



RESPONSE TO REQUESTS FOR REVIEW

Bureau Veritas Certification had performed the validation of the CDM Project No. 929 – "Demand Side energy efficiency project at IPCL – Vadodara complex"

Subsequently, there have been three requests for review.

We thank the CDM Executive Board and the Secretariat for giving us the opportunity to clarify about our considerations in validating the said project.

We wish to clarify our stand for each of these issues as given below:

- 1 Further demonstration of the additionality of the project activity is required.

Response

The project activity is essentially an exercise different from the advise by the licensor. The licensor, BASF, had provided only 2 alternatives, viz. flaring of the Vinyl Acetylene stream or liquefaction of the stream through chilling system followed by hydrogenation.¹

It is common knowledge that in the petrochemical industry, it is not common to deviate from the advise given by the licensor.

Hence the project activity is considered additional.

2. A project activity that increases risks to human life and loss of property as stated in the PDD (page 21 of 47), through potential series of explosions, should not be eligible as a CDM project. Further more the PP states "the risks involved in devising and implementing the system of recovery were sufficient to warrant non-approval of the scheme". The PP/DOE shall demonstrate, providing clear evidence, how this risks might be avoided.

Response

The project activity design avoids the potential risks in the following manner :

- a) Dilution of the Vinyl Acetylene stream by the motive fluid, i.e. Pyrolysis Gasoline.
- b) Safety interlocks like
 - i) automatic evacuation of the stream to flare in case of abnormal rise in pressure or loss in diluent pressure,
 - ii) on-line gas chromatograph based analyzer and connected alarm systems and automatic/manual line venting
 - iii) regular training/awareness sessions and safety audits

These features were verified by the validation team during site visit directly in DCS in terms of trip settings and process control parameters, annunciation panels, safety statistics, on-site emergency plans, standard operating procedures, etc.

3. The project activity began in 2003. The Validation Report, through the closure of CL-3 implies that the CDM was taken into account when the decision to go ahead with the project was made four years ago. However it appears that the project was already initiated and then the company decided to seek registration as a CDM project afterwards. The DOE does state (in the CAR resolution table) that they received evidence of this consideration in the minutes of an energy audit meeting. The DOE shall further clarify how they have validated such evidence and details should be provided that clearly demonstrate that the CDM was seriously considered before going ahead with the project activity, as this consideration and its evidence is part of the actual justification provided by PP/DOE.

Response

Validation team had verified the minutes of the meeting dated 28.06.2002². The minutes very clearly discussed the UN initiative on climate change. The minutes conclude that the Vinyl Acetylene recovery project should be taken up as a CDM project.

Response by Project Participant explains the reason for delay in requesting validation of the project activity.

4. Further justification is required on the applicability of this methodology.

Response

The project activity primarily recovers Vinyl Acetylene from a waste gaseous stream that was being flared. The recovered Vinyl Acetylene stream is now introduced as a fuel along with the pyrolysis gas, which is already used as a fuel in one of the existing burners at the oil heater, HH2. It may be noted that this stream does not completely displace the fossil fuel, LSHS that is used at the oil heater, HH2. The recovered stream only displaces part of the LSHS that was used in the heater. It is therefore clear that the project activity primarily aims at energy efficiency [through recovery of Vinyl Acetylene stream] and not at fuel switch.

Hence the project activity is considered to meet the applicability condition of the methodology. Refer the revised PDD version 09 dated 07/11/2007.³

5. Further information is required to confirm that the project activity will comply with the monitoring conditions of the approved methodology.

Response

The methodology requires energy use of the equipment affected by the project activity. This involves energy from recovered stream, fuel gas and the LSHS fuel. The monitoring of fuel gas and LSHS was not included in the monitoring plan since this is not necessary to arrive at the energy saved by the project activity.

The monitoring plan is now revised to include monitoring of the energy use on account of fuel gas and LSHS. PDD is revised to version 09 dated 07/11/2007.

It may be noted that since the Project Participant has a DCS based system, all these parameters are already being monitored at the project activity site.

¹ Annex 1 – E-mail from BASF, the licensor

² Annex 2 – Minutes of the meeting dated 28/06/2002

³ Annex 3 – PDD version 09 dated 07/11/2007 – Changes Highlighted