REPORT OF THE TWENTY-FIFTH MEETING OF THE METHODOLOGIES PANEL
UNFCCC Headquarters, Bonn, Germany
15 - 19 January 2007

RECOMMENDATIONS BY THE METHODOLOGIES PANEL TO THE EXECUTIVE BOARD

A. Opening of the meeting and adoption of agenda

1. The Chair of the Methodologies Panel (Meth Panel), Mr. Rajesh Kumar Sethi opened the meeting.

2. The agenda was adopted as proposed.

3. The Meth Panel expressed its deep appreciation of the efforts of the out-going vice chair of the panel Mr Jean-Jacques Becker in guiding the panels work over the last three years and his immense contribution to the panel's work. The panel also expressed its deep appreciation of the outgoing member Mr Michael Lazarus for his dedication and immense contribution to the panel's work, with which he has been since the inception of the panel.

B. Consideration of proposed new methodologies

4. The Meth Panel considered the proposed new methodologies for the cases mentioned in the table below, as well as desk reviews and public inputs received, where applicable.

5. The final recommendations, proposed by the Meth Panel for the consideration by the Executive Board, are made available on the UNFCCC CDM website at http://cdm.unfccc.int/goto/MPpropmeth

6. 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 have not provided any clarifications within the (4) week consultation period shall be considered as final recommendations, and will be forwarded to the Executive Board for consideration and made available on the UNFCCC CDM website.

7. The Meth Panel agreed on the following recommendations:

Cases	MP 25[1] recommendation
NM0141-rev: Displacing grid/off-grid steam and electricity generation with less carbon intensive fuels in Aba, Nigeria	**Preliminary recommendation**
NM0142-rev: Palm Methyl Ester - Biodiesel Fuel (PME-BDF)	**Work in progress**[2] (see paragraph 8 below)

[1] Recommendations to the methodologies from the twenty-fifth meeting of the Meth Panel, where A (recommended for approval), B (recommended for revision) and C (recommended for non-approval) are final recommendations to the Board.

[2] Work in progress implies that the deliberations on these methodologies could not be concluded at the twenty-fifth meeting of the Meth Panel. These cases will be further considered before providing a recommendation to the Board.

Cases	MP 25[1] recommendation
NM0150-rev: Ghana efficient lighting retrofit project, as contained in annex 1	**A**
NM0155-rev: Waste gas utilization for steam and power generation at RIL Jamnagar refinery	**C**
NM0157-rev: Open-DSM type CDM for Green Lighting in Shijiazhuang city, China	**C**
NM0159-rev: Implementation of an Efficiency Testing, Consumer Labeling and Quality-Assurance Program for Air Conditioners in Ghana	**C**
NM0161: Mondi Gas Turbine Co-generation in Richards Bay, South Africa	**WIP**
NM0165-rev: Feed switchover from Naphtha to Natural Gas (NG) at Phulpur plant of IFFCO	**WIP**
NM0170: Installation of Carbon Dioxide Recovery (CDR) plant at Indian Farmers Fertiliser Cooperative Ltd (IFFCO), Phulpur Plant	**Preliminary recommendation**
NM0171: Use of Hydro Heavy Fuel Oil Technology (HHFOT) to improve energy efficiency at a power plant in Pakistan	**WIP**
NM0174: MSW Incineration Project in Guanzhuang, Tianjin City, China	**WIP**
NM0176: Soluciones Nitrous Oxide Abatement Project	**Preliminary recommendation**
NM0178: Aerobic thermal treatment of municipal solid waste (MSW) without incineration in Parobé, as contained in annex 2	**A** (incorporated in AM0025)
NM0179: Waste Heat Recovery based Steam and Power Generation	**WIP** (see paragraph 10)
NM0180: BIOLUX Benji Biodiesel Beijing Project, as contained in annex 3	**A**

Cases	MP 25[1] recommendation
NM0192: Recovery and utilization of flare waste gases at the Industrial Complex of La Plata Project	**B**
NM0193: SF_6 Switch at Dead Sea Magnesium	**C**
NM0194: Green House Gas (GHG) emission reduction by 'Manufacturing of natural surfactant Alpha Olefin Sulphonate	**Preliminary recommendation**
NM0195: Rama Newsprint and Papers Limited energy efficiency project, India	**Preliminary recommendation**
NM0196: The 220 MW Egiin Gol Hydroelectric power generation project in Mongolia	**C**
NM0197: India – Accelerated Chiller Replacement Program	**Preliminary recommendation**
NM0198: Inoculant distribution in Brazil	**C**
NM0199: Green House Gas Emission Reduction by the introduction of Hot Direct reduction Iron in the Electric Arc Furnaces	**Preliminary recommendation**
NM0200: Fuel switch project for generation of cleaner power	**Preliminary recommendation**
NM0201: Cosipar Transport Modal Shift Project	**Preliminary recommendation**
NM0202: AzDRES Power Plant Energy Efficiency and change in fuel mix	**Preliminary recommendation**

8. The Meth Panel considered proposed guidance on the issue of shift of pre-project activities (see paragraph 16 below) which, as noted in its twenty-fourth meeting report (paragraph 8), is not adequately dealt with in the proposed new methodology NM0142-rev. The panel agreed to further work on the guidance with a view to finalize it at its next meeting. Therefore, the consideration of the case NM0142-rev shall be taken up at the twenty sixth meeting.

9. The Meth Panel recommended the incorporation of the case NM0179 into a draft consolidated methodology for cogeneration project activities, which is under development (see paragraph 13 below).

C. Clarifications and requests for revisions of approved methodologies

10. The Meth Panel considered the following requests for clarifications and requests for revisions related to the application of approved baseline and monitoring methodologies. The requests submitted and the recommendations provided by the Meth 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 revisions that resulted in a recommendation by the Meth Panel to revise an approved methodology are reflected in section D below.

Clarification number	Approved Methodology	Title of the request for clarification	MP 25 recommendation.
AM_CLA_0035	ACM0006 ver.4	"Definitions and scenarios"	**Clarified**
AM_CLA_0036	ACM0006 ver.4	"Clarification on terminology used for power plants and definition of scenarios"	**Clarified**
AM_CLA_0037	ACM0002 ver.6	"Type of justification needed for not using the preferred Dispatch Analysis"	**Clarified**
AM_CLA_0038	ACM0002 ver.6	"Clarification on data vintage if OM or BM emission coefficient"	**Pending** (see paragraph 11)

Revision number	Approved Methodology	Title of the request for revision	MP 25 recommendation.
AM_REV_0027	ACM0002	"Approach for the exclusion of immaterial parts of a multinational grid"	**Pending** (see paragraph 11)
AM_REV_0028	AM0023	"Proposed amendment to AM0023 to include pressure-regulator stations in gas distribution systems and other surface facilities on the gas distribution side besides compressor and gate stations"	**Not to revise**
AM_REV_0029	ACM0002	"Enable the use of ACM0002 for power plants that result in emission reductions in another non-Annex I country because of the enhancement of dispatch of clean energy to that grid"	**Pending** (see paragraph 11)
AM_REV_0030	ACM0006 ver.4	"East Coast Power Plant (S) Sdn. Bhd. 13MW biomass power generation project"	**Not to revise**
AM_REV_0031	AM0025 ver.5	"Controlled combustion of municipal solid waste (MSW) and sludge to generate energy in Shaoxing City, China"	**Not to revise**
AM_REV_0032	ACM0006 ver.4	"Pelita Agung Agrindustri Cogeneration Biomass Project"	**Not to revise**
AM_REV_0033	ACM0004 ver.2	"To revise ACM0004 taking account of fossil fuel and waste heat recovery boilers supplying one turbine generator. This has been proposed as the measurement of the calorific value of waste heat gases is not possible"	**Pending**
AM_REV_0034	ACM0009 ver.3	"Application of ACM0009 to fuel switching from designed/planned fossil fuel fired industrial processes, and application of	**Not to Revise**

		ACM0009 to projects where the baseline fuel is producer gas derived from coal"	

11. The Meth Panel considered the requests for revisions and clarification to the approved consolidated methodology ACM0002 and agreed to keep their consideration of these requests pending in view of the Board decision requesting the Meth Panel not to revise methodologies more frequently than every six months. The Meth Panel is also undertaking work on expanding the methodology to project activities that export to a non-Annex I country grid, other than where the project activity is located. Moreover, the Meth Panel is developing a tool for the estimation of the grid emission factor, which will replace relevant parts of ACM0002, to be finalized at its twenty-sixth meeting, along with the consideration of the above pending requests.

D. Revision of approved methodologies

12. **AM0025:** The approved methodology AM0025 was revised to incorporate the proposed new methodology NM0178 (Aerobic thermal treatment of municipal solid waste (MSW) without incineration in Parobé) and to amend the procedure for estimating the anaerobic emissions from composting of waste, as requested by the Board at its twenty-seventh meeting. The revised version of the methodology is contained in annex 3.

E. Consolidated cogeneration methodologies

13. The Meth Panel considered a first draft of a consolidated methodology for cogeneration projects based the approved methodology AM0032, the caseNM0179 and also some elements of the cases NM0155-rev and NM0192. The panel agreed to consider the draft consolidated methodology, with a view to recommending it for approval to the Board, at its twenty-sixth meeting.

F. Methodological tools

14. The Meth Panel agreed to recommend the draft methodological tool for the avoidance of double counting of emission reductions from the production of biofuels, as contained in annex 4. The draft tool is applicable for project activities claiming CERs from the production of biofuels that are implemented in non-Annex I countries which do not export biofuels. The Meth Panel agreed to continue working on the tool with the view to expand its applicability.

15. To ensure that the draft tool fully avoids that CERs are claimed by producers and consumers for the same quantity of biofuel, the Meth Panel agreed to propose the following guidance to the Board:

(a) For biofuel CDM project activities, where the consumer claims CERs from displacing fossil fuel consumption with biofuel consumption, the consumer is required to seek a declaration from the producer of the biofuel, that the producer is not claiming CERs from this biofuel quantity.

G. Issue of shift of pre-project activities

16. The Meth Panel highlighted that CDM project activities that cultivate biomass for energy generation purposes can lead to land-use changes, either directly or as a result of shifts of pre-project activities, similar to afforestation and reforestation CDM project activities. In some cases,

such land-use changes may be associated with considerable GHG emissions and resultant potential degradation of lands such deforestation of natural forests.

17. In the above context the Meth Panel agreed to seek clarification from the Board whether project types that lead to land-use changes with considerable GHG emissions and resultant potential degradation of lands such deforestation of natural forests, :

(a) should be excluded by including appropriate applicability conditions for applying the relevant baseline and monitoring methodologies (as, for example, in AM0042); or

(b) should be addressed through inclusion of methodological approaches in baseline and monitoring methodologies to estimate the GHG emissions from such land-use changes.

H. Guidance on addressing uncertainty in emission reduction estimates

18. The Meth Panel considered expert report on the sources of uncertainty in the estimation of emissions reductions due to sampling and measurement uncertainties. Uncertainties levels for the final estimates of emission reductions for four (4) case studies applying the approved methodologies, AM0025, AM0021, AM0030 and ACM0002 where assessed and in some cases were found to be significant due to the above mentioned sources of uncertainties. In view of these findings, the Meth Panel agreed to prepare a report for consideration by the Board.

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

19. The Meth Panel confirmed that its twenty-sixth meeting will be held from 26 to 30 March 2007.

20. The Meth Panel reminded project participants that the deadline for the eighteenth round of submissions of proposed new methodologies is to be 5 February 2007. The Meth Panel also reminded project participants that baseline and monitoring methodologies can be submitted at any time prior to this deadline.

External annexes to the twenty-fifth meeting of the Meth Panel

Annex 1: Draft reformatted baseline and monitoring methodology based on NM0150-rev

Annex 2: Draft reformatted baseline and monitoring methodology based on NM0180

Annex 3: Draft revision to AM0025

Annex 4: Draft methodological tool for the avoidance of double counting of emission reductions from the production of biofuels

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