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To,
The Chairman
CDM Executive Board
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Subject:- *Suggestion for Draft revision of AMS-III.O "Waste Energy Recovery (gas/heat/pressure) project" regarding 3 years historical data prior to starting date of Project Activity.*

Dear Sir,

It is proposed to amend determination of the “baseline” based on at least three years Historical data prior to start date of Project Activity in the proposed revision of the methodology. We feel that this amendment is not at all useful as well as not required as the methodology applies only on the existing facilities and the existing provision in the present version of the methodology to determine the baseline are more than sufficient and must not be amended because of the following reason:-

- (1) That last three years data are very difficult to collect about the quantum of Waste Heat or Flue Gases. As it is usually not possible to monitor the Hot waste flue Gases.
- (2) That last three years data are not required to establish the “**no use of waste heat**”; as the project facility is operating as on date of the site visit of validation. It can be easily determined by the DOE during site visit by inspection of the facility whether the waste heat is being used for any beneficial purpose or not or is it being wasted to the atmosphere.

- (3) Similarly so long as the Grid is considered as the baseline then there is no need to have any historical data of three years or even less for this purpose. The existing provision in methodology requires to consider the existing source of power as baseline. So far this also to determine Grid as baseline; it is not required to have last three years data. Methodologies AMS-III.Q referred that CO₂ emission factor of the electricity $E_{Felec,gr,j,y}$ shall be determined following the guidance provided in the “Tool to calculate the emission factor for an electricity system”.
- (4) If the coal based captive power plant is the existing source as on date of validation, then also no data is required for last three years to consider this as baseline. The best way to adopt a conservative approach in this regard is to apply the CO₂ emission factor of the most efficient available Technology in the region to produce power from coal which can be established by obtaining at least three manufacture’s technical efficiency offer. Most conservative of the some can be adopted.
- (5) The assessment of **recipient facility** has got no use at all and it is very confusing because the generated power can either be consumed Captive or sold to grid. The emission reduction takes place due to replacement of fuel from coal to waste heat in power generation process. Which may take place in a Grid based power plant or captive power plant. Thus the recipient facility consumption data is not at all required; it only adds to confusion and creates complication and delay in validation. This does not serve any purpose nor it is clear as what is the applicability to it. Even in ACM00012 ver. 4 also; it is not clear as how the data of recipient facility is to be applied and where and for what purpose this has to be applied why such complication is required to be added to methodologies once the baseline for use of waste heat and source of power is already established.
- (6) In order to **“cap”** the emission reduction the most simplest thing to do would be to cap the total quantum of emission reduction as claimed in the Registered PDD and at best up to which level the sensitivity analysis has been done. In case it is found that higher PLF in the Project Activity has been achieved during the year of operation then the additionality of the Project Activity using that PLF for the same input values used during the financial analysis be carried out and if at that PLF the Project Activity crosses the Bench Mark then the CER’s must not be issued for that year. In case the Project Activity continues to achieve higher PLF for more than 3 years then Registered Project Activity should be de-registered from there onwards.
- (7) In order to determine the “fcap” to cap the energy that would have been produced in project year y methodologies AMS-III.Q referred procedures of fcap determination given in methodologies ACM 0012. Methodologies ACM 0012 provides the procedure to determine the “fcap” when historical data is available in Method-1 and procedure to determine the “fcap” **when historical data is not available then Method -2 and Method-3 can be applied. The historical data for existing facilities of three years of operational (a minimum of one year operational data) is not a compulsory requirement for the determination of “fcap” according to ACM 0012, too also for fixing ‘f’ Cap when Method -2 and Method-3 can be applied.**

Thus we feel that it should not be amended to require three years historical data. We feel that the current methodology must not be made more complex.

We hope you will find our suggestion useful for the proposed amendment.

Thanking You

For, **Indus Technical and Financial Consultants Limited**

[Lalit Kumar Singhania]
Chief Consultant