



**CDM project activity registration review form (F-CDM-RR)**  
**(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)**

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| <b>Designated national authority/Executive Board member submitting this form</b> |   |
| <b>Title of the proposed CDM project activity submitted for registration</b>     | N2O decomposition project of PetroChina Company Limited Liaoyang Petrochemical Company; Project activity 1238 |

**Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures, which validation requirement(s) may require review. A list of requirements is provided below. Please provide reasons in support of the request for review, including any supporting documentation.**

☐ *The following are requirements derived from paragraph 37 of the CDM modalities and procedures:*

- ☐ The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied;
- ☐ Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity (DOE) on how due account was taken of any comments has been received;
- ☐ Project participants have submitted to the DOE documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party;
- ☒ The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM modalities and procedures;
- ☒ The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board;
- ☐ Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP;
- ☐ The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the CDM modalities and procedures and relevant decisions by the COP/MOP and the Executive Board.

☐ *The following are requirements derived from paragraph 40 of the CDM modalities and procedures:*

- ☐ The DOE shall, prior to the submission of the validation report to the Executive Board, have received from the project participants written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development;
- ☐ In accordance with provisions on confidentiality contained in paragraph 27 (h) of the CDM modalities and procedures, the DOE shall make publicly available the project design document;
- ☐ The DOE shall receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available;
- ☐ After the deadline for receipt of comments, the DOE shall make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated;
- ☐ The DOE shall inform project participants of its determination on the validation of the project activity. Notification to the project participants will include confirmation of validation and the date of submission of the validation report to the Executive Board;
- ☐ The DOE shall submit to the Executive Board, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received.

☐ There are only minor issues which should be addressed by the DOE / project participants prior to the registration of the project.

**Section below to be filled in by UNFCCC secretariat**

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| Date received at UNFCCC secretariat | 23/10/2007 |
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Reasons for request:

1. The PP shall further clarify which is the production capacity of the adipic acid production plant of LYPC, "constructed in the end of 1981 with two technological transformations reaching the installed capacity 140,000 tons per year in 2004. To the end of 2004, the maximum adipic acid production capacity is 477 tons per day." In addition, the DOE shall further clarify how the data related to the production record of the plant was checked and validated and how they have assessed and validated when the installed capacity of the adipic acid plant used to calculate and claim emissions reductions was established.



2. The PP states in the PDD (page 8 of 51) that “No public funding from Parties included in Annex I is likely to be involved”. Further clarification is required. In addition, the DOE shall further explain on how they assessed and validated the evidence related to the issue of ODA.
3. The PDD states that “Based on the data provided by BASF, the decomposition efficiency is 98.5%, the nondecomposed N<sub>2</sub>O is 1.5%, and LYPC chooses 5% to estimate the non-decomposed N<sub>2</sub>O out of conservation”. The DOE shall further clarify on how they have assessed and validated the efficiency of the catalytic process for the decomposition of the N<sub>2</sub>O by-product of adipic acid production on the basis of data from technology provider and industry standards.
4. Further substantiation of additionality and CDM consideration is required.
5. The DOE shall further clarify how they have validated that the project activity is not common practice in relevant sector and region, as:
  - a. The data source for the information of four existing facilities in Non-Annex I countries is the Chemical Week, published more than four years ago (Adipic acid, April 23, 2003: Vol.165. Iss. 15). In addition, the DOE shall further clarify how they have checked the reliability of the information source.
  - b. One of the existing four plants, a plant in Singapore, which was constructed in 1997 and is operated by INVISTA abates the N<sub>2</sub>O emissions resulting from the adipic acid production.
6. The DOE shall further clarify their statement that “The Parties involved are China as a host country and UK as a host I country” and “The approval documents from the DNA of England are not received” in their CDM Validation Protocol (Appendix A).
7. The DOE shall further clarify their statement that “The operational cost is stated to be “taken out of convenient.” in their CDM Validation Protocol (Appendix A).
8. The MK Calculation Sheet.xls, provided in Appendix 1 - MK Cal sheet should be further clarified in order to provide clear variable definition for analysis.
9. The DOE shall further clarify how they have verified, assessed and validated data, documentation and spreadsheets that aim to demonstrate the additionality of the project activity and in particular those related to benchmark analysis. The attached spreadsheet (MK Calculation Sheet.xls) does not suffice to fully explain the financial circumstances related to the proposed project activity.
10. The discount rate applied in the NPV calculation is not what was quoted in the PDD. The DOE should therefore further substantiate the statement that “figures presented in the PDD for the calculation for NPV has been provided for verification ... and are found to be correct”.
11. The DOE shall further clarify if according to their systems implementation and qualification requirements it is technically sound and appropriate that the validation team leader has no specific competencies in the industry to which the project activity being validated belongs, according to their certificate of competence in Appendix B of their Validation Report.