

**REPORT OF THE THIRTY-FIFTH MEETING OF
THE METHODOLOGIES PANEL**

UNFCCC Headquarters, Bonn, Germany
3 - 7 November 2008

**RECOMMENDATIONS BY THE METHODOLOGIES PANEL TO
THE EXECUTIVE BOARD**

A. Opening of the meeting and adoption of the agenda

1. The Chair of the Methodologies Panel (the panel), Mr. Akihiro Kuroki opened the meeting.
2. The agenda was adopted as proposed.

B. Consideration of proposed new methodologies

3. The panel considered the proposed new methodologies listed in the table below, as well as desk reviews and public inputs received, where applicable.
4. The final recommendations, proposed by the panel for consideration by the Executive Board, are made available on the UNFCCC CDM website at <<http://cdm.unfccc.int/goto/MPpropmeth>>.
5. In accordance with the procedures for submission and consideration of a proposed new methodology, project participants may submit, via the DOE, technical clarifications to preliminary recommendations. Preliminary recommendations for which project participants submit clarification within a timeframe stipulated by the Chair of the panel (but not exceeding 4 weeks) shall be considered at the next meeting of the panel. If project participants do not provide clarification related to the preliminary recommendation by the panel within the timeframe of three (3) months, the case will be considered withdrawn.
6. The panel agreed on the following recommendations:

Cases	MP 35¹ recommendation
NM0239: Environmental passive mitigation through the management of the swine manure by a Regional Sanitation Plant in the Santa Catarina State, Brazil	A
NM0248: Project for useful use of landfill gas actually being flared substituting natural gas	WIP (see paragraph 7)
NM0250: Fès Waste Water Treatment Plant (WWTP) with sludge treatment and biogas recovery & utilization for electricity generation at Fès city, Morocco	WIP (see paragraph 8)
NM0251: South Korea SF6 capture and recycling project	WIP (see paragraph 9)

¹ Recommendations on the proposed new methodologies from the thirty-fifth meeting of the panel A (recommended for approval) and C (recommended for non-approval) are final recommendations to the Board. Preliminary Recommendations are technical clarifications requested by the panel from project participants before finalizing its recommendation to the Board.

Cases	MP 35 ¹ recommendation
NM0258: Metrobus Insurgentes, Mexico City	WIP (see paragraph 10)
NM0264: Caracol Knits Trigeneration Project	WIP (see paragraph 11)
NM0266: Mumbai Metro One, India	WIP (see paragraph 10)
NM0267: Shuixi Gou Coal Field Fire Extinguishing Project	WIP (see paragraph 12)
NM0268: Titis Sampurna Semanggi Compressed Natural Gas Project	WIP (see paragraph 13)
NM0269: Cambodia – Rural Electrification and Transmission Project (RETP) – 220 kV Interconnection between Cambodia and Vietnam	WIP (see paragraph 14)
NM0270: Grid connected combined cycle power plant project in Qadirpur utilizing permeate gas, previously flared	A
NM0271: Point of Use Abatement Device to Reduce SF6 emissions in LCD Manufacturing Operations in the Republic of Korea (South Korea)	WIP (see paragraph 15)
NM0272: Second Interconnection Colombia - Ecuador 230 Kv	WIP (see paragraph 14)
NM0273: Baseline and monitoring methodology for Coal-oxygen smelting reduction iron-making technology with lumping ore pre-reduction	C
NM0275: Methodology for the production of a cement extender from slag and/or the increase in energy efficiency in the production of base metal alloys through the recovery of metal from the slag, as well as the increasing blend in cement	C
NM0277: Recovery and Use of Gas from Oil Wells – Reduction of Gas Flaring by the Compression of Low Pressure Gas for Productive Use at the Libwa, Tshiala and GCO Offshore Oil Fields, Democratic Republic of Congo	Preliminary recommendation
NM0278: Use of Charcoal from Renewable Biomass Plantations as Reducing Agent in Pig Iron Mill in Brazil	Preliminary recommendation
NM0279: Nanchang TOD Project, China	C
NM0280: Installation of zero energy water purifier in India	Preliminary recommendation
NM0281: Klabin Monte Alegre Paper Plant in Telemaco Borba (Parana, Brazil) Fuel Switch from Residual Fuel Oil to Biomass Residues CDM Project	C
NM0282: Usipar Pulverized Charcoal Injection Project	Preliminary recommendation
NM0283: Greenhouse Gas emission Reduction through Landfill Excavation and Treatment of the Waste	C

Cases	MP 35 recommendation
NM0284: N2O abatement in New Capacity nitric acid plants	WIP (see paragraph 16)
NM0285: Expansion of Natural gas based Direct Reduced Iron (DRI) production unit at Dolvi plant of ISPAT Group	C

7. The panel requested the Board to take note that it further discussed the case NM0248 and could not conclude its consideration due to outstanding issues, including: (i) the situation where the biogas originates from a registered CDM project activity; (ii) the procedure to select a baseline scenario and demonstrate additionality in cases where not all alternative baseline scenarios are under the control of project proponents; and (iii) the calculation of biogas leaks. These issues will be considered at the next panel meeting.

8. The panel requested the Board to take note that it received partial expert inputs required to address issues related to emissions of N₂O and CH₄ associated with the operation of aerobic wastewater treatment plants and final disposal of sludge concerning the case NM0250. The panel is considering those inputs and will provide a final recommendation on the case as soon as that work is completed.

9. The panel requested the Board to take note that it could not conclude its consideration of the case NM0251 due to outstanding issues, including a historic cap on SF₆ consumption and possible alternative technologies. The panel intends to conclude its consideration of this case at its next meeting.

10. The panel requested the Board to take note that it did not consider the cases NM0258 and NM0266 at this meeting due to pending issues related to modeling of transport related activities, for which expert inputs are required. The panel intends to consider these cases once the expert input becomes available.

11. The panel requested the Board to take note that it could not conclude its consideration of the case NM0264. This methodology is applicable to heavy fuel-oil trigeneration projects in existing industrial facilities, replacing electrical chillers, heavy fuel-oil boilers, and electricity from the grid. The panel considered that further work on, inter alia, the baseline identification section, in order to address the service level provided by the new equipment in comparison to the baseline is required. The panel intends to conclude its consideration of this case at its next meeting.

12. The panel requested the Board to take note that it did not discuss the case NM0267 as expert inputs on the issues relating to the permanence² of emission reductions achieved, procedures for calculation of baseline and project emissions and monitoring procedures were not available for the panel consideration yet. The panel intends to continue the consideration of this case once the required expert input becomes available.

² This issue relates to the probability of re-occurrence of fire in the project coal mine after the end of the crediting period of the project activity.

13. The panel requested the Board to take note that it could not conclude its consideration of the case NM0268 due to unresolved issues, including the baseline scenario selection and additionality demonstration. The panel intends to conclude its consideration of the case at its next meeting.

14. The panel requested the Board to take note that it could not conclude its consideration of the cases NM0269 and NM0272 due to outstanding issues, including the applicability conditions, baseline and project emissions and monitoring section. The possibility to merge the two methodology proposals will be considered. The panel intends to conclude its consideration of these cases at its next meeting.

15. The panel requested the Board to take note that it could not conclude its consideration of the case NM0271 mainly due to issues relating to possible changes in the production process during the crediting period and the unavailability of information on the variation in SF6 consumption for different type/ quality of product manufactured that may have significant impact on estimation of baseline emissions. An external expert input on these issues will be sought. The panel intends to conclude its consideration of this case at its next meeting.

16. The panel requested the Board to take note that the panel decided to put the further discussions on the case NM0284 on hold till the “Guidance on expansion of industrial gas recovery methodologies to new facilities” proposed by the panel is considered by the Board. The panel intends to consider this case once the Board makes a decision on the above guidance.

C. Requests for clarification on and revision to approved methodologies

17. The panel recommended the Board to take note of the following responses to requests for clarification related to the application of approved baseline and monitoring methodologies and methodological tools and approve the following responses to requests for revision to approved methodologies. Five requests for clarification were processed prior to the panel meeting in accordance with the fast-track procedure.³ The requests submitted and the responses provided by the panel are made publicly available on the UNFCCC CDM web site at <<http://cdm.unfccc.int/goto/MPclar>> and <<http://cdm.unfccc.int/goto/MPrev>>, respectively. The requests for revision/clarification that resulted in a recommendation by the panel to revise an approved methodology are reflected in section D below.

³ In accordance with the fast-track procedure, the secretariat, while preparing the draft response to a request for clarification, may assess that the clarification is simple enough and does not require the panel’s consideration. In this case the secretariat forwards the proposal to two appointed members for early consideration. If both the appointed panel members agree to the draft proposal within two days, the secretariat seeks the approval of the Chair of the panel within one day and upon endorsement forwards the final response to the DOE and posts it on the UNFCCC CDM web page for methodology clarifications.

Number of the request for clarification	Approved methodology	Title of the request for clarification	MP 35 response
AM_CLA_0084	ACM0015	Meth applicability to greenfield projects	WIP (see paragraph 18)
<u>AM CLA 0111</u>	AM0065	Clarification on the necessity of a Data Integrity factor when calculating baseline SF6 consumption based on the IPCC default value.	Clarified and editorially revised (fast track)
<u>AM CLA 0112</u>	ACM0012	Switching of alternative stream of gas to replace flare gas in a refinery on a GJ for GJ basis.	Clarified (fast track)
<u>AM CLA 0118</u>	AM0009	Clarifications on the algorithms of project emission calculations and on the guidance for uncertainty assessment within the monitoring methodology	Clarified and editorially revised (see paragraph 25)
<u>AM CLA 0119</u>	AM0009	Clarifications on the scope of AM0009 in its stated purpose for the recovery and utilization of gas from oil wells that would otherwise be flared	Clarified
<u>AM CLA 0120</u>	ACM0006	Application of the “Combined tool to identify the baseline scenario and demonstrate additionality for a project activity where one of the alternatives is not an available option to the project participants	Clarified
<u>AM CLA 0121</u>	ACM0006	Request for clarification of a scenario applicability in ACM0006 for a retrofit biomass power generation plant	Clarified (fast track)
<u>AM CLA 0122</u>	ACM0010	Calculation of the effluent flow from an activated sludge plant based on influent flow and sludge flow measurements	Clarified (fast track)

<u>AM CLA 0123</u>	AM0023	Clarification between the baseline and monitoring methodology for parameter FCH4 of AM0023 version 2	Clarified
<u>AM CLA 0124</u>	AM0036	AM0036 - Fuel switch from fossil fuels to biomass residues in boilers for heat generation	Clarified (fast track)
<u>AM CLA 0126</u>	ACM0012	Waste heat recovery projects that generate steam and have no condensate return	Clarified and editorially revised (see paragraph 32)

Number of the request for revision	Approved methodology	Title of the request for revision	MP 35 recommendation
AM_REV_0071	AM0047	Production of biodiesel based on waste oils and/or waste fats from biogenic origin and/or oil from oilseeds for use as fuel	WIP
AM_REV_0088	AM0021	Amendment to expand applicability to new adipic acid facilities	WIP (see paragraph 19)
AM_REV_0100	AM0049	Revision of AM0049 to include export of electricity and to revise leakage requirements	WIP (see paragraph 20)
<u>AM REV 0101</u>	AM0025	Revision of MSW incineration section of AM0025 regarding applicability and calculation of emission reductions	To revise
AM_REV_0106	ACM0006	Inclusion of additional scenario for cogeneration projects with a combination of biomass and fossil fuel heat generation in the baseline	WIP (see paragraph 21)
<u>AM REV 0107</u>	AM0048	Revision of AM0048 to include the generation of thermal energy to replace energy produced from grid-connected electricity in the baseline	Not to revise

AM_REV_0108	AM0028	Catalytic N ₂ O destruction in the tail gas of existing Nitric Acid or Caprolactam Production Plants and newly built Nitric Acid Plants	WIP (see paragraph 19)
AM_REV_0109	AM0009	AM0009 v3-rev “Recovery and utilization of gas from oil wells that would otherwise be flared or vented”	WIP (see paragraph 22)
AM_REV_0110	AM0021	Amendment to expand applicability to new adipic acid facilities	WIP (see paragraph 19)
<u>AM_REV_0111</u>	AM0058	Revision to extend AM0058 applicability to include new power plant is installed at the same time as start of the district heating system	Not to revise
<u>AM_REV_0112</u>	ACM0006	Expansion of applicability conditions to ACM0006 to include a new scenario	Not to revise
AM_REV_0113	ACM0014	Mitigation of greenhouse gas emissions from treatment of industrial wastewater	The request was withdrawn by project participants
<u>AM_REV_0114</u>	AM0031	Expansion of applicability conditions to AM0031 and subsequent change/addition of corresponding formulas	To revise editorially (see paragraph 28)
AM_REV_0115	AM0028	Catalytic N ₂ O destruction in the tail gas of Nitric Acid or Caprolactam Production Plants	WIP (see paragraph 19)
AM_REV_0116	AM0034	Expand applicability to nitric acid production capacity approved before 31 December 2005	WIP (see paragraph 16)
<u>AM_REV_0117</u>	AM0048	Revision to extend AM0048 applicability to include the cogeneration project type of supplying steam and electricity to newly introduced project customers	Not to revise

AM_REV_0118	ACM0006	Inclusion of a new scenario for project activities that are a combination of energy efficiency, capacity expansion and fossil fuel substitution	WIP (see paragraph 21)
<u>AM_REV_0119</u>	AM0058	Projects that rely on a cogeneration plant that has operated for fewer than 3 years	Not to revise
<u>AM_REV_0120</u>	ACM0006	Request for revision of ACM0006 v6	Not to revise
<u>AM_REV_0121</u>	AM0038	Methodology for reduction in Greenhouse Gas emissions from operation of an existing Electric Arc Furnace	Not to revise
<u>AM_REV_0122</u>	ACM0002	Consideration of existing units' electricity generation in the baseline	To revise
<u>AM_REV_0123</u>	AM0066	Revision of certain equations of AM0066 version-1 and determining auxiliary power consumption for individual kilns based on their proportion of output	To revise
AM_REV_0124	ACM0010	Amendments to ACM0010, version 4.1	WIP (see paragraph 23)
AM_REV_0125	AM0014	Revision of AM0014 to include new energy users and multiple fuels	WIP (see paragraph 24)
AM_REV_0126	AM0014	Revision to extend AM0014 to include newly developing facility	WIP (see paragraph 24)
<u>AM_REV_0127</u>	AM0030	Adaption of AM0030 to newly available data provided by the most recent IAI Survey	To revise

18. The panel requested the Board to take note that it received a first draft of an expert report required to address issues related to the application of ACM0015 to Greenfield cement plants in the context of AM_CLA_84. The panel is considering those inputs and will provide a final recommendation on the case as soon as that work is completed.

19. The panel requested the Board to take note that it decided to put the further discussions on the cases AM_REV_0088, AM_REV_0108, AM_REV_0110, AM_REV_0115 and AM_REV_0116 on hold until the “Guidance on expansion of industrial gas recovery methodologies to new facilities” proposed by the panel is considered by the Board. The panel intends to consider these cases once the Board makes a decision on the above guidance.

20. The panel requested the Board to take note that it could not conclude its discussions on the request for revision AM_REV_0100. The objective of this request is to (1) include a scenario where electricity produced from cogeneration is exported to the grid on an ad hoc basis without claiming emission reductions, (2) replace the term “syngas” by “methane rich gas” in the text of the methodology, and (3) revise requirements under leakage emissions. The panel considered that further information from project proponents is required before the final recommendation on this case could be made. The panel intends to consider the case at its next meeting.

21. The panel considered the cases AM_REV_106 and AM_REV_118 but could not conclude on a final recommendation. Both cases refer to ACM0006 and will be further considered at next panel meeting in relation to the ongoing revision of the consolidated methodology.

22. The panel requested the Board to take note that it could not conclude its discussions on the request for revision AM_REV_0109. The objective of this request is to (i) extend the scope of the methodology by adding gas coming to the surface from gas-lift systems; (ii) extend the scope by including the situations where the recovered gas is mixed with gas from other oil wells prior to being delivered to transmission pipelines; and (iii) allow methane emissions from gas venting to be accounted for in the baseline scenario. The panel concluded that further analysis is required in order to address the proposal from the project proponents concerning the expansion of the methodology applicability to gas coming from the gas-lift system. The panel intends to consider the case at its next meeting.

23. The panel requested the Board to take note that it could not complete the work on the request for revision AM_REV_0124 due to issues related to the baseline scenario to which the methodology is applicable, which required further inputs from project proponents. The panel intends to consider this case at its next meeting.

24. The panel requested the Board to take note that it could not conclude its consideration of the cases AM_REV_0125 and AM_REV_0126 due to the issues regarding the identification of baseline scenario and demonstration of additionality and the consideration of multiple fuel baselines. The panel intends to conclude its consideration of this case at its next meeting.

D. Revision to approved methodologies

25. **AM0009:** The panel recommended the Board to approve the editorial revision to the approved methodology made in response to the request for clarification AM_CLA_0118. The draft revision includes the following: the deletion of the term ‘transportation’ in page 7 from the section “CH4 project emissions from venting, leak or flaring of the associated gas”, as transportation fugitive emissions are not accounted for in the carbon mass balance provided in equation (3). The draft revised approved methodology is contained in annex 3.

26. **AM0025:** The panel recommended the Board to approve the revision to the approved methodology made in response to the request for revision AM_REV_0101. The proposed changes in the methodology are the addition of a circulating fluidized bed incinerator as a possible technology in the project activity, the inclusion of an applicability condition to limit the use of auxiliary fossil fuels in the incinerator and clarification on the measurement procedure for fossil-based carbon in the waste. The draft revised approved methodology is contained in annex 4.
27. **AM0030:** The panel recommended the Board to approve the revision to the approved methodology made in response to the request for revision AM_REV_0127. The draft revision includes the emission factor for CWPB technology, to be determined based on latest IAI survey. The draft revised approved methodology is contained in annex 5.
28. **AM0031:** The panel recommended the Board to approve the editorial revision to the approved methodology in response to the request for revision AM_REV_0114 in order to correct equation 22 used in the calculation of leakage. The correction is to introduce a previously omitted parameter in the equation. The draft revised approved methodology is contained in annex 6.
29. **AM0065:** The panel recommended the Board to approve the editorial revision to the approved methodology made in response to the request for clarification AM_CLA_111. The draft revision includes the clarification that SF6 consumption is estimated as the lower value of SF6 consumption estimated based on IPCC default consumption rate and that estimated based on the monitored value of SF6 consumption multiplied by the data Integrity factor. The draft revised approved methodology is contained in annex 7.
30. **AM0066:** The panel recommended the Board to approve the revision to the approved methodology made in response to the request for revision AM_REV_0123. The draft revision results in the deletion of equations 13,14 and 15 and adjustment of emission reductions based on $P_{y,min}$. The draft revised approved methodology is contained in annex 8.
31. **ACM0002:** The panel recommended the Board to approve the revision to the approved methodology made in response to the request for revision AM_REV_0122. The draft revision includes the changed baseline equation (equation 9) in case this methodology is applied to projects that increase the generation capacity at an existing hydropower generation facility when the existing units continue to operate and the configuration permits their generation to be measured separately. The draft revised approved methodology is contained in annex 9.
32. **ACM0012:** The panel recommended the Board to approve the editorial revision to the approved methodology made in response to the request for clarification AM_CLA_0126. The draft revision introduces the consistency in the description of parameter $HG_{j,y}$ (Net quantity of heat supplied to the recipient plant j by the project activity during the year y). There are a few other editorial revisions also carried out. The draft revised approved methodology is contained in annex 10.

E. Requests from the Board to the panel

33. **AM0047:** The panel requested the Board to take note that it could not discuss the issue of default emission factors from changes in soil carbon stocks following a land use change or a change in the land as no expert input on this issue was available for this meeting. The panel intends to finalise the revision of AM0047 for consideration at its thirty-seventh meeting, taking into account input mentioned above, with a view to make a recommendation to the Board for its forty-sixth meeting.

34. **Apportioning of emissions to co-products and by-products:** The panel agreed to recommend the Board to approve the revised guidance on apportioning emissions to co-product(s) and by-product(s). The Board at its thirty-eighth meeting considered this guidance and requested the panel to illustrate its use by applying it to an example case. The panel included examples on each of the approaches for apportioning emissions presented in the guidance. The allocation by energy content approach was also added. The panel recommended the Board to approve this guidance as contained in annex 11 to the report.

35. **Guidance on expansion of industrial gases recovery methodologies to new facilities:** The panel noted an increasing number of submissions of new methodologies and requests for revision to expand the scope of existing methodologies on industrial gases (N₂O, SF₆, PFC) recovery and destruction to cover project activities implemented in new facilities. In response to the request of the Board, the panel revised an earlier note on this issue. The panel recommended the Board to approve the revised guidance as contained in annex 12 to the report.

36. **ACM0006:** The panel considered the first draft of one of the proposed three methodologies that should replace ACM0006. The panel will further consider the case at its next meeting.

37. **ACM0002:** The Board at its thirty-ninth meeting requested the panel to review the approved consolidated methodology ACM0002 to arrive at an accurate plant load factor taking into account the variability of the wind parameters and gaps of data. This request was raised in relation with the consideration of requests for issuance under project activities where the quantity of electricity actually generated by the wind turbine was higher than the estimated electricity generation in the registered CDM-PDD. After considering the case, the panel recommends the EB to consider the following options:

- (a) The DOE should validate that the estimate in the CDM-PDD on the annual electricity generation is consistent with the estimate provided to banks and/or equity financiers while applying for project financing, or to the government while applying for implementation approval;
- (b) The expected annual electricity generation of the project should be determined by a third party contracted by the project participants (e.g. an engineering company);
- (c) If decided by the Board, the VVM may include a section on how to validate annual electricity generation estimates. The panel could elaborate such guidance in collaboration with the secretariat and possibly drawing on expertise from external consultants and submit for the Board's approval.

38. **ACM0014:** The panel requested the Board to take note that it could not discuss a possible revision to ACM0014 in relation to a request for deviation due to the unavailability of the panel member who had been assigned the responsibility for this case.

F. Issues of general guidance and tools

39. **Tool for estimation of efficiency v/s load curve for baseline equipment:** The panel requested the Board to take note that it continued its work on the new tool and agreed to finalise its consideration at the next meeting.

40. **Tool for determination of moisture content of a stream containing water vapour and residual or combustion gases:** The panel requested the Board to take note that it discussed a draft tool, which could be used to convert parameters of a gas, such as the gas flow or the gas composition, from a dry basis to a wet basis. The panel agreed to finalize its recommendation to the Board at its next meeting.

41. **Renewal of crediting period:** The panel requested the Board to take note that it further worked on the issues related to the renewal of a crediting period and agreed to continue its consideration at the next meeting.

42. **Status of consultancies:** The panel requested the Board to take note that identifying and contracting experts on different technical issues is taking a considerable amount of time and this is causing delays in the consideration process of the panel. The panel requested the Board to launch a call for experts on the following technical areas: coal mine fires; iron and steel industries, adipic acid production, transport, SF6, uncertainty, and landfill aeration.

G. Schedule of meetings and rounds of submissions of proposed new methodologies

43. The panel confirmed that its thirty-sixth meeting will be held from 19 - 23 January 2009, as per annex 16 of the report of the forty-third meeting of the Board.

44. The panel reminded project participants that the deadline for the twenty-sixth round of submissions of proposed new methodologies is 17 December 2008. The panel also reminded project participants that baseline and monitoring methodologies could be submitted at any time prior to these deadlines.

45. The panel also reminded the project participants that the deadline for submission of requests for revision and requests for clarification to be considered at the thirty-sixth meeting to be held from 19 - 23 January 2009 shall be 8 December 2008, 24:00 GMT.

H. Roster of experts

46. The panel noted the satisfactory completion of the desk reviews undertaken for the proposed new methodologies considered at the meeting.

Annexes to the external report of the thirty-fifth meeting of the Methodologies Panel

- Annex 1 - Draft reformatted baseline and monitoring methodology based on NM0239
- Annex 2 - Draft reformatted baseline and monitoring methodology based on NM0270
- Annex 3 - Draft editorial revision to AM0009
- Annex 4 - Draft revision to AM0025
- Annex 5 - Draft revision to AM0030
- Annex 6 - Draft editorial revision to AM0031
- Annex 7 - Draft editorial revision to AM0065
- Annex 8 - Draft revision to AM0066
- Annex 9 - Draft revision to ACM0002
- Annex 10 - Draft editorial revision to ACM0012
- Annex 11 - Draft guidance on apportioning emissions to co-product(s) and by-product(s)
- Annex 12 - Draft guidance on expansion of industrial gas recovery methodologies to new facilities
