

Challenges in data requirement Objection to be sent on simplifying requirements draft ACM0013

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Issue 1:

As per Step 1 of Identification of baseline scenario, PP is supposed to identify all power plants which has been issued with a government permit and has Either made the request for tender available to suppliers for acquiring major equipment or Signed contracts for equipment or construction/operation services;

Problem:

This is exhaustive data requirement for countries like India. There is no single authentic public database of all such projects. Even if multiple sources are used, not all projects in this very preliminary stage of development will have data required for further analysis in the baseline development.

Also, due to the reasons of exhaustive data requirements, any validator will not be able to confidently accept data as complete and conclude validation. Thus, this will lead to unending validation process and hamper CDM cycle development.

Further, there are many power projects which have been issued government permit, but it is not necessary that it will get commissioned (for reasons line financial closure not achieved, PPA not signed etc.). The number of projects identified as similar to the project activity will include some unrealistic and unpractical alternative options if this logic is followed.

Issue 2:

As per Step 3 of Identification of baseline scenario, PP is supposed to sort the market share of the technologies by their efficiency, from the lowest to the highest efficiency. Thereafter, add up the market shares of each technology one by one from the end of the least efficient technology until the subtotal of market shares reaches 80% in terms of installed generation capacity. The most efficient technology within this subset shall be selected as the baseline technology.

Problem: Since the geographical boundary is host country, all the technologies of power production which are spread over different parts of country will be included in the sorting. This could be coal based power plants (sub and supercritical), natural gas based power plants, liquid fuel based power plants etc. It is irrelevant to compare the efficiency of a coal based power plant with this mix of technologies. Thus, the fuel should be same for the alternatives as that of the project activity. This condition should be explicitly stated else any PP will not be able to come up with any realistic baseline.

Further, the step 2 of Additionality mentions “*The fuel type used for the investment analysis shall be the same in the two scenarios*” i.e. project activity and baseline technology, determined as per the procedures for baseline identification. This condition takes care of the issue raised above, however, DOEs can interpret it as for baseline, all fuels and technologies need to be compared.

Issue 3:

For both the baseline technology and the project technology, the project participants have conducted one combined or two separate feasibility study(ies), which shall have the same level of detail in the analysis for both technologies and shall contain at least the following information: A power plant design study which specifies the type of equipment and key design parameters of the plant, including, inter alia, the type of the pre-heating system, the boiler, the turbine, the generator, the condenser, the air pollution control equipment, etc. as well as all information on the key operating parameters, such as steam temperatures, pressures, re-heating temperatures and pressures, condensing temperatures and pressures, excess air ratio, etc.

Problem:

The alternative for project considered by PP may be different from the baseline identified using the methodological steps. In this case, it is unlikely that PP would have conducted in depth feasibility study for the baseline identified through methodology. In general, PP would do financial comparison of various alternatives available at the time of investment decision and power plant design study for all alternatives is not necessary. Thus, PP should be allowed to get such reports prepared even after the investment decision as per validation requirement.

Issue 4:

The DOE should verify that the data on fuel consumption is based on first-hand measurements of the actual quantity of fuel consumed by each power plant, and is not based on second-hand calculations or estimation

Problem: The first hand data collection is very cumbersome as no published data is available in this regard. This requirement had stalled any RfR in last few months even before the methodology was put on hold. A DOE in India had stopped taking projects for validation due to this requirement more than a year back. Thus, this requirement should be relaxed if the NCDMA or any credible agency in the host country does this study in line with the baseline methodology and publishes it in public database, or defends it to a DOE during validation.

Issue 5:

There is an additional condition in the Electricity monitoring requirement in this draft - "If the actual average load factor during a monitoring period increases above the value of the load factor assumed for the proposed project activity in the CDM-PDD by more than 5% (or the upper end of the load factor values tested in the sensitivity analysis, if it is higher than 5%), then a request for approval of post registration changes shall be submitted following the Clean Development Mechanism Project Cycle Procedure.

Problem: The load and demand conditions after commissioning of plant may vary. The margin of 5% variation in load factor is very low considering the difficulty in projection of future load factors. Thus, as far as this load factor is within the sensitivity range covered during additionality demonstration, the condition of post registration changes shall be waived off.