

Final Ruling Regarding the Request for Registration of

“Siam Cement (Thung Song) Waste Heat Power Generation Project (TS46 Project)” (3262)

In line with “*Procedures for review of requests for registration*”, version 1.1, EB 55 Annex 40, paragraph 24, the CDM-Executive Board decided to reject the above proposed project activity on 26th November 2010, during the 58th meeting of CDM Executive Board held in Cancun, Mexico.

In accordance with paragraphs 26 and 28 of the above mentioned procedures, the CDM-Executive Board concluded that it could not register the proposed project activity because the project participant and DOE (BVC) have failed to substantiate:

- The baseline scenario determination as the monitoring of “annual production of clinker after implementation of project, $O_{\text{clinker},y}$ ” is not in line with the monitoring methodology as the methodology requires direct measurement of the annual production of clinker after implementation of the project ($O_{\text{clinker},y}$) during the crediting period. Instead, the annual production of clinker is calculated through measured raw materials during the crediting period and the PP/DOE failed to explain why a request for deviation was not been submitted by the DOE in advance of the request for registration, in line with Annex 12, EB 31; and
- The additionality of the project activity, in particular, the suitability of input values to the investment analysis, specifically, total static investment, electricity tariff and annual O&M costs, in line with the requirements of VVM/ver.1.2, para.110 & 111, as it is not clear whether these values were applicable at the time of the investment decision as no information was provided regarding the date when the FSR was completed.

The request for registration is rejected because the project documentation (revised PDD and validation report) is not in compliance with the requirements of:

- The applied methodology as the methodology requires direct measurement of the annual production of clinker after implementation of project ($O_{\text{clinker},y}$) and against this requirement, the PPs/DOE explain that the amount of clinker could not be measured due to high temperature of the clinker exiting the kiln and further that it is common practice in cement industry to calculate this amount through measured raw materials. The DOE claim that the approach used is in accordance with the applied methodology and that a deviation is therefore not necessary. However, a request for deviation could have been made in advance of requesting registration when the DOE observed that the project participant intends to deviate from the provisions of the applied methodology, in line with Annex 12, EB 31; and
- The suitability of input values to the investment analysis, in particular, total static investment, electricity tariff and annual O&M costs in line with the requirements of VVM/ver.1.2, para.110 & 111 as it is not clear whether these values were applicable at the time of investment decision in absence of information on when the FSR was completed.

Please note, however, that, with appropriate revisions, this project activity may be resubmitted for validation and registration provided it meets the requirements for validation



and registration, in accordance with paragraph 42 of the CDM Modalities and Procedures (Decision 3/CMP.1).

History of the document

Project 3262	Related to EB 58 Meeting report Paragraphs 70(a) 26 November 2010	Decision Class: Ruling Document Type: Information Note Business Function: Registration
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