

TABLE FOR COMMENTS

Name of submitter: Alfonso Lanseros

Affiliated organization of the submitter (if any): CO2 Solutions

Contact email of submitter: infocdm@co2-solutions.com

0	1	2	3	4	5	6
#	Para No./ Annex / Figure / Table	Line Number	Type of comment ge = general te = technical ed = editorial	Comment (including justification for change)	Proposed change (including proposed text)	Assessment of comment (to be completed by UNFCCC secretariat)

0	1	2	3	4	5	6
#	Para No./ Annex / Figure / Table	Line Number	Type of comment ge = general te = technical ed = editorial	Comment (including justification for change)	Proposed change (including proposed text)	Assessment of comment (to be completed by UNFCCC secretariat)
	Paragraphs 46 to 49. Page 23	N.A.	te	<p>CO2 Solutions has already expressed its concerns regarding this methodology. They can be found in the "Letter to the Board" at: http://cdm.unfccc.int/stakeholder/submissions/2013/0731_co2_req.pdf</p> <p>The main reasons for requesting a clarification and/or a correction for this methodology are:</p> <p>1.- Although it is always preferable to remain conservative while calculating emission reductions coming from CDM projects, this conservativeness cannot be unrealistic and inoperative, which seems to be the case of the "fuel penalty" calculated in this methodology</p> <p>2.- The methodology does not specify how would "negative emission reductions" be accounted.</p> <p>To complement the arguments included in the "Letter to the Board" we present the following practical examples where projects could remain inoperative for penalizations that are unrelated to the purpose of the "fuel penalty" rule, which was: "because the combustion of typically coarser biomass or other alternative fuels will reduce the heat transfer efficiency in the cement or quicklime manufacturing process."</p> <p style="text-align: center;">Description of a project activity</p> <p>A cement plant planning to substitute 35% of its fuels consumption in kilns with alternative fuels (This is a very typical case). The project consists on increasing from 5% substitution on year 1, to 35% in year 7.</p>	<p>Option # 1: To eliminate the concept and equations of the fuel penalty</p> <p>Option # 2: To include all the following changes:</p> <p>a) To change one of the possible data sources in Data / Parameter table 4, page 37, section 5.8, from "<u>IPCC default values at the lower limit of the uncertainty at a 95 per cent confidence interval</u>", to just "<u>IPCC default values</u>"</p> <p>b) To change one of the possible data sources in Data / Parameter table 8, page 42, section 6.1, from "<u>IPCC default values at the lower limit of the uncertainty at a 95 per cent confidence interval</u>", to just "<u>IPCC default values</u>"</p> <p>c) To include the following footnote in paragraph 46, page 23, section 5.4.1: "<u>In case that the total emissions reductions calculated for a specific time range result in a negative number, they shall be reported as zero for that time range.</u>"</p> <p>d) To include the following footnote in paragraph 46, page 23, section 5.4.1: "<u>In case the calculated fuel penalty resulted in a negative number for a specific time range (meaning that it would not be a penalty but a bonus), it shall be reported as zero for that time range.</u>"</p>	

0	1	2	3	4	5	6
#	Para No./ Annex / Figure / Table	Line Number	Type of comment ge = general te = technical ed = editorial	Comment (including justification for change)	Proposed change (including proposed text)	Assessment of comment (to be completed by UNFCCC secretariat)
				<p>Example # 1:</p> <p>The plant has two kilns, one of them is 30% less efficient than the other due to differences in technologies. During one of the three years previous to validation the less efficient kiln was used at a 50% of its capacity because of the cement demand on that time, but during the crediting period the same kiln has to operate at a full capacity (for the same reason).</p> <p>The cement plant would generate “negative emissions reductions” during the first year of the crediting just for conditions that are independent to the project. (5% of apparent efficiency loss vs. 5% of fuels substitution, which is a great amount of energy substituted).</p> <p>For the same matter, a project reducing the use of a less efficient equipment could get a perverse incentive.</p> <p>Example # 2:</p> <p>The plant consumed only coal during the three years of validation and keeps consuming it during the crediting period. Because the project is carried out in an underdeveloped country, there are no trustable laboratories to measure the fossil fuel heating value (especially during the 3 years previous to validation, when PP had not started the project).</p> <p>According to Data / Parameter table 4, page 37, section 5.8, baseline heating values could be obtained from IPCC default values at the <u>lower</u> limit of the uncertainty at a 95 per cent confidence interval, and according to Data / Parameter table 8, page 42, section 6.1, project heating values could be obtained from IPCC default values at the <u>upper</u> limit of the uncertainty at a 95% confidence interval. For sub – bituminous coal, the IPCC default value at the <u>lower limit</u> of uncertainty is 11.5 TJ/Gg, and at the <u>upper limit</u> it is 26.0 TJ/Gg.</p> <p>The cement plant would appear in numbers during the crediting period as a 126% less efficient than the baseline and it would generate “negative emissions reductions” during the whole crediting period. It would have to substitute up to 58% of its fuels consumption (way beyond the project goal) just to overcome this unrealistic and unfair penalty. Similar figures can be found for all fossil fuels.</p> <p>This situation may be even more complicated when it takes time for a project to start because it would be penalized before even starting.</p>		

Template for comments

Date: 09/Sep/2013

Document:

0	1	2	3	4	5	6
#	Para No./ Annex / Figure / Table	Line Number	Type of comment ge = general te = technical ed = editorial	Comment (including justification for change)	Proposed change (including proposed text)	Assessment of comment (to be completed by UNFCCC secretariat)
				<p>All the previously presented matters represent a double or triple penalization, as the methodology already forces PPs to compare its efficiency with the most efficient year of the 3 previous years (Equation # 7 of the methodology).</p> <p>Changes in the efficiency of the kilns unrelated to the project activity may also generate a perverse incentive.</p>		
	Data/ Parameter Table 3, page 37 and Data/ Parameter Table 18, page 46	N.A.	te	The utilization of the raw meal to clinker factor is the most common way in the cement industry to determine the clinker production. The methodology could specify this in order to simplify audit processes.	<p>To include in the section "<i>measurement procedures</i>" the following sentence: <i><u>"The utilization of the raw meal to clinker factor is the most common way in the cement industry to determine the clinker production"</u></i></p>	