

PP Comments on request for review of ACEL Blended cement project at Sankrail grinding unit

Reasons for Request:

1. *The documentation containing comprehensive information on market and educational barriers and planned efforts should be made available to the EB members. So far only on the basis of statement that such documentation was provided to the DOE and that the information is publicly available it cannot be confirmed that §43/§44 of the CDM modalities and procedures are met*

It also cannot be confirmed that claims for retroactive credits would be justifiable unless clarity is provided. The evidence that the incentive from the CDM was seriously considered in the decision to proceed with the project activity should be also provided.

PP Response:

The process of validation included a thorough analysis of the additionality of the project activity.

It should be noted that Ambuja Cements Eastern Ltd (ACEL) at the time of project conception was a subsidiary of Gujarat Ambuja Cements Ltd (GACL). There were common members on the Board for ACEL and GACL, including the Chairman and group Managing Director. Most of the operating & technical matters of ACEL were controlled by GACL management. The project activity was conceived along with the GACL project activity, which is registered CDM project activity 0304. The demonstration of additionality, and in particular the research and technical barriers that have to be overcome, were therefore the same barriers that had to be overcome for that project.

Detailed documentation on the market and educational barriers was provided to the DOE during validation. These are attached and consist of:

- A technical paper from “Cement and Concrete Research” journal estimating an equation to show that the early strength of concrete decreases as the proportion of fly ash used increases
- Customer complaints of low strength due to dark colour cement and long setting time (this is directly related to an increase in fly ash content of PPC)
- Details of training and marketing activities that are required of ACEL to attempt to overcome the barriers identified.

In addition to the above, details of the GACL Research Centre at Ambujanagar and the equipment, work, studies and techniques that have to be utilized to try to increase the fly ash blend were shown to the DOE and are outlined in the PDD (page 16). This research work requires a team of 15 staff at the Research Centre and so far over 3,800 samples of concrete and mortar have had to be analysed.

The barriers to increasing the fly ash content do not apply to the baseline scenario. Under the baseline scenario, the fly ash content would remain constant¹.

¹ Although, as per the methodology, PPs have selected an ex-ante increase in baseline additive content, this is done to ensure predictability of CER generation for a given achieved additive

Increasing the additive content involves technical barriers and market resistance barriers which do not apply to the baseline scenario. As per the technical paper, the **more fly ash** in PPC, the **lower** the early strength. As per the customer complaints, the **more fly ash**, the **more problems** consumers encounter with setting time, strength and discoloration. In terms of customer education, the **more fly ash**, the **more education, training and marketing** required.

Under Indian standards, 35% fly ash can be added to PPC. However, the additive level of the top 20% of producers in the region is 68.7%, which allowing for gypsum of 5% gives a fly ash content of 26.2%. Barriers therefore exist which prevent higher level blending and these are what the CDM project seeks to overcome.

In terms of the starting date and qualification for retroactive credits, full documentation (emails, PINs and a memo) showing consideration of the CDM before the starting date of the project activity was provided to the DOE during validation. These are attached. The PIN – Industrial wastes - explicitly covers the ACEL Sankrail grinding unit. As mentioned above, it should be noted that at the starting date of the project activity, Ambuja Cement Eastern Ltd (ACEL) was a subsidiary of Gujarat Ambuja Cements Ltd (GACL). As such, the project activity was conceived along with the GACL project activity, which is registered CDM project activity 0304 and has the same starting date.

2. *For baseline emission calculation the PDD shows in Section B the calculated values for data like BE_{calcin} , BE_{fossil_fuel} etc. However, only the results but not the input variables to arrive at the results are documented in the PDD. It is unclear what the input values are.*

PP Response

Detailed baseline emission calculation spreadsheets were provided to the DOE during validation. These are attached.

3. *Editorial corrections to PDD and/or Validation Report*
- See CL3 at page A-28: 12 cement plants in the region minus 4 plants not considered in the region equals 8 plants. It is unclear why only 7 plants are mentioned in the 'summary of project participants' response and not 8. In the final conclusion it should read: "The exclusion of the 4 plants is acceptable since the data for these four (not five as mentioned in the text) plants are unreliable.

PP Response

7 plants are mentioned in the "summary of project participants' response" because the 8th plant is the project activity plant itself. The applied approved methodology states that the "Region" for the benchmark must contain at least 5 **other** plants with the required published data. Other in this case means excluding the project activity plant, hence the reference to 7 not 8. This has been clarified in the revised PDD.

content (which an ex-post baseline would not provide). The real project level baseline is a constant additive content