

## **Information Note on the Decision Regarding the Request for Approval of Certified Emission Reductions for the**

### **"Mondi Richards Bay Biomass Project" (0966)**

#### **I. Background**

##### **A. Summary of the Project Activity and Request for Issuance**

The designated operation entity (DOE), Det Norske Veritas Certification AS, submitted a request for the issuance of certified emission reductions (CERs) under the clean development mechanism for the above referenced registered project activity. The period covered by the request is 1 October 2005 to 31 March 2007. The registered project activity involves the combustion of biomass (i.e. plantation residues, chipping residues and bark) in a co-fired boiler.

##### **B. Summary of Issues**

There are two issues that are the subject of this information note. First, the project participant (PP) did not implement the monitoring plan requirements regarding the measurement of the moisture content of the biomass and, therefore, the DOE applied moisture content values from published literature for the first year of the monitoring period. Second, the monitoring plan contained in the registered Project Design Document (PDD) does not comply with the applicable monitoring methodology, and the DOE did not request a revision to the monitoring plan prior to concluding its verification and making its certification decision.

##### **C. Procedural Background**

The request for the issuance of CERs was submitted to the Executive Board on 13 July 2009.<sup>1</sup> Following the submission of the request for the issuance of CERs, three members of the Executive Board submitted a request for review of the proposed issuance of CERs, pursuant to decision 4/CMP.1, annex IV, "Procedures for review as contained in paragraph 65 of the modalities and procedures for a clean development mechanism" (procedures for review), paragraph 2. The DOE provided its initial comments on the request for review within 2 weeks of the notification of the request for review. The DOE's initial comments are dated 12 August 2009.

The Executive Board took those initial comments into account and, at its forty-ninth meeting, placed the proposed issuance of CERs under review (EB 49 report, paragraph 58 (c)) and decided on the scope of the review (EB 49 report, annex 25), in accordance with paragraphs 10 and 11 of the procedures for review.

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<sup>1</sup> The request for issuance was submitted to the Executive Board after the secretariat determined that the request was complete, in accordance with the "Procedures Relating to Verification Report and Certification Report/Request for Issuance of CERs" (Version 1.1) (20 December 2006).

Accordingly, the review team established by the Executive Board sent to the DOE and the PP a request for clarification and further information, pursuant to paragraphs 12 and 15 of the procedures for review. The DOE provided its response to the request for clarification within five working days of receiving the request for clarification. The DOE's response is dated 25 September 2009.

## II. Discussion

### A. DOE's Response to Request for Review and Request for Clarification

#### 1. *First Issue: Use of Moisture Content Values from Published Literature for the First Year of the Monitoring Period*

In its response dated 25 September 2009, the DOE verified that, for the first year of the monitoring period (1 October 2005 to 30 September 2006), monthly data of the moisture content of the chipping residues was only available from one supplier of chipping waste. The DOE did not indicate the percentage of total chipping residues combusted from this one supplier. The DOE also verified that, for the first year of the monitoring period, there were no measurements of the moisture content of the bark and the PP did not combust any plantation residues.

Because of the lack of monitoring data, for the first year of the monitoring period, the DOE applied moisture content values from published literature (32 percent for chipping residues and 50 percent for bark).

For the first six months the second year of the monitoring period (1 October 2006 to 31 March 2007), the DOE verified one measurement of the moisture content of the chipping residues (29 percent), three measurements of the moisture content of the bark (average 43 percent), and that the PP did not combust any plantation residues.

The DOE verified that the literature-based moisture content values that it applied for the first year were conservative, based on the measured moisture content values for the six months of the second year of the monitoring period.

#### 2. *Second Issue: Compliance of the Monitoring Plan with the Applicable Methodology*

In its response dated 25 September 2009, the DOE acknowledged that the monitoring plan contained in the registered PPD does not comply with the applicable methodology. Specifically, the monitoring plan contained in registered PDD does not require the continuous measurement of the moisture content of the biomass as required by the applicable methodology (AM0036, version 1, "Fuel switch from fossil fuels to biomass residues in boilers for heat generation").

B. Issues Considered by the Executive Board

1. *First Issue: Use of Moisture Content Values from Published Literature for the First Year of the Monitoring Period*

As stated above, for the first year of the monitoring period, the DOE applied literature-based moisture content biomass values because of the lack of data on the actual moisture content of the biomass. The DOE verified that the application of literature-based moisture content values was conservative. The DOE verified this based on only one measurement of the moisture content of the chipping waste and only three measurements of the moisture content of the bark taken during the first six months of the second year of the monitoring period. In addition, the applicable methodology (AM0036, version 1) requires a PP to continuously measure the moisture content of the biomass. For the above reasons, it was considered that it cannot be fully justified that the application of the literature-based moisture content values for first year of the monitoring period was conservative.

2. *Second Issue: Compliance of the Monitoring Plan with the Applicable Methodology*

As stated above, the applicable methodology (AM0036, version 1) requires a PP to measure the moisture content of the biomass residue continuously, with mean values calculated at least annually. In its response dated 25 September 2009, the DOE acknowledged that monitoring plan contained in the registered PDD does not comply with the applicable methodology. Specifically, the monitoring plan contained in registered PDD does not require the continuous measurement of the moisture content of the biomass as required by the applicable methodology.

However, in its initial request for the issuance of CERs, the DOE did not verify that the monitoring plan contained in the registered PDD does not comply with the applicable methodology as required by the “Clean Development Mechanism Validation and Verification Manual” (VVM) (EB 44 report, annex 3), paragraph 190.

In addition the DOE did not request a revision to the monitoring plan prior to concluding its verification and making its certification decision. During verification, the DOE is required to request a revision to the monitoring plan contained in the registered PDD if it is not in accordance with the applicable monitoring methodology (EB 49 report, annex 28). This same requirement is contained in paragraph 192 of the VVM, which provides:

“If during verification, the DOE concludes that the monitoring plan is not in accordance with the monitoring methodology, the DOE shall request a revision to the monitoring plan prior to concluding its verification and making its certification decision.”

It was considered that the DOE did not verify that the monitoring plan contained in the registered PDD did not comply with the applicable methodology prior to

concluding its verification and making its certification decision. It was further considered that the DOE failed to request a revision to the monitoring plan prior to concluding its verification and making its certification decision as required by paragraph 192 of the VVM.

### III. Conclusion

In accordance with paragraph 18 of the procedures for review, during its fiftieth meeting the Executive Board declined to approve the requested issuance of CERs (EB 50 report, paragraph 76). Specifically, the Executive Board concluded that:

- (a) It cannot be fully justified that the application of the literature values for biomass moisture content for Year 1 is conservative as they were compared to values which were based only on three measurements of the moisture content for bark and one measurement for chipping waste in Year 2, considering that the applied methodology requires the continuous measurement; and
- (b) The DOE did not verify that the monitoring plan is in line with the applied methodology as per the VVM paragraph 190 and failed to request the revision of the monitoring plan prior to submitting the request for issuance.

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#### History of the document

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| Project<br>0966 | Related to EB50,<br>Paragraph 76 | <b>Decision Class:</b> Ruling<br><b>Document Type:</b> Information Note<br><b>Business Function:</b> Issuance |
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