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## CDM Executive Board



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	IS-USC-MUC/ Javier Castro	+49 89 5791-2686 javier.castro@tuev-sued.de	+49 89 5791-26756	2007-08-13	1 of 3

## Request for review

Dear Sirs,

Please find below the response to the request for review formulated for the CDM project with the registration number 1119. In case you have any further inquiries please let us know as we kindly assist you.

Yours sincerely,

Javier Castro  
Carbon Management Service

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## Response to the CDM Executive Board

### **Request 1, 2 and 3**

#### Issue 1:

The PDD states that the NAN2 baseline emission factor has been calculated based on historic data from two campaigns (p.27) while the Validation Report states data from three campaigns have been used (p.11).

#### Response by TÜV SÜD:

The statement contained in the **PDD is correct**. The revised validation report is attached.

#### Issue 2:

Detailed calculation of the baseline emission factor for NAN2 is not made available in the PDD.

#### Response by Project participant:

At the time the request for registration was submitted to the UNFCCC secretariat via TÜV SÜD, the **baseline data** had **not been available**. Thus, the project participants did not provide any more detailed information on the baseline emission factor for NAN2 at that time.

Also, the project participants intend to have the operational parameters and thus the baseline emission factor for both plants audited during the first verification rather than during the validation. This is in line with the clarification provided by the CDM EB in its 32<sup>nd</sup> meeting (paragraph no. 28).

#### Response by TÜV SÜD:

As mentioned above during validation the complete baseline data had not been available and following the clarification given in EB report 32, paragraph 28, it is accepted at this stage not to confirm the baseline data. Therefore the detailed calculation of the baseline is not available in the PDD.

#### Issue 3:

An arithmetic average has been calculated to determine baseline emissions from both plants. Since the capacities of the two plants are different, further clarification is required as to why an arithmetic average has been justified as appropriate to represent the baseline emission factor for the project activity.

#### Response by Project participant:

At the time the request for registration was submitted, the baseline data had been unavailable. Thus, the NAN2 baseline emission factor is an **estimate only**. The difference in production capacity between the two plants has been taken into account by weighting the known NAN1 emission factor with less significance than the (at that time estimated) emission factor for NAN2.

#### Response by TÜV SÜD:

The baseline emissions estimation is based on a weighted average, taking in account the forecasted production of each installation. Nevertheless even a direct arithmetic average gives almost the same value as the one used for the estimations and taking into account that the baseline has not been confirmed during validation the used approach has been found acceptable.

Issue 4:

According to the PDD, the effect of pressure drop in operation of NAN2 would be compensated by reducing flow air and increasing the ammonia input (p.7). Clarification is required as to how the leakage emissions associated with the increase in ammonia production would be addressed.

Response by Project participant:

The statement only refers to a relative increase in ammonia. By decreasing the air flow whilst keeping the ammonia inflow steady, the ammonia to air ratio increases. So in fact, in absolute terms **ammonia input remains constant**. Therefore, no leakage emissions occur.

Response by TÜV SÜD:

As it is mentioned in the PDD the increment of ammonia is in percentage which is clearly explainable due to the reduction of the air flow and with it, the total amount of gas. Therefore no additional leakage calculation has been required.

**Request 3**

Issue 5:

Project participant shall clarify the sharp increase in nitric acid demand which is currently not covered in the methodology.

Response by Project participant:

This may be a slight misunderstanding. The planned increase in production output is due to commercially highly sensitive business plans of Abocol's management. Abocol intends to expand its business activities in the following years and has introduced a detailed business plan to the audit team of TÜV SÜD during the on-site validation visit.

However, the **capacity installed has not been increased** after the 31<sup>st</sup> December 2005. NAN1 and NAN2 have both been fully operational before the 31<sup>st</sup> December 2005 as required by the applicability criteria of AM0034. The new plant NAN3 that shall be installed in 2010 is not and will not be part of this CDM project activity.

Response by TÜV SÜD:

The methodology clearly mentions that the total installed capacity should not be increased. The project does accurately comply with this criterion, as the new capacity expansion to be installed is not part of this CDM project.

The increment in the total annual production is due to a current limitation of the productive time due to low demand levels, which Abocol expects to be of transitory nature. The assumed increase in production is feasible on the basis of the presently installed capacity (as required by the methodology). In so far as the planned nitric acid production exceeds the combined capacity of NAN1 and NAN2 (after the installation of NAN3 in 2010), the N<sub>2</sub>O emissions due to that additional yield will not be taken into account by the CDM project activity.

Abocol has explained the underlying business plan that was assessed during the on-site audit. The information contained in this business plan is based on confidential marketing information.