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Att: CDM Executive Board

Your ref.:
CDM Ref 0358

Our ref.:
MLEH/ETEL

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Response to request for review

Request for registration of the “Rosslyn Brewery Fuel-Switching Project” (0358)

Dear Members of the CDM Executive Board,

We refer to the requests for review raised by four Board members concerning DNV's request for registration of the “Rosslyn Brewery Fuel- Switching Project” (0358). DNV would like to herewith provide an initial response to the issue raised by the requests for review.

The requests for review address the following four issues:

1. It is suggested that leakage needs be considered related to the energy needs of biogas treatment (in order to increase the energy content of the biogas to the level of the natural gas), and since this is not addressed in the methodology, a deviation should have been requested on this matter.
2. It is claimed that the positive leakage for fugitive emissions is not conservative, as coal not consumed by the project anymore may be used somewhere. It is also claimed that the leakage calculations does not include fugitive emissions associated by the production, distribution and transportation of natural gas.
3. It is requested that the PDD has to be updated according to findings stated in the validation report.
4. It is requested to explain the baseline scenario further in terms of the capacity increase in the beer production, and which boilers that are expected to be used for this.

DNV has the following comments to the issues raised:

1. It is evident that the biogas will have a lower CH₄ content than the natural gas of the project. However, when looking at the CH₄ content in the biogas, this has an average percentage of 66,4%, and ranges from 55-80% (Ref. the PDD, page 8, table 4). This methane content is fully sufficient to supply energy to operate the same boiler as where the natural gas is combusted. No additional cleaning or scrubbing of the biogas is necessary, as the boiler and equipment will not be affected by the differences in gas composition. (Ref. PDD, page 10-11 and footnote 11, page 22). In our view, this does not indicate any need for a deviation request.
2. For emissions related to coal mining and extraction, these are determined in accordance with the approved methodology AM0008. In DNV's view, the fact that coal is mined and consumed by activities outside the project and thus may cause the same baseline emissions as saved by the project is irrelevant. The fact that a CDM project is reducing emissions should not be offset by activities that cause the same emissions, when those other activities and emissions are not directly attributable to the project. Accepting this argument as given in the request for review will have huge implications for all other CDM projects and methodologies, as these would then have to consider other fossil fuel usages which are not attributable to the project. We thus hope this

argument is founded on a misunderstanding rather than an attempt to establish a new practice within the CDM; which in case will have to be accepted by the COP/MoP.

For the claim that leakage calculations for natural gas production, distribution and transportation are not included, this is incorrect. This has been included in the PDD and is clearly described on page 11 in the PDD and in the monitoring section under “leakage” in the PDD (page 32, section D.2.3.2). We also refer to corrective action request no. 2 in the validation report which was related to this issue.

3. As long as there is no clear reference made to which parts of the PDD that has not been updated according to validation report findings, DNV find it difficult to respond according to this argument. As far as we are concerned, all corrective action and clarification requests have been satisfactorily addressed and are also as applicable included in the last version of the PDD. We would appreciate clearer references on this matter in order to address this comment.
4. As thoroughly explained in the PDD, the Rosslyn Brewery is a “swing brewery” with variable production. DNV has assessed in detail that the requirement of AM0008 that limits the boiler capacity is adhered to. It has been confirmed and is stated in the validation report that the boiler capacity will not increase as a consequence of the project.

Any changes in the specific energy consumption per unit of output are not related to a requirement in the methodology. As long as the boiler baseline capacities are capped and limits the baseline output of energy and emissions, this argument is deemed irrelevant.

We would like to note that we are rather surprised about the content of the requests for reviews for this project. In our opinion, the PDD and the validation report has transparently and elaborately addressed the issues raised by four members of the Board. For the first part of issue no 2, it is even more surprising to see that Board members requested that emission effects NOT attributable to the project should be considered by a CDM project.

We hope that the Board accepts the above explanations and we look forward to a constructive dialogue on how the more principle issues behind the presented arguments can be resolved, hopefully without a need to initiate a review on this particular project activity.

Yours faithfully
for DET NORSKE VERITAS CERTIFICATION



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