Panel on issues raised in paragraph 20 above.

48. The Board approved a new small-scale methodology “AMS III.R. Methane recovery in agricultural activities at household/small farm level” assigned to sectoral scope 15 (Agriculture) as contained in [annex 27](#) of this report. This methodology is applicable to activities that manage manure and wastes from agricultural activities comprising methane recovery and use at individual households or small farms (e.g. installation of a domestic biogas digester), where each system shall achieve an annual emission reduction of less than or equal to 5 tCO<sub>2</sub>e and the biogas recovered is used for meeting thermal energy needs of the households as per AMS I.C.

***Revisions of approved methodologies:***

49. The Board agreed to the revised approved methodology AMS III.K “Avoidance of methane release from charcoal production by shifting from pit method to mechanized charcoaling process”, as contained in [annex 28](#) of this report. The revision expands the applicability to include more traditional open-ended methods to produce charcoal such as hot tail kilns and brick based Missouri kilns. The revision also includes a new approach to determine the baseline emissions, which is based on approved methodology AM0041.

50. The Board agreed to the revised approved methodology AMS III.H “Methane recovery in wastewater treatment”, as contained in [annex 29](#) of this report. This revision expands the applicability of the methodology to allow for recovered methane to be used for hydrogen production.

51. The Board agreed to revise the approved methodology AMS II.D “Energy efficiency and fuel switching measures for industrial facilities” and AMS II.E “Energy efficiency and fuel switching measures for buildings”, as contained in [annex 30](#) and [annex 31](#) of this report. The revision further clarifies that the methodologies are only applicable to project activities where it is possible to directly measure and record the energy use within the project boundary (e.g. electricity and/or fossil fuel consumption) and where the impact of the measures implemented by the project activity to improve energy efficiency can be clearly distinguished from changes in energy use due to other variables not influenced by the project activity (e.g. changes in ambient conditions). The Board noted that the SSC WG will continue to consider the boundary definitions, baseline and monitoring sections of these and other type II methodologies in conjunction with the work being carried out by the secretariat on energy efficiency with a view to recommend additional guidance.

52. The Board agreed to the revised approved methodology AMS III.E “Avoidance of methane production from biomass decay through controlled combustion”, as contained in [annex 32](#) of this report. The revisions broaden the applicability of the approved methodology by including thermal/mechanical treatment of biomass waste to produce refuse-derived fuel (RDF) or stabilized biomass (SB) such as pellets or briquettes.

53. The Board considered a revision to the approved methodology AMS III.C “Emission reductions by low-greenhouse gas emitting vehicles” and requested the SSC WG to further work on the proposal to expand the applicability the methodology to include additional renewable energy applications (e.g.



biofuel) and recommend it as a new methodology instead of a revision to AMS III.C for consideration at the thirty-sixth meeting of the Board.

54. The Board agreed to the revised approved methodology AMS III.B “Switching fossil fuels”, as contained in [annex 33](#) of this report. The revision clarified that project activities that switch from fossil fuel to renewable biomass or renewable energy should use a type I methodology.

55. The revised versions of the SSC methodologies referred to in the paragraphs above will come into effect on 02 November 2007 in accordance with the procedure for the revision of approved methodologies.

### ***General guidance***

56. The Board agreed to a compilation of non-binding best practice examples to demonstrate additionality to assist the development of PDDs for small scale CDM project activities, which incorporates public inputs and an analysis of additionality in registered SSC project activities, as contained in [annex 34](#) of this report.

57. The Board revised the general guidance to the SSC methodologies as contained in [annex 35](#) of this report. The revised general guidance expands the applicability of all approved type III methodologies to include Greenfield projects (new facilities) by including eligibility criteria based on test using relevant sections of the combined tool to identify the baseline scenario and demonstrate additionality. This revision of the general guidance will be effective as of 22 October 2007, 17:00 GMT.

58. The Board clarified that a proposed small-scale transport sector project activity involving boundaries/sources that are mobile, shall be deemed to be a debundled component of a large project activity if there is a registered small-scale CDM project activity or an application to register another small-scale CDM project activity:

- (a) With the same project participants; and
- (b) In the same project category and technology/measure; and
- (c) Registered within the previous 2 years;

59. The above clarification thereby excludes the condition to check that the project boundary is within 1 km of the project boundary of the proposed small-scale activity at the closest point and is also applicable to the guidance for determining the occurrence of debundling under a programme of activities (PoA).

60. The Board further requested the secretariat to consolidate all guidance into one document, 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, the above guidance on mobile boundaries and debundling guidance for type I methodologies (EB 30 paragraph 37) and in doing so to supplement this with a diagrammatic representation of the procedure.

61. The Board took note that the thirteenth meeting of the SSC WG will be held from 7 to 9 November 2007.

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

62. The Board considered a proposal by the secretariat on draft forms for the programme of activities (PoA) for afforestation and reforestation project activities, and requested the secretariat to further revise the forms taking into account the guidance on PoA, for consideration at its next meeting.



63. The Board clarified that the “Procedures for registration of a programme of activities as a single CDM project activity and issuance of certified emission reductions for a programme of activities” shall reflect that a DOE shall perform one of the functions related to a given Small-Scale PoA or Small-Scale A/R PoA: validation or verification and certification in accordance with the Annex to 3/CMP.1 paragraph 27 (e) and requested the secretariat to make the required changes to the guidance, which shall come into effect on 26 October 2007, 17:00 GMT.

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

64. The Board took note that 819 CDM project activities have been registered by 19 October 2007. The status of requests for registration of project activities can be viewed on the UNFCCC CDM website at <http://cdm.unfccc.int/Projects/>.

#### *Case specific*

65. 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 nineteen (19) requests for registration by DOEs.

66. The Board agreed to register, as corrected, the project activity “Biomass based renewable energy project in a Solvent Extraction Plant, India” (1221) if the revised validation report submitted by the DOE (BVC) in response to the request for review is displayed on the UNFCCC CDM website.

67. 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 register the project activities:

- (a) “Methane Recovery and Utilisation Project at TSH Kunak Oil Palm Mill” (0916) if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report that includes:
  - (i) The information submitted in response to the request for review regarding the additionality of the project activity; and
  - (ii) Calculation and assessment of an equity IRR against the benchmark;
- (b) “Golden Hope Composting Project - Lavang” (0984) if the DOE (DNV Certification AS) and the project participant submit a revised PDD that includes the responses to the request for review and corrections to table E.2 to ensure that the emission reduction values have deducted the project emissions for each year of the crediting period, and a corresponding revised validation report;
- (c) “Golden Hope Composting Project - Melalap” (1054) if the DOE (DNV Certification AS) submits a revised validation report corresponding to the revised PDD submitted in response to the request for review;
- (d) “Golden Hope Composting Project - Kerdu” (1107) if the DOE (DNV Certification AS) submits a revised validation report corresponding to the revised PDD submitted in response to the request for review;
- (e) “Golden Hope Composting Project - Merotai” (1108) if the DOE (DNV Certification AS) submits a revised validation report corresponding to the revised PDD submitted in response to the request for review;



- (f) “Bundled wind energy power projects (2004 policy) in Rajasthan” (1166), if the DOE (SGS) and project participant submit a revised PDD and corresponding revised validation report which demonstrates the additionality of the project based on a calculation of project IRR as required by the “*Tool for the demonstration and assessment of additionality*” and compares this IRR to an appropriate benchmark;
- (g) “K water Wind Power Plant Project in Bang-a muri” (1170) if the DOE (DNV Certification AS) and the project participant submit a revised PDD in which incorporates the response to the request for review and a corresponding revised validation report;
- (h) “OULJA Landfill gas recovery and flaring” (1192) if the DOE (TÜV-SÜD) submits a revised validation report corresponding to the revised PDD submitted in response to the request for review;
- (i) “2.5 MW BEL grid-connected wind power project at Davanagere district, Karnataka, India” (1216) if the DOE (DNV Certification AS) and the project participant submit a revised PDD in that incorporates the response to the request for review and a corresponding revised validation report;
- (j) “Baragran Hydro Electric Project, 3.0 MW (being expanded to 4.9 MW)” (1253) if the DOE (SGS) and project participant submit a revised PDD and a corresponding revised validation report based on a revised investment analysis which calculates an equity IRR and provide further substantiation of the appropriateness of the applied benchmark, as this is used primarily for tariff determination.
68. In accordance with the provisions of paragraph 10 of these procedures, the Board agreed to undertake a review and to appoint members of the review teams for the project activities:
- (a) “4.5 MW Wind Power Project in Kadavakallu, Andhra Pradesh” (1131), 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 36](#) to this report.
- (b) “2.76 MW Grid Connected Renewable Energy Project in Rajasthan by Kalani Industries” (1132), 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 37](#) to this report.
- (c) “Way Ganga hydro power project, Sri Lanka” (1173), 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 38](#) to this report.
- (d) “9.8 MW Renewable Energy Generation for the grid at South Asian Agro Industries Limited in Raipur District, Chattisgarh” (1175), 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 39](#) to this report.<sup>1</sup>
- (e) “LG Chem Naju plant fuel switching project” (1185), submitted for registration by the DOE (KEMCO), and that the scope of this review is relating to issues associated with validation requirements, as contained in [annex 40](#) to this report.<sup>2</sup>

<sup>1</sup> If the Board ultimately decides to register the project the corrections regarding the EIA and the notation of coal NCV will need to be incorporated in the revised project documentation.

<sup>2</sup> If the Board ultimately decides to register the project activity the PP/DOE should submit a revised PDD and appendices that include the corrections made in response to the request for review, and a corresponding revised validation report.



(f) “6 MW RPPL biomass based power plant” (1195), 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 41](#) to this report.

(g) “10 MW Somasila Hydro Power Project for a grid system by Balaji Energy Pvt.Ltd.” (1201), 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 41](#) to this report.<sup>3</sup>

(h) “Erathna hydro power project, Sri Lanka” (1204), 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.

69. 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 twenty-eight (28) of the thirty (30) project activities which were placed “Under review” at the thirty-fourth meeting of the Board.

70. In accordance with paragraphs 17 and 18 (a) of the above mentioned procedures, the Board agreed to register the project activities:

(a) “4MW Waste Heat Recovery based power project by GRSPL, India” (1114), taking note of the response provided by the project participant and the DOE (DNV Certification AS).

(b) “MSPPL WHR based power project at Chattisgarh, India” (1140), taking note of the response provided by the project participant and the DOE (DNV Certification AS).

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

(a) “Ramgarh Chini Mills RE project” (1003) if the project participant and the DOE (DNV Certification AS) submit a revised PDD and corresponding revised validation report based on an investment analysis which includes the costs and revenues accruing in the project context, in accordance with the Board's clarification given in paragraph 75 below.

(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) if the project participant and the DOE (RWTÜV) submit a revised PDD and corresponding revised validation report which incorporates the response to the review regarding the suitability of the 12% company internal benchmark and a sensitivity analysis conducted using this benchmark.

(c) “Ancon – EcoMethane Landfill Gas Project” (1104) if the project participant and the DOE (DNV Certification AS) submit a revised PDD which incorporates the information regarding the calculation of the adjustment factor provided in response to the review and a corresponding revised validation report.

(d) “M/S. Kothari Sugars and Chemicals Ltd (KSCL)’s Bagasse Based Co- generation Project, at Perambalur district, Tamil Nadu, India” (1109) if the DOE (DNV Certification AS) and project participant submit a revised PDD and corresponding revised validation report which provide further substantiation of the common practice analysis considering that 7 of the 36

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<sup>3</sup> If the Board ultimately decides to register the project activity the PP/DOE will be required to supply a revised PDD in which the monitoring plan contains separate parameters for the electricity exported at each of the two substations.



sugar factories in the region have installed biomass fired cogeneration facilities with a capacity of more than 15MW without being registered as CDM project activities.

(e) "75MW wind power project in Maharashtra by Essel Mining Industries Limited" (1115) if the project participant and the DOE (DNV Certification AS) submit a revised PDD and corresponding revised validation report which provide evidence that confirms that the original investment decision taken by the project participant was based on the assumed plant load factor contained in the investment analysis supplied with the request for registration.

(f) "Jiaozishan Landfill Gas Recovery and Utilisation Project" (1120) if the project participant and the DOE (SGS) submit a revised PDD which incorporates the information provided in response to the review and a corresponding revised validation report.

(g) "Ciudad Juarez Landfill Gas to Energy Project" (1123) if the project participant and the DOE (TÜV-SÜD) submit a revised PDD which incorporates the additional information on how the data presented in the documentation submitted in response to the review are consistent with the data used in the calculation of IRR and a corresponding revised validation report.

(h) "Priyata Intercontinental Wind Power Project, India" (1142) if the project participant and the DOE (SGS) submit a revised PDD and corresponding revised validation report which provide further substantiation with regard to:

- (i) The appropriateness of using a clause in the generation guarantee designed to protect the technology supplier from short term fluctuations in wind availability as an ongoing assumption regarding the level of electricity exported to the grid;
- (ii) The calculation of an equity IRR of 13.86% as it has been indicated that the tariff is set to provide a 16% return on equity; and
- (iii) The appropriateness of the 16% benchmark, as this is a rate used by the CEA in the determination of electricity tariffs

(i) "AWMS Methane Recovery Project BR06-S-19, Goias, Brazil" (1154) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:

- (i) Confirmation of compliance with paragraph 6 of the methodology;
- (ii) The comments regarding the high growth rates in animal numbers on certain farms;
- (iii) The comments regarding the calculation of animal populations; and
- (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.

(j) "AWMS Methane Recovery Project BR06-S-20, Minas Gerais, Brazil" (1157) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:

- (i) Confirmation of compliance with paragraph 6 of the methodology;
- (ii) The comments regarding the high growth rates in animal numbers on certain farms;



- (iii) The comments regarding the calculation of animal populations; and
  - (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.
- (k) "AWMS Methane Recovery Project BR06-S-21, Goias, Brazil" (1158) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:
- (i) Confirmation of compliance with paragraph 6 of the methodology;
  - (ii) The comments regarding the high growth rates in animal numbers on certain farms;
  - (iii) The comments regarding the calculation of animal populations; and
  - (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.
- (l) "AWMS Methane Recovery Project BR06-S-24, Mato Grosso and Mato Grosso do Sul, Brazil" (1159) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:
- (i) Confirmation of compliance with paragraph 6 of the methodology;
  - (ii) The comments regarding the high growth rates in animal numbers on certain farms;
  - (iii) The comments regarding the calculation of animal populations; and
  - (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.
- (m) "AWMS Methane Recovery Project BR06-S-25, Minas Gerais, Brazil" (1160) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:
- (i) Confirmation of compliance with paragraph 6 of the methodology;
  - (ii) The comments regarding the high growth rates in animal numbers on certain farms;
  - (iii) The comments regarding the calculation of animal populations; and
  - (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.
- (n) "AWMS Methane Recovery Project BR06-S-26, Minas Gerais, Brazil" (1161) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:
- (i) Confirmation of compliance with paragraph 6 of the methodology;
  - (ii) The comments regarding the high growth rates in animal numbers on certain farms;



- (iii) The comments regarding the calculation of animal populations; and
  - (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.
- (o) "AWMS Methane Recovery Project BR06-S-27, Goias, Brazil" (1162) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:
- (i) Confirmation of compliance with paragraph 6 of the methodology;
  - (ii) The comments regarding the high growth rates in animal numbers on certain farms;
  - (iii) The comments regarding the calculation of animal populations; and
  - (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.
- (p) "AWMS Methane Recovery Project BR06-S-28, Santa Catarina, Brazil" (1163) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:
- (i) Confirmation of compliance with paragraph 6 of the methodology;
  - (ii) The comments regarding the high growth rates in animal numbers on certain farms;
  - (iii) The comments regarding the calculation of animal populations; and
  - (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.
- (q) "AWMS Methane Recovery Project BR06-S-29, Sao Paulo, Brazil" (1164) if the project participant and the DOE (TÜV-SÜD) submit revised PDD and corresponding revised validation report that include:
- (i) Confirmation of compliance with paragraph 6 of the methodology;
  - (ii) The comments regarding the high growth rates in animal numbers on certain farms;
  - (iii) The comments regarding the calculation of animal populations; and
  - (iv) Clarification regarding whether the emission factor used for electricity consumption is calculated ex-ante.
- (r) "Renewable biomass residue based steam generation at Arvind Mills, Santej." (1217) if the project participant and the DOE (SGS) submit a revised PDD and a corresponding revised validation report which incorporate an investment analysis based on fuel prices applicable at the time of the decision to undertake the project activity in 2001.

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



- (a) "Power generation from waste heat at NSIL" (0997), submitted for registration by the DOE (SGS), because the DOE and project participant failed to demonstrate that the approved consolidated methodology ACM0004 version 2 was applicable to the project activity, and the DOE did not request a deviation from the Board before requesting the registration of the project activity.
- (b) "Compañía Azucarera Hondureña S.A. cogeneration project" (1035), submitted for registration by the DOE (DNV Certification AS), because the DOE and project participant failed to substantiate that the project activity meets the applicability conditions of scenario 14 of ACM0006 version 4, in particular that the project activity would not result in an increase in the thermal firing capacity.
- (c) "Chumbagua Cogeneration Project" (1043), submitted for registration by the DOE (DNV Certification AS), because the DOE and project participant failed to substantiate that the project activity meets the applicability conditions of scenario 14 of ACM0006 version 4, in particular that the project activity would not result in an increase in the thermal firing capacity.
- (d) "Ingenio Magdalena S.A. cogeneration project" (1044), submitted for registration by the DOE (DNV Certification AS), because the DOE and project participant failed to substantiate that the project activity meets the applicability conditions of scenario 14 of ACM0006 version 4, in particular that the project activity would not result in an increase in the thermal firing capacity.
- (e) "La Grecia Cogeneration Project" (1056), submitted for registration by the DOE (DNV Certification AS), because the DOE and project participant failed to substantiate that the project activity meets the applicability conditions of scenario 14 of ACM0006 version 4, in particular that the project activity would not result in an increase in the thermal firing capacity.
- (f) "Cargill Uberlândia Biomass Residues Fuel Switch Project" (1065), submitted for registration by the DOE (DNV Certification AS), because the DOE and project participant have failed to demonstrate the additionality of the project activity as the investment analysis is based on a higher discount rate than that quoted in the PDD and does not reflect the net revenues that would continue to accrue to the project activity beyond the crediting period.
- (g) "Montecristo Hydroelectric Project" (1077), submitted for registration by the DOE (AENOR), because the DOE and project participant failed to substantiate that an economically more attractive alternative would lead to higher emissions, as the benchmark includes a 2% risk premium which may reflect the project developer's subjective profitability expectations or risk profiles.
- (h) "Optimal utilization of clinker by increasing the additives in cement production at Holcim Lanka Ltd (HLL), Sri Lanka" (1084), submitted for registration by the DOE (DNV Certification AS), because the DOE and project participant failed to demonstrate or validate, in accordance with the requirements of ACM0005, the existence of technological or market acceptability barriers.
73. With regard to the remaining two project activities which were placed "Under review" at the thirty-fourth meeting of the Board, the project participants have communicated to the Board their intention to withdraw the requests for registration for the project activity:
- (a) "SRBSL – Waste Heat Recovery based Captive Power Project" (1076) submitted by the DOE (SGS).
- (b) "BHL Bilai Project" (1086) submitted by the DOE (DNV Certification AS).



74. In accordance with the clarifications to paragraph 18 (b) of the above-mentioned procedures the Board considered five (5) project activities for which corrections had been submitted in response to the outcome of a previous review.
75. The Board agreed to register, as corrected, the project activities:
- (a) "4.0 MW Power Plant Using Clinker Cooling Gas Waste Heat" (0872) submitted for registration by the DOE (DNV Certification AS).
  - (b) "Dan Chang Bio-Energy Cogeneration project (DCBC)" (1020) submitted for registration by the DOE (DNV Certification AS).
  - (c) "Phu Khieo Bio-Energy Cogeneration project (PKBC)" (1024) submitted for registration by the DOE (DNV Certification AS).
76. The Board could not register the project activities:
- (a) "2.25 MW Rice Husk based cogeneration plant at Siddeshwari Industries Pvt Ltd" (1004), submitted for registration by the DOE (SGS), because the project participant and DOE failed to provide emission factors for each of the alternatives as requested by the Board following a review of the project activity, and the Board, therefore, could not assess the suitability or correctness of the baseline being established for this project.
  - (b) "Kunak Jaya Bio Energy Plant" (1016), submitted for registration by the DOE (SGS), because the project participant and DOE failed to provide an investment comparison analysis of the two separate alternatives presented in the PDD that could be used to determine whether the project activity scenario was more or less financially attractive than the baseline scenario presented.

### ***General guidance***

77. The Board agreed to clarify that investment analysis used to demonstrate the additionality of CDM project activities should be prepared within the context of the underlying project activity and should therefore not be limited to the proposed CDM crediting period.
78. 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 this meeting. Due to time constraints the Board could not consider this document and agreed to consider it at its thirty-sixth meeting.

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

79. The Board took note that 84,525,534 CERs have been issued as of 19 October 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 at <<http://cdm.unfccc.int/Issuance>>.

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

80. 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 sixteen (16) requests for issuance.
81. In accordance with paragraph 10 of these procedures the Board agreed to instruct the CDM registry administrator to issue:



(a) 5,244 CERs for “Puente Gallego Landfill gas recovery project, Gallego, Rosario, Argentina” (0431), taking note of the initial comments from the DOE (SGS) and project participant in response to the request for review.

The Board further noted that the DOE should submit a request for revision of the monitoring plan prior to the next request for issuance.

(b) 66,885 CERs for “Shri Bajrang WHR CDM Project ” (0528), taking note of the initial comments from the DOE (SGS) and project participant in response to the request for review.

(c) 432,630 for "ARAPUtanga Centrais ELébricas S. A. - ARAPUCCEL - Small Hydroelectric Power Plants Project" (0530), taking note of the initial comments from the project participant and the DOE ( RWTÚV) in response to the request for review.

82. 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) “Project for GHG emission reduction by thermal oxidation of HFC 23 in Gujarat, India” (0001), if the project participant and the DOE (DNV Certification AS) submit a revised monitoring report and a corresponding verification report which include the monthly reporting of monitored parameters as required by the monitoring plan of the project activity.

(b) “Hapugastenne and Hulu Ganga Small Hydropower Projects” (0085), if the revised verification report submitted by the DOE (DNV Certification AS) in response to the request for review is displayed in the UNFCCC CDM website.

(c) “GHG emission reduction by thermal oxidation of HFC 23 at refrigerant (HCFC-22) manufacturing facility of SRF Ltd” (0115), if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding verification report which include additional information on the electricity consumption, the analysis of HFC23 in gas effluent when thermal oxidiser was not in operation, the weekly calibration of HFC23 flow meters, and the instrument to measure HCFC22 production provided in response to the request for review.

(d) "Electric Power Co-Generation by LDG Recovery – CST - Brasil" (0184), if the DOE (SGS) submits a revised verification report which incorporates the assessment on the revised QA/QC procedure for data reporting and the verification of its implementation for future monitoring periods.

(e) "Shandong Dongyue HFC23 Decomposition Project" (0232), if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding revised verification report which incorporate clarifications on the HCFC22 production in the periods when the HFC23 incinerator was not in operation and the actual temperature of the incinerator provided in response to the request for review.

(f) "Cogeneration system based on biomass (rice-husk) replacing oil fired boiler for process steam and generating power for partly replacement of grid power supply to the plant at M/s Indian Acrylics Ltd., District Sangrur, Punjab, India" (0348), if the DOE (SGS) submits a revised verification report which include the assessment on the revised QA/QC procedure for data reporting and the verification of its implementation for future monitoring periods.

(g) "Methane recovery and power generation in a distillery plant" (0505), if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding revised verification report which include:

(i) Additional information regarding the monitoring biomass residue;



(ii) Clarification on the resolution of CAR7 in the verification report; and

(iii) Recalculation of the baseline emissions based on the avoided methane generation from the untreated waste-water in accordance with the applied methodology AMS-III.H ver 1.

The Board further noted that the DOE should submit a request for revision of the monitoring plan prior to the next request for issuance to ensure that the monitoring and the calculation of the baseline emissions are in accordance with the approved methodology applied by the project activity.

(h) "Jilin Taobei Fuyu 49.5MW Wind Power Project" (0544), if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding verification report which incorporate the information on the calibration of the meter provided in response to the request for review.

(i) "Ceran's Monte Claro Run of River Hydropower Plant CDM Project Activity" (0773), if the revised monitoring report submitted by the project participant, and the revised verification report and the verification checklist submitted by the DOE (SGS) in response to the request for review are displayed in the UNFCCC CDM website.

83. 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 teams for the project activities:

(a) "HFC Decomposition Project in Ulsan" (0003), submitted by the DOE (DNV Certification AS), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 44](#) to this report;<sup>4</sup>

(b) "Landfill Gas to Energy Project at Lara Landfill, Mauá, Brazil" (0091), submitted by the DOE (SGS), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 45](#) to this report;

(c) "Cerradinho Bagasse Cogeneration Project (CBCP)" (0203), submitted by the DOE (DNV Certification AS), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 46](#) to this report;<sup>5</sup>

(d) "Deoband Bagasse based Co-generation Power Project (0578), submitted by the DOE (SGS), and that the scope of this review is relating to issues associated with verification requirements, as contained in [annex 47](#) to this report;<sup>6</sup>

84. 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 five out of seven (7) project activities which were placed "Under review" at the thirty-fourth meeting of the Board.

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<sup>4</sup> If the Board ultimately decides to issue CERs for the project activity, the project participant and the DOE will be required to submit a revised monitoring report and a corresponding revised verification report which incorporate the explanation on the nature of non-conformity in CAR1 and the increased HCFC22 production provided in response to the request for review.

<sup>5</sup> If the Board ultimately decides to issue CERs for the project activity, the DOE will be required to submit a revised verification report which incorporates the updated emission factor and the corresponding emission reductions.

<sup>6</sup> If the Board ultimately decides to issue CERs for the project activity, the project participant and the DOE will be required to submit a revised monitoring report and a corresponding revised verification report which incorporate the clarification on the monitoring of steam temperature and pressure provided in response to the request for review.



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

(a) "Cuyamapa Hydroelectric Project" (0045) for the monitoring period 01 September 2006 - 28 January 2007 if the project participant and the DOE (DNV Certification AS) submit a revised monitoring report and a corresponding revised verification report which incorporate information on the electricity generation beyond the maximum installed capacity in response to the request for review.

(b) "Negda Hill Window Energy Project (India)" (0112) for the monitoring period 1 March 06 - 31 March 2007 if the project participant and the DOE (RWTÜV) submit a revised monitoring report and a corresponding revised verification report which incorporate:

(i) The details of electricity generation of 11 WTGs;

(ii) The information regarding the calculation of the electricity export, the electricity import and the transmission loss submitted in response to the review; and

(iii) The application of ex-ante grid emission factor and a corresponding revised emission reductions.

(c) "Sahabat Empty Fruit Bunch Biomass Project" (0288) for the monitoring period 01 January 2006 - 31 January 2007 if the project participant and the DOE (SGS) submit a revised monitoring report and a corresponding verification report which incorporate:

(i) The updated information on the accuracy of measuring instruments provided in response to the review; and

(ii) The approach to deduct and add maximum inaccuracy based on these updated information.

The calibration of the meters is the requirement of the monitoring plan of the project activity. In this regard, the Board requested the project participant and the DOE to ensure that this requirement is being complied with.

The Board further noted that the DOE should submit a request for revision of the monitoring plan, in particular with respect to the monitoring of EFB consumption, to be in line with the applied methodology prior to the next request for issuance.

(d) "Aços Villares Natural gas fuel switch project" (1037) for the monitoring period 01 January 2003 - 30 April 2007 if the project participant and the DOE (DNV Certification AS) submit a revised monitoring report and a revised verification report which incorporate the clarification provided in response to the review and submit a new request for issuance.

86. In accordance with to paragraph 18 (c) of the above mentioned procedures, the Board could not approve the issuance of proposed CERs for "Grasim Cement: Energy efficiency by up-gradation of clinker cooler in cement manufacturing" (858) because the DOE (SGS) has not sufficiently verified that the monitoring plan is in accordance with the approved methodology AMS-II.D version 7.

87. With regard to the remaining two project activities which were placed "Under review" at the thirty-fourth meeting of the Board, the project participant has communicated to the Board its intention to withdraw the requests of issuance for:

(a) "Methane capture and combustion from swine manure treatment for Pocillas and La Estrella" (0033) for the monitoring period 01 June 2006 - 31 October 2006, submitted by the DOE (TÜV SÜD).



(b) "Advanced swine manure treatment in Maitenlahue and La Manga" (0458) for the monitoring period 01 February 2005 - 31 October 2006, submitted by the DOE (TÚV SÜD).

88. 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 for "Central Energética do Rio Pardo Cogeneration Project (CERPA)" (0209) submitted by the DOE (RWTÜV) considering that the corrections requested by the Board at its thirty-fourth meeting had been made.

89. The Board considered two (2) requests for deviation related to monitoring reports undergoing verification, agreed to answer them and requested the secretariat to inform the DOEs accordingly.

### *General guidance*

90. The Board took note of the reporting of the HFC23 waste generation rate/HCFC22 production ("w") values by the project activities while applying the approved methodology AM0001. The Board agreed that the DOEs should ensure, for each request for issuance, that the value of "w" shall not exceed the maximum value as registered in the PDD, taking into account the issuances that have occurred in the past one year period, in order to ensure that the annual maximum "w" value has not been exceeded.

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

### *CDM-MAP*

91. In accordance with decision 1/CMP.2 relating to the Management plan (CDM-MAP), the Board agreed that a revision of the CDM-MAP to cover CDM activities in 2008 will be presented by the secretariat for approval by the Board at its thirty-sixth meeting.

### *Resources*

92. The Board was informed by the secretariat that since late September 2007, the CDM has become de facto self-financing. This switch in resources from Party contributions and accreditation fees to income generated by registration fees, share of proceeds and methodology fees took place earlier than expected as a result of a pledged contributions not being converted in contributions in a timely manner. The current status of pledges, indicating those Parties that have so far not transferred pledges made, is contained in table 1 of [annex 48](#) to this report.

93. The Board took note of information provided by the secretariat on the status of resources received as reflected in table 2 of [annex 48](#). It was noted that since the thirty-fourth meeting of the Board, the income generated by registration fees, share of proceeds and methodology fees has grown by an additional USD 1.91 million as a result of the payment of USD 1.0 million in registration fees, USD 0.9 million in share of proceeds and USD 0.197 million in methodologies fees.

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

### **Agenda sub-item 5 (a): EB report to the CMP**

94. The Board agreed to its annual report to the third session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 3) which covers the period 18 November 2006 to 19 October 2007, as contained in [annex 49](#) to this report.

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

95. The Board finalized its recommendations to CMP 3 on the regional distribution of CDM project activities, as contained in [annex 50](#) of this report. These recommendations will be included as an annex to the EB report to CMP 3.

96. The Board further agreed to discuss, at its thirty-eighth meeting, what key role the Board can play in disseminating its knowledge and expertise in order to further improve a more equitable regional distribution of CDM project activities.

97. The Board noted with appreciation the intention of the government of Denmark to initiate work, in cooperation with the Board, to identify potential and scope for synergy and co-operation between CDM and micro-finance mechanisms.

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

98. The Board took note of the oral update by the secretariat on the third DNA Forum meeting held from 4 - 6 October in Addis Ababa, Ethiopia and noted with appreciation the issues considered at the meeting.

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

99. The Board considered a presentation from the Chair of the DOE/AE Coordination Forum titled 'quality concerns from a DOE's perspective' that related to the issues identified in requests for review and reviews undertaken by the Board.

100. The Chair of the DOE/AE Coordination Forum also sought guidance from the Board with regard to the starting date of project activities and the evidence required in validating the prior consideration of the CDM for projects in which the starting date is before validation. The Board took note of the issue remaining from the interaction and agreed to further revert back to the DOE/AE forum at the next meeting.

101. The Chair of the Board thanked Mr. Werner Betzenbichler and stressed the need for the forum to also identify possible answers to the questions raised by the Board members, during its next interaction.

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

102. The Board met with registered observers for an informal interaction on 19 October 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. Observers to the thirty-sixth meeting of the Executive Board shall have registered with the secretariat by **5 November 2007, 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-sixth meeting (26 - 30 November 2007) as contained in [annex 51](#) to this report, with an open session on the 29 to 30 November 2007.



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

105. The Chair summarized the main conclusions. The Board thanked the secretariat for preparing and conducting the meeting.

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

106. 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**

107. The Chair closed the meeting.

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## Annexes to the report

### Methodologies

- Annex 1 - Approved baseline and monitoring methodology AM0058 (baseline and monitoring methodology for introduction of a new primary district heating system) based on case NM0181-rev.
- Annex 2 - Revision of approved consolidated methodology ACM0011 (Consolidated baseline methodology for fuel switching from coal and/or petroleum fuels to natural gas in existing power plants for electricity generation) to incorporate case NM0226 (Fuel switching from naphtha to natural gas at grid-connected power generation facility of GIPCL, in Vadodara, Gujarat)
- Annex 3 - Approved baseline and monitoring methodology AM0059 based on NM0209-rev (Reduction in GHGs emission from primary aluminium smelters)
- Annex 4 - Revision to ACM0003 (Emissions reduction through partial substitution of fossil fuels with alternative fuels or less carbon intensive fuels in cement manufacture)
- Annex 5 - Revision of AM0051 (Secondary catalytic N<sub>2</sub>O destruction in nitric acid plants)
- Annex 6 - Revision of AM0043 (Leak reduction from a natural gas distribution grid by replacing old cast iron pipes with polyethylene pipes)
- Annex 7 - Revision to ACM0008 (Consolidated methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring)
- Annex 8 - Revision to AM0039 (Methane emissions reduction from organic waste water and bi oorganic solid waste using co-composting)
- Annex 9 - Revision to ACM0010 (Consolidated methodology for GHG emission reductions from manure management systems)
- Annex 10 - Revision of “Tool to determine methane emissions avoided from dumping waste at a solid waste disposal site”
- Annex 11 - Revision of ACM0001 (Consolidated baseline methodology for landfill gas project activities) to include AM002, AM0003, AM0010 and AM0011
- Annex 12 - Tool for calculation of emission factor for electrical systems
- Annex 13 - Revised procedure for the revision of approved methodologies

### Issues relating afforestation and reforestation CDM project activities

- Annex 14 - Approved A/R methodology AR-AM0009 (Afforestation or reforestation on degraded land allowing for silvopastoral activities).
- Annex 15 - Approved A/R methodology AR-AM0010 (Afforestation and reforestation project activities implemented on unmanaged grassland in reserve/protected areas).



- Annex 16 - Recommendation to the CMP: Simplified baseline and monitoring methodology for small scale CDM afforestation and reforestation project activities implemented on wetlands.
- Annex 17 - Revised tool for the demonstration and assessment of additionality in A/R CDM project activity.
- Annex 18 - Procedures to demonstrate the eligibility of lands for A/R CDM project activities.
- Annex 19 - Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities (CT-A/R).
- Annex 20 - Project design document form for afforestation and reforestation project activities (CDM AR-PDD).
- Annex 21 - Guidelines for completing the project design document and the proposed new methodology for A/R.
- Annex 22 - Project design document form for small-scale afforestation and reforestation project activities (CDM-SSC-AR-PDD).
- Annex 23 - Guidelines for completing the simplified project design document for small-scale A/R (CDM-SSC-AR-PDD) and the form for submissions on methodologies for small-scale A/R CDM project activities (F-CDM-SSC-AR-Subm).

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

- Annex 24 - AMS III.O Hydrogen production using methane extracted from biogas
- Annex 25 - AMS III.P Recovery and utilization of waste gas in refinery facilities
- Annex 26 - AMS III.Q Waste gas based energy systems
- Annex 27 - AMS III.R. Methane recovery in agricultural activities at household/small farm level
- Annex 28 - Revision of AMS III.K
- Annex 29 - Revision of AMS III.H
- Annex 30 - Revisions of AMS II.D
- Annex 31 - Revision of AMS II.E
- Annex 32 - Revision of AMS III.E
- Annex 33 - Revision of AMS III.B
- Annex 34 - Non binding best examples to demonstrate additionality of SSC projects
- Annex 35 - Revision to general guidance for SSC methodologies

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

- Annex 36 - Scope of review (registration) - Project 1131
- Annex 37 - Scope of review (registration) - Project 1132



- Annex 38 - Scope of review (registration) - Project 1173
- Annex 39 - Scope of review (registration) - Project 1175
- Annex 40 - Scope of review (registration) - Project 1185
- Annex 41 - Scope of review (registration) - Project 1195
- Annex 42 - Scope of review (registration) - Project 1201
- Annex 43 - Scope of review (registration) - Project 1204

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

- Annex 44 - Scope of review (issuance) - Project 0003
- Annex 45 - Scope of review (issuance) - Project 0091
- Annex 46 - Scope of review (issuance) - Project 0203
- Annex 47 - Scope of review (issuance) - Project 0578

**Resources**

- Annex 48 - Status of resources and pledges to support 2007 CDM activities

**Other matters**

- Annex 49 - EB report to CMP3
- Annex 50 - Recommendation to the CMP on regional distribution
- Annex 51 - Provisional agenda for EB36

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