

2013-09-13

CALL FOR PUBLIC INPUT

on the draft revision of "ACM0001: Flaring or use of landfill gas? and ?ACM0022:
Alternative waste treatment processes"

Submitted by: Veolia Environmental Services (France)

I. CONTEXT

Veolia Environmental Services (VES) is a global waste management company headquartered in France. Its activities cover the whole spectrum of waste related services: collection and treatment of hazardous and non-hazardous municipal and industrial waste, soil remediation and industrial services.

Together with other subsidiaries of the Veolia group, VES has successfully developed and registered 12 CDM projects in 6 countries. These projects are located at waste treatment facilities (landfills) operated by the group and are mostly based on methodology ACM0001 (version 02-12).

VES has provided comments on several calls for public input on CDM projects in the past and once again appreciates the opportunity to contribute improving the regulatory framework of the CDM.

II. INPUT

Referring to the draft version of methodology ACM0001 referenced above, we would like to comment on the following paragraphs:

(7.a)

It seems counterproductive to restrict the validity of the "provision of automatic additionality" from the start to three or five years. Given the current market situation, project development will continue to be slow for some time, so we do not see the necessity to restrict the applicability of provision from the start. Furthermore (7.b) should automatically restrict the "provision of automatic additionality" with the time.

(7.b)

We believe that "common practice" should be defined centrally at UNFCCC or country/DNA level, not by the project participants. It should be dependent on the type of technology and scale used, on a yes/no basis, with as little grey area as possible. Ideally, the country DNA - which tends to be closely linked to the Ministry of Environment – should be the best suited to collect the necessary information and define the level of common practice (practices and technologies) for the Country. This would eliminate project –by –project evaluation by project participants.

(7.c)

It is unclear what is exactly demanded from the project participants in this paragraph and what purpose the collected information on key economic parameters serves. A post-registration financial additionality study should be avoided, as it would eliminate the entire benefit of the “provision of automatic additionality”. If information is to be collected for analysis purposes at the UNFCCC level (e.g. as a basis for future revisions to the methodology), confidentiality of the data is a key requisite.

Furthermore, any additional charges and administrative burdens on the project participants must be avoided as in the current market verification cost are already higher for many projects than the revenue that can be expected from the sale of CERs. The validation of financial figures by the DOE should thus take place at the same time and in the same time interval as the verification of CERs itself and not independently. We also encourage the UNFCCC to directly accept data that was audited by professional, independent financial auditors to avoid extra charges from DOEs.

(7.f)

This paragraph should clearly define the concept of “self-” or “auto-consumption” of electricity, as projects generally have two different types of auto-consumption:

1. Auto-consumption of electricity within the closely defined CDM project activity, e.g. electricity consumption of the blowers that collect the landfill gas for flaring and/or treatment.
2. Auto-consumption at the same project site but for general landfill operation purposes, e.g. electricity consumption of leachate treatment facilities, lightning, offices and other technological equipment.

To the understanding of VES, project participants should be able to claim emission reductions for auto-consumption of type 2 and should not be disadvantaged as compared to the sale of electricity. Only auto-consumption of type 1 shall be banned from claiming emission reductions because this consumption would not occur in the absence of the project activity.

(13.)

See comment above for (7.c).

Direct answers to the questions posed: (14.)

- a) No. See comments under (7.a).
- b) Yes. See comments under (7.c).
- c) If “common practice” is defined centrally by the UNFCCC or the country DNA, they should have the necessary information such as benchmark IRRs, country tax rates, standard electricity tariffs, grid emission factors, etc. that are the basis for a re-assessment of the “automatic additionality”.

Direct answers to the questions posed: (15.)

Key to the success of any composting project is the existence of a local market for the quantity and quality of compost produced. Given the large volumes and low unit prices of compost, if there is no local need for compost or if it has to be transported, the economic viability of the project is not given.

Extra benefits from the sale of recyclables recovered during the compost production process are negligible compared to the cost of the production process for the following reasons:

1. In many CDM host countries, high value materials (e.g. metals) are usually already extracted from any waste streams before they enter the official waste treatment or composting facility.
2. High quality compost with a positive market value is often based on “green waste” as input material and not on municipal solid waste. By definition “green waste” should not contain significant quantities of other types of materials.

The main purpose of the composting process is to produce quality compost, guaranteeing that contaminants and harmful substances are removed from the compost before it is spread on agricultural land.