

The World Bank

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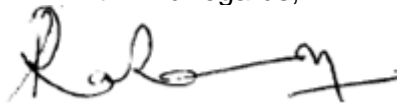
CDM Executive Board
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**Subject: Call for public inputs on the draft consolidated methodology for
electricity and heat generation from biomass residues**

Honorable Members of the CDM Executive Board, we welcome the opportunity to contribute to this call for inputs. The methodology has been improved in many aspects, however there is still a need for further improvement in terms of bringing further clarity and simplification. Some suggestions are outlined in this submission.

We will be glad to provide any further information and clarifications as necessary.

With kind regards,



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Suggestions on the draft consolidated methodology for electricity and heat generation from biomass residues

The following clarifications/suggestions are made for the draft methodology:

Underlying assumption for calculation of baseline emissions is unconvincing

The underlying assumption for calculation of baseline emissions is that the biomass will be used as a first choice for generation of electricity and heat is not convincing. Though this leads to a conservative estimate of emission reductions, it is unfair to penalize the project as the choice and usage of biomass depends on the availability, price and efficiency of generating electricity/heat over other fuels. This approach needs to be revisited and appropriate changes need to be made.

Also, in this revision, there is a poor linkage between baseline identification and the emission reduction calculations.

Applicability conditions

- Though the methodology allows the energy efficiency projects, it is not clear which of the alternatives listed are applicable for such projects especially alternatives for biomass usage in the baseline. This needs to be specified clearly. The better option would be listing alternatives for greenfield, capacity expansion and energy efficiency projects separately.
- Use of energy for processing the fuel used (e.g. Black liquor in paper plants): As the methodology is only applicable if the energy used for processing the biomass used in the project is minimum, however, it is not clear how the same will be applied, for example, projects in paper industry where black liquor (also a biomass) will be used for electricity and heat generation, however, black liquor generation consumes significant energy.
- The methodology should also be made applicable to projects where the generation capacity of electricity and/heat is increased due to use of energy efficient technology.

Selection of alternatives vs common practice analysis

As the methodology suggests evaluating at least 10 plants in the country/region for identification of alternatives and hence baseline determination, the common practice analysis becomes irrelevant. Therefore, clear guidance on the common practice assessment needs to be provided.

Up gradation of technology during the crediting period

Clarity is required on what happens to the project baseline or its eligibility to continue to claim the credits, if the project developer upgrades the technology that was used during the registration period. In our opinion, provisions should be made to encourage such adoption of efficient technologies during the crediting period and still be able to claim the emission reductions avoiding unnecessary repeated process required for making changes.

System vs individual units

Though the methodology allows covering all the units installed in the project location, it will be easier if the nomenclature is updated with 'system' to allow projects to monitor certain parameters at system level rather than at individual unit level.

Applicability of end of life time for equipments

The methodology should allow claiming credits for entire crediting period even if the replaced equipment under the project activity has shorter life time. This helps the project developers to invest in efficient technologies. Provisions can be made for discounting the credits for the remaining period of the crediting period and such procedures should be described during the registration period.

Continuation of operation of existing plants along with new plants

In situations where existing plant(s) also continue to operate and three years data is required to estimate increased heat and/or electricity generation, clarity is required as to how the three years data corresponds to the data prior to the implementation of the project activity or three years prior to the monitoring period considered.

Attribute of biomass should also include its regular/normal usage

Apart from the attributes mentioned in the methodology for categorization of biomass, there is a need for using the attribute related to its regular/normal usage.

Treating biomass procured from the market (spot market)

A clear guidance should be provided on how to treat the quantity of biomass procured from the spot markets and used for heat and electricity generation for baseline emission calculations.

Use of other categories of biomass during the crediting period (from what was mentioned in the registered PDD)

From the methodology it is not clear what happens if the project uses biomass types and categories that meet the definition of biomass/residues provided in the methodology other than the one mentioned in the registered period during the crediting period. Usage of such other biomass types and categories should not force the project developer to seek revision to the registered PDD and provisions should be created and guidance should be provided for verifiers to assess the impact of the same on baseline and account in the emission reduction calculations without requesting for changes to the registered PDD.

Export to the grid using a common point where other sources also connected

Guidance is required on how to account the quantity of electricity exported to the grid from a common point where other sources that are not part of the project activity are also connected.

Demonstration of excess biomass availability

Though this is necessary for projects that procure biomass from outside/dedicated sources but, in our opinion, this should be dropped for those projects use biomass produced as by-product of their primary process (for e.g. bagasse in sugar plant, black liquor in paper plants) and produce electricity and/or heat without procuring from outside. This can be cross checked with the production quantity, biomass generation per unit of production (internal values or industry standards).

Define certain categories of biomass for which scenario B1, B2 and B3 is applicable

As the methodology specifies that alternative scenarios B1, B2 and B3 are applicable only for certain categories but do not elaborate on what those categories are. The applicability of alternative B8 in practice is not clear. It is useful to clarify the circumstances under which this scenario is applicable and could be considered.

Clear definitions needed

The following terms in the methodology need to be defined to avoid multiple interpretations:

- Off site plants
- Uncontrolled burning
- Load factor of heat engine / heat generator