

CDM-PA6020-RULE01

Ruling note

Request for registration for “Natural gas based cogeneration plant at IRPC Public Co. Ltd. Thailand”

Version 01.0



United Nations
Framework Convention on
Climate Change

1. The CDM-Executive Board decided to reject the request for registration for the above project activity on 27 May 2013, in accordance with “Procedures for review of requests for registration”, version 1.1, EB 55, Annex 40, paragraphs 20 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) Version 3 of methodology AM0048 (the methodology), page 6, states that “for Project Customers, if investment analysis is used, the indicator used for comparing the alternatives shall be price of power delivered on project customer site. If the cost of power delivered by the project facility is the highest among all alternatives, then the use of project facility supplied power to the project customer is additional. The project participants shall use data for each project customer to undertake the analysis”. If purchase of power from project facility is the costliest option for the project customer move to Step 4, else, move to Step 3.”
 - (b) The DOE (SIRIM) failed to demonstrate that the project activity meets the requirements set out in the methodology with respect to demonstration of additionality (investment analysis for Project Customers).
 - (c) The investment analysis performed for the “Project Customers” shows that the power and steam supplied by the “Project Developer” to the Project Customers is at the same rate as the rate supplied by the grid and Project Developer prior to the implementation of the project activity; whereas step 2 of the methodology requires that “*the cost of power delivered by the project facility is the highest among all alternatives*”.
 - (d) Further, the investment analysis performed for the “Project Developer” in the PDD and VR shows an IRR of 7.64%, whereas the correct value, as confirmed by the DOE through the response to the request for review is 5.13%.
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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