

CDM-PA6259-RULE01

Ruling note

Request for registration for “Wujia coalmine power generation project”

Version 01.0



United Nations
Framework Convention on
Climate Change

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1. The CDM-Executive Board decided to reject the above proposed project activity on 8 March 2013, during its 72nd meeting, in accordance with "Procedures for review of requests for registration", version 01.1, EB 55, Annex 40, paragraphs 23, 24 and 28 (the procedures). In accordance with paragraph 27 of the procedures, the rulings shall contain an explanation of the reasons and rationale for the final decision, which are as follows:
 - (a) The DOE (DNV) failed to validate the identification of the (most economically attractive) baseline scenario in accordance with validation and verification manual (VVM), version 01.2, paragraph 85 and ACM0008, version 07.0, step 5, page.
 - (b) VVM, version 01.2, Paragraph 85 states that "The DOE shall determine whether the baseline scenario identified is reasonable by validating the assumptions, calculations and rationales used, as described in the PDD." Further, the applied methodology ACM0008, version 07.0, step 5 – "Identify most economically attractive baseline scenario alternative", page 8, states that the PP shall "Determine which of the remaining baseline scenario alternatives not prevented by any barrier is the most economically or financially attractive, and, therefore, is a possible baseline scenario. For this purpose, Step 2 (investment analysis) of the latest approved version of the 'Tool for the demonstration and assessment of additionality' shall be used to identify the most plausible baseline scenarios by eliminating options which are clearly economically unattractive".
 - (c) The DOE has not justified scenario (i) - venting coal mine methane to the atmosphere - as a reasonable identified baseline alternative as it is observed that NPV calculations for scenario (v) - use of CMM for captive power generation - shows a NPV of +360,000 RMB. Assuming that the NPV for scenario (i) as zero, scenario (v) would be the identified baseline scenario as it has the higher NPV.
 2. Please note, however, that, with appropriate revisions, this project activity may be resubmitted for validation and registration provided it meets the requirements for validation and registration, in accordance with paragraph 42 of the CDM Modalities and Procedures (Decision 3/CMP.1).

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Document information

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01.0	22 April 2013	Initial publication. Related to EB 55, Annex 40 (Paragraphs 23, 24, 27 & 28).

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