

 <p style="text-align: center;"><b>CDM: Response form for request for clarification on Approved Methodologies (version 01.1)</b></p>	
<i>Date of Meth Panel meeting:</i>	27 November - 01 December 2006
<i>Title and number of request for clarification</i>	Determination of maximum historical annual production in case of two production lines  AM_CLA_0033
<b>Summary of the query:</b>	
Please use the space below to summarize the request for clarification on the related approved methodologies.	
<p>The DOE seeks clarification with regard to how the historical annual production of two production lines shall be determined when applying AM0001. The methodology defines that for setting the baseline, the maximum historical annual production level for last three years should be taken for Q_HCFCy.</p> <p>The project at stake consists of two production lines that are totally separate and are located in two neighbouring factories/plants which originally belonged to different owners. The factories were merged in March 2006, when the project participant became the owner of both lines. The HFC23 waste streams will be imported from these two plants to the decomposition facility. Clarification is sought as whether the maximum historical annual production level should be determined for the total of the two lines or for each line separately.</p>	
<b>Recommendation by the Meth Panel:</b>	
Please use the space below to provide amendments /changes (in your expert view, if necessary).	
<p>For clarity reasons, we recommend to amend the text of AM0001 with the following paragraph:</p> <p>In cases where one or more HCFC22 production lines operate in a single industrial site, the limit for Q_HCFCy should be applied and calculated for all production lines together. In this case, the historical annual production in a particular year corresponds to the sum of the production in all production lines during that year, even when the separate lines were not owned by the same owner, in order to avoid the potential for gaming.</p>	
<b>Answer to authors of the request for clarification by the Meth Panel :</b>	
Please use the space below to provide an answer to the authors of the above query	
<p>Based on the request, it is suggested to amend AM0001 for clarity reasons with the paragraph stated above. To be in line with this amendment, historical annual production level should be determined for the total of the two lines.</p> <p>Rationale: The suggested amendment ensures that different production lines at a single industrial site are treated as one plant and looked from an integrating perspective. The separate treatment of production lines at one site could lead to the situation where the maximum eligible production level is considerably higher than the actual production by these plants. This can be illustrated by the following example: assume two production lines that have each produced 1000 kt HCFC-22 per year. However, the production line #1 was in maintenance or repair during the first year and 2000 kt HCFC-22 have been produced in production line #2 during that year, while the production line #1 was not operating. In the last year, vice versa, production line #2 was over a longer period in repair and only produced 200 kt, and, as a consequence, the production line #1 produced 1800 kt. While the production in both lines was in all years 2000 kt, a separate calculation of the maximum production would result in a maximum production level of 3800 kt – which is far beyond the real maximum production level and may potentially have the implication that the CDM results in a higher level of HCFC-22 production.</p>	



Signature of the Meth Panel Chair .....  
 Date: 05/12/2006 (Rajesh Sethi)



Signature of the Meth Panel Vice-Chair .....  
 Date: 05/12/2006 (Jean-Jacques Becker)

**Information to be completed by the secretariat**

F-CDM-AM	F-CDM-AM-CLA-0033
Name of the authors of the query:	SGS UKL
Date when the form was received at UNFCCC secretariat	05 December 2006
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