

Proposed Ruling Regarding the Request for Registration of

“Biogas Plant at United Plantations Berhad, ULU BASIR Palm Oil Mill” (3658)

In line with “*Procedures for review of requests for registration*”, version 1.1, EB 55 Annex 40, paragraph 20, the CDM-Executive Board decided to reject the above proposed project activity on 18th February 2011.

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 (DNV) have failed to substantiate:

- How the technological barriers presented are of a prohibitive nature to the project activity considering that the PP/DOE did not justify how the CDM could overcome the lack of expertise in the technology, the lack of infrastructure to transport biogas and the safety risks to handle the biogas. The barriers are not specific to the project activity. The validation report states that the project would not have been carried out as an investment of 4.5 million RM is required to implement the project while the savings (due to the displacement of palm kernel shells by biogas) is 4.8 million RM. However investment barrier is not argued and a full financial analysis was not submitted.

The request for registration is rejected because the project documentation (revised PDD and validation report) is not in compliance with the requirements of paragraph 7 of the latest ‘Guidelines on objective demonstration of barriers’, version 1, EB 50, Annex 13, which states that: ‘Barriers that can be mitigated by additional financial means can be quantified and represented as costs and should not be identified as a barrier for implementation of project while conducting the barrier analysis, but rather should be considered in the framework of investment analysis’. The PP/DOE have failed to substantiate how the technological barriers presented are of a prohibitive nature to the project activity considering that the barriers mentioned (lack of expertise, infrastructure and safety) could be translated into economic terms.

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 3658	Related to EB 55 Annex 40 Paragraphs 20, 26 and 28	Decision Class: Ruling Document Type: Information Note Business Function: Registration
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