

Information note

Proposed new methodology submission NM0355 “N₂O abatement from adipic acid production”

I. Scope of the note

1. The purpose of this document is to provide background information on the request for guidance by the Methodologies Panel (the panel) to the CDM Executive Board (the Board) on how to consider the proposed new methodology submission NM0355.
2. The proposed new methodology is based on the approved methodology AM0021 “Baseline Methodology for decomposition of N₂O from existing adipic acid production plants”. While AM0021 is only applicable to plants that started commercial operation by 31 December 2004, the proposed new methodology is applicable to both existing and new adipic acid plants.

II. Background

3. The Board, at its forty-sixth meeting, approved the “Guidance on expansion of industrial gas recovery methodologies to new facilities”. This guidance document specifies the issues that project proponents should address in their future submissions under this category of project activities: (a) incentive to choose technologies with higher by-product rates; (b) diversion of the production from existing facilities to the new facility; and (c) disincentives for technological development.
4. In 2008, the panel received two requests for revision, AM_REV_0088 and AM_REV_0110, seeking to broaden the applicability of the approved methodology AM0021 to new adipic acid facilities, i.e. to allow adipic acid plants that started commercial operation after 31 December 2004 to receive the benefits of the CDM.
5. In the response to these requests for revision, to address the issues contained in the “Guidance on expansion of industrial gases recovery methodologies to new facilities”, the panel recommended the use of a baseline emission factor of 50 kg N₂O per ton of adipic acid produced for new adipic acid facilities.
6. The Board, at its forty-eighth meeting, discussed the recommendation by the panel to the requests for revision and noted that there are several policy issues involved in the consideration of requests for revision for AM0021 to include new adipic acid production facilities. The Board decided to put on hold the acceptance of new requests for revision on AM0021 for new adipic acid production facilities and proposed new methodology submissions for new adipic acid production facilities, until further guidance is provided by the CMP. However, the CMP has not provided any guidance on this matter so far.

III. Description of the proposed new methodology proposal

7. The baseline scenario under the proposed new methodology is the installation of a primary N₂O decomposition technology with no economic incentive to improve the technology to reach the maximum possible abatement efficiency.
8. The proposed new methodology proposes to use a baseline N₂O emission factor for adipic acid production that decreases over time and is set as follows:
 - (a) 144 kg N₂O per ton of adipic acid produced for the first year after the implementation of the project activity;

- (b) 75 kg N₂O per ton of adipic acid produced for the second year after the implementation of the project activity;
- (c) 29.3 kg N₂O per ton of adipic acid produced for the remaining years.

IV. Information on the request to the Board

9. The panel is seeking guidance whether it should:
- (a) Not consider the proposed new methodology until the CMP has provided further guidance;
 - (b) Limit the consideration of the proposed new methodology to facilities that started commercial operation by 31 December 2004, consistent with the requirement in AM0021;
 - (c) Limit the consideration of the proposed new methodology to existing facilities, providing a new definition for existing facilities which also includes facilities that started commercial operation after 31 December 2004 (e.g. facilities that have a three year operational history); or
 - (d) Consider the proposed new methodology, including its applicability to new facilities.
