

**CDM-PA9133-RULE01**

Ruling note

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Request for registration for “Methane Recovery and Utilization at Prosper Palm Oil Mill, Malaysia”

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

1. The CDM-Executive Board decided to reject the above proposed project activity on 23 July 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) The DOE (SIRIM) failed to validate the additionality of the proposed project activity through investment analysis, in particular the suitability on the use of simple cost analysis, in accordance with para. 32 of the Additionality Tool, and Validation and Verification standard (VVS), version 03, Para 103.
  - (b) Paragraph 32 of the Additionality Tool states “Determine whether to apply simple cost analysis, investment comparison analysis or benchmark analysis (Sub-step 2b). If the CDM project activity and the alternatives identified in Step 1 generate no financial or economic benefits other than CDM related income, then apply the simple cost analysis (Option I). Otherwise, use the investment comparison analysis (Option II) or the benchmark analysis (Option III).” Paragraph 103 of the VVS version 3 states “If required by the applicable approved methodology, the DOE shall consider tools and guidelines provided by the Board to demonstrate the additionality of proposed project activities.”
  - (c) The project boundary for additionality consideration does not consider the costs and potential revenues related to the generation of steam or electricity from the collected renewable biogas, hence it is not consistent with the project boundary considered for the project activity where the biogas will be destroyed in the biogas engine as a priority. The DOE has not sufficiently explained how the choice of the simple cost analysis option for demonstrating the additionality of the project activity is the most appropriate for the proposed project activity.
  
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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