

Inputs on AM0001

- Possible alternative approaches to assessing the baseline scenario for destruction of HFC 23 in the HCFC 22 industry;

While drafting our response, we have kept in mind the following definitions and requirements :

Baseline

“The baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity. A baseline shall be deemed to reasonably represent the anthropogenic emissions by sources that would occur in the absence of the proposed project activity. The baseline may include a scenario where future anthropogenic emissions by sources are projected to rise above current levels, due to the specific circumstances of the host Party.”

Baseline approaches

U/s 48. In choosing a baseline methodology for a project activity, project participants shall select from among the following approaches the one deemed most appropriate for the project activity, taking into account any guidance by the executive board, and justify the appropriateness of their choice:

- (a) Existing actual or historical emissions, as applicable; or*
- (b) Emissions from a technology that represents an economically attractive course of action, taking into account barriers to investment; or*
- (c) The average emissions of similar project activities undertaken in the previous five years, in similar social, economic, environmental and technological circumstances, and whose performance is among the top 20 per cent of their category.*

AM0001 (“Incineration of HFC 23 waste streams”) is based on approach (a) - Existing actual or historical emissions, as applicable. This in our opinion is the most appropriate approach as this would represent the anthropogenic emissions by sources of green house gases that would occur in the absence of the proposed project _____. There is historical and actual emission data available and the current approach follows “Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories” of IPCC for HFC-23 EMISSIONS FROM HCFC-22 PRODUCTION. In connection with the “cut-off” value, it states that “Studies done on several plants show that the ratio of HFC-23 to HCFC-22 has historically been in the range of 2 to 4 percent.

For approach (b) above, the economically alternative course of action would be to control HFC 23 generation through process controls and increase the production of HCFC-22. The financial data in this regard is not publicly available and is to determine to what extent control of HFC 23 emissions through improved process control is an economically attractive alternative. Hence, adopting this approach would be subjective.

In order to apply approach (c) the average emissions from HCFC-22 plants is not a published data but we are of the view that plants of similar vintage may not be much different.. Approaches (a) and (c) would be similar except that for approach (a), it could be more conservative.

-Common practices in this industry, complementing previously available information; and

The process technology followed for HCFC 22 plant operation are quite similar and in the absence of regulation and HFC 23 being an otherwise benign gas (apart from its GWP) is vented into the atmosphere. This is the practice followed at all plants in India and there is no other reason other than CDM, to store and incinerate them.

-Possible impacts of such project activities on the supply and demand of HCFC 22.

India signed the Montreal Protocol along with its London Amendment on 17-9-1992 and also ratified the Copenhagen, Montreal and Beijing Amendments on 3 rd March, 2003.

The Govt of India has promulgated Ozone Depleting Substance rules 2000 which besides other matters does not permit new plants and capacity expansion for HCFC-22 and hence the question of a perverse intent to encash on CDM opportunities does not arise.

Others

Most of the potential CDM projects have gone ahead with commitment of resources on one hand and delivery of future CERs on the other hand to safeguard their investments. Therefore any change at this time for a small segment or allowing a few similar projects to be registered with different methodologies will be against the Principle of Natural Justice . (This is all the more true as no project has been granted registration and they are all in various stages of CDM project cycle.)

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