



**CDM project activity/programme of activities registration request review form (CDM-REGR-FORM)
(Version 03.0)**

Section 1. General Information

Designated national authority/Executive Board member submitting this form (Name in print)	
Title and UNFCCC reference number of the proposed project activity or programme of activities (PoA) submitted for registration	5100 Boxing Biogas Recovery and Utilization Project in Shandong Province

Section 2. Basis for review request

Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures (the annex to decision 3/CMP.1), which validation requirements may require review. Please tick the appropriate boxes in the list of requirements below. For requesting a review of a proposed afforestation or reforestation project activity or PoA, please refer to paragraphs 12 and 15 of the CDM modalities and procedures for afforestation and reforestation project activities (the annex to decision 5/CMP.1), and tick the equivalent boxes below mutatis mutandis.

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

- ☐ The participation requirements as set out in paragraph 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 of 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 3: Comments supporting review request

Please elaborate the reason for requesting a review on the requirements you indicated in section 2 above.

1) The DOE should further explain how it has validated the input values to the investment analysis, in line with the VVM v. 1.2, para. 111(a), in particular: (a) the investment cost - (ii) how it is broken down into the different equipment to be installed as indicated in the PDD, and based on its sectoral expertise, that the costs assumed for individual equipment are reasonable; and (ii) whether the upgrading facility is dedicated to the project activity and that the fixed asset investment costs are properly allocated to the output of the project activity; and (b) the O&M cost, in particular, the appropriateness of the "raw biogas purchase cost" (or "material fees" as it is referred to in the spreadsheet) which accounts for 50% of the total, considering that the biogas from the starch plant was vented in the baseline.

Please refer to VVM v. 1.2, para. 111(a): "To verify the accuracy of financial calculations carried out for any investment analysis, the DOE shall: (a) Conduct a thorough assessment of all parameters and assumptions used in calculating the relevant financial indicator, and determine the accuracy and suitability of these parameters using the available evidence and expertise in relevant accounting practices."

2) The DOE shall: (a) confirm whether all the upgraded biogas is sold as bottled biogas in line with the statement in the PDD on p. 21 that as the natural gas distribution grid has not been constructed yet, the upgraded biogas is all bottled for sale; and (b) further explain how it has considered that the project activity complies with the requirements of para. 6 of AMS III-H v. 15, para. 6, given that the end-users of bottled gas are outside the project boundary. Please refer to AMS III-H v. 15, para. 6: "For project activities covered under paragraph 3 (b), if bottles with upgraded biogas are sold outside the project boundary, end-use of the biogas shall be ensured via a contract between the bottled biogas vendor and the end-user. No emission reductions may be claimed from the displacement of fuels from the end use of bottled biogas in such situations."

3) The DOE is requested to explain how it has considered that the methodology is correctly applied to determine the emission reductions due to the displacement of fossil fuel based natural gas given that according to the PDD, all of the upgraded biogas is bottled for sale and that the end-users are outside the project boundary. Please refer to AMS III.H, v16, Annex 1, para. 1: "In case of project activities covered under paragraph 3 (b) and (c), if the project activity involves bottling of biogas the project boundary includes the upgrade and compression installations, the dedicated piped network/natural gas distribution grid for distribution of biogas from the wastewater treatment plant to the end user sites and all the facilities and devices connected directly to it."

4) The DOE should explain how it has considered that the monitoring of "the method to avoid captured biogas venting into the air when the upgrading facility is closed" is in line with para 16 (f) of Annex I of the methodology which requires the project participants to ensure that the captured biogas is flared at the site of its capture using an (emergency) flare and to establish appropriate monitoring procedures to monitor this emergency flare. Please refer to AMS III.H, v16, Annex 1, para. 16 (f): "During the periods when the biogas upgrading facility is closed due to scheduled maintenance or repair of equipment or during exigencies, project participants should ensure that the captured biogas is flared at the site of its capture using an (emergency) flare. Appropriate monitoring procedures should be established to monitor this emergency flare."

Date received at UNFCCC secretariat

24 Nov 11