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Att: CDM Executive Board

Your ref.:

Our ref.:
 Etel

Date:
 May 21, 2006

Request for review: "Reduction of Flaring and Use of Recovered Gas for Methanol Production" (0972)

Dear Members of the CDM Executive Board,

We refer to the requests for review raised by four Board members concerning the request for registration of the "Reduction of Flaring and Use of Recovered Gas for Methanol Production" project (0972) and would like to provide an initial response to these requests for review:

Reason for Request:

The project began construction in 1998, which should be considered as the start date of the project and therefore the project might not be eligible to be a CDM project as it was started well before Jan 1, 2000 and does not pass Step 0 of the Tool for Additionality.

DNV's response:

In line with the guidance given in "glossary of definitions for completing the PDD", the start date of a project activity is the date at which *the implementation, or construction, or real action of a project activity begins*. (Our highlighting) For this project activity the project proponent has chosen the "real action" option as given in the guidance, for reasons elaborated both in the PDD as well as in our Validation Report.

The glossary of definitions clearly gives three possible definitions of the start date for a project activity, and it does not state that it is the earliest of the three possible definitions that defines the start date or that commencement of construction serves as the default definition, as all three distinct possibilities listed are connected by "or", hence underlying their equality.

The claims given in the PDD in order to substantiate the entire history of the project and its relevance for mitigating climate change were assessed in detail during our validation of the project. Fully aware of the implications, we have assessed all records and documentation related to the issue. This has led us to conclude that without the incentive of the Activities Implemented Jointly and subsequently the CDM, this project would never have been implemented. Furthermore, due to the long construction/implementation period, we found the option of "real action" as given in the guidance as appropriate, this also taking into account that other projects initiated before the year 2000 has been registered by the Board.

As the project history clearly has demonstrated the climate change mitigation was considered in the in initiation phase of the project, and that it is satisfactorily demonstrated that emissions are lower than they would be in the absence of the project activity, we are of the opinion that step 0 in the “Tool for demonstration and assessment of additionality” is fulfilled.

We hope you will accept the aforementioned explanation, and look forward to the registration of the project.

Yours faithfully
for DET NORSKE VERITAS



Einar Telnes
Director
International Climate Change Services



Michael Lehmann
Technical Director