

Template for comments

Date: 24.10.2011

Document: Comment to draft revision of ACM0001  
 "Consolidated baseline and monitoring methodology for  
 landfill gas project activities"  
 Submitted by Carbono Dois Energia & Meio Ambiente

TABLE FOR COMMENTS

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#	Initials	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)

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1	Nuno Barbosa (NB)		359	ge	<p>We have observed that there are several cases of registered CDM project activities adopting ACM0001 methodology (or methodologies which were replaced/consolidated into ACM0001: AM0002, AM0003, AM0011, ...) which were registered with the project design description and additionality demonstration which do not include any provision for the commercial utilization of collected LFG (such as fuel for electricity generation). As technical consultants in the field of LFG utilization, we acknowledged that since year 2009 there are in selected countries in Latin America an improved environment and conditions for the promotion of generation of electricity using LFG as fuel. We have noticed:</p> <ul style="list-style-type: none"> <li>• Better field knowledge and capacity about LFG (mainly as a positive outcome of the CDM!)</li> <li>• Landfills with registered CDM project activities encompassing LFG destruction and flaring with improved, significant and stable generation of LFG (where the energy potential of all flared LFG could be utilized under a more rational and environmentally friendlier manner: such as fuel for electricity generation)</li> <li>• Better support and representation of the main manufacturers of engine-generator sets fuelled by LFG and other required ancillary equipment</li> <li>• Higher electricity tariffs and improved regulations and rules in the power sector</li> <li>• Policy incentives for power generation using non-conventional renewable energy sources (such as biogas)</li> </ul> <p>On the other hand, most of the project participants of registered CDM project encompassing LFG collection and destruction (in enclosed flares) who could promote LFG utilization for electricity generation fear to proposed changes in the project description in the registered PDD of their projects (as a requirement to keep their projects eligible as CDM project activities) by following the applicable CDM procedure for "Notification / request of approval of changes in the project design as per the registered PDD". In our perception, the main reasons for such general fear and resistance are the following:</p> <ul style="list-style-type: none"> <li>• They clearly see the implementation of electricity generation component as a risk factor the maintenance of the generation of CER revenues of their project activities. This is actually also the opinion of most of the CDM consultants acting in Latin America.</li> <li>• The CDM procedure for "Notification / request of approval of changes in the project design as per the registered PDD" is correctly seen as not suitable for relevant and substantial changes in the project design (as the implementation of changes which requires significant capital investment such as: a typical 15-20 MW electricity generation facility powered by LFG, an additional set of turbine and generator in a Rankine cycle cogeneration biomass industrial facility, etc.). The reasons for such opinion are:</li> <li>• The process is time-consuming and promotes significant delays in CER issuance processes</li> <li>• There are no clear rules how to address the additionality issue and CDM prior consideration. Example: "Shall it be demonstrated that the project would be additional by the time of its initial implementation if the electricity generation component were considered at that time?" or "Shall it be demonstrated that the incremental project component is additional by using an independent analysis (by not considering the eventually amortized investment in LFG collection by the time of the decision taking to implement electricity generation)?"</li> </ul>	<p><b>359 LFP Project upgrade for electricity generation</b></p> <p>For a project activity which has been operated with all collected LFG being flared for a certain significant time (e.g. five years), the electricity generation component could be included if the PPs can demonstrate that by the date of decision of the actual CDM LFG flaring project the generation of electricity (with the market prices of that time, i.e., engines, electricity, taxes, interest rates, etc.) the generation of electricity would not be feasible without the CERs and under the condition that the PPs do not claim additional emission reductions for all renewable energy (electricity) exported to the grid. It is crucial not note that by flaring or by a later implemented electricity generation component methane emissions are abated (regardless if such power generation component is additional or not). Our suggestion is thus allowing LFG destruction project activities (encompassing flaring of LFG) that, as an alternative and under certain conditions and requirements (to be discussed and defined by UNFCCC), to implement power gen components and keep the issuance of CERs due to abatement of methane process unchangeable (with the condition of not claim emissions due to the generation and export of renewable energy). By allowing that, the CDM would indeed contribute for the dissemination of electricity generation from LFG in Latin America instead of actually being a barrier for that (as it is unfortunately occurring today).</p>	

