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CDM Executive Board

c/o UNFCCC Secretariat

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Sub: Submission of Call for inputs on the reasons for no or low application of approved methodologies in CDM project

Dear Secretariat

We appreciate the CDM Executive Board's call for inputs on the reasons for no or low application of approved methodologies in CDM project and opportunities to contribute suggestions for enhancing application efficiency of the approved CDM methodologies. As stakeholders we are happy to submit some our suggestions in some approved methodologies.

1. Regarding the AM0077 methodology applicability

It has been realized that the criteria applicability of the methodology have some confusions and has seriously been restricted.

The methodology AM0077 “ Recovery of gas from oil wells that would otherwise be vented or flared and its delivery to specific end-users” stated that the methodology is applicable to project activities that recover associated gas from oil wells that would otherwise be flared or vented. However, subsequently it has been highlighted that the methodology is applicable under the following conditions:

- All recovered associated gas comes from existing oil wells that are in operation and are producing oil at the time of the recovery of the associated gas;
- The project oil wells have the records of flaring or venting of the associated gas for at least three years. These records should be presented to the DOE during the validation;

And finally, the methodology is only applicable if the identified baseline scenario is the following situation: The current practice of either flaring or venting of the associated gas would continue.

This means that the methodology cannot be applied for new activities (green field facilities) that would be newly exploited and its associated gas will be recovered for power generation or will be delivered to specific end-users. It is understandable that the methodology only encourages the project activities that have already been exploited without recovery of associated gas or flaring in order to improve strongly the environment or to avoid local acid rains offshore. However, in many countries where no regulations on recovery of associated gas have been required leading to new project activities will do not apply recovery of associated gas without CDM because of that their project activity is not eligible for CDM criteria applicability under this methodology. For this reason, it is strongly recommended that this methodology should be opened more to “green field” activities that would be mined newly and associated gas will be recovered for power generation or for various use purposes that will be applied under corresponding methodologies.

2. Regarding to AM0037 methodology applicability

Like as applicability barriers of the methodology AM0077 that prevents from application of the “green field activities”. It is meaningfully recommended that the applicability of the methodology AM0037 should be widen to “green field activities” that would recover associated gas in combination of new exploitation to use as feedstock in chemical process plants.

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So far, almost the methodologies applied for recovery of associated gas all have required that associated gas must be previously vented or flared prior to the date of implementation of the project activity that will make many projects ineligible under these methodologies.

Maybe this has been a one of cause for no application of these methodologies.

Sincerely

VnCO2 team