

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

Haus Carstanjen, UNFCCC Headquarters, Bonn, Germany

26–30 March 2012

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

A. Opening of the meeting and adoption of the agenda

1. The Chair of the Methodologies Panel (the panel), Mr. Thomas Bernheim, opened the meeting.
2. The panel welcomed the new Chair, Mr. Thomas Bernheim, the new Vice-Chair, Mr Hugh Sealy, and the CDM Executive Board (the Board) support members to the panel, Mr. Amjad Abdulla and Mr. Martin Comes.
3. The panel expressed its deep appreciation to the outgoing Board support member Mr. Paulo Manso for his dedication and excellent support to the panel.
4. The Chair, Vice-Chair, Board support members and the panel expressed their gratitude to the outgoing secretariat staff member Francisco Boshell for his excellent contribution and support to the panel.
5. The agenda was adopted as proposed.

B. Proposed new methodologies

6. The panel considered the proposed new methodologies listed in the table below, as well as desk reviews and public inputs received, where applicable.
7. The final recommendations, proposed by the panel for consideration by the CDM Executive Board (the Board), are made available on the UNFCCC CDM website at <http://cdm.unfccc.int/goto/MPpropmeth>.
8. In accordance with the procedures for the submission and consideration of a proposed new methodology, project participants may submit to the secretariat, copying the designated operational entity (DOE), clarifications to preliminary recommendations. If project participants provide the clarifications within four weeks of receiving the preliminary recommendation, then the panel considers the proposed new methodology at its next meeting. If project participants do not provide clarifications related to the preliminary recommendation within a timeframe of three months after the date of the published report of the panel meeting at which the proposed new methodology received its preliminary recommendation, the submission will be considered withdrawn.

9. The panel agreed on the following recommendations:

Table 1: Proposed new methodologies

Proposed new methodology	Recommendation¹
NM0341: Mitigation of methane emissions from charcoal production by recovering and burning carbonization gases	A (see annex 1 and paragraph 11)
NM0350: Improving Energy Efficiency in Data Centers through Dynamic Power Management	A (see annex 2)
NM0353: Grid connection of isolated electricity systems in countries with merit order dispatch	A (see annex 3)
NM0354: Energy efficiency improvements of a lime production facility through installation of new kilns	Work in progress (see paragraph 10(a))
NM0356: New natural gas based combined heat and power plant	Work in progress (see paragraph 10(b))

10. The panel requested the Board to take note that the panel could not conclude its consideration of the following proposed new methodologies:

- (a) NM0354 “Energy efficiency improvements of a lime production facility through installation of new kilns”, as additional information is required from the project participants to resolve issues concerning: (i) whether the project activity involves a technology switch (from rotary kiln to vertical kiln) or it only involves efficiency improvements compared to the historical situation; and (ii) improvements to the determination of baseline scenario and baseline emissions;
- (b) NM0356 “New natural gas based combined heat and power plant”, as further work is needed on the approaches related to the determination of the emission factor for heat generation.

11. NM0341 “Mitigation of methane emissions from charcoal production by recovering and burning carbonization gases”

The panel recommended the Board to approve the draft consolidated methodology based on the proposed new methodology NM0341 and the approved methodology AM0041 “Mitigation of Methane Emissions in the Wood Carbonization Activity for Charcoal Production”. Consequently, the panel also recommended the Board to withdraw the approved methodology AM0041 as it is fully incorporated into the new consolidated methodology.

C. Revisions and amendments of approved methodologies and tools

12. The panel requested the Board to consider the following responses to requests for revision related to the application of approved baseline and monitoring methodologies and methodological tools. The requests submitted and the responses provided by the panel are made publicly available on the UNFCCC CDM website at

¹ Recommendations on the proposed new methodologies from 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.

<<http://cdm.unfccc.int/methodologies/PAmethodologies/revisions>> and
<<http://cdm.unfccc.int/methodologies/PAmethodologies/tools-revisions>>.

Table 2: Requests for revision

Number of the request for revision	Approved methodology or tool	Title of the request for revision	MP response
AM_REV_0226	AM0025	AM0025, Avoided emissions from organic waste through alternative waste treatment processes, Version 12.0	Work in progress (see paragraph 13)
AM_REV_0231	ACM0001	Revision of ACM0001 to include landfill gas utilization in glass melting furnaces	To revise (see paragraph 18)

13. AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”

In response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the request for revision AM_REV_0226, the request contained in paragraph 90 of the report of the sixty-sixth meeting of the Board, and the task of implementing programme of activities (PoA) standards and procedures as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel prepared a revision of the methodology. The draft revision:

- (a) Broadens the applicability of the methodology by allowing the treatment of wastewater in combination with solid waste, by co-composting or in an anaerobic digester;
- (b) Neglects transport emissions, emissions associated with combustion of biogas and syngas, methane and nitrous oxide emissions associated with the combustion of refuse-derived fuel/stabilized biomass, and emissions associated with the management of by-products of combustion (e.g. ash);
- (c) Accounts for emission reductions from sending upgraded biogas to a natural gas distribution system;
- (d) Includes references to provisions in the approved methodologies ACM0003 “Emissions reduction through partial substitution of fossil fuels with alternative fuels or less carbon intensive fuels in cement or quicklime manufacture” and ACM0005 “Consolidated Baseline Methodology for Increasing the Blend in Cement Production”;
- (e) Changes the structure of the methodology and makes other editorial improvements;
- (f) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 below for further information).

Following paragraph 21(a) of the “Procedure for the submission and consideration of requests for revisions of approved baseline and monitoring methodologies and tools for large scale CDM projects”, the Chair of the panel launched a call for public inputs on the draft revised methodology, starting on 10 April 2012. The call will be open for 10 calendar days. The draft revised methodology is contained in annex 4.

14. AM0028 “Catalytic N₂O destruction in the tail gas of Nitric Acid or Caprolactam Production Plants” and AM0034 “Catalytic reduction of N₂O inside the ammonia burner of nitric acid plants”

In response to the request contained in paragraph 92 of the report of the sixty-sixth meeting of the Board, the panel requested the Board to take note that it has not been able to conclude its recommendation for this request and will seek expert advice to finalize its recommendation. The panel will continue its consideration of this issue at its next meeting.

15. AM0030 “PFC emission reductions from anode effect mitigation at primary aluminium smelting facilities”

In response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (a) Incorporates an emissions benchmark for the baseline emissions calculation and the demonstration of additionality;
- (b) Improves the clarity of the language;
- (c) Ensures internal consistency.

A draft revision of the methodology was prepared at the fifty-fourth meeting of the panel. Subsequently, the Chair of the panel launched a call for public inputs on the draft. No inputs were received with regard to the call. The draft revised methodology is contained in annex 5.

16. AM0074 “Methodology for new grid connected power plants using permeate gas previously flared and/or vented”

In response to the request contained in paragraph 88 of the report of the sixty-sixth meeting of the Board, the panel recommended the Board to approve a revision of the methodology that takes into account the inputs provided by the stakeholder. The draft revision:

- (a) Includes provisions to calculate the eligible emission reductions for the amount of permeate gas utilized at historic levels;
- (b) Provides additional clarity on how to account for the price of waste gas;
- (c) Improves the overall clarity and consistency of the methodology.

The draft revised methodology is contained in annex 6.

17. AM0103 “Renewable energy power generation in isolated grids”

In response to the request contained in paragraph 81(c) of the report of the sixty-sixth meeting of the Board, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (a) Provides simplified procedures that are applicable to both least developed countries (LDCs) and small island developing States (SIDS);
- (b) Includes an additional option to calculate baseline emissions using a weighted average emission factor.

The draft revised methodology is contained in annex 7.

18. ACM0001 “Flaring or use of landfill gas”

In response to the request for revision AM_REV_0231, the request contained in paragraph 90 of the report of the sixty-sixth meeting of the Board, and the task of implementing PoA standards and procedures as contained in the 2012 workplan of the panel, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (a) Broadens the applicability of the methodology by allowing the use of landfill gas (LFG) in glass melting furnaces;
- (b) Provides more clarity on how to monitor possible changes in the management of the landfill;
- (c) Makes clear reference to the amount of methane sent to the flare instead of the amount of methane flared;
- (d) Gives more options to demonstrate whether the equipment using LFG is operating and therefore destroying the methane;
- (e) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 below for further information);
- (f) Introduces other editorial improvements.

The draft revised methodology is contained in annex 8.

19. ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”

In response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the request contained in paragraph 90 of the report of the sixty-sixth meeting of the Board, and the task of implementing PoA standards and procedures as contained in the 2012 workplan of the panel, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (a) Provides more clarity on how the quantity of net electricity generation supplied by the project plant/unit to the grid shall be monitored;
- (b) Introduces provisions for the use of this methodology in a project activity under a PoA (see paragraph 30 for further information).

The draft revised methodology is contained in annex 9.

20. ACM0005 “Consolidated Baseline Methodology for Increasing the Blend in Cement Production”

In response to the request contained in paragraph 89 of the report of the sixty-sixth meeting of the Board, the panel recommended the Board to approve an amendment of the methodology. The draft amendment:

- (a) Includes, as an option, conservative default values for the calcium oxide (CaO) concentration in the raw material;
- (b) Includes a provision for the demonstration that an abundant surplus of the additives is available in an area with a radius of at least 200 km from where the additives are sourced.

The draft amended methodology is contained in annex 10.

21. ACM0007 “Conversion from single cycle to combined cycle power generation”

In response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the panel recommended the Board to approve a revision of the methodology. The draft revision:

- (a) Improves the clarity of the language;
- (b) Corrects the equation for the calculation of upstream leakage emissions.

The draft revised methodology is contained in annex 11.

22. ACM0010 “Consolidated baseline methodology for GHG emission reductions from manure management systems”

In response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel prepared a revision of the methodology. The draft revision:

- (a) Adds reference to methodological tools;
- (b) Improves the clarity of the language and provides an additional option to estimate project emissions for N₂O.

Following paragraph 21(a) of the “Procedure for the submission and consideration of requests for revisions of approved baseline and monitoring methodologies and tools for large scale CDM projects”, the Chair of the panel launched a call for public inputs on the draft revised methodology ACM0010, starting on 10 April 2012. The call will be open for 10 calendar days. The draft revised methodology is contained in annex 12.

23. ACM0013 “Consolidated baseline and monitoring methodology for new grid connected fossil fuel fired power plants using a less GHG intensive technology”

In response to the requests contained in paragraphs 91 and 38 of the reports of the sixty-fifth and sixty-sixth meetings of the Board respectively, and also in response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the panel requested the Board to consider the draft revision of the methodology with the view to either approve the draft revised methodology or to request the panel to consider the public comments received from the call for public inputs, as referred to below. To address the request from the Board, the draft revision:

- (a) Incorporates a more objective procedure to identify the baseline scenario;
- (b) Provides additional guidance for the investment comparison analysis for the demonstration of additionality;
- (c) Improves the procedure to determine the efficiency of the baseline technology;
- (d) Clarifies the data requirements and accounts for the potential impact of the data vintage of the plants used to determine the baseline efficiency through Approach/Option 2.

The draft revised methodology is contained in annex 13.

Following paragraph 21(a) of the “Procedure for the submission and consideration of requests for revisions of approved baseline and monitoring methodologies and tools for large scale CDM projects”, the Chair of the panel launched a call for public inputs on the draft revised methodology ACM0013, starting on 10 April 2012. The call will be open for 10 calendar days.

The panel also requested the Board to take note of an information note, which summarizes the issues identified in the information note prepared by the panel at its fifty-third meeting and describes how these issues are addressed in the proposed revision of the methodology. The information note is contained in annex 16.

24. ACM0014 “Mitigation of greenhouse gas emissions from treatment of industrial wastewater”

In response to the request contained in paragraph 92 of the report of the sixty-fifth meeting of the Board, the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the request contained in paragraph 90 of the report of the sixty-sixth meeting of the Board, and the task of implementing PoA standards and procedures as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel prepared a revision of the methodology. The draft revision:

- (a) Simplifies the procedures to estimate baseline methane emissions and electricity generation;
- (b) Broadens the applicability of the methodology to the treatment of any type of waste water;
- (c) Provides additional guidance on the use of the methodology in a project activity under a PoA (see paragraph 28 for further information);
- (d) Improves the overall structure of the methodology.

Following paragraph 21(a) of the “Procedure for the submission and consideration of requests for revisions of approved baseline and monitoring methodologies and tools for large scale CDM projects”, the Chair of the panel launched a call for public inputs on the draft revised methodology ACM0014, starting on 10 April 2012. The call will be open for 10 calendar days. The draft revised methodology is contained in annex 14.

25. ACM0015 “Consolidated baseline and monitoring methodology for project activities using alternative raw materials that do not contain carbonates for clinker production in cement kilns”

In response to the request contained in paragraph 28 of the report of the fifty-third meeting of the Board, concerning methodological approaches applicable to the estimation of baseline emissions for CDM project activities using less GHG-intensive raw materials in Greenfield cement plants, the panel requested the Board to take note that the panel is seeking external expertise on this issue and intends to finalize a draft revision of the methodology ACM0015 after the input from the external expert is received.

26. Tool to determine project emissions from flaring gases containing methane

In response to the task of improving approved methodologies and tools, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel prepared a revision of the tool. The draft revision:

- (a) Provides an additional option for determining the methane destruction efficiency of an enclosed flare, using biannual measurements of the efficiency of the flare;
- (b) Expands the applicability of the tool to flaring gases that also contain ammonium and hydrogen sulphide;
- (c) Defines low height flares and specifies how the methane destruction efficiency shall be determined for this type of flare;

- (d) Improves the structure and other editorial aspects of the methodology.

Following paragraph 21(a) of the “Procedure for the submission and consideration of requests for revisions of approved baseline and monitoring methodologies and tools for large scale CDM projects”, the Chair of the panel launched a call for public inputs on the draft revised tool, starting on 10 April 2012. The call will be open for 10 calendar days. The draft revised tool is contained in annex 15.

D. Clarifications to approved methodologies and tools

27. The panel requested 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. The requests submitted and the responses provided by the panel are made publicly available on the UNFCCC CDM website at <http://cdm.unfccc.int/methodologies/PAMethodologies/clarifications> and <http://cdm.unfccc.int/methodologies/PAMethodologies/tools-clarifications>. If requests for clarification resulted in a recommendation by the panel to revise an approved methodology or approved tool they are reflected in section D.

Table 3: Requests for clarification

Number of the request for clarification	Approved methodology or tool	Title of the request for clarification	MP response
AM_CLA_0191	AM0001	Use of historical data if the key components of a HCFC-22 plants have been retrofitted or replaced	Clarified
AM_CLA_0225	ACM0018	Clarification for ACM 0018 Version 01.3.0	Clarified
AM_CLA_0226	ACM0006	Clarification of methodology for a project to construct a high pressure biomass boiler to partially replace an existing high pressure gas boiler	Clarified (fast track)
AM_CLA_0227	ACM0002	Application of combination of large scale methodology ACM0002 and small-scale methodology AMS I.D in a renewable energy PoA	Clarified

E. Deviations from approved methodologies and tools

28. I-DEV0437 (AM0078 ver.1) “Deviation from monitoring of the parameters, C_SF_{6,y} and M_d,in”

In response to the request for deviation I-DEV_0437, the panel requested the Board to take note that it recommended that the request for deviation may be accepted.

F. Other issues

29. Consultation on a draft assessment report on cross effects when applying multiple methodologies to PoA and possible development of guidance

In response to the task of implementing PoA standards and procedures as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel

considered a draft concept note on guidance for consideration of cross effects for application of multiple CDM methodologies to a PoA and provided feedback to the secretariat. The secretariat has taken note of the feedback which will be considered when finalizing the concept note for its consideration by the Board.

30. Consideration of draft revised large-scale methodologies to include PoA provisions

In response to the request contained in paragraph 90 of the report of the sixty-sixth meeting of the Board, and the task of implementing PoA standards and procedures as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel recommended specific requirements on the use of large-scale methodologies under a PoA for the following methodologies:

- (a) AM0025 “Alternative waste treatment processes”;
- (b) ACM0001 “Flaring or use of landfill gas”;
- (c) ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”;
- (d) ACM0014 “Mitigation of greenhouse gas emissions from industrial waste water treatment”.

The requirements have been incorporated in the draft revisions prepared by the panel (see paragraphs 13, 18, 19 and 24).

31. Consultation on a concept note on the treatment of suppressed demand in approved methodologies

In response to the task of improving the guidelines on suppressed demand, as contained in the 2012 workplan of the panel, the panel requested the Board to take note that the panel considered a concept note on the treatment of suppressed demand in approved methodologies and provided feedback to the secretariat. The secretariat has taken note of the feedback which will be considered when finalizing the concept note for its consideration by the Board.

G. Schedule of meetings and rounds of submissions

32. The panel noted that the date for its fifty-sixth meeting is 11 to 15 June 2012.

33. Following the guidance contained in paragraph 5 of the “Procedure for the submission and consideration of a proposed new baseline and monitoring methodology for large scale CDM project activities”, the panel considers proposed new methodologies submitted by a deadline at a subsequent meeting conditional to priorities set by the Board and by the Chair of the panel.

34. Project participants may note that the deadline for the 46th round of submissions of proposed new methodologies to be considered at the fifty-sixth meeting was 2 April 2012, 24:00 GMT. The deadline for the 47th round of submissions of proposed new methodologies to be considered at the fifty-seventh meeting is 4 June 2012, 24:00 GMT.

35. Project participants may also note that the deadline for the submission of requests for revision and clarification to be considered at the fifty-sixth meeting is 30 April 2012, 24:00 GMT.

H. Desk Reviews

36. The panel noted the satisfactory completion of the desk reviews undertaken for the proposed new methodologies.

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

- Annex 1 Draft reformatted baseline and monitoring methodology based on NM0341;
- Annex 2 Draft reformatted baseline and monitoring methodology based on NM0350;
- Annex 3 Draft reformatted baseline and monitoring methodology based on NM0353;
- Annex 4 Draft revision of AM0025 “Avoided emissions from organic waste through alternative waste treatment processes”;
- Annex 5 Draft revision of AM0030 “PFC emission reductions from anode effect mitigation at primary aluminium smelting facilities”;
- Annex 6 Draft revision of AM0074 “Methodology for new grid connected power plants using permeate gas previously flared and/or vented”;
- Annex 7 Draft revision of AM0103 “Renewable energy power generation in isolated grids”;
- Annex 8 Draft revision of ACM0001 “Flaring or use of landfill gas”;
- Annex 9 - Draft revision of ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”;
- Annex 10 - Draft amendment of ACM0005 “Consolidated Baseline Methodology for Increasing the Blend in Cement Production”;
- Annex 11 Draft revision of ACM0007 “Conversion from single cycle to combined cycle power generation”
- Annex 12 Draft revision of ACM0010 “Consolidated baseline methodology for GHG emission reductions from manure management systems”;
- Annex 13 Draft revision of ACM0013 “Consolidated baseline and monitoring methodology for new grid connected fossil fuel fired power plants using a less GHG intensive technology”;
- Annex 14 Draft revision of ACM0014 “Mitigation of greenhouse gas emissions from treatment of industrial wastewater”;
- Annex 15 Draft revision of the “Tool to determine project emissions from flaring gases containing methane”;
- Annex 16 Information note “Proposed revision of ACM0013 to address identified issues”.