



**CDM: Response form for request for clarification on  
Approved Methodologies  
(version 01.1)**

<i>Date of Meth Panel meeting:</i>	23 - 27 June 2008
<i>Title and number of request for clarification</i>	Guidance on continued applicability of methodologies in relation to changes in project plans for a registered project. <a href="#">AM_CLA_0080</a>

**Summary of the query:**

Please use the space below to summarize the request for clarification on the related approved methodologies.

The request is for project activity that has been registered using AM0025 version 9 and ACM0001 version 4. The project activity consists of two components: (i) Treatment of organic component of waste prior to its disposal in the landfill through: pyrolysis (of dry organic waste) and anaerobic digestion (of wet organic waste); and (ii) capture of LFG from existing landfilled waste. The recovered methane is used for energy generation.

The waste being processed by the facility has significantly increased over the figures reported in the CDM-PDD. In registered PDD it was stated that the facility will start processing 267 tonnes per day (TPD) waste in 2007, which will gradually increase to 914 TPD by May 2012. The waste being processed is much more than that was envisaged at the start of the project activity. Though the information provided does not clearly state the quantum of waste being processed, the comparison of installation of infrastructure for energy generation from methane/LFG, as anticipated at registration and present situation, indicates that waste being processed is much higher from the initial phases. This is also visible from the amounts of CERs expected to be generated in the new situation. Therefore, the clarification sought is as follows:

- (i) Does the change in quantity of waste being processed affect the validity of use of the approved methodology?
- (ii) Can the following changes in the monitoring plan be made to address technical constraints in undertaking monitoring as required by the approved methodology used:
  - (a) ACM0001 requires measuring both the total LFG captured from digester and the LFG supplied to the energy generation equipments/flares. Due to technical constraints the meter for total LFG can be installed only before the LFG cleaning equipment. The impurities in LFG can cause frequent breakdowns to the LFG meter. Therefore, can one only measure LFG supplied to the energy generation equipments and use the sum as estimated value of total LFG;
  - (b) AM0025 requires estimation of stack volume gas flow rate based on flow rate of biogas and air and temperature. The air flow rate cannot be measured so the PPs have requested that they be allowed to estimate as per procedure in “tool to determine project emissions from flaring gases containing methane”.

**Recommendation by the Meth Panel:**

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

**Answer to authors of the request for clarification by the Meth Panel :**

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

The change in volume of waste treated by the project activity from that described in the registered PDD falls under the category of “implemented CDM project differing from description in registered PDD”. This issue is presently under consideration by the Board and, therefore, the issue should be addressed only after receiving guidance from Board on this matter.

Further, two further points need more information before clarification can be provided:

- (i) The information provided in the clarification is not sufficient to assess the reasons in change in volume of waste processed. The stated reason is that the delays in project have increased the volume. But if one compares with the project growth in waste as reported in registered CDM-PDD, waste of 400 plus TPD were only likely to be achieved in year 2009 onwards. Also, the issue is important to understand whether the increase in waste is because the project activity has led to collection of waste that earlier was not disposed in the landfill site. In such situations the baseline emissions from excess waste may not be the same as waste disposed in the landfill site; and
- (ii) The investment analysis carried out in the registered PDD and the one for present situation are not comparable. The analysis in registered PDD did not consider the depreciation cost, which is correct, whereas, depreciation is shown as a cost in new calculations. Depreciation is not a cash expense but an accounting expense and deducted from revenues for purpose of calculating tax payments. The international practice is to add the depreciation back to profits to calculate “profit after taxes”.

Further, the Panel recommends that in such situations, if allowed by the Board, new investment analysis in its entirety shall be validated by the DOE and reviewed by the RIT.

The PPs should provide further information to clarify the above issues before the panel provides clarification on issue (i). Moreover, as stated above, the issue of change in project design is currently under consideration by the CDM EB for further guidance on procedural issues.

Issue ii (a): Monitoring of LFG generated. The panel had in its earlier clarification (AM\_CLA\_0020) stated the redundancy of metering is to ensure conservative estimation of emission reductions. Therefore, the PPs should measure gas flow at the generation and collection point, which could be located after the cleaning device, and also at all the source of destruction of LFG (flare and energy equipments).

Issue ii (b): The volumetric flow rate of exhaust gas is based on a stoichiometric calculation of the combustion process, which depends on the chemical composition of the residual gas, the amount of air supplied to combust it and the composition of the exhaust gas in the tool. The procedure requires measuring/estimating the concentration of O<sub>2</sub>, CO<sub>2</sub>, and N<sub>2</sub>. The procedure in the tool is for the stack exhaust gas, whereas, the PPs are asking for using the procedure to measure the air flow. It is not clear whether the PPs are suggesting to use the procedure provided in the tool to estimate the flow rate of stack exhaust gas or the flowrate of air that is supplied to the flare for combusting the residual gas from the anaerobic digester. The PPs should more clearly specify what is being requested and also clearly indicate the equations that would be used to estimate the requested flow rate. Moreover, the parameters that will have to be monitored to undertake the estimation have to be specified.



Signature of Meth Panel Chair .....

Date: 02/06/2008

(Akihiro Kuroki)



Signature of Meth Panel Vice-Chair .....

Date: 02/06/2008

(Philip Gwage)

**Information to be completed by the secretariat**

F-CDM-AM	AM_CLA_0080
Name of the authors of the query:	SGS
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