

**CDM-MP61-A06**

## Draft Large-scale Consolidated Methodology

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# ACM0012: Consolidated baseline methodology for GHG emission reductions from waste energy recovery projects

Version 05.0

Sectoral scope(s): 01 and 04

DRAFT



**United Nations**  
Framework Convention on  
Climate Change

## COVER NOTE

### 1. Procedural background

1. The Executive Board (hereinafter referred to as the Board) of the clean development mechanism (CDM) at its seventy-second meeting approved the “Workplan for panels and working groups for 2013” wherein it mandated the Methodologies Panel (hereinafter referred to as the Meth Panel) to undertake revision to six identified methodologies with a view to simplify and streamline taking into account the approved “Guidelines for determining baselines for measure(s)”.
2. The Meth Panel agreed, at its 60<sup>th</sup> sixtieth meeting, to revise this methodology (as well as another two large-scale methodologies ACM0003, AM0009) in order to make it consistent with the requirements of the “Guidelines for determining baselines for measure(s)”. In response to the call for public inputs on the draft revision of the methodology, launched at MP 60, no inputs were received.

### 2. Purpose

3. The revision aims to improve the consistency and to streamline the methodology, including consideration of previous issued clarifications, Board decisions and comments received for this methodology.

### 3. Key issues and proposed solutions

4. This draft revision taking into account “Guidelines for determining baselines for measure(s)”:
  - (a) Provides new definitions, and streamlines the sections for applicability, procedure for baseline scenario identification, additionality and baseline emissions;
  - (b) Expands the application of the methodology to claim additional emission reduction to those project activities that generate electricity from recovery and use of waste energy beyond historical level of the baseline recipient facilities.

### 4. Impacts

5. This draft revision, if approved, will improve the consistency and further streamline this methodology.

### 5. Proposed work and timelines

6. The draft revision of the methodology is recommended by the Meth Panel to be considered by the Board at its seventy-sixth meeting. .

### 6. Recommendations to the Board

7. The Meth Panel recommends that the Board adopt the draft revised methodology.

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## 1. Introduction

1. The following table describes the key elements of the methodology:

**Table 1. Methodology key elements**

<b>Typical projects</b>	Energy from waste heat, waste gas or waste pressure in an existing or new industrial facility is recovered and used for in-house consumption or for export, by installation of a new power and/or heat and/or mechanical energy generation equipment, or by installation of a more-efficient electricity generation equipment than already existing
<b>Type of GHG emissions mitigation action</b>	Energy efficiency; Waste energy recovery in order to displace more-carbon-intensive energy/technology

## 2. Scope, applicability, and entry into force

### 2.1. Scope

2. The consolidated methodology is applicable to project activities implemented in an existing or Greenfield **waste energy generation** facility converting waste energy carried in identified waste energy carrying medium (WECM) stream(s) into useful energy.

### 2.2. Applicability

3. The **useful energy generated from the utilization of WECM stream(s) for a project activity** may be **one or a combination of the below an energy source for:**
- Generation of electricity;
  - Cogeneration;
  - Direct use as process heat source;
  - Generation of heat in element process;
  - Generation of mechanical energy; **and/or**
  - Supply of heat of reaction with or without process heating.
4. In the absence of the project activity, the **WECM stream following situations for the WECM stream(s) can occur:**
- WECM would not be recovered<sup>1</sup>** and therefore would be flared, released to atmosphere, or remain unutilized in the absence of the project activity at the existing or Greenfield **project waste energy generation (WEG)** facility; or

<sup>1</sup> WECM is directly vented or released to the atmosphere with or without incineration or waste heat is vented or released to the atmosphere or waste pressure energy is not utilized.

- (b) WECM would be partially recovered and/or recovered in inefficient equipment, and the unrecovered portion of WECM stream would be flared, vented or remained unutilised at the existing or Greenfield project WEG facility.
5. This methodology applies to the following two categories of project activities:
- (a) Category 1: project activities that involve recovery of WECM as per situation in paragraph 4(a) above; and
- (b) Category 2: project activities that involve improved energy recovery of the WECM as compared to the baseline scenario as per situation in paragraph 4(b) above.
6. Project activities under category 2 would include improving the WECM recovery that may: (i) capture and utilise a larger quantity of WECM stream as compared to the historical situation in existing facility, or capture and utilise a larger quantity of WECM stream as compared to a “reference waste energy generating facility” for a Greenfield facility; and/or (ii) apply more energy efficient equipment to replace/modify/expand<sup>2</sup> waste energy recovery equipment in an existing facility, or implement a more energy efficient equipment than the “reference waste energy generating facility” for a Greenfield facility.
7. The methodology is applicable under the following conditions:
- (a) For project activities which recover waste pressure, the methodology is applicable where waste pressure is used to generate electricity only and the electricity generated from waste pressure is measurable;
- (b) Regulations do not require the project WEG facility to recover and/or utilize the waste energy prior to the implementation of the project activity;
- (c) ~~The methodology is applicable to both Greenfield and existing waste energy generation facilities.~~ If the production capacity of the project WEG facility is expanded as a result of the project activity, the added production capacity must be treated as a Greenfield facility;<sup>3</sup>
- (d) ~~Waste energy WECM~~ that is released under abnormal operation (for example, emergencies, shut down) of the project WEG facility shall not be included in the emission reduction calculations.
- ~~7. If multiple waste gas streams are available in the project facility and can be used interchangeably for various applications as part of the energy sources in the facility, the recovery of any waste gas stream, which would be totally or partially recovered in the absence of the project activity, shall not be reduced due to the implementation of CDM project activity. For such situations, the guidance provided in appendix annex 3 shall be followed.~~
8. The methodology is also applicable to those project activities that generate electricity from recovery and use of waste energy to supply up to and beyond the historical level of existing recipient facilities. The methodology, however, is not applicable to project

<sup>2</sup> The expansion of existing equipment also covers the situation where old equipment is maintained and new capacity is built up based on additional waste energy captured in the project scenario.

<sup>3</sup> See the section on identification of baseline scenario for the guidance on added capacity and Greenfield facilities.

activities that generate additional mechanical and thermal energy beyond the historical level of consumption of existing recipient facilities.<sup>4</sup>

9. The methodology is **not** applicable to the cases where a WECM stream is partially recovered in the absence of the CDM project activity to supply the heat of reaction, and the recovery of this WECM stream is increased under the project activity to replace fossil fuels used for the purpose of supplying heat of reaction.
10. This methodology is also **not** applicable to project activities where the waste gas/heat recovery project is implemented in a single-cycle power plant (e.g. gas turbine or diesel generator) to generate power.<sup>5</sup> However, the projects recovering waste energy from single cycle and/or combined cycle power plants for the purpose of generation of heat only can apply this methodology.
11. No emission reduction credits can be claimed at and beyond the end of the lifetime of the waste energy generation equipment. ~~The emission reduction credits can be claimed up to the end of the lifetime of the waste energy generation equipment. The remaining lifetime of the equipment should be determined using the latest version of the “Tool to determine the remaining lifetime of equipment”.~~
12. The extent of use of waste energy from the waste energy generation facilities in the absence of the CDM project activity will be determined in accordance with the procedures **to this methodology** provided in:
  - (a) **Appendix Annex 1** (for Greenfield project facilities); and **in**
  - (b) **Appendix Annex 2** (for existing project facilities) **to this methodology**.
13. If multiple waste gas streams are available in the WEG facility and can be used interchangeably for various applications as part of the energy sources in the WEG facility, the implementation of the CDM project activity shall not result in the reduction of the recovery of any WECM, which would be totally or partially recovered in the absence of the project activity. For such situations the guidance provided in appendix 3 of this methodology shall be followed.
14. In addition, the applicability conditions included in the tools referred to **above below** apply.

### **2.3. Entry into force**

15. The date of entry into force of the revision is the date of the publication of the EB 76 meeting report on 8 November 2013.

## **3. Normative references**

16. This consolidated baseline and monitoring methodology is based on elements from the following approved methodologies and proposed new methodologies:

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<sup>4</sup> Project proponents wishing to claim emission reductions from use of additional waste energy to generate excess mechanical and heat energy may propose a revision to this methodology.

<sup>5</sup> Project proponents can consider the approved consolidated methodology “ACM0007: **Conversion from single cycle to combined cycle power generation**” for such project activities.

- (a) “ACM0004: Consolidated baseline methodology for waste gas and/or heat and/or pressure for power generation” based on:
    - (i) “NM0031-rev: OSIL - 10 MW Waste Heat Recovery Based Captive Power Project, India”, whose baseline study, monitoring and verification plan and project design document were prepared by Experts and Consultants of OSIL;
    - (ii) “NM0087: Baseline methodology for electricity generation using waste heat recovery in sponge iron plants”, prepared by Agrienergy Ltd, Shri Bajrang Power and Ispat Ltd;
    - (iii) “NM0088: Baseline methodology for electricity production from waste energy recovery in an industrial manufacturing process”, prepared by EcoSecurities B.V. and Groupe Office Cherifien des Phosphates;
  - (b) “AM0024: Baseline methodology for greenhouse gas reductions through waste heat recovery and utilization for power generation at cement plants” based on:
    - (i) “NM0079-rev: Taishan Huafeng Cement Works Waste Heat Recovery and Utilisation for Power Generation Project, China”, whose baseline study, monitoring and verification plan and Project Design Document were prepared by Westlake Associates Ltd and Natsource Europe Ltd.;
  - (c) “AM0032: Baseline methodology for waste gas or waste heat based cogeneration system”, based on “NM0107-rev methodology: Baseline methodology for waste gas based cogeneration system for power and steam generation” prepared by Alexandria Carbon Black Co.;
  - (d) “NM0179: Waste Gas and/or Waste Heat Utilization for 'Process Steam' generation or 'Process Steam and Power'” prepared by Tata Steel.
17. The consolidated baseline and monitoring methodology also uses some elements of the following proposed new methodologies:
- (a) “NM0155-rev: Baseline and monitoring methodology for waste gas and/or heat utilisation” prepared by Reliance Industries Limited;
  - (b) “NM0192-rev: Baseline and Monitoring Methodology for the recovery and utilization of waste gas in refinery facilities” submitted by EcoSecurities Netherlands B.V. and YPF S.A.
18. This methodology also refers to the latest approved versions of the following tools:
- (a) "Tool to calculate the emission factor for an electricity system";
  - (b) "Tool for the demonstration and assessment of additionality";
  - (c) "Tool to determine the baseline efficiency of thermal or electric energy generation systems";
  - (d) "Tool to determine the remaining lifetime of equipment"; and
  - (e) "Tool to calculate project or leakage CO<sub>2</sub> emissions from fossil fuel combustion".



19. For more information regarding the proposals and the tools, as well as their consideration by the Executive Board (hereinafter referred to as the Board) of the clean development mechanism Executive Board, please refer to <http://cdm.unfccc.int/goto/MPappmeth>.

### 3.1. Selected approach from paragraph 48 of the CDM modalities and procedures

20. “Existing actual or historical emissions, as applicable”,  
or
21. “Emissions from a technology that represents an economically attractive course of action, taking into account barriers to investment”.

## 4. Definitions

22. The definitions contained in the Glossary of CDM terms shall apply.
23. For the purpose of this methodology the following definitions apply:
- (a) **Existing facility** – a waste energy generation facility that has been in operation for at least three years immediately prior to the start date of the project activity;
  - (b) **Greenfield facility** – a waste energy generation facility that is either a new construction or has less than three years of operational history immediately prior to the start date of the project activity. Additionally, if the production of an existing facility is increased or replaced then the increased or replaced capacity shall be treated as a Greenfield facility;
  - (c) **Cogeneration** - the simultaneous production of electricity and useful thermal energy from a common fuel source;
  - (d) **Element process** - the process of generation of thermal energy through fuel combustion or transfer of heat in a equipment examples of element processes are steam generation by a boiler and hot air generation by a furnace. Each element process should generate a single output (such as steam or hot air or hot oil). For each element process, energy efficiency is defined as the ratio between the useful energy (e.g. the enthalpy of the steam multiplied with the steam quantity) and the supplied energy to the element process (the net calorific values of the fuel(s) multiplied with the respective fuel quantity);
  - (e) **Recipient facility** - the facility that receives useful energy generated using waste energy under the project activity from the waste energy generation facility. It may be the same as the waste energy generation facility;
  - (f) **Reference waste energy generation facility** - a reference waste energy generation facility, identified following the guidelines in appendix 1 Annex 4 of this methodology to determine the following for a Greenfield waste energy generation facility: (i) the use of waste energy in absence of CDM project activity; (ii) the extent of the generation of waste energy in the absence of project activity. The identification of the reference waste energy generation facility should not consider facilities implemented as CDM project activities. If no such facility exists

in the country, the reference facility should be identified through economic analysis as the most probable situation in the absence of project activity;

- (g) **Reference energy generation facility** - most plausible facility generating the useful energy that would be used by a Greenfield recipient facility, in the absence of energy available from the proposed CDM project. The reference energy generation facility should be identified through economic analysis (including benchmark (e.g. IRR/NPV) analysis, cost-benefit analysis, or analysis of levelised cost of energy), subject to assessment of availability of such source. The reference energy generation facility should also be demonstrated to be commonly used in the relevant industry sector of the host country;
- (h) **Unit process** - a process that involves a single transformation of raw materials into products or intermediate materials, as a result of chemical reactions taking place. An example of a unit process is catalytic cracking. For the purpose of this methodology, the unit process does not include the one with combustion, to separate it from element process;
- (i) **Waste energy** - energy contained in a residual stream from industrial processes in the form of heat, chemical energy or pressure, for which it can be demonstrated that it would have been wasted in the absence of the project activity. Examples of waste energy include the energy contained in gases flared or released into the atmosphere, the heat or pressure from a residual stream not recovered (i.e. wasted);
- (j) **Waste energy carrying medium (WECM)** - the medium carrying the waste energy in form of heat, chemical energy or pressure. Examples of WECM include gas, air or steam carrying waste energy;
- (k) **Waste energy generation facility (“the project WEG facility”)** - the facility where the waste energy, which is to be utilized by the CDM project activity, is available. The project activity can be implemented by the owner of the facility or by a third party (e.g. ESCO). If the waste energy is recovered by a third party in a separate facility, the “project WEG facility” will encompass both the waste energy generation facility and the waste energy recovery facility.

## 5. Baseline methodology

### 5.1. Project boundary

- 24. The geographical extent project boundary shall include the relevant WECM stream(s), equipment and energy distribution system in the following facilities:
  - (a) The “project WEG facility”;
  - (b) The “recipient facility(ies)”, which may be the same as the “project WEG facility”.
- 25. The spatial extent of the grid is as defined in the “Tool to calculate the emission factor for an electricity system”.

26. The relevant equipment and energy distribution system cover:
- In a **project WEG** facility, the WECM stream(s), waste energy recovery and useful energy generation equipment, and distribution system(s) for useful **project** energy;
  - In a recipient facility, the equipment which receives useful energy supplied by the project, and distribution system(s) for useful **project** energy.
27. Where multiple waste gas streams are available in the **project WEG** facility, and can be used interchangeably for various applications as a part of energy sources in the facility, the guidance provided in **appendix 3 Annex 3** shall be followed to establish the project boundary. Overview of emission sources included in or excluded from the project boundary is provided in Table 2.

**Table 2. Emission sources included in or excluded from the project boundary**

Source		Gas	Included	Justification/Explanation
Baseline	Electricity generation, grid or captive source	CO <sub>2</sub>	Included	Main emission source
		CH <sub>4</sub>	Excluded	Excluded for simplification. This is conservative
		N <sub>2</sub> O	Excluded	Excluded for simplification. This is conservative
	Fossil fuel consumption in element process for thermal energy	CO <sub>2</sub>	Included	Main emission source
		CH <sub>4</sub>	Excluded	Excluded for simplification. This is conservative
		N <sub>2</sub> O	Excluded	Excluded for simplification. This is conservative
	Fossil fuel consumption in cogeneration plant	CO <sub>2</sub>	Included	Main emission source
		CH <sub>4</sub>	Excluded	Excluded for simplification. This is conservative
		N <sub>2</sub> O	Excluded	Excluded for simplification. This is conservative
	Generation of steam used in the flaring process, if any	CO <sub>2</sub>	Included	Main emission source
		CH <sub>4</sub>	Excluded	Excluded for simplification. This is conservative
		N <sub>2</sub> O	Excluded	Excluded for simplification. This is conservative
Project activity	Fossil fuel consumption for supply of process heat and/or reaction heat	CO <sub>2</sub>	Included	Main emission source
		CH <sub>4</sub>	Excluded	Excluded for simplification. This is conservative
		N <sub>2</sub> O	Excluded	Excluded for simplification. This is conservative
	Supplemental fossil fuel consumption at the project plant	CO <sub>2</sub>	Included	Main emission source
		CH <sub>4</sub>	Excluded	Excluded for simplification
		N <sub>2</sub> O	Excluded	Excluded for simplification
	Supplemental electricity consumption	CO <sub>2</sub>	Included	Main emission source
		CH <sub>4</sub>	Excluded	Excluded for simplification

Source		Gas	Included	Justification/Explanation
		N <sub>2</sub> O	Excluded	Excluded for simplification
Electricity import to replace captive electricity, which was generated using waste energy in absence of project activity <sup>6</sup>		CO <sub>2</sub>	Included	Only if captive electricity in the baseline is replaced by import electricity
		CH <sub>4</sub>	Excluded	Excluded for simplification
		N <sub>2</sub> O	Excluded	Excluded for simplification
Energy consumption for gas cleaning		CO <sub>2</sub>	Included	Only if waste gas cleaning is required and leads to emissions related to the energy requirement of the cleaning
		CH <sub>4</sub>	Excluded	Excluded for simplification
		N <sub>2</sub> O	Excluded	Excluded for simplification

## 5.2. Identification of the baseline scenario

28. The baseline scenario is identified as the most plausible baseline scenario among all realistic and credible alternative(s).
29. The baseline scenario for energy (electricity, mechanical and thermal) for both category 1 and category 2 project activities would be determined for: (i) own consumption (existing and Greenfield); and (ii) specific consumers (existing and Greenfield), and (iii) aggregated/multiple consumers (existing and Greenfield).
30. Realistic and credible alternatives should be determined for:
- Waste energy use in the absence of the project activity;
  - Power generation in the absence of the project activity for each recipient facility if the project activity involves electricity generation for that recipient facility;
  - Heat generation (process heat and/or heat of reaction) in the absence of the project activity, for each recipient facility if the project activity involves generation of useful heat for that recipient facility; and
  - Mechanical energy generation in the absence of the project activity, for each recipient facility if the project activity involves generation of useful mechanical energy for that recipient facility.
31. The information on the utilization of heat, electricity and/or mechanical energy in the absence of the CDM project activity will be sourced from the recipient facility(ies) and the information on the utilization of the waste energy in the absence of the CDM project activity will be sourced from the project WEG facility. Hence, the CDM project proponent shall determine baseline options, identify the most appropriate baseline scenario, determine the baseline fuel and demonstrate and assess additionality in consultation with the recipient facility(ies) and the project WEG facility. For this purpose, the project WEG facility and the recipient facility(ies), whether the WEG facility includes the recipient

<sup>6</sup> Applicable in the scenario where the facility captures and utilises a portion of waste gas produced at the site for captive power generation in the absence of the project activity.

facility(ies) or specific or multiple consumers located outside the WEG facility, shall be identified when preparing the PDD.

### 5.2.1. Multiple components generating different types of energy in the project activity scenario

32. Determine the heat, power or mechanical energy requirement of the recipient facility(ies) in the project boundary that will be met by one or more components of the project activity. In determining the baseline scenario, project participants shall identify the realistic and credible alternatives to the project activity that would provide an output equivalent to the combined output of all the components of the project activity. These alternatives may comprise of one or more component(s). Therefore any alternative identified for the project activity should provide the same amount of heat, power or mechanical energy that is provided by the project activity and should include the alternate use(s) of the waste energy that is recovered by the project activity. These alternatives shall be determined as realistic combinations of the following options (identified in Step 1).
33. The project participant shall exclude baseline options that:
  - (a) Do not comply with legal and regulatory requirements; or
  - (b) Involve fuels (used for the generation of heat, power or mechanical energy), that are not produced or imported in the host country.
34. The project participant shall provide evidence and supporting documents to exclude baseline options that meet the above-mentioned criteria.

### 5.2.2. Step 1: Define the most plausible baseline scenario for the generation of heat, electricity and mechanical energy using the following baseline options and combinations

35. The baseline candidates should be considered for the following facilities:
  - (a) For the ~~waste energy generation~~ WEG facility(ies) where the waste energy is generated; and
  - (b) For the recipient facility(ies) where the energy is consumed. The baseline candidates in these cases should also include the usage of different fuels apart from the associated technologies;
  - (c) In cases where the project activities choose to supply excess electricity using waste energy beyond the historical consumption of the baseline recipient facility, the baseline scenario could be a combination of the "P" scenarios described below. For example a combination of scenarios P6 and P10, where P6 is the applicable alternative scenario for the amount up to historic consumption and P10 being the applicable alternative scenario for the amount of electricity supplied over and above historic consumption.
36. As the project activity can be implemented on waste energy generated in an existing or a Greenfield ~~project~~ WEG facility, the following combinations, which represent the baseline scenarios of an existing facility, should be tailored for Greenfield facilities. Therefore, for the Greenfield project facilities, the following baseline scenarios should be analysed

based upon the guidelines included in **appendix 1 Annex 4**. At an existing **project WEG** facility, if the production capacity is increased after the implementation of the project activities, the scenarios for added capacity may be different from those identified for the capacity which displaces historical consumption of heat or power. The approach for baseline scenarios for added production capacity **should shall** be same as that followed for the Greenfield facility.

37. For the use of waste energy the realistic and credible alternative(s) may include, inter alia:
- (a) W1: WECM is directly vented to the atmosphere without incineration;
  - (b) W2: WECM is released to the atmosphere (for example after incineration) or waste heat is released (or vented) to the atmosphere or waste pressure energy is not utilized;
  - (c) W3: Waste energy is sold as an energy source;
  - (d) W4 Waste energy is used for meeting energy demand at the recipient facility(ies);
  - (e) W5: A portion of the quantity or energy of WECM is recovered for generation of heat and/or electricity and/or mechanical energy, while the rest of the waste energy produced at the **project WEG** facility is flared/released to atmosphere/unutilised;<sup>7</sup>
  - (f) W6: All the waste energy produced at the facility is captured and used for export electricity generation or steam.
38. For power generation the realistic and credible alternative(s) may include, inter alia:
- (a) P1: Proposed project activity not undertaken as a CDM project activity;
  - (b) P2: On-site or off-site existing fossil fuel fired cogeneration plant;<sup>8</sup>
  - (c) P3: On-site or off-site Greenfield fossil fuel fired cogeneration plant;<sup>9</sup>
  - (d) P4: On-site or off-site existing renewable energy based cogeneration plant;<sup>10</sup>
  - (e) P5: On-site or off-site Greenfield renewable energy based cogeneration plant;<sup>11</sup>
  - (f) P6: On-site or off-site existing fossil fuel based existing identified captive power plant;

<sup>7</sup> **Scenario W5 is applicable where partial recovery is undertaken in the baseline.** As per the applicability condition the methodology is not applicable for projects for supply of heat of reaction, having partial recovery in the baseline.

<sup>8</sup> Scenarios P2 and H2 are related to the same existing fossil fuel cogeneration plant.

<sup>9</sup> Scenarios P3 and H3 are related to the same Greenfield fossil fuel cogeneration plant.

<sup>10</sup> Scenarios P4 and H4 are related to the same existing renewable energy based cogeneration plant.

<sup>11</sup> Scenarios P5 and H5 are related to the same Greenfield renewable energy based cogeneration plant.

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- (g) P7: On-site or off-site existing identified renewable energy or other waste energy based captive power plant;
  - (h) P8: On-site or off-site Greenfield fossil fuel based captive plant;
  - (i) P9: On-site or off-site Greenfield renewable energy or other waste energy based captive plant;
  - (j) P10: Sourced from grid-connected power plants;
  - (k) P11: Existing captive electricity generation using waste energy (if the project activity is captive generation using waste energy, this scenario represents captive generation with lower efficiency or lower recovery than the project activity);
  - (l) P12: Existing cogeneration using waste energy, but at a lower efficiency or lower recovery.
39. Emission reduction credits can be claimed up to the end of the lifetime of the equipment that will be displaced by the project activity at the recipient facility(ies). The remaining lifetime of the equipment should be determined using the latest version of the "Tool to determine the remaining lifetime of equipment". For emission reduction credits beyond the end of the lifetime of the pre-project equipment, the project participants shall choose a default efficiency of 60 per cent with the cleanest fuel available to them at publication of the CDM-PDD. This provision applies only for the cases where the continuation of current practice is the baseline up to end of the lifetime of the above referred equipment.
40. For heat generation, realistic and credible alternative(s) may include, inter alia:
- (a) H1: The proposed project activity is not undertaken as a CDM project activity;
  - (b) H2: On-site or off-site existing fossil fuel based cogeneration plant;
  - (c) H3: On-site or off-site Greenfield fossil fuel based cogeneration plant;
  - (d) H4: On-site or off-site existing renewable energy based cogeneration plant;
  - (e) H5: On-site or off-site Greenfield renewable energy based cogeneration plant;
  - (f) H6: An existing fossil fuel based element process;
  - (g) H7: A new fossil fuel based element process;
  - (h) H8: An existing renewable energy or other waste energy based element process to supply heat;
  - (i) H9: A new renewable energy or other waste energy based element process to supply heat;
  - (j) H10: Any other source such as district heat;
  - (k) H11: Other heat generation technologies (e.g. heat pumps or solar energy);
  - (l) H12: Steam/process heat generation from waste energy, but with lower efficiency or lower recovery;

- 
- (m) H13: Cogeneration with waste energy, but at a lower efficiency or lower recovery;
- (n) H14: On-site fossil fuel consumption to supply heat.
41. Emission reduction credits can be claimed up to the end of the lifetime of the equipment that will be displaced by the project activity at the recipient facility(ies). The remaining lifetime of the equipment should be determined using the latest version of the “Tool to determine the remaining lifetime of equipment”. For emission reduction credits beyond the end of the lifetime of the pre-project equipment, the project participants shall choose a default efficiency of 100 per cent with the cleanest fuel available to them at publication of the CDM-PDD. This provision applies only for the cases where the continuation of current practice is the baseline up to end of the lifetime of the above referred equipment.
42. For mechanical energy, realistic and credible alternatives may include, inter alia:
- (a) M1: The proposed project activity is not undertaken as a CDM project activity;
  - (b) M2: Steam produced by existing fossil fuel based boilers driving mechanical turbines;
  - (c) M3: Steam produced by new fossil fuel based boilers driving mechanical turbines;
  - (d) M4: Steam produced by existing renewable energy or other waste energy based boilers driving mechanical turbines;
  - (e) M5: Steam produced by new renewable energy or other waste energy based boilers driving mechanical turbines;
  - (f) M6: Waste gas pressure based mechanical energy generation;
  - (g) M7: Existing electrical motors are used as motive power to generate mechanical energy;
  - (h) M8: New electrical motors are used as motive power to generate mechanical energy.
43. Emission reduction credits can be claimed up to the end of the lifetime of the equipment that will be displaced by the project activity at the recipient facility(ies). The remaining lifetime of the equipment should be determined using the latest version of the “Tool to determine the remaining lifetime of equipment”. For emission reduction credits beyond the end of the lifetime of the pre-project equipment, the project participants shall choose a default efficiency of 60 per cent with the cleanest fuel available to them at publication of the CDM-PDD. This provision applies only for the cases where the continuation of current practice is the baseline up to end of the lifetime of the above referred equipment.
- 5.2.3. Step 2: Step 2 and/or Step 3 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 non-feasible options (e.g. alternatives where barriers are prohibitive or which are clearly economically unattractive).
44. The project proponents are required to use economic investment analysis for the identification of the baseline scenario for the following three situations.



- 
- (a) Where, for an existing **project WEG** facility, the WECM utilised by the project activity was **totally or** partially recovered in the absence of the CDM project activity;
- (b) Where the **CDM waste energy recovery WEG** project is implemented in a Greenfield **project WEG** facility and the baseline scenario is based on a “reference waste energy generation facility”. To establish the reference WEG facility and thereby the associated reference baseline technology for the project activity, the investment in the entire Greenfield facility shall be compared against investments in real alternative facilities.<sup>12</sup> The baseline scenario shall be demonstrated shall be demonstrated by applying investment comparison analysis to each of the design options that are realistic alternatives to the proposed **Greenfield project**. The investment analysis for the Greenfield projects include the cost of the fuel that would have been used by the recipient facility(ies) in the absence of the CDM project. The fuels for such analysis should include all the fuels available in the host country, including those which can be imported in the host country **without any supply constraint**;
- (c) Where the **CDM waste energy recovery WEG** project is implemented in an existing facility to supply the useful energy generated to a Greenfield recipient, and therefore the likely baseline scenario is based on a “reference energy generation facility”. The energy generation for such a reference facility, including the fuel (either available in host country or imported without any supply constraint), should be determined based on the investment analysis;
- (d) **Where additional power is consumed over and above historical level as a result of expansion of activity at the recipient facility, which is met by the project activity.**

**5.2.4. Step 3: If more than one credible and plausible alternative scenario remain, the alternative with the lowest baseline emissions shall be considered as the baseline scenario**

45. This methodology is only applicable if the baseline scenario for all the waste energy generator(s) and the recipient facility(ies) identified, is one of the scenarios described in Table 3 below.

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<sup>12</sup> Where the alternative design is same as the project activity but with or without different waste heat recovery components, then the investment comparison of various waste heat recovery components can be performed to identify the baseline scenario. This investment comparison analysis should be done based on financial parameters for the various options at the time when the analysis is undertaken.

**Table 3. Combinations of baseline scenarios applicable under different project situations to which this methodology is applicable**

Baseline scenario <sup>13</sup>	Combination of baseline scenarios				Description of project activity
	Waste energy	Power	Heat	Mechanical Energy	
<b>Project activity: Separate generation of electricity, mechanical energy or heat</b>					
<u>Baseline scenario-1</u> 1. The total or part of waste energy of WECM(s) recovered in the projects is released to atmosphere/flared/unutilised; 2. Mechanical energy is obtained by existing or new electrical motors or steam turbines; 3. The electricity is obtained from a Greenfield or existing identified captive power plant or from the grid; 4. Heat is obtained from a new or existing fossil fuel based element process.	W1, W2, W5	P6, P8, P10, P11	H6, H7, H12	M2, M3, M7, M8	<u>Situation-1</u> <ul style="list-style-type: none"> <li>Independent generation of heat, electricity and mechanical energy at project WEG facility;</li> <li>The generation of steam for mechanical energy can be in combination with the generation of steam to meet heat demand.</li> </ul> <u>Situation-2</u> Increasing the recovery of WECM stream(s) (at an existing project WEG facility; or at a Greenfield facility as compared to reference waste energy generating facility) and/or improving the efficiency of energy generation or mechanical energy conversion equipment

<sup>13</sup> In case operation of an existing plant is identified as the baseline scenario, the remaining lifetime of the existing plant shall be larger than the crediting period chosen. Otherwise, the claims of emission reduction are limited up to the lifetime of the existing pre-project equipment.

Project activity: Cogeneration of energy					
Baseline scenario <sup>14</sup>	Combination of baseline scenarios				Description of project activity
	Waste energy	Power	Heat	Mechanical Energy	
<p><u>Baseline Scenario-2</u></p> <ol style="list-style-type: none"> <li>The waste energy of WECM(s) recovered in the projects is released to atmosphere/ flared/ unutilised;</li> <li>The electricity is obtained from a Greenfield or identified existing fossil fuel power plant or from the grid;</li> <li>Mechanical energy is obtained from existing/ new electrical motors or fossil fuel based steam turbine;</li> <li>Heat/steam from a existing/new fossil fuel based steam element process</li> </ol>	W1, W2	P6, P8, P10	H6, H7	M2, M3, M7, M8	<ul style="list-style-type: none"> <li>Cogeneration of heat and electricity and/or mechanical energy at project WEG facility;</li> <li>The generation of steam for mechanical energy can be in combination with the generation of steam to meet heat demand</li> </ul>
<p><u>Baseline Scenario-3</u></p> <ol style="list-style-type: none"> <li>The total or part of waste energy of WECM(s) recovered in the projects is released to atmosphere/ flared/ unutilised;</li> <li>The electricity and/or heat are generated by an existing/Greenfield cogeneration plant;</li> <li>Mechanical energy is generated by existing/new electrical motors or steam turbine;</li> <li>All the recipients of project energy are (or would have been) supplied with energy from a common fossil fuel based cogeneration source</li> </ol>	W1, W2, W5	P2, P3, P12	H2, H3, H13	M2, M3, M7, M8	<p><u>Situation-1</u></p> <ul style="list-style-type: none"> <li>Cogeneration of heat and electricity and/or mechanical energy at the project WEG facility;</li> <li>The generation of steam for mechanical energy can be in combination with the generation of steam to meet heat demand</li> </ul> <p><u>Situation-2</u></p> <p>Increasing the recovery of WECM stream(s) (of existing project WEG facility; or Greenfield facility as compared to reference waste energy generating facility) and/or improving the efficiency of cogeneration facility</p>

<sup>14</sup> In case operation of an existing plant is identified as the baseline scenario, the remaining lifetime of the existing plant shall be larger than the crediting period chosen. Otherwise, the claims of emission reduction are limited up to the lifetime of the existing pre-project equipment.

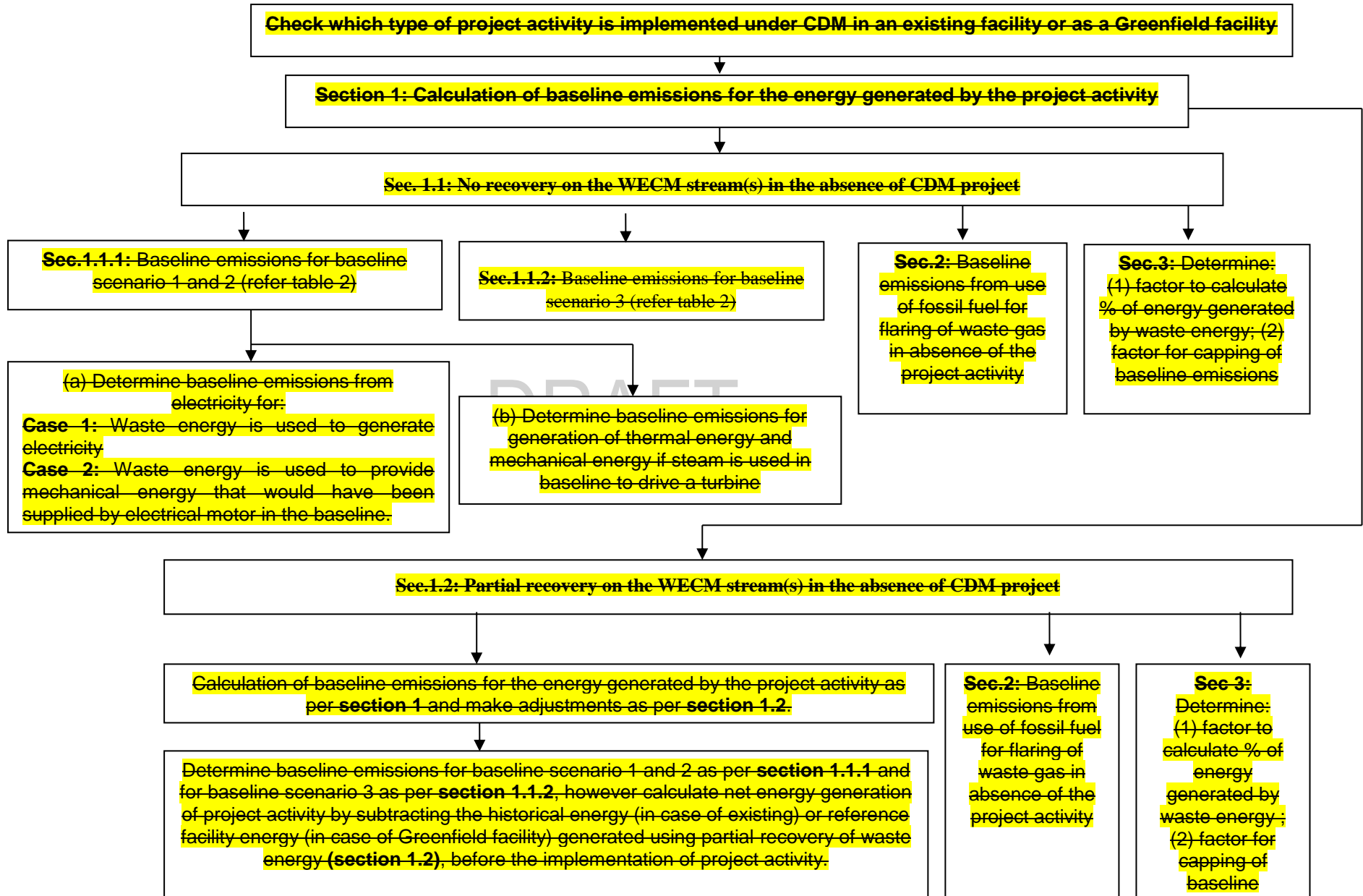
### 5.3. Additionality

46. The additionality of the project activity shall be demonstrated and assessed using the latest version of the “Tool for the demonstration and assessment of additionality” agreed by the Board, available at the UNFCCC CDM website.<sup>15</sup>
47. The project participants are required to use investment analysis for demonstrating additionality for the following ~~three~~ cases.
- (a) Where, for an existing ~~project~~ WEG facility, the WECM utilised by the project activity was totally or partially recovered in the absence of the CDM project activity;
  - (b) Where the ~~CDM waste energy recovery~~ WEG project is implemented in a Greenfield ~~project~~ facility and the baseline scenario is based on a “reference waste energy generation facility”. To establish the reference WEG facility and thereby the associated reference baseline technology for the project activity, the investment in the entire Greenfield facility shall be compared against investments in real alternative facilities. The baseline scenario shall be demonstrated shall be demonstrated by applying investment comparison analysis to each of the design options that are realistic alternatives to the proposed Greenfield project. The investment analysis for the Greenfield projects include the cost of the fuel that would have been used by the recipient facility(ies) in the absence of the CDM project. The fuels for such analysis should include all the fuels available in the host country, including those, which can be imported in the host country;
  - (c) Where the ~~CDM waste energy recovery~~ WEG project is implemented in an existing facility to supply the useful energy generated to a Greenfield recipient, and therefore the likely baseline scenario is based on a “reference energy generation facility”. The energy generation for such a reference facility, including the fuel (either available in host country or imported without any supply constraint), should be determined based on the investment analysis;
  - (d) Where additional power is consumed over and above historical level as a result of expansion of activity at the recipient facility, which is met by the project activity.
48. In applying investment analysis for the use of WECM for energy generation, the project proponents shall provide a detailed breakdown of project related costs, as mentioned above, and avoid an internal price for the waste stream.
- 5.4. If the project proponents would make an investment but in another technology/fuel in the absence of CDM, then additionality shall be demonstrated by use of an investment comparison analysis. If project participant would not invest in the absence of CDM, then the additionality shall be demonstrated by use of financial benchmark. Additionally, the project participants shall consider the guidance provided in Appendix 4 in determining the appropriate financial benchmark for the project activity.

### 5.5. Baseline emissions

#### 5.5.1. ~~Flow chart for determination of baseline emissions~~

<sup>15</sup> Please refer to: <<http://cdm.unfccc.int/goto/MPappmeth>>.



49. The baseline emissions for the year  $y$  shall be determined as follows:

$$BE_y = BE_{En,y} + BE_{flst,y} \quad \text{Equation (1)}$$

Where:

- $BE_y$  = The total baseline emissions during the year  $y$  in t CO<sub>2</sub>
- $BE_{En,y}$  = The baseline emissions from energy generated by the project activity during the year  $y$  in t CO<sub>2</sub>
- $BE_{flst,y}$  = Baseline emissions from fossil fuel combustion, if any, either directly for flaring of waste gas or for steam generation that would have been used for flaring the waste gas in the absence of the project activity (t CO<sub>2</sub>), calculated as per equation (26 28) This is relevant for those project activities where in the baseline steam is used to flare the waste gas

### 5.5.2. Baseline emissions from energy generated by the project activity ( $BE_{En,y}$ )

50. The calculation of baseline emissions ( $BE_{En,y}$ ) depends on the type of project activity and applicable baseline scenarios from Table 3.

### 5.5.3. No recovery on the WECM stream(s) in the absence of CDM project activity

#### 5.5.3.1. Baseline emissions for baseline scenarios 1 and 2<sup>16</sup>

51. Baseline scenarios 1 and 2 represent the situation where the waste energy of WECM stream(s) used in the projects is released to atmosphere/flared/unutilised, the electricity is obtained from an identified existing or new power plant or from the grid, mechanical energy (displaced waste energy based mechanical turbines in project) is obtained by existing or new electric motors or steam turbines and heat from an existing identified or new fossil fuel based element process or process (e.g. steam boiler, hot water generator, hot air generator, hot oil generator, fossil fuel direct combustion in a process).
52. Note: Sub-sections (a) and (b) below shall be used for estimating the baseline, depending on the type of energy generated by the project activity (electricity, heat or mechanical energy). If the project activity uses the waste pressure to generate electricity, then only section (a) below is used.

$$BE_{En,y} = BE_{Elec,y} + BE_{Ther,y} \quad \text{Equation (2)}$$

Where:

- $BE_{Elec,y}$  = Baseline emissions from electricity during the year  $y$  in t CO<sub>2</sub>
- $BE_{Ther,y}$  = Baseline emissions from thermal energy (due to heat generation by elemental processes) during the year  $y$  (t CO<sub>2</sub>)

<sup>16</sup> Refer to Table 3.

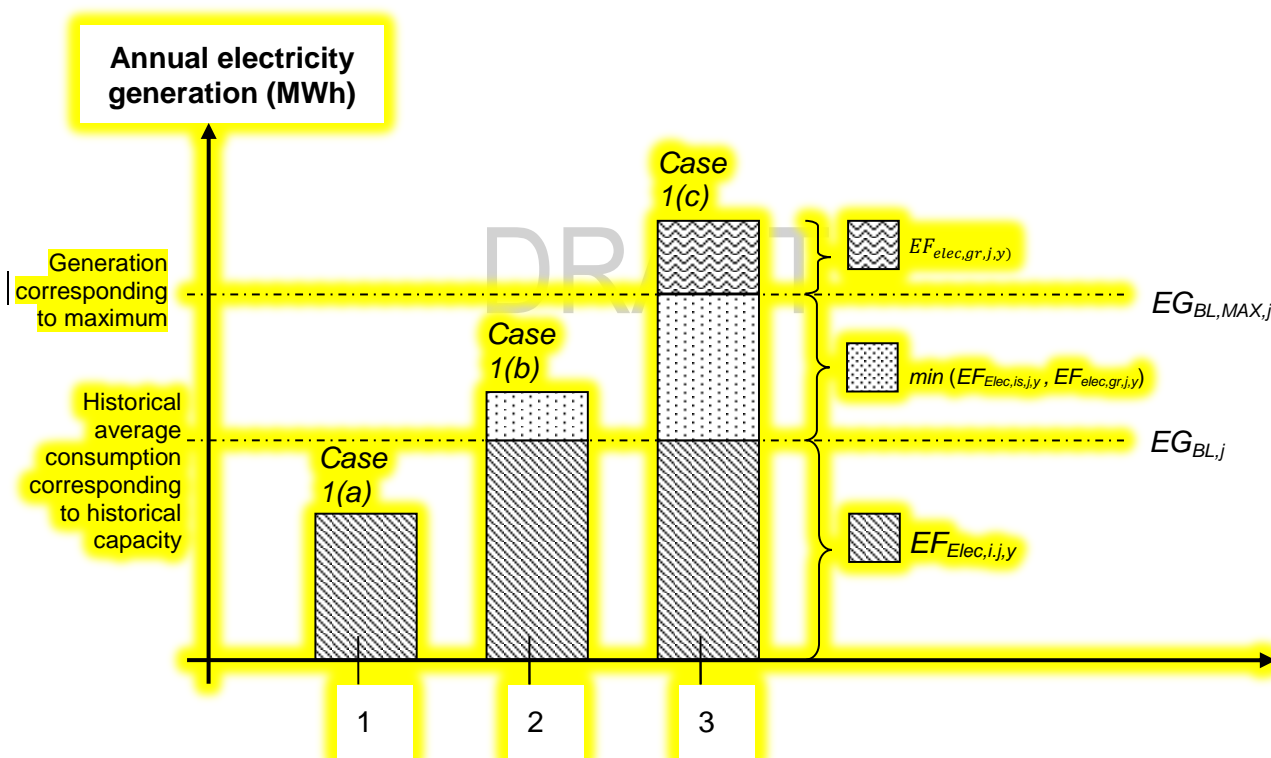
**5.5.3.2. Baseline emissions from electricity ( $BE_{Elec,y}$ ) generation**

53. Electricity generation in the project activity that displaces electricity in the grid or at individual recipient facilities is categorized as follows:

- (a) Case 1(a): up to the historical level of electricity generation of pre-project equipment at recipient facility(ies) in the baseline;
- (b) Case 1(b): beyond historical level but up to a maximum of the capacity of the most attractive baseline;
- (c) Case 1(c): beyond maximum capacity of the most attractive baseline.

54. The calculation of baseline emissions is therefore based on different emission factors for the above cases and as depicted in the figure below:

**Figure 1: Different emission factors for different quantities of electricity generated**



55. Case 1(a): for project activities where waste energy is used to generate electricity up to historical level of electricity generation of existing recipient facility(ies) based on their most plausible baseline for  $f_{cap}$  equal or less than 1.

$$BE_{Elec,y} = f_{cap} \times f_{wcm} \times \sum_i \sum_j (EG_{i,j,y} \times EF_{Elec,i,j,y}) \quad \text{Equation (3)}$$

Where:

- $BE_{Elec,y}$  = Baseline emissions due to displacement of electricity during the year  $y$  (t CO<sub>2</sub>)
- $f_{cap}$  = Factor that determines the **useful** energy that would have been produced in project year  $y$  using waste energy generated at a historical level, expressed as a fraction of the total energy produced using waste source in year  $y$ . The ratio is 1 if the waste energy generated in project year  $y$  is the same or less than that generated at a historical level. The value is estimated using the equations in **section 5.4.9.2 3.2**. For Greenfield facilities,  $f_{cap}$  is 1. If the procedure in **appendix 1 Annex 1** concludes that the waste energy would have been partially utilised in the “reference waste energy generating facilities” this fact will be captured in the factor  $f_{practice}$  (refer to equations **(2224)**, **(2325)**, **(2426)** and **(2527)** for the use of factor  $f_{practice}$ )
- $f_{wcm}$  = Fraction of total electricity generated by the project activity using waste energy. This fraction is 1 if the electricity generation is purely from use of waste energy. Depending upon the situation, this factor is estimated using the equations in section **5.4.9.1 3.1**  
**Note:** For a project activity using waste pressure to generate electricity, the electricity generated from waste pressure should be measurable and this fraction is 1
- $EG_{i,j,y}$  = The quantity of electricity supplied to the recipient  $j$  by generator, which in the absence of the project activity would have been sourced from source  $i$  (the grid or an identified source) during the year  $y$  in MWh
- $EF_{Elec,i,j,y}$  = The CO<sub>2</sub> emission factor for the electricity source  $i$  ( $gr$  for the grid, and  $is$  for an identified source), **that is an applicable baseline scenario that will be** displaced due to the project activity, during the year  $y$  (t CO<sub>2</sub>/MWh)
56. For the identified existing source of electricity, the proportion of electricity that would have been sourced from the  $i^{th}$  source to the  $j^{th}$  recipient facility ( $EG_{i,j,y}$ ) should be estimated based on historical data of the proportion received during the three most recent years.
57. **Case 1(b): for those project activities where the ratio of the  $f_{cap}$  is less than one i.e. more waste energy used is beyond historical level but up to a maximum of the capacity of the most attractive baseline.**



$$BE_{Elec,y} = f_{cap} \times f_{wcm} \times \left( \sum_i \sum_j (EG_{BL,j} \times EF_{Elec,i,j,y}) + \right. \\ \left. \times (EG_{i,j,y} - EG_{BL,j}) \times \min(EF_{elec,is,j,y}, EF_{elec,gr,j,y}) \right) \quad \text{Equation (4)}$$

Where:

$EG_{BL,MAX,j}$	=	Maximum annual amount of electricity that could be supplied to the electricity grid by the WEG Facility based on maximum installed pre-project capacity of the recipient plant $j$ prior to the implementation of project activity (MWh)
$EG_{BL,j}$	=	The three years average historical quantity of electricity consumed in absence of project activity at the recipient facility $j$ (MWh)
$EF_{elec,is,j,y}$	=	Emission factor for an existing source of electricity based on the fuel and efficiency of the applicable baseline (t CO <sub>2</sub> /MWh)
$EF_{Elec,gr,j,y}$	=	Emission factor for the equivalent amount of the displaced electricity that would have been supplied by the grid in absence of the project activity (t CO <sub>2</sub> /MWh)

58. Case 1(c): for those project activities where the ratio of the  $f_{cap}$  is less than one i.e. more waste energy used is beyond historical level beyond maximum capacity of the most attractive baseline.

$$BE_{Elec,y} = f_{cap} \times f_{wcm} \times \left( \sum_i \sum_j (EG_{BL,j} \times EF_{Elec,i,j,y}) + \right. \\ \left. \times (EG_{BL,MAX} - EG_{BL,j}) \times \min(EF_{elec,is,j,y}, EF_{elec,gr,j,y}) \right. \\ \left. + (EG_{i,j,y} - EG_{BL,MAX,j}) \times EF_{elec,gr,j,y} \right) \quad \text{Equation (5)}$$

Where:

$EG_{PJ,y}$	=	Annual amount of electricity that could be supplied to the electricity grid by the WEG Facility beyond the installed capacity of the existing captive source of electricity of the recipient plant prior to the implementation of project activity (MWh)
$EF_{elec,is,j,y}$	=	Emission factor for an existing source of electricity based on the fuel and efficiency of the applicable baseline (t CO <sub>2</sub> /MWh)
$EF_{Elec,gr,j,y}$	=	Emission factor for the equivalent amount of the displaced electricity that would have been supplied by the grid in absence of the project activity (t CO <sub>2</sub> /MWh)

59. Case 2: waste energy is used to provide mechanical energy that would have been supplied by an electrical motor in the baseline.

$$BE_{Elec,y} = f_{cap} \times f_{wcm} \times \sum_i \sum_j \left( \frac{MG_{i,j,y,mot}}{\eta_{mech,mot,i,j}} \times EF_{Elec,i,j,y} \right) \quad \text{Equation (6)}$$

Where:

- $MG_{i,j,y,mot}$  = Mechanical energy generated by a steam turbine in the project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient  $j$ , which in the absence of the project activity would be driven by electric motor  $i$  (MWh). Refer to the guidelines in the monitoring table to estimate this parameter
- $\eta_{mech,mot,i,j}$  = The efficiency of the baseline electric motor  $i$  that would provide mechanical power to recipient  $j$  in the absence of the project activity
- $EF_{Elec,i,j,y}$  = The CO<sub>2</sub> emission factor for the electricity source  $i$  ( $gr$ =grid,  $is$ =identified source, or  $rs$ =reference source), displaced due to the project activity, during the year  $y$  in t CO<sub>2</sub>/MWh
- $f_{wcm}$  = Fraction of total mechanical energy generated by the project activity using waste energy. This fraction is 1 if the mechanical energy generation is purely from use of waste energy. Depending upon the situation, this factor is estimated using one of the equations in section 5.4.9.1 3.1.  
**Note:** For a project activity using waste pressure to generate mechanical energy, the energy generated from waste pressure should be measurable and this fraction is 1
- $f_{cap}$  = Factor that determines the **useful** energy that would have been produced in project year  $y$  using waste energy generated at a historical level expressed as a fraction of total energy produced using waste energy in year  $y$ . The ratio is 1 if the waste energy generated in project year  $y$  is same or less than that generated at a historical level. The value is estimated using equations in section 5.4.9.2 3.2. For Greenfield facilities  $f_{cap}$  is 1. If the procedure in appendix 1 Annex 1 concludes that the waste energy would have been partially utilised in the “reference waste energy generating facilities” this fact will be captured in the factor  $f_{practice}$  (refer to equations in section 5.4.7 1.2.2 for the use of factor  $f_{practice}$ )

### 5.5.3.3. Determination of $EF_{elec,i,j,y}$

60. The emission factor of source  $i$  of electricity that has (or would have) supplied electricity to recipient facility  $j$  in year  $y$  ( $EF_{elec,i,j,y}$ ) should be estimated in one of the following ways:
- (a) For an existing source of energy for the recipient facility, the emission factor  $EF_{elec,i,j,y}$  should be calculated based on the fuel and efficiency of the **most attractive baseline facility**; and

- (b) If the recipient facility is a Greenfield facility, the emission factor  $EF_{elec,i,j,y}$  should be calculated based on the design data or manufacturer's information of reference **energy generation** facility that would have been implemented in absence of the project activity.

61. If the displaced electricity for the recipient facility is supplied by a connected grid system, the CO<sub>2</sub> emission factor of the electricity  $EF_{elec,gr,j,y}$  shall be determined following the guidance provided in the "Tool to calculate the emission factor for an electricity system"; otherwise, the emission factor for the baseline energy source (existing or Greenfield), shall be determined as follows:

$$EF_{Elec, is, j, y} = \frac{EF_{CO_2, is, j}}{\eta_{Plant, j}} \times 3.6 \times 10^{-3} \quad \text{Equation (7)}$$

or

$$EF_{Elec, rs, j, y} = \frac{EF_{CO_2, rs, j}}{\eta_{Plant, j}} \times 3.6 \times 10^{-3} \quad \text{Equation (8)}$$

Where:

- $EF_{CO_2, is, j}$   
or  
 $EF_{CO_2, rs, j}$  = The CO<sub>2</sub> emission factor per unit of energy of the fossil fuel used in the baseline generation source  $i$  in (t CO<sub>2</sub>/TJ), obtained from reliable local or national data if available, otherwise, taken from the country specific IPCC default emission factors. For reference baseline source of energy for the recipient, the emission factor  $EF_{CO_2, rs, j}$  should correspond to the fuel that would have been used in the reference facility supplying electricity to the recipient, in absence of the project activity
- $\eta_{Plant, j}$  = The overall efficiency of the existing/Greenfield captive power plant that would be used by  $j^{th}$  recipient in the absence of the project activity

62. There are following approaches for determination of efficiency  $\eta_{Plant, j}$ :

- (a) If the baseline source of electricity is an existing captive power plant, the efficiency of the power plant ( $\eta_{plant, j}$ ) shall be determined in accordance with the latest approved version of "Tool to determine the baseline efficiency of thermal or electric energy generation systems". If the load-efficiency curve options are selected, the efficiency that corresponds to the average loading of the captive power plant in year  $y$  should be used;
- (b) If the recipient facility is a Greenfield facility and its baseline source of electricity is a captive power plant, refer to the definition of "reference energy generation facility" for the identification of the reference captive power plant. The efficiency of the reference power plant ( $\eta_{plant, j}$ ) shall be determined as:
- (i) Highest of the efficiency values provided by two or more manufacturers for the technology of the reference power plant; or

- (ii) Assume a captive power generation efficiency of 60 per cent based on the net calorific values as a conservative approach.

#### 5.5.3.4. Baseline emissions for generation of thermal energy ( $BE_{Ther,y}$ ) and steam-generated mechanical energy

$$BE_{Ther,y} = f_{cap} \times \sum_j \left\{ \left( \sum_n f_{wcm,n,y} \times HG_{n,j,y} + f_{wcm} \times \sum_k MG_{k,j,y,tur} / \eta_{mech,tur,k} \right) \times EF_{heat,j,y} \right\} \quad \text{Equation (9)}$$

Where:

- $BE_{Ther,y}$  = Baseline emissions from thermal energy (as steam) during the year  $y$  in t CO<sub>2</sub>
- $HG_{n,j,y}$  = Net quantity of heat supplied to the unit process/element process/reactor  $n$  in recipient facility  $j$  by the project activity during the year  $y$  (TJ). This can be estimated following the equation series of (8)
- $f_{wcm,n,y}$  = Fraction of total heat generated in the unit process/element process/reactor  $n$  by the project activity using waste energy. This fraction is 1 if the heat generation in process  $n$  is purely from use of waste energy. If process  $n$  uses other fossil fuels along with waste energy, or the element process providing heat uses both waste and fossil fuels, this factor is estimated using equation (3.234)
- $f_{wcm}$  = Fraction of total mechanical generated by the project activity using waste energy. This fraction is 1 if the mechanical energy generation is purely from use of waste energy. Depending upon the situation, this factor is estimated using one of the equations in section 5.4.9.1 3-1.
- Note:** For a project activity using waste pressure to generate mechanical energy, this energy generated from waste pressure should be measurable and this fraction is 1

- $f_{cap}$  = Factor that determines the energy that would have been produced in project year  $y$  using waste energy generated at a historical level expressed as a fraction of total energy produced using waste source in year  $y$ . The ratio is 1 if the waste energy generated in project year  $y$  is the same or less than that generated at a historical level. The value is estimated using equations in section 5.4.9.2 3-2. For Greenfield facilities  $f_{cap}$  is 1. If the procedure in appendix 1 Annex 4 concludes that the waste energy would have been partially utilised in the “reference waste energy generating facilities” this fact in the factor  $f_{practice}$  (refer to equations in section 5.4.7 4-2.2 for the use of factor  $f_{practice}$ )
- $EF_{heat,j,y}$  = The CO<sub>2</sub> emission factor of the element process that would have supplied the heat to recipient facility  $j$  in absence of the project activity (t CO<sub>2</sub>/TJ). This is calculated as per in equation (4618)
- $MG_{k,j,y,tur}$  = Mechanical energy generated by steam turbine in project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient  $j$ , which in the absence of the project activity would be driven by steam turbine  $k$ , operating from steam generated in a fossil fuel boiler (TJ). Refer to the guidelines in the monitoring table to estimate this parameter
- $\eta_{mech,tur,k}$  = The efficiency of the baseline equipment (steam turbine  $k$ ) that would drive the mechanical equipment in the absence of the project activity

$$HG_{n,j,y} = HG_{n,process,j,y} + HG_{n,chemical,j,y} \quad \text{Equation (10)}$$

Where:

- $HG_{n,process,j,y}$  = Net quantity of heat supplied to the recipient facility  $j$  for element process/heating unit/chemical reactor  $n$  by the project activity for process heating during the year  $y$ . In the case of steam this is expressed as difference of energy content between the steam supplied to the recipient facility and the feed water to the boiler (TJ)
- $HG_{n,chemical,j,y}$  = Net quantity of heat supplied to the recipient facility  $j$  for chemical reactor  $n$  by the project activity for supply of heat of reaction during the year  $y$  (TJ)

#### 5.5.3.5. Determination of $HG_{n,process,j,y}$

$$HG_{n,process,j,y} = \sum_p H_{p,n,j,y} - \sum_r H_{r,n,j,y} \quad \text{Equation (11)}$$

Where:

$H_{p,n,j,y}$  = Net enthalpy of the product  $p$  in the product mix at the outlet of the process/reactor/element process  $n$  in recipient facility  $j$  during the year  $y$  (TJ)

$H_{r,n,j,y}$  = Net enthalpy of the reactant  $r$  in the reactant mix at the inlet of the process/reactor/element process  $n$  in recipient facility  $j$  during the year  $y$  (TJ)

63. If the waste heat is used in steam boilers or hot water/oil/air generator following guidance should be adopted to use equation (9 11) to calculate  $HG_{n,process,j,y}$ .

(a) **For steam boiler** - this is expressed as the difference of energy content of steam supplied to the recipient facility ( $H_{p,n,j,y}$ ) and energy content of feed water to the boiler ( $H_{r,n,j,y}$ ). The enthalpy of feed water to the boiler takes into account the enthalpy of condensate returned to the boiler (if any) and any other waste heat recovery (including economiser, blow down heat recovery etc.);

(b) **For hot water/oil/air generator** - this is expressed as the difference in energy content between the hot water/oil/air supplied to recipient facility(ies) ( $H_{p,n,j,y}$ ) and returned by recipient facility(ies) ( $H_{r,n,j,y}$ ) to the element process.

64. If the waste heat is used in a unit process involving products and reactants, the enthalpy of products and reactants, with reference to 0 deg C, can be determined by:

65. For all substances (other than steam):

$$H_{p,n,j,y} = \frac{1}{10^6} \times m_{p,n,j,y} \times \int_0^{to} Cp_p \times dT \quad \text{Equation (12)}$$

$$H_{r,n,j,y} = \frac{1}{10^6} \times m_{r,n,j,y} \times \int_0^{ti} Cp_r \times dT \quad \text{Equation (13)}$$

66. For steam (where steam could be a product of or reactant to the process):

$$H_{p,n,j,y} = m_{p,n,j,y} \times TE_p \quad \text{Equation (14)}$$

$$H_{r,n,j,y} = m_{r,n,j,y} \times TE_r \quad \text{Equation (15)}$$

Where:

$m_{p,n,j,y}$  = Quantity of product  $p$  in the product mix at the outlet of the process/reactor  $n$  in recipient facility  $j$  during the year  $y$  (kg)

$m_{r,n,j,y}$  = Quantity of reactant  $r$  in the reactant mix at the inlet of the process/reactor  $n$  in recipient facility  $j$  during the year  $y$  (kg)

$Cp_p$	=	Specific heat of product $p$ in the product mix at the outlet of the process/reactor $n$ (J/g/°C)
$Cp_r$	=	Specific heat of reactant $r$ in the reactant mix at the inlet of the process/reactor $n$ (J/g/°C)
$t_o$	=	Temperature of product mix at the outlet of the process/reactor $n$ (°C)
$t_i$	=	Temperature of reactant mix at the inlet of the process/reactor $n$ (°C)
$TE_p$	=	Specific enthalpy of steam from steam table (TJ/kg), if steam is a product of a process (steam boiler)
$TE_r$	=	Specific enthalpy of steam from steam table (TJ/kg) if steam is reactant in the process (e.g. chemical reaction where steam is one of the reactants)

#### 5.5.3.6. Determination of $HG_{n,chemical,j,y}$

$$HG_{n,chemical,j,y} = \sum_t HG_{n,j,chem,t} \quad \text{Equation (16)}$$

Where:

$HG_{n,j,chem,t}$  = Net quantity of heat (enthalpy) supplied to the chemical reactor  $n$  in recipient facility  $j$  by the project activity for supply of heat of reaction in time interval  $t$  (TJ). Time interval  $t$  determines how the data is aggregated and can be in hour, shift, day, week, month or year depending upon the monitoring practice followed by project participants

$$HG_{n,j,chem,t} = \sum_p M_{p,n,j,t} \times HF_p - \sum_r M_{r,n,j,t} \times HF_r \quad \text{Equation (17)}$$

Where:

$M_{p,n,j,t}$  = Flow of product  $p$  in the product mix at the outlet of the process/reactor  $n$  in recipient facility  $j$  in time interval  $t$  (kMol)

$M_{r,n,j,t}$  = Flow of reactant  $r$  in the reactant mix at the inlet of the process/reactor  $n$  in recipient facility  $j$  in time interval  $t$  (kMol)

$HF_p$  = Standard heat of formation of product  $p$  in the product mix (TJ/kMol) at product outlet temperature  $t_o$

$HF_r$  = Standard heat of formation of reactant  $r$  in the reactant mix (TJ/kMol) at reactant inlet temperature  $t_i$

**5.5.3.7. Determination of  $EF_{heat,j,y}$** 

$$EF_{heat,j,y} = \sum_i ws_{i,j} \frac{EF_{CO_2,i,j}}{\eta_{EP,i,j}} \quad \text{Equation (18)}$$

Where:

- $EF_{heat,j,y}$  = The CO<sub>2</sub> emission factor of the element process supplying heat that has or would have supplied the recipient facility  $j$  in absence of the project activity, expressed in t CO<sub>2</sub>/TJ
- $EF_{CO_2,i,j}$  = The CO<sub>2</sub> emission factor per unit of energy of the baseline fuel used in  $i^{th}$  element process used by recipient  $j$ , in t CO<sub>2</sub>/TJ, in absence of the project activity
- $\eta_{EP,i,j}$  = Efficiency of the  $i^{th}$  element process that has or would have supplied heat to  $j^{th}$  recipient in the absence of the project activity
- $ws_{i,j}$  = Fraction of total heat that is used by the recipient  $j$  in the project that in absence of the project activity would have been supplied by the  $i^{th}$  element process

67. If the heat to recipient facility  $j$  is (or would have been) provided using direct combustion in the unit process itself, the efficiency of existing (or “reference”) element process ( $\eta_{EP,i,j}$ ) is assumed to be 100 per cent.
68. In all other cases, the efficiency of the existing element process ( $\eta_{EP,i,j}$ ) shall be one of the following:
- Determine the efficiency of the element process in accordance with the latest approved version of “Tool to determine the baseline efficiency of thermal or electric energy generation systems”. If the load-efficiency curve options are selected, the efficiency that corresponds to the average loading of the captive power plant in year  $y$  should be used;
  - Assume a constant efficiency of the element process and determine the efficiency, as a conservative approach, for optimal operation conditions **that is i.e.** design fuel, optimal load, optimal oxygen content in flue gases, adequate fuel conditioning (temperature, viscosity, moisture, size/mesh etc.), representative or favorable ambient conditions (ambient temperature and humidity); or
  - Maximum efficiency of 100 per cent.
69. If the recipient facility is a Greenfield facility and its baseline source of heat is an element process, refer to the definition of “reference energy generation facility” for the identification of the reference element process. The efficiency of “reference element process” ( $\eta_{EP,i,j}$ ) shall be determined as follows:
- Highest of the efficiency values provided by two or more manufacturers for “reference” element process; or
  - Assume an efficiency of 100 per cent based on the net calorific value as a conservative approach.



**5.5.4. Baseline emissions for baseline scenario 3<sup>17</sup>**

70. Baseline scenario 3 represents the situation where: (i) the waste energy of WECM stream(s) used in the projects is released to atmosphere/flared/unutilised; (ii) the electricity and/or heat would be generated by an existing/new fossil fuel based cogeneration plant; (iii) the mechanical energy would be generated by existing/new electrical motors or steam turbine; (iv) all the recipient of project energy are (or would have been) supplied energy from a common fossil fuel based cogeneration source in absence of the project activity.
71. Baseline emissions from co-generated electricity and heat of a cogeneration plant are calculated by multiplication of following:
- Electricity ( $EG_{j,y}$ ), heat (steam) ( $HG_{j,y}$ ) and if applicable, mechanical energy ( $MG_{j,y,mot}$  or  $MG_{j,y,tur}$ ) supplied to the recipient facility(ies); and
  - CO<sub>2</sub> emission factor of the fuel used by the cogeneration plant that would have supplied the energy to the recipient facility(ies)  $j$  in the absence of the project activity, as follows:

$$\begin{aligned}
 & BE_{En,y} \\
 &= f_{cap} \times f_{wcm} \\
 & \times \sum_j \left[ \frac{HG_{j,y} + \left( MG_{j,y,tur} / \eta_{mech,tur} \right) + \left( EG_{j,y} + MG_{j,y,mot} / \eta_{mech,mot} \right) \times 3.6 \times 10^{-3}}{\eta_{cogen}} \right] \\
 & \times EF_{CO_2,COGEN}
 \end{aligned}
 \tag{19}$$

Where:

- $BE_{En,y}$  = The baseline emissions from energy that is displaced by the project activity during the year  $y$  in t CO<sub>2</sub>
- $EG_{j,y}$  = The quantity of electricity supplied to the recipient facility  $j$  by the project activity during the year  $y$  in MWh
- $3.6 \times 10^{-3}$  = Conversion factor, expressed as TJ/MWh

<sup>17</sup> Refer to Table 2.

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$HG_{j,y}$	= Net quantity of heat supplied to the recipient facility $j$ by the project activity during the year $y$ in TJ. In the case of steam, this is expressed as the difference of energy content between the steam supplied to the recipient facility(ies) and the condensate returned by the recipient facility(ies) to the element process of the cogeneration plant. In the case of hot water/oil this is expressed as the difference in energy content between the hot water/oil supplied to and returned by the recipient facility(ies) to the element process of the cogeneration plant
$EF_{CO_2,COGEN}$	= CO <sub>2</sub> emission factor per unit of energy of the fuel that would have been used in the baseline cogeneration plant, in (t CO <sub>2</sub> /TJ), obtained from reliable local or national data if available, otherwise, taken from the country specific IPCC default emission factors
$\eta_{Cogen}$	= Efficiency of cogeneration plant (combined heat and power generation efficiency) using fossil fuel that is or would have been used in the absence of the project activity
$f_{wcm}$	= Fraction of total energy generated by the project activity using waste energy. This fraction is 1 if the energy generation is purely from use of waste energy in the project generation unit. Depending upon the situation, this factor is estimated using one of the equations in section 5.4.9.1 3.1
$f_{cap}$	= Factor that determines the energy that would have been produced in project year $y$ using waste energy generated at a historical level expressed as a fraction of total energy produced using waste energy in year $y$ . The ratio is 1 if the waste energy generated in project year $y$ is same or less than that generated at a historical level. The value is estimated using equations in section 5.4.9.2 3.2. For Greenfield facilities $f_{cap}$ is 1. If the procedure in appendix 1 Annex 4 concludes that the waste energy would have been partially utilised in the “reference waste energy generating facilities” this fact in the factor $f_{practice}$ (refer to the equations in section 5.4.7 4.2.2 for the use of factor $f_{practice}$ )
$MG_{j,y,mot}$	= Mechanical energy generated by steam turbine in the project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient $j$ , which in the absence of the project activity would be driven by electric motor (MWh). Refer to the guidelines in the monitoring table to estimate this parameter
$\eta_{mech,mot}$	= The efficiency of the baseline equipment (electric motor) that would provide mechanical power in the absence of the project activity

$MG_{j,y,tur}$	= Mechanical energy generated by steam turbine in project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient $j$ , which in the absence of the project activity would be driven by a steam turbine, operating from steam generated in a fossil fuel boiler (TJ). Refer to the guidelines in the monitoring table to estimate this parameter
$\eta_{mech,tur}$	= The efficiency of the baseline equipment (steam turbine) that would provide mechanical power in the absence of the project activity

72. Efficiency of the existing cogeneration plant, ( $\eta_{Cogen}$ ) shall be one of the following:
- Assume a constant efficiency of the cogeneration plant and determine the efficiency, as a conservative approach, for optimal operation conditions **that is i.e.** designed fuel, designed steam extractions, optimal load, optimal oxygen content in flue gases, adequate fuel conditioning (viscosity, temperature, moisture, size/mesh etc.), representative or favorable ambient conditions (temperature, humidity); or
  - Maximum efficiency of 90 per cent, based on net calorific values (irrespective of type of cogeneration system and type of heat generated);
  - Estimated from load v/s efficiency curve(s) established through measurement of the cogeneration plant(s). There are some guidelines provided in the “parameters not monitored” section. Follow international standards for estimation of efficiency of cogeneration plants;
  - The load-efficiency function for the cogeneration plant can be used from manufacturer’s specifications.
73. If the recipient facility is a Greenfield facility and its baseline source of energy is a cogeneration plant, refer to the definition of “reference energy generation facility” for the identification of the reference cogeneration plant. The efficiency of a reference cogeneration plant ( $\eta_{Cogen}$ ) shall be determined as follows:
- Highest of the efficiency values provided by two or more manufacturers for “reference” cogeneration plant; or
  - Assume an efficiency of 90 per cent based on the net calorific value as a conservative approach.

#### 5.5.5. Partial recovery of the WECM stream(s) in the baseline scenario

74. These project activities improve the recovery of the energy of WECM steam(s) by retrofitting or replacing existing equipment or installing new equipment for additional energy recovery with an objective of (i) recovering more quantity of WECM streams than there are (or would have been) recovered in the absence of the project activity; or (ii) improving the efficiency of the energy recovery equipment; or (iii) both.
75. If multiple streams are recovered under one CDM project, and at least one stream would be partially recovered in the absence of the project, the partial recovery adjustment described below should be considered for all the streams together.

76. All the equations (from 3 to 47 19) of baseline scenarios 1, 2 and 3 apply to the baseline emission calculation of these project activities provided the following adjustments are made.

### 5.5.6. Adjustment for an existing project WEG facility

77. Calculation of  $EG_{i,j,y}$  or  $EG_{j,y}$  that is referred to in equations (3) and (47 19):  $EG_{i,j,y}$  or  $EG_{j,y}$  should be the additional electricity generated by the project activity, over and above historical generation that would have taken place in absence of project activity. It should be estimated based on the historical data of electricity generation from WECM stream in the absence of the project activity.

$$EG_{i,j,y} = F_{j,y} \times EG_{PJ,y} - 1/3 \times \sum_{x=-1}^{x=-3} (EG_{BL,x}) \quad \text{Equation (20)}$$

78. Note: This equation can be also used to determine  $EG_{j,y}$ .

Where:

$EG_{i,j,y}$  = The quantity of electricity supplied to the recipient  $j$  by a generator, that in the absence of the project activity would have been sourced from  $i^{\text{th}}$  source ( $i$  can be either grid or identified source) during the year  $y$  in MWh

$EG_{PJ,y}$  = The total quantity of electricity generated from the identified WECM stream(s) during the year  $y$  in MWh

$EG_{BL,x}$  = The quantity of electricity generated in absence of project activity from the identified WECM stream(s) during the year  $x$  in MWh

$F_{j,y}$  = Fraction of total electricity generated by the project activity that is supplied to recipient  $j$  in year  $y$  (%)

$x = -1$  to  $-3$  = Historical three years previous to implementation of project activity

79. Calculation of  $MG_{i,j,y,mot}$  referred to in equation (4) and  $MG_{j,y,mot}$  in equation (47 19)<sup>18</sup> and calculation of  $MG_{k,j,y,tur}$  referred to in equation (7 9) and  $MG_{j,y,tur}$  in equation (47 19):  $MG_{i,j,y,mot}$  and  $MG_{k,j,y,tur}$  should be the additional mechanical generated by the project activity, over and above historical generation that would have taken place in absence of project activity. It should be estimated based on the historical data of mechanical energy generation from WECM stream in the absence of the project activity.

$$MG_{i,j,y,mot} = \frac{MG_{PJ,j,y} - 1/3 \times \sum_{x=-1}^{x=-3} (MG_{BL,j,x})}{3.6 \times 10^{-6}} \quad \text{Equation (21)}$$

<sup>18</sup> For these project activities, the scope of mechanical energy is limited to steam operated back pressure turbines as the equations and monitoring section cover the monitoring of steam energy only in the baseline. However, if the project participants wish to use this methodology for any other area of generation of mechanical energy, they can submit the revision to this methodology.

$$MG_{k,j,y,tur} = MG_{PJ,j,y} - 1/3 \times \sum_{x=-1}^{x=-3} (MG_{BL,j,x}) \quad \text{Equation (22)}$$

80. Note: These equations can also be used to determine  $MG_{j,y,mot}$  and  $MG_{j,y,tur}$ .

Where:

- $MG_{i,j,y,mot}$  = Mechanical energy generated by a steam turbine in the project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient  $j$  in year  $y$ , which in the absence of the project activity would be driven by electric motor  $i$  (MWh)
- $MG_{k,j,y,tur}$  = Mechanical energy generated by the steam turbine in project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient  $j$  in year  $y$ , which in the absence of the project activity would be driven by steam turbine  $k$ , operating from steam generated in a fossil fuel boiler (TJ)
- $MG_{PJ,j,y}$  = The total quantity of mechanical energy supplied in year  $y$  by the steam turbine operated by steam generated using waste energy of identified WECM stream(s) (TJ)
- $MG_{BL,j,x}$  = The total quantity of mechanical energy supplied in year  $x$  by the steam turbine operated by steam generated using waste energy of the identified WECM stream(s) (TJ)
- $3.6 \times 10^{-6}$  = Conversion factor, expressed as TJ/MWh
- $= -1 \text{ to } -3$  = Historical three years previous to implementation of project activity

81. Calculation of  $HG_{n,j,y}$  referred to in equation (79) and  $HG_{j,y}$  referred to in equation (1719):  $HG_{n,j,y}$  or  $HG_{j,y}$  should be the additional heat generated by the project activity, over and above historical heat generation that would have taken place in absence of project activity. The following equation and guidance should be used to calculate the additional heat generation in year  $y$  compared to historical years.

$$HG_{n,j,y} = HG_{PJ,n,j,y} - 1/3 \times \sum_{x=-1}^{x=-3} (HG_{BL,n,j,x}) \quad \text{Equation (23)}$$

82. Note: The  $HG_{j,y}$  represent the sum of heat generated by individual element process/unit process/reactor  $n$ .

Where:

- $HG_{PJ,n,j,y}$  = Net quantity of heat (enthalpy) supplied to the element process/unit process/reactor  $n$  (only for process heating and not for heat of reaction) in recipient facility  $j$  during the year  $y$  from the identified WECM stream(s). In the case of steam this is expressed as difference of energy content between the steam supplied to the recipient facility and the feed water to the boiler (TJ)

$HG_{BL,n,j,x}$  = Net quantity of heat (enthalpy) supplied to the to the element process/unit process/reactor  $n$  (only for process heating and not for heat of reaction) in recipient facility  $j$  in year  $x$  from the identified WECM stream(s). In the case of steam this is expressed as difference of energy content between the steam supplied to the recipient facility and the feed water to the boiler (TJ)

$x = -1$  to  $-3$  = Historical three years previous to implementation of project activity

### 5.5.7. Adjustment for a Greenfield project WEG facility

83. If the energy recovery project is implemented in a Greenfield waste energy generating facility, and the “reference waste energy generating facility” identified (refer to definition of “reference waste energy generating facility” and appendix 1 Annex 4) shows that the WECM stream(s) would have been partially recovered or recovered with lower efficiency, the following equations should be used.

84. Calculation of  $EG_{i,j,y}$  or  $EG_{j,y}$  that is referred to in equations (3) and (17–19):  $EG_{i,j,y}$  or  $EG_{j,y}$  should be the additional electricity generated by the project activity, over and above over and above the generation that would have taken place in the reference waste generation facility is as follows:

$$BE_{Elec,y} = f_{wcm} \times (1 - f_{practice}) \times \sum_i \sum_j (EG_{i,j,y} \times EF_{Elec,i,j,y}) \quad \text{Equation (24)}$$

$$EG_{i,j,y} = F_{j,y} \times EG_{PJ,y} \times f_{practice}$$

85. Note: The equation can also be used to determine  $EG_{j,y}$ .

Where:

$BE_{Elec,y}$  = Baseline emissions from electricity during the year  $y$  in t CO<sub>2</sub>

$EG_{i,j,y}$  = The quantity of electricity supplied to the recipient  $j$  by the generator, that in the absence of the project activity would have been sourced from  $i^{th}$  source ( $i$  can be either grid or identified source) during the year  $y$  in MWh

$EG_{PJ,y}$  = The total quantity of electricity generated from the identified WECM stream(s) during the year  $y$  in MWh

$f_{practice}$  = The factor determined by the practice of “reference waste energy generating facility”, to be calculated using the guidelines given in appendix 1 Annex 4. It represents the extent to which the “reference waste energy generating facility” would have recovered the electricity from identified WECM stream(s) in the baseline

$F_{j,y}$  = Fraction of total electricity generated by the project activity, that is supplied to recipient  $j$  in year  $y$  (%)

$f_{wcm}$  = Fraction of total electricity generated by the project activity using waste energy. This fraction is 1 if the electricity generation is purely from use of waste energy. Depending upon the situation, this factor is estimated using the equations in section 5.4.9.1  
Note: For a project activity using waste pressure to generate electricity, the electricity generated from waste pressure should be measurable and this fraction is 1

86. Calculation of  $MG_{i,j,y,mot}$  referred to in equations (4) and (47 19)<sup>19</sup> and calculation of  $MG_{k,j,y,tur}$  referred to in equations (7 9) and (47 19):  $MG_{i,j,y,mot}$  and  $MG_{k,j,y,tur}$  should be the additional mechanical generated by the project activity, over and above the generation that would have taken place in reference waste generation facility.

$$MG_{i,j,y,mot} = MG_{PJ,j,y} \times f_{practice} \quad \text{Equation 25}$$

$$MG_{k,j,y,tur} = MG_{PJ,j,y} \times f_{practice} \quad \text{Equation 26}$$

$$MG_{i,j,y,mot} = MG_{PJ,j,y} - MG_{PJ,j,y} \times f_{practice} \quad \text{Equation (25)}$$

$$MG_{k,j,y,tur} = MG_{PJ,j,y} - MG_{PJ,j,y} \times f_{practice} \quad \text{Equation (26)}$$

87. Note: These equations can also be used to determine  $MG_{j,y,mot}$  and  $MG_{j,y,tur}$ .

Where:

$MG_{i,j,y,mot}$  = Mechanical energy generated by a steam turbine in the project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient  $j$ , which in the absence of the project activity would be driven by electric motor  $i$  (MWh)

$MG_{k,j,y,tur}$  = Mechanical energy generated by a steam turbine in the project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient  $j$ , which in the absence of the project activity would be driven by steam turbine  $k$ , operating from steam generated in a fossil fuel boiler (TJ)

$MG_{PJ,j,y}$  = The total quantity of mechanical energy supplied by the steam turbine operated by steam generated using waste energy of identified WECM stream(s) (in terms of TJ in the year  $y$ )

<sup>19</sup> For these project activities, the scope of mechanical energy is limited to steam operated back pressure turbines as the equations and monitoring section cover the monitoring of steam energy only in the baseline. However, if the project participants wish to use this methodology for any other area of generation of mechanical energy, they can submit the revision to this methodology.

$f_{practice}$  = The factor determined by the practice of “reference waste energy generating facility”, to be calculated using the guidelines given in **appendix 1 Annex 1**. It represents the extent to which the “reference waste energy generating facility” would have recovered the electricity from identified WECM stream(s) in the baseline

88. Calculation of  $HG_{n,j,y}$  referred to in equation (79) and  $HG_{j,y}$  referred to in equation (4719):  $HG_{n,j,y}$  or  $HG_{j,y}$  should be the additional heat generated by the project activity, over and above the generation that would have taken place in reference waste generation facility.

$$HG_{n,j,y} = (HG_{n,process,j,y} + HG_{n,chemical,j,y}) \times (1 - f_{practice}) \quad \text{Equation (27)}$$

89. Note: The  $HG_{j,y}$  represent the sum of heat generated by individual element process/unit process/reactor  $n$ .

Where:

$HG_{n,process,j,y}$  = Net quantity of heat (enthalpy) supplied to the recipient facility  $j$  for element process/heating unit/chemical reactor  $n$  by the project activity for process heating during the year  $y$ . In the case of steam this is expressed as difference of energy content between the steam supplied to the recipient facility and the feed water to the boiler (TJ)

$HG_{n,chemical,j,y}$  = Net quantity of heat (enthalpy) supplied to the recipient facility  $j$  for chemical reactor  $n$  by the project activity for supply of heat of reaction during the year  $y$  (TJ)

$f_{practice}$  = The factor determined by the practice of “reference waste energy generating facility”, to be calculated using the guidelines given in **appendix 1 Annex 1**. It represents the extent to which the “reference waste energy generation facility” would have recovered the electricity from identified WECM stream(s) in the baseline

### 5.5.8. Baseline emissions from flaring of waste gas ( $BE_{flst,y}$ )

90. This portion of baseline emissions occurs only when the waste energy carrying medium (WECM) is waste gas and the waste gas would be flared with fossil fuel or steam in the baseline scenario. If there is no plant specific historic data available to estimate the various parameters then the emissions from this source shall be conservatively excluded from the baseline emissions.

$$BE_{flst,y} = \sum_j Q_{ff,st,y} \times EF_{CO2,j} \quad \text{Equation (28)}$$



Where:

- $Q_{ff,st,y}$  = Amount of fossil fuel that would have been needed in the facility either directly or to generate steam that would have been used to flare waste gas, generated in year  $y$ , in absence of the project activity (TJ)
- $EF_{CO_2,j}$  = CO<sub>2</sub> emission factor of fossil fuel (t CO<sub>2</sub>/TJ) that would have been used at facility  $j$

### 5.5.8.1. Flaring with fossil fuels

91. For the project activities improving energy recovery as compared to the baseline; if the fossil fuel is used in the absence of project activity to flare the waste gas then the value of  $Q_{ff,st,y}$  shall be calculated as:

$$Q_{ff,st,y} = (Q_{WG,y} - Q_{WG,BL}) \times FF_{WG} \quad \text{Equation (29)}$$

Where:

- $Q_{WG,y}$  = Quantity of waste gas used for energy generation during year  $y$  (kg or m<sup>3</sup> at NTP)
- $Q_{WG,BL}$  = Quantity of waste gas captured and used for energy generation in the absence of the project activity (kg or m<sup>3</sup> at NTP), use the maximum figure from three years historic data
- $FF_{WG}$  = Fossil fuel required per unit of waste gas flared, in terms of energy content (TJ/kg or m<sup>3</sup> at NTP)

$$FF_{WG} = \frac{Q_{ff,fl,B}}{Q_{WG,fl,B}} \quad \text{Equation (30)}$$

Where:

- $Q_{WG,fl,B}$  = The amount of waste gas flared using fossil fuel prior to the implementation of the project activity (kg or m<sup>3</sup> at NTP). Three years historic data shall be used
- $Q_{ff,fl,B}$  = Fossil fuel used to flare the waste gas prior to the implementation of the project activity (TJ). Three years historic data shall be used

### 5.5.8.2. Flaring with steam

92. If steam is used instead of fossil fuel for flaring of the waste gas, the fossil fuel consumption can be estimated as follows:

$$Q_{ff,st,y} = \frac{(Q_{WG,y} - Q_{WG,BL}) \times SF_{WG}}{\eta_{Boiler,fl}} \quad \text{Equation (31)}$$

Where:

- $Q_{WG,y}$  = Quantity of waste gas used for energy generation during year  $y$  (kg or  $m^3$  at NTP)
- $Q_{WG,BL}$  = Quantity of waste gas captured and used for energy generation in the absence of the project activity, use the maximum figure from three years historic data (kg or  $m^3$  at NTP)
- $SF_{WG}$  = Steam required per unit of waste gas flared, in terms of energy content, (TJ/kg or  $m^3$  at NTP)
- $\eta_{Boiler,fl}$  = Efficiency of the boiler that would have been used to generate the steam in absence of the project activity. The guidelines for determining the efficiency for baseline element process ( $\eta_{EP,i,j}$ ) in earlier sections, shall be used to determine this efficiency

$$SF_{WG} = \frac{Q_{st,fl,B}}{Q_{WG,FL,B}} \quad \text{Equation (32)}$$

Where:

- $Q_{WG,FL,B}$  = The amount of waste gas flared using steam prior to the implementation of the project activity (kg or  $m^3$  at NTP). Three years historic data shall be used
- $Q_{st,fl,B}$  = Steam used to flare the waste gas prior to the implementation of the project activity (TJ). Three years historic data shall be used

## 5.5.9. Estimation of various baseline factors

### 5.5.9.1. Fraction of energy produced by the project activity

93. This is not applicable to project activities that use waste pressure to generate electricity; as for such project activities the electricity generated using waste pressure should be measurable.

#### 5.5.9.1.1. Electricity and heat generation from WECM and fossil fuels

94. The procedure specified below should be applied when the direct measurement of the electricity/heat generated using the WECM is not possible, as other fossil fuel(s) along with WECM are used for energy generation. The relative share of the total generation from WECM is calculated by ratio of energy supplied by WECM to the total amount input energy fed by WECM and other fuels used, and the average efficiency of the plants where the energy is produced.
95. The fraction of energy produced by using the WECM in the project activity is calculated as follows:

$$f_{WCM,n,y} = \frac{\sum_{h=1}^{8760} Q_{WCM,h} \times (Cp_{wcm} \times (t_{wcm,h} - t_{ref}) + NCV_{WCM,y})}{\sum_{h=1}^{8760} \sum_{i=1}^I Q_{i,h} \times (Cp_i \times (t_{i,h} - t_{ref}) + NCV_i)} \quad \text{Equation (33)}$$

96. If the **waste energy WECM** is used for heat generation in unit process  $n$ ,  $f_{WCM,n,y}$  can be calculated as follows.

$$f_{WCM,n,y} = \frac{\sum_{h=1}^{8760} Q_{WCM,n,h} \times (Cp_{wcm} \times (t_{wcm,n,h} - t_{ref}) + NCV_{WCM,y})}{\sum_{h=1}^{8760} \sum_{i=1}^I Q_{i,n,h} \times (Cp_i \times (t_{i,n,h} - t_{ref}) + NCV_i)} \quad \text{Equation (34)}$$

Where:

$f_{WCM}$	=	Fraction of total electricity or mechanical energy generated by the project activity using waste energy
$f_{WCM,n,y}$	=	Fraction of total heat generated in the unit process/element process/reactor $n$ by the project activity using waste energy
$Q_{WCM,h}$	=	Quantity of WECM recovered (kg) in hour $h$
$NCV_{WCM,y}$	=	Net Calorific Value of WECM in year $y$ (TJ/kg)
$Cp_{wcm}$	=	Specific Heat of WECM (TJ/kg -deg C)
$t_{wcm,h}$	=	The temperature of WECM in hour $h$ (deg C)
$t_{ref}$	=	Reference temperature (0 deg C or any other suitable reference temperature with proper justification)
$Q_{i,h}$	=	Amount of individual fuel (WECM and other fuel(s)) $i$ consumed at the energy generation unit during hour $h$ (kg)
$Cp_i$	=	Specific Heat of WECM $i$ (TJ/kg -deg C or other suitable unit)
$NCV_i$	=	Net Calorific Value annual average for each individual consumed fuel including WECM (TJ/ kg)
$t_{i,h}$	=	The temperature of individual fuel (WECM and other fuel(s)) $i$ consumed at the energy generation unit during hour $h$ (deg C)
$t_{ref}$	=	Reference temperature (0 degree C or any other suitable reference temperature with proper justification)
$Q_{WCM,n,h}$	=	Quantity of waste energy consumed in unit process $n$ during hour $h$ (kg)
$Q_{i,n,h}$	=	Amount of individual fuel (WECM and other fuel(s)) $i$ consumed in unit process $n$ during hour $h$ (kg)
$t_{i,n,h}$	=	The temperature of individual fuel (WECM and other fuel(s)) $i$ consumed in the unit process $n$ during hour $h$ (deg C)

97. Note: If index  $i$  represents fossil fuels, the energy content corresponding to the sensible heat of fossil fuel  $i$  should be zero, as given follows.

$$Q_{i,h} \times Cp_i \times (t_{i,h} - t_{ref}) = 0 \quad \text{Equation (35)}$$

#### 5.5.9.1.2. Steam generation from WECM and fossil fuels

98. An alternative method that could be used when it is not possible to measure the net calorific value of the waste gas/heat and steam generated with different fuels in

dedicated boilers are fed to turbine(s) through common steam header takes into account that the relative share of the total generation from WECM is calculated by considering the total steam produced and the amount of steam generated from each boiler. The fraction of energy produced by the waste gas/heat WECM in project activity is calculated as follows:

$$f_{WCM} = \frac{ST_{whr,y}}{ST_{whr,y} + ST_{other,y}} \quad \text{Equation (36)}$$

Where:

- $ST_{whr,y}$  = Energy content of the steam generated in waste heat recovery boiler fed to turbine via common steam header (TJ)
- $ST_{other,y}$  = Energy content of steam generated in other boilers fed to turbine via common steam header (TJ)

99. This alternative method requires that:

- (a) All the boilers have to provide superheated steam;
- (b) The calculation should be based on the energy supplied to the steam turbine. The enthalpy and the steam flow rate must be monitored for each boiler to determine the steam energy content. The calculation implicitly assumes that the properties of steam (temperature and pressure) generated from different sources are the same. The enthalpy of steam and feed water will be determined at measured temperature and pressure and the enthalpy difference will be multiplied with quantity measured by steam meter;
- (c) Any vented steam should be deducted from the steam produced with waste gas/heat.

#### 5.5.9.2. Capping factors

100. The methodology requires the baseline emissions to be capped irrespective of planned/unplanned or actual increase in output of plant, change in operational parameters and practices, change in fuel type and quantity resulting in an increase in generation of waste energy. The cap can be estimated using the three methods<sup>20</sup> described below, following this hierarchy: (i) Method-1 can be used to estimate the capping factor if required data is available; (ii) if the project activities implemented in a Greenfield facility, or in existing facilities where the required data is unavailable Method-2 shall be used; (iii) If the project proponents demonstrate technical infeasibility in direct monitoring of waste heat/pressure of waste energy carrying medium (WECM), then Method-3 is used.

<sup>20</sup>In case the methods for determination of capping factor described in this section do not apply to the situation of project of the project participants, they may consider submitting new approaches to determine this factor.

**5.5.9.3. Method-1**

101. Where the historical data on energy released by the ~~waste energy carrying medium~~ **WECM** is available, the baseline emissions are capped at the maximum quantity of waste energy released into the atmosphere under normal operation conditions in the three years previous to the project activity.
102. For that purpose  $f_{cap}$  is estimated as follows: The different equations are used depending upon the type of energy recovered from ~~waste energy carrying medium (WECM)~~ (e.g. ~~waste gas, air, steam~~) in project activity.
103. Case 1: If the ~~waste energy~~ **WECM** is in the form of waste heat ~~of WECM~~ (e.g. ~~gas, waste gas, air~~)

$$f_{cap} = \frac{Q_{WCM,BL} \times (Cp_{WCM} \times (t_{wcm,BL} - t_{ref}) + NCV_{WCM,BL} + (P_{WCM,BL} - P_{ref}) \times (9.81/10^9)/d_{wcm,BL})}{Q_{WCM,y} \times (Cp_{WCM} \times (t_{wcm,y} - t_{ref}) + NCV_{WCM,y} + (P_{WCM,y} - P_{ref}) \times (9.81/10^9)/d_{wcm,BL})}$$

Equation (37)

104. Note: Even if primarily energy recovery is based on waste heat, there can be additional energy recovery due to increased pressure of WECM, which can be estimated using pressure differential.
105. Case 2: If the ~~waste energy recovered~~ **WECM** is in the form of waste pressure ~~of WECM~~ (e.g. ~~air, gas, waste gas~~)

$$f_{cap} = \frac{Q_{WCM,BL} \times (P_{WCM,BL} - P_{ref})/d_{wcm,BL}}{Q_{WCM,y} \times (P_{WCM,y} - P_{ref})/d_{wcm,y}}$$

Equation (38)

106. Case 3: If the ~~waste energy recovered~~ **WECM** is in the form of enthalpy, which depends upon the pressure, and temperature of ~~waste energy carrying medium~~ **WECM** (e.g. steam)

$$f_{cap} = \frac{Q_{WCM,BL} \times (H_{WCM,BL} - H_{ref})}{Q_{WCM,y} \times (H_{WCM,y} - H_{ref})}$$

Equation (39)

Where:

- $Q_{WCM,BL}$  = Average quantity of WECM released (or flared or wasted) in atmosphere in three years prior to the start of the project activity (kg)
- $Q_{WCM,y}$  = Quantity of WECM used for energy generation during year  $y$  (kg)
- $Cp_{WCM}$  = Specific Heat of waste energy carrying medium (WECM) (TJ/kg/deg C)
- $t_{wcm,y}$  = Average temperature of Waste Energy Carrying Medium (WECM) in year  $y$  (deg C)

$t_{wcm,BL}$	= Average temperature of Waste Energy Carrying Medium (WECM) in three years prior to the start of the project activity (deg C )
$t_{ref}$	= Reference temperature to be used to determine available energy in WECM (either 0 deg C or 25 deg C)
$NCV_{WCM,y}$	= Average net calorific value of waste gas in year $y$ (if WECM is waste gas), which has unburnt components such as carbon particles, CO or CH <sub>4</sub> that will provide energy in waste energy recovery equipment from its combustion (TJ/kg)
$NCV_{WCM,BL}$	= Average net calorific value of waste gas (if WECM is waste gas), three years prior to implementation of project activity which has unburnt components such as carbon particles, CO or CH <sub>4</sub> that will provide energy in waste energy recovery equipment from its combustion (TJ/kg)
$P_{WCM,y}$	= Average pressure of WECM in year $y$ (kg/m <sup>2</sup> (a))
$P_{WCM,BL}$	= Average pressure of WECM in three years prior to the start of the project activity (kg/m <sup>2</sup> (a))
$P_{ref}$	= Reference pressure of WECM (ambient pressure in kg/m <sup>2</sup> or other appropriate pressure with proper justification)
$H_{WCM,y}$	= Average specific enthalpy of WECM in year $y$ (TJ/kg)
$H_{WCM,BL}$	= Average specific enthalpy of WECM in three years prior to the start of the project activity (TJ/kg)
$H_{ref}$	= Reference specific enthalpy to be used to determine available energy in WECM (0 TJ/kg or other appropriate enthalpy with proper justification)
$d_{wcm,y}$	= Average density of WECM at actual temperature and pressure in year $y$ (kg/m <sup>3</sup> at actual conditions)
$d_{wcm,BL}$	= Average density of WECM at actual temperature and pressure in three years prior to the start of the project activity (kg/m <sup>3</sup> at actual conditions)
$9.81/10^9$	= Factor to convert kg-m into TJ

#### 5.5.9.4. Method-2

107. If three-year historical data is not available, the manufacturer's data for the facility shall be used to estimate the amount of waste energy the facility generates per unit of "product". The "product" is produced by the process that generates waste energy (departmental process or process of entire project WEG facility, whichever is more justifiable and accurate). If any modification is carried out by the project proponent or if the manufacturer's data is not available for an assessment, this should be carried out by independent qualified/certified external process experts such as a chartered engineer on a conservative quantity of waste energy generated by the project WEG facility per unit of product manufactured by the process generating waste energy. The value arrived at based on above sources of data, shall be used to estimate the baseline cap ( $f_{cap}$ ). Under this method, the following equations should be used to estimate  $f_{cap}$ .

$$f_{cap} = \frac{Q_{WCM,BL}}{Q_{WCM,y}} \quad \text{Equation (40)}$$

$$Q_{WCM,BL} = Q_{BL,product} \times q_{wcm,product} \quad \text{Equation (41)}$$

Where:

$Q_{WCM,BL}$  = Quantity of waste energy generated prior to the start of the project activity (kg or m<sup>3</sup> at NTP or TJ or MWh of WECM or other relevant unit )

$Q_{WCM,y}$  = Quantity of WECM used for energy generation during year  $y$  (kg or m<sup>3</sup> at NTP or TJ or MWh of WECM or other relevant unit)

$Q_{BL,product}$  = Production associated with the relevant waste energy generation as it occurs in the baseline scenario. The minimum of the following two figures should be used: (1) average annual historical production data from start-up of the facility, if the facility's operational history is less than three years, or (2) the most relevant manufacture's data for normal operating conditions. In the case of Greenfield facilities or where data is not available, the manufacture's data for normal operating conditions shall be used (Units for product can be in no. of pieces, tons, m<sup>3</sup> or other appropriate unit )

$q_{wcm,product}$  = Amount of waste energy per unit of product generated by the process (that generates waste energy) in the facility (Units in kg or m<sup>3</sup> at NTP/unit product, MWh/unit product or TJ/unit product or other appropriate unit)

### 5.5.9.5. Method-3

108. In some cases, it may not be possible to measure the waste energy (heat, sensible heat, heat of reaction, heat of combustion, etc.) enthalpy or pressure content of WECM (Method-1 requirement), nor the specific amount of WECM per unit of product (Method-2 requirement). In such cases, the capping shall be based on indirect information about specific parameters allowing to estimate the amount of waste energy available. These parameters should be related to the characteristics of a product or a by-product of the facility from which waste energy can be recovered (e.g. volume and heat content of hot clinker produced by a kiln in a cement plant, if this heat can be recovered using air as the WECM). These cases may be of the following two types.
109. Case 1: The energy is recovered from WECM and converted into final output energy through a waste heat recovery equipment. For example, the useful energy (e.g., steam) is produced using waste energy generated by a chemical reaction. For such cases  $f_{cap}$  should be the ratio of maximum energy that could be recovered (MER) by the waste heat recovery equipment implemented under the CDM project activity and the actual energy recovered under the project activity (using direct measurement). The MER should be based on information on the characteristics of the key **processes/**product **by product**. For

existing facilities this can be obtained from historical information and for Greenfield facilities, manufacturer's specifications on these key parameters can be used.

110. Case 2: The energy is recovered from WECM in an intermediate energy recovery equipment using an intermediate source. For example, an intermediate source to carry energy from primary WECM may include the sources such as water, oil or air to extract waste energy entrapped in chemicals (heat of reaction) or solids (sensible heat), which is further recovered in the waste heat recovery equipment to generate final output energy. For such cases  $f_{cap}$  should be the ratio of maximum energy that could be recovered (MER) by waste heat recovery equipment implemented under the CDM project activity (considering the losses due to exchange of energy) and actual intermediate energy recovered under the project activity (using direct measurement). The MER should be based on information on the characteristics of the key processes/product/by product. For existing facilities this can be collected from historical information and for Greenfield facilities, manufacturers' specifications on these key parameters can be used.

111. The following equation should be used to determine  $f_{cap}$ :

$$f_{cap} = \frac{Q_{OE,BL}}{Q_{OE,y}} \quad \text{Equation (42)}$$

Where:

$Q_{OE,BL}$  = Output/intermediate energy that can be produced (TJ), to be determined on the basis of maximum energy that could be recovered from the WECM (MER), which would have been released (or WECM would have been flared or energy content of WECM would have been wasted) in the absence of CDM project activity

$Q_{OE,y}$  = Quantity of actual output/intermediate energy generated during year  $y$  (TJ)

## 5.6. Project emissions

112. Project emissions include emissions due to: (1) combustion of auxiliary fuel to supplement waste gas/heat; and (2) electricity emissions due to consumption of electricity for cleaning of gas before being used for generation of energy or other supplementary electricity consumption.

$$PE_y = PE_{AF,y} + PE_{EL,y} \quad \text{Equation (43)}$$

Where:

$PE_y$  = Project emissions due to the project activity (t CO<sub>2</sub>)

$PE_{AF,y}$  = Project activity emissions from on-site consumption of fossil fuels by the unit process(es) and/or co-generation plant(s) if they are used as supplementary fuels due to non-availability of waste energy to the project activity or due to any other reason (t CO<sub>2</sub>)



$PE_{EL,y}$  = Project activity emissions from on-site consumption of electricity for gas cleaning equipment or other supplementary electricity consumption (t CO<sub>2</sub>) (as per Table 1: Summary of gases and sources included in the project boundary)

113. Note: If the electricity was consumed in gas cleaning equipment in the baseline as well, project emissions due to electricity consumption for gas cleaning can be ignored.

#### 5.6.1. Project emissions due to auxiliary fossil fuel combusted to supplement waste energy in the project activity

114. These project emissions should be calculated only in two situations: (1) when the auxiliary fossil fuel is used to supplement the waste energy directly in the waste heat recovery combustion systems, where the energy output cannot be apportioned between fossil fuels and the waste energy; and (2) when the calculation of  $F_{wcm}$  using equation (34 33), (32 34) and (34 36) is practically not possible due to technical constraints (e.g. gas measurement and its quality). In all other cases, if the calculation of  $F_{wcm}$  has accounted for the use of the auxiliary fossil fuels, then the calculation of the project emissions for the auxiliary fossil fuels is not required.

115. These emissions are calculated by using latest approved tool “Tool to calculate project or leakage CO<sub>2</sub> emissions from fossil fuel combustion”.

#### 5.6.2. Project emissions due to electricity consumption of gas cleaning equipment or other supplementary electricity consumption

116. These project emissions are calculated by using latest approved tool “Tool to calculate baseline, project and/or leakage emissions from electricity consumption”.

### 5.7. Leakage

117. No leakage is applicable under this methodology.

### 5.8. Emission reductions

118. Emission reductions due to the project activity during the year  $y$  are calculated as follows:

$$ER_y = BE_y - PE_y \quad \text{Equation (44)}$$

Where:

$ER_y$  = Total emissions reductions during the year  $y$  in tons of CO<sub>2</sub>

$PE_y$  = Emissions from the project activity during the year  $y$  in tons of CO<sub>2</sub>

$BE_y$  = Baseline emissions for the project activity during the year  $y$  in tons of CO<sub>2</sub>, applicable to Scenario 2

## 5.9. Data and parameters not monitored

Data / Parameter table 1.

<b>Data / Parameter:</b>	$\eta_{BL}$ ( $\eta_{EP,i,j}$ , $\eta_{mech,mot,i,j}$ , $\eta_{mech,tur,k}$ , $\eta_{Plant,j}$ , $\eta_{Cogen}$ )
Data unit:	-
Description:	Baseline efficiency of the element process/mechanical energy conversion equipment/captive power plant/cogeneration plant in recipient plant <i>j</i>
Source of data:	Manufacturers data or data from similar plant operators or project participants data
Measurement procedures (if any):	<p>For efficiency of captive power plant or element process, refer to the options provided in the section of baseline emissions.</p> <p>For mechanical energy conversion equipment, apart from the options available in the baseline emission section (electrical motor or steam turbine in the baseline which is replaced by a mechanical turbine in the CDM project), use the equipment efficiency vs. the load characteristic curve from the supplier.</p> <p>For efficiency of cogeneration plant, apart from options available in baseline section, the following procedure should be followed: Establish an efficiency-load-function for the cogeneration plant. Use recognized standards for the measurement of the element process efficiency for cogeneration efficiency measurement. Use the direct method (dividing the net energy generation by the energy content of the fuels fired during a representative time period) and not the indirect method (determination of fuel supply or energy generation and estimation of the losses). Best practices for operation of a cogeneration plant should be followed. The measurement should be supervised by a competent independent third party (e.g. the DOE). The measurement should be conducted immediately after scheduled preventive maintenance has been undertaken and under good operation conditions (optimal load, optimal oxygen content in the flue gases, adequate fuel viscosity, representative or favorable ambient conditions for the efficiency of the boiler, etc.). During the measurement campaign, the load is varied over the whole operation range and the efficiency is measured for different steady-state load levels. The efficiency should be measured for at least 10 different load levels covering the operation range. Apply a regression analysis to the measured efficiency for different load levels. Document the measurement procedures and results (i.e. efficiency at different load levels, application of the regression analysis) transparently in the CDM-PDD or, if undertaken during the crediting period, in the monitoring report</p>
Any comment:	-

Data / Parameter table 2.

<b>Data / Parameter:</b>	$Q_{WCM,BL}$
Data unit:	kg or m <sup>3</sup> at NTP
Description:	Average quantity of WECM released in atmosphere in three years prior to the start of the project activity

Source of data:	Direct measurements by the generator of WECM through an appropriate metering device (e.g. turbine flow meter) for three years prior to implementation of the project activity. In the case of Method-2 (to determine $f_{cap}$ ) source of data is manufacturer's specifications or an external expert to be used to determine $Q_{WCM,BL}$
Measurement procedures (if any):	For the facility, it is determined by either of the two methods: (a) Direct measurements of amount of the waste energy for at least three years prior to the start of the project activity; (b) As described in Method-2 of Section 5.4.9.2.2 3.2.2, estimated based on information provided by the technology supplier and the external expert on the waste energy generation per unit of product and volume or quantity of production
Any comment:	In the case of modification of the project facility the Method-2 can be used as stated above. In the case where a portion of the waste energy is captured and utilised to generate captive electricity in the absence of the project activity, $Q_{WCM,BL}$ represents the total amount of waste energy generated at the facility and not only the waste energy flared/vented in the absence of the project activity

**Data / Parameter table 3.**

<b>Data / Parameter:</b>	$t_{ref}, P_{ref}, H_{ref}$
Data unit:	deg C, kg/cm <sup>2</sup> (a), TJ/kg respectively or other appropriate unit
Description:	Reference temperature, pressure and specific enthalpy
Source of data:	Use the following values or other appropriate pressure with proper justification: 0 for reference temperature; 1 atm for reference pressure; 0 TJ/kg for reference enthalpy
Measurement procedures (if any):	-
Any comment:	-

**Data / Parameter table 4.**

<b>Data / Parameter:</b>	$t_{wcm,BL}$
Data unit:	deg C
Description:	Average temperature of WECM in three years prior to the start of the project activity
Source of data:	To be measured using appropriate temperature measuring instrument (e.g. pressure gauge, manometer etc.)
Measurement procedures (if any):	To be averaged based on daily measured values
Any comment:	-

**Data / Parameter table 5.**

<b>Data / Parameter:</b>	$P_{WCM,BL}$
Data unit:	kg/m <sup>2</sup>

Description:	Average pressure of WECM in three years prior to the start of the project activity
Source of data:	To be measured using appropriate pressure measuring instrument (e.g. pressure gauge, manometer etc.)
Measurement procedures (if any):	To be averaged based on daily measured values
Any comment:	-

**Data / Parameter table 6.**

<b>Data / Parameter:</b>	<b>H<sub>WCM,BL</sub></b>
Data unit:	TJ/kg
Description:	Average specific enthalpy of WECM in three years prior to the start of the project activity
Source of data:	From engineering data books (e.g. steam tables)
Measurement procedures (if any):	Measure daily temperature and pressure of WECM, average it annually. At yearly averaged value of pressure and temperature, find enthalpy of WECM
Any comment:	-

**Data / Parameter table 7.**

<b>Data / Parameter:</b>	<b>d<sub>wcm,BL</sub></b>
Data unit:	kg/m <sup>3</sup> at actual conditions
Description:	Density of WECM at actual temperature and pressure in three years prior to the start of the project activity (T/m <sup>3</sup> at actual conditions)
Source of data:	From standard data books
Measurement procedures (if any):	-
Any comment:	The density figure used for calculations should correspond to the average pressure and temperature of WECM

**Data / Parameter table 8.**

<b>Data / Parameter:</b>	<b>Q<sub>OE,BL</sub></b>
Data unit:	Appropriate unit such as TJ, MWh
Description:	Output/intermediate energy that can be produced, to be determined on the basis of maximum energy that could be recovered from the WECM (MER), which would have been released (or WECM would have been flared or energy content of WECM would have been wasted) in the absence of CDM project activity
Source of data:	The MER should be based on information on the characteristics of the key product/by product. For existing facilities this can be collected from historical information and for Greenfield facilities, the manufacturer's specifications on these key parameters can be used
Measurement procedures (if any):	-
Any comment:	-

**Data / Parameter table 9.**

<b>Data / Parameter:</b>	$Q_{ff,fl,B}$
Data unit:	TJ
Description:	Fossil fuel used to flare (directly) the waste gas prior to the implementation of the project activity. Three years historic data should be used
Source of data:	Measured by project participants
Measurement procedures (if any):	Calibrated flow meter
Any comment:	-

**Data / Parameter table 10.**

<b>Data / Parameter:</b>	$Q_{WG,FI,B}$
Data unit:	T or $m^3$ at NTP
Description:	The amount of waste gas flared using steam prior to the implementation of the project activity. Three years historic data should be used
Source of data:	Generators of gas
Measurement procedures (if any):	Measured directly through appropriate metering device (e.g. turbine flow meter)
Any comment:	-

**Data / Parameter table 11.**

<b>Data / Parameter:</b>	$Q_{BL,product}$
Data unit:	No. of pieces, tons, $m^3$ or other appropriate unit
Description:	Production associated with the relevant waste energy generation as it occurs in the baseline scenario. The minimum of the following two figures should be used: (1) historical production data from start-up, if project facility operational history is less than three years, of the project facility; or (2) the most relevant manufacture's data for normal operating conditions. In the case of Greenfield facilities or where data is not available, the manufacture's data for normal operating conditions should be used
Source of data:	Project proponents and/or manufacturer
Measurement procedures (if any):	Based on audited production records, balance sheets etc. Data for three years prior to project implementation
Any comment:	-

**Data / Parameter table 12.**

<b>Data / Parameter:</b>	$q_{wcm,product}$
Data unit:	kg or $m^3$ at NTP/unit product, MWh/unit product or TJ/unit product or other appropriate unit)

Description:	Specific waste energy production per unit of product (departmental or project facility product which most logically relates to waste energy generation) generated as per manufacturer's or external expert's data. This parameter should be analysed for each modification in process which can potentially impact the waste energy quantity
Source of data:	Project participant, manufacturer or external expert. Data for three years prior to project implementation
Measurement procedures (if any):	From manufacturer's specification. Assessment of external expert
Any comment:	-

**Data / Parameter table 13.**

<b>Data / Parameter:</b>	<b>TE<sub>p</sub></b>
Data unit:	TJ/kg
Description:	Specific enthalpy of steam from steam table, if steam is a product of a process (steam boiler)
Source of data:	From standard data books/steam tables
Measurement procedures (if any):	-
Any comment:	-

**Data / Parameter table 14.**

<b>Data / Parameter:</b>	<b>TE<sub>r</sub></b>
Data unit:	TJ/kg
Description:	Specific enthalpy of steam from steam table, if steam is reactant in the process (e.g. chemical reaction where steam is one of the reactants)
Source of data:	From standard data books/steam tables
Measurement procedures (if any):	-
Any comment:	-

**Data / Parameter table 15.**

<b>Data / Parameter:</b>	<b>HF<sub>p</sub></b>
Data unit:	TJ/kMol
Description:	Standard heat of formation of product <i>p</i> in the product mix at the outlet of the reactor
Source of data:	From standard data books
Measurement procedures (if any):	-
Any comment:	Heat of formation could be positive or negative, proper mathematical sign should be used while using these values in the equation

**Data / Parameter table 16.**

<b>Data / Parameter:</b>	<b>HF<sub>r</sub></b>
Data unit:	TJ/kMol
Description:	Standard heat of formation of reactant <i>r</i> in the reactant mix at the inlet of the reactor
Source of data:	From standard data books
Measurement procedures (if any):	-
Any comment:	Heat of formation could be positive or negative, proper mathematical signs should be used while using these values in the equation

**Data / Parameter table 17.**

<b>Data / Parameter:</b>	<b>EG<sub>BL,x</sub></b>
Data unit:	MWh
Description:	The quantity of electricity generated in absence of project activity from the identified WECM stream(s) during the year <i>x</i>
Source of data:	Measured by project participants
Measurement procedures (if any):	Measured through an appropriate metering device for three years prior to implementation of project activity
Any comment:	This parameter is necessary to find out the extent to which the WECM stream(s) are already recovered in absence of project activity

**Data / Parameter table 18.**

<b>Data / Parameter:</b>	<b>EG<sub>BLMAX,j</sub></b>
Data unit:	MWh
Description:	Maximum annual amount of electricity that could be supplied to the electricity grid by the WEG facility based on maximum installed pre-project capacity of the recipient plant prior to the implementation of project activity
Source of data:	Manufacturers specifications
Measurement procedures (if any):	-
Any comment:	This parameter is necessary to find out the maximum generation potential of pre-project equipment and applies only where in the historical baseline electricity is generated by an identified source

**Data / Parameter table 19.**

<b>Data / Parameter:</b>	<b>EG<sub>BLj</sub></b>
Data unit:	MWh
Description:	The three years average historical quantity of electricity consumed in absence of project activity at the recipient facility <i>j</i> .

Source of data:	Recipient $j$
Measurement procedures (if any):	Measured through an appropriate metering device for three years prior to implementation of project activity
Any comment:	This parameter is necessary to find out the historical electricity consumption of recipient $j$ .

**Data / Parameter table 20.**

Data / Parameter:	$MG_{BL,j,x}$
Data unit:	TJ of steam
Description:	The total quantity of mechanical energy supplied by the steam turbine operated by steam generated using waste energy of the identified WECM stream(s) (in terms of TJ in the year $x$ )
Source of data:	Measured by project participants
Measurement procedures (if any):	Follow the procedure as specified for $MG_{j,y,mot}$ , $MG_{j,y,tur}$ to estimate mechanical energy delivered by the turbine in absence of project activity. The share of mechanical energy delivered by the turbine, pertaining to the steam generated using waste energy can be estimated by multiplying the mechanical energy by the ratio of steam supplied by the waste energy recovery boiler using waste energy of identified WECM stream(s) and the total steam supplying to the turbine
Any comment:	This parameter is necessary to find out the extent to which the WECM stream(s) are already recovered in absence of project activity

**Data / Parameter table 21.**

Data / Parameter:	$H_{wcm,BL}$
Data unit:	TJ
Description:	Energy supplied, using WECM stream(s), as heat for process and/or as a heat of reaction to the chemical reaction, in project year $y$
Source of data:	Project participant's data
Measurement procedures (if any):	This energy is to be determined based on the energy supplied to the process or chemical reaction (and not received by the process or chemical reaction). For example, it should be the heat supplied by a waste heat recovery boiler to the chemical process to meet the demand of heat of reaction (and not calculated). Appropriate measurement instruments should be adopted for the type of energy supplied to process or chemical reaction
Any comment:	This indirect method is needed because the energy (heat) received by process or chemical reaction will remain the same in the project and baseline scenario. Only the fossil fuel based heat supplied in the baseline will be displaced (either fully or partly) by the recovered heat from WECM stream(s)

**Data / Parameter table 22.**

Data / Parameter:	$Q_{st,fl,B}$
Data unit:	TJ



Description:	Steam used to flare the waste gas prior to the implementation of the project activity. Three years historic should be used
Source of data:	Measured by project participants
Measurement procedures (if any):	Calibrated steam meter
Any comment:	-

**Data / Parameter table 23.**

<b>Data / Parameter:</b>	<b><math>Q_{WG, BL}</math></b>
Data unit:	kg or m <sup>3</sup> at NTP
Description:	Quantity of waste gas captured and used for energy generation in the absence of the project activity, use the maximum figure from three years historic data
Source of data:	Project participant information
Measurement procedures (if any):	Measured by project participants (generator of energy) through an appropriate metering device (calibrated flow meters) for three years prior to implementation of project activity
Any comment:	Applicable in the case where a portion of the waste energy is captured and utilised to generate captive electricity in the absence of the project activity

**Data / Parameter table 24.**

<b>Data / Parameter:</b>	<b><math>HG_{BL,n,j,x}</math></b>
Data unit:	TJ
Description:	Net quantity of heat (enthalpy) supplied to the to the element process/unit process/reactor $n$ (only for process heating and not for heat of reaction) in recipient facility $j$ in year $x$ from the identified WECM stream(s). In the case of steam this is expressed as the difference of energy content between the steam supplied to the recipient facility and the feed water to the boiler (TJ)
Source of data:	Project participants information
Measurement procedures (if any):	Measured by project participants through an appropriate metering device (calibrated flow meters) for three years prior to implementation of project activity
Any comment:	-

**Data / Parameter table 25.**

<b>Data / Parameter:</b>	<b><math>NCV_{WCM, BL}</math></b>
Data unit:	TJ/kg
Description:	Average net calorific value of waste gas (if WECM is waste gas), three years prior to implementation of project activity which has unburnt components such as carbon particles, CO or CH <sub>4</sub> that will provide energy in waste energy recovery equipment on combustion of gas
Source of data:	Project participants information

Measurement procedures (if any):	Measured by project participants through an appropriate device
Any comment:	Average of measured data of three years prior to implementation of project activity, to be considered

## 6. Monitoring methodology

119. All data collected as part of monitoring plan should be archived electronically and be kept at least for two years after the end of the last crediting period. One hundred per cent of the data should be monitored if not indicated otherwise in the comments in the tables below. The following main data shall be monitored.

### 6.1. Project emissions

- (a) Quantity of fossil fuels used as supplementary fuel;
  - (b) Net calorific value of fossil fuel;
  - (c) CO<sub>2</sub> emission factor of the fossil fuel;
  - (d) Quantity of electricity consumed by the project operations;
  - (e) CO<sub>2</sub> emissions factor of electricity consumed by the project operations;
  - (f) Abnormal operation of the plant.
120. While the quantities of fossil fuels fired are measured using calibrated flow meters, other data items are only factors obtained from reliable local or national data. If local data is not available, the project participant may use default factors published by IPCC.

### 6.2. Baseline emissions

121. Depending on the baseline scenario, the following data items need monitoring:
- (a) The heat/power/mechanical energy supplied by the **project WEG** facility to recipient facility(ies) by recovering waste energy from WECM stream(s);
  - (b) Energy generation using WECM, in absence of project activity;
  - (c) Quantity and energy content of WECM;
  - (d) CO<sub>2</sub> emission factor of electricity or heat that would have been consumed by the recipient facility(ies) in the absence of the project activity;
  - (e) Properties of heat (e.g. pressure and temperature of the inlet and outlet of the streams, concentrations of the reactant/product mix etc.) supplied to the recipient facility(s);
  - (f) Properties of heat return to the element process (e.g. pressure and temperature of the condensate return) supplied by the recipient facility(s) to the **project WEG** facility;

- (g) Efficiencies of element process, power plant, cogeneration plant or mechanical conversion equipment that would have been used in the absence of the project activity.

122. In addition, the relevant variables of applicable tools shall be included in the monitoring plan by the project participants.

### 6.3. Data and parameters monitored

Data / Parameter table 26.

Data / Parameter:	$ws_{i,j}$
Data unit:	-
Description:	Fraction of total heat that is used by the recipient $j$ in the project that in absence of the project activity would have been supplied by the $i^{th}$ element process
Source of data:	Estimated from data on heat consumption by recipient $j$
Measurement procedures (if any):	-
Monitoring frequency:	Yearly
QA/QC procedures:	-
Any comment:	-

Data / Parameter table 27.

Data / Parameter:	$Q_{WCM,y}/Q_{WG,y}$
Data unit:	Mass unit (kg)
Description:	Quantity of WECM/Waste gas used for energy generation during year $y$
Source of data:	Project participants
Measurement procedures (if any):	Direct measurements by project participants through an appropriate metering device (e.g. turbine flow meter)
Monitoring frequency:	Continuously
QA/QC procedures:	Measuring equipment should be calibrated on regular appropriate intervals. During the time of calibration and maintenance, alternative equipment should be used for monitoring
Any comment:	Generally, waste gas should be measured before it enters the point of use (e.g. Waste Heat Recovery Boiler (WHRB)), reactor, heat exchangers etc.) However, if it is difficult to measure the waste gas before point of use, it can be measured in exhaust stream (e.g. outlet of the unit process), only if following conditions are satisfied. <ul style="list-style-type: none"> <li>(a) There is clear demonstration by the project proponent and verified by the DOE that a technical limitation exist that prevents the measurement of waste gas at the inlet to the WHRB;</li> <li>(b) The flow meter is calibrated according to the temperature and pressure of waste gas at the monitoring point;</li> <li>(c) The waste gas is not used in combination with another fossil fuel for the same process</li> </ul>

**Data / Parameter table 28.**

<b>Data / Parameter:</b>	<b>EF<sub>CO<sub>2</sub>,is,j</sub></b>
Data unit:	Tonnes CO <sub>2</sub> /TJ
Description:	CO <sub>2</sub> emission factor per unit of energy of the fossil fuel used in the baseline generation source <i>i</i> ( <i>i</i> =is) providing energy to recipient <i>j</i>
Source of data:	The source of data should be the following, in order of preference: project specific data, country specific data or IPCC default values. As per guidance from the Board, IPCC default values should be used only when country or project specific data are not available or difficult to obtain
Measurement procedures (if any):	-
Monitoring frequency:	Yearly
QA/QC procedures:	No QA/QC necessary for this data item
Any comment:	IPCC guidelines/Good practice guidance provide for default values where local data is not available

**Data / Parameter table 29.**

<b>Data / Parameter:</b>	<b>EF<sub>CO<sub>2</sub>,rs,j</sub></b>
Data unit:	Tonnes CO <sub>2</sub> /TJ
Description:	CO <sub>2</sub> emission factor per unit of energy of the fossil fuel used in the reference baseline generation source <i>i</i> ( <i>i</i> =rs) providing energy to recipient <i>j</i>
Source of data:	The source of data should be the following, in order of preference: project specific data, country specific data or IPCC default values. As per guidance from the Board, IPCC default values should be used only when country or project specific data are not available or difficult to obtain
Measurement procedures (if any):	-
Monitoring frequency:	Yearly
QA/QC procedures:	No QA/QC necessary for this data item
Any comment:	Emission factor should correspond to the fuel that would have been used in the reference facility supplying electricity to the recipient, in absence of the project activity

**Data / Parameter table 30.**

<b>Data / Parameter:</b>	<b>EF<sub>CO<sub>2</sub>,COGEN</sub></b>
Data unit:	Tonnes CO <sub>2</sub> /TJ
Description:	CO <sub>2</sub> emission factor per unit of energy of the fuel that would have been used in the baseline cogeneration plant
Source of data:	The source of data should be the following, in order of preference: project specific data, country specific data or IPCC default values. As per guidance from the Board, IPCC default values should be used only when country or project specific data are not available or difficult to obtain

Measurement procedures (if any):	-
Monitoring frequency:	Yearly
QA/QC procedures:	No QA/QC necessary for this data item
Any comment:	IPCC guidelines/Good practice guidance provide for default values where local data is not available

**Data / Parameter table 31.**

<b>Data / Parameter:</b>	<b>EG<sub>i,i,y</sub></b>
Data unit:	MWh
Description:	Quantity of electricity supplied to the recipient <i>j</i> by the generator, which in the absence of the project activity would have sourced from <i>i</i> <sup>th</sup> source ( <i>i</i> can be either grid or identified source) during the year <i>y</i> in MWh
Source of data:	Recipient facility(ies) and generation plant measurement records
Measurement procedures (if any):	-
Monitoring frequency:	Monthly
QA/QC procedures:	The energy meters will undergo maintenance/calibration to the industry standards. Sales records and purchase receipts are used to ensure the consistency
Any comment:	Data shall be measured at the recipient facility(ies) and at the project facility for cross check. Sales receipts shall be used for verification. DOEs shall verify that total energy supplied by the generator is equal to total electricity received by recipient facility(ies)

**Data / Parameter table 32.**

<b>Data / Parameter:</b>	<b>EG<sub>j,y</sub></b>
Data unit:	MWh
Description:	Quantity of electricity supplied to the recipient facility <i>j</i> by the project activity during the year <i>y</i> in MWh
Source of data:	Recipient facility(ies) and project facility measurement records
Measurement procedures (if any):	-
Monitoring frequency:	Monthly
QA/QC procedures:	The energy meters will undergo maintenance/calibration to the industry standards sales records and purchase receipts are used to ensure the consistency
Any comment:	Data shall be measured at the recipient facility(ies) and at the project facility for cross check. Sales receipts shall be used for verification. DOEs shall verify that total energy supplied by the generator is equal to total electricity received by recipient facility(ies)

**Data / Parameter table 33.**

<b>Data / Parameter:</b>	$F_{j,y}$
Data unit:	%
Description:	Fraction of total electricity generated by the project activity, that is supplied to recipient $j$ in year $y$
Source of data:	Recipient facility(ies) and generation facility(ies) measurement records
Measurement procedures (if any):	-
Monitoring frequency:	Monthly, aggregated annually
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 34.**

<b>Data / Parameter:</b>	$HG_{j,y}$
Data unit:	TJ
Description:	Net quantity of heat supplied to the recipient facility $j$ by the project activity during the year $y$ in TJ. For element process like boilers, this is expressed as the difference of energy content between the steam supplied to the recipient facility and feed water to the boiler. The enthalpy of feed water to the boiler takes into account the enthalpy of condensate returned to the boiler (if any) and any other waste heat recovery (including economiser, blow down heat recovery etc.). (Refer to equation (9-11) and guidance below the equation)
Source of data:	Recipient facility(ies) actual measurement records
Measurement procedures (if any):	For the element process, heat generation is determined as the difference of the enthalpy of the steam or hot water generated by the boiler(s) minus the enthalpy of the feed-water. The enthalpy of feed water to the boiler takes into account the enthalpy of condensate returned to the boiler (if any) and any other waste heat recovery (including economiser, blow down heat recovery etc.). Steam tables or appropriate thermodynamic equations may be used to calculate the enthalpy as a function of temperature and pressure In the typical cases of waste heat recovery boilers generating steam and supplying to a turbine having extraction-cum-condensing configuration, the extraction steam of the steam turbine is sent to the recipient facility $j$ and its condensate directly returns to waste heat recovery boiler. For such cases the condensate return (flow and temperature) is measured at a point before it is mixed with fresh water (or other condensate of the system e.g. that is returning from the outlet of the turbine condensing stage) to be supplied to the boiler. The difference between the enthalpy of extraction steam supplied to recipient facility $j$ (e.g. turbine in this case) and the heat of condensate recovered represents $HG_{j,y}$
Monitoring frequency:	Continuously, aggregated annually or for each time interval $t$
QA/QC procedures:	This data item is a calculated value using other data items. No QA/QC required

Any comment:	For boilers, it is expressed as the difference between the steam supplied and the feed water to the boiler, both in energy units
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**Data / Parameter table 35.**

<b>Data / Parameter:</b>	<b><math>MG_{i,j,y,mot}</math> (and <math>MG_{j,y,mot}</math>) or <math>MG_{k,i,y,tur}</math> (and <math>MG_{i,y,tur}</math>)</b>
Data unit:	TJ or MWh
Description:	Mechanical energy generated by the steam turbine in the project activity and supplied to the mechanical equipment (e.g. pump, compressor) of recipient $j$ , which in the absence of the project activity would be driven by electric motor $i$ or steam turbine $k$
Source of data:	Estimated parameter, based on measurements by project participants, that includes pressure monitoring equipment and flow monitoring equipment. For example pressure and flow characteristics of the pump will provide the shaft power needed by pump based on its performance curve. This power represents the output delivered by the steam turbine under the project activity. Inlet steam flow, P and T and exhaust P and T provides very accurate measure of energy transferred
Measurement procedures (if any):	The number of hours that the mechanical equipment is in operation should be known. Downtime of the system (for example the boiler) providing the steam used for mechanical energy purposes should be taken into account when determining $MG_{i,j,y}$ from mass flow rate, differential pressure and equipment performance curves, also taking into account the efficiency of the mechanical equipment (e.g. pump, compressor, blower). Inlet steam flow, pressure and temperature and exhaust pressure and temperature provide accurate measure of energy transferred combined with known turbine efficiency. Use a procedure from international or national standard, where available. Use of standard will provide the energy supplied to mechanical equipment. The efficiency of electric motor ( $\eta_{mech,mot,i,j}$ ) or efficiency of the steam turbine ( $\eta_{mech,tur,k}$ or $\eta_{mech,mot}$ ), that would have provided mechanical energy in absence of project activity, needs to be used to estimate electricity consumed by electric motor in baseline
Monitoring frequency:	Continuous monitoring should be done where possible. If the project proponent can prove that operational conditions stay more or less constant (without start-up), then intermittent monitoring can be done (once a month at least)
QA/QC procedures:	Monitoring equipment should be calibrated and be installed as per the supplier's instruction. Equipment performance curves should be certified (for example by the supplier)
Any comment:	-

**Data / Parameter table 36.**

<b>Data / Parameter:</b>	<b><math>EF_{CO_2,i,j}</math></b>
Data unit:	Tonnes CO <sub>2</sub> /TJ
Description:	CO <sub>2</sub> emission factor per unit of energy of the baseline fuel used in $j^{th}$ element process used by recipient $j$ , in t CO <sub>2</sub> /TJ, in absence of the project activity

Source of data:	The source of data should be the following, in order of preference: project specific data, country specific data or IPCC default values. As per guidance from the Board, IPCC default values should be used only when country or project specific data are not available or difficult to obtain
Measurement procedures (if any):	-
Monitoring frequency:	Yearly
QA/QC procedures:	No QA/QC necessary for this data item
Any comment:	IPCC guidelines/Good practice guidance provide for default values where local data is not available

**Data / Parameter table 37.**

<b>Data / Parameter:</b>	<b>ws<sub>i,j</sub></b>
Data unit:	%
Description:	Fraction of total heat that is used by the recipient <i>j</i> in the project that in absence of the project activity would have been supplied by the <i>i</i> <sup>th</sup> element process
Source of data:	Project participants
Measurement procedures (if any):	-
Monitoring frequency:	Yearly
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 38.**

<b>Data / Parameter:</b>	<b>EF<sub>CO<sub>2</sub>,j</sub></b>
Data unit:	Tonnes CO <sub>2</sub> /TJ
Description:	CO <sub>2</sub> emission factor of fossil fuel (t CO <sub>2</sub> /TJ) that would have been used at facility <i>j</i> for flaring the waste gas
Source of data:	The source of data should be the following, in order of preference: project specific data, country specific data or IPCC default values. As per guidance from the Board, IPCC default values should be used only when country or project specific data are not available or difficult to obtain
Measurement procedures (if any):	-
Monitoring frequency:	Yearly
QA/QC procedures:	No QA/QC necessary for this data item
Any comment:	IPCC guidelines/Good practice guidance provide for default values where local data is not available

**Data / Parameter table 39.**

<b>Data / Parameter:</b>	<b>Q<sub>i,h</sub> or Q<sub>i,n,h</sub></b>
Data unit:	kg



Description:	Amount of individual fuel (and other fuel(s)) <i>i</i> consumed at the energy generation unit/or unit process <i>n</i> during hour <i>h</i>
Source of data:	Project participants
Measurement procedures (if any):	-
Monitoring frequency:	Continuously
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 40.**

<b>Data / Parameter:</b>	$Q_{wcm,h}$ or $Q_{wcm,n,h}$
Data unit:	kg
Description:	Amount of individual fuel (WECM and other fuel(s)) <i>i</i> consumed at the energy generation unit or unit process <i>n</i> during hour <i>h</i>
Source of data:	Generator of WECM
Measurement procedures (if any):	Direct measurements by project participants through an appropriate metering device (e.g. turbine flow meter)
Monitoring frequency:	Continuously
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 41.**

<b>Data / Parameter:</b>	$NCV_i$ or $NCV_{wcm,y}$
Data unit:	(TJ/kg)
Description:	Net Calorific Value annual average for each individual consumed fuel and/or WECM
Source of data:	For fuels, the source of data should be the following, in order of preference: project specific data, country specific data or IPCC default values. As per guidance from the Board, IPCC default values should be used only when country or project specific data are not available or difficult to obtain. For WECM, the NCV should be determined based on laboratory results. Laboratory can be either under control of project participants or external recognised laboratory
Measurement procedures (if any):	-
Monitoring frequency:	Yearly for fuel and monthly for WECM. If it can be established that the NCV of WECM does not change much, the frequency can be reduced to once in six months
QA/QC procedures:	Instruments used for collection of sample and measurement of NCV of WECM should have proper calibration done. Sampling and testing procedure should be defined if the NCV is determined by WECM generators
Any comment:	IPCC guidelines/Good practice guidance provide for default values where local data is not available

**Data / Parameter table 42.**

<b>Data / Parameter:</b>	<b>Cp<sub>wcm</sub> or CP<sub>i</sub></b>
Data unit:	TJ/kg-deg C
Description:	Specific Heat of WECM or fuel
Source of data:	From standard engineering data books/textbooks. Example reference "Fundamentals of Classical Thermodynamics; Gordon J. Van Wylen, Richard E. Sonntag and Claus Borgnakke; 4 <sup>o</sup> Edition, 1994, John Wiley & Sons, Inc."
Measurement procedures (if any):	-
Monitoring frequency:	Once every six-month for the first year. If it can be established that the CP of WECM does not change, one constant figure can be used for the entire crediting period
QA/QC procedures:	-
Any comment:	There is no necessity to use the specific heat of fuel if the index <i>i</i> in equations in <b>section 5.4.9.1 3.1</b> represents fuel as sensible heat of fuel is considered to be zero

**Data / Parameter table 43.**

<b>Data / Parameter:</b>	<b>Cp<sub>p</sub> or Cp<sub>r</sub></b>
Data unit:	TJ/kg-deg C
Description:	Specific Heat of product <i>p</i> of product mix or reactant <i>r</i> of reactant mix to an unit process <i>n</i>
Source of data:	From standard engineering data books/textbooks. Example reference "Fundamentals of Classical Thermodynamics; Gordon J. Van Wylen, Richard E. Sonntag and Claus Borgnakke; 4 <sup>o</sup> Edition, 1994, John Wiley & Sons, Inc."
Measurement procedures (if any):	In the case of gaseous mixtures the specific heat is a function of absolute temperature, normally expressed as $C_p = a + bT + cT^2 - d/T$ . Hence the temperature of the gas to be measured and other coefficients are available in standard engineering data books
Monitoring frequency:	For those components where the Cp do not vary with temperature, one constant figure can be used for entire crediting period. Else temperatures should be measured online and daily average should be taken for calculation
QA/QC procedures:	Appropriate QA/QC to be used for temperature measurement
Any comment:	-

**Data / Parameter table 44.**

<b>Data / Parameter:</b>	<b>t<sub>wcm,h</sub> or t<sub>i,h</sub></b>
Data unit:	(deg C)
Description:	The temperature of WECM (or fuel) in hour <i>h</i>
Source of data:	To be measured using appropriate temperature recorder (temperature data logger)
Measurement procedures (if any):	Use appropriate instrument (e.g. digital temperature data logger)

Monitoring frequency:	Measured continuously, averaged hourly
QA/QC procedures:	-
Any comment:	There is no necessity to measure temperature of fuel if index $i$ in equation (34 33) or (34 36) represents fuel as sensible heat of fuel is considered to be zero

**Data / Parameter table 45.**

<b>Data / Parameter:</b>	<b><math>t_o</math> and <math>t_i</math></b>
Data unit:	deg C
Description:	Temperature of the product mix at the outlet of the process/reactor $j$ ( $^{\circ}$ C) and Temperature of the reactant mix at the inlet of the process/reactor $j$ ( $^{\circ}$ C)
Source of data:	To be measured using appropriate temperature measuring instrument
Measurement procedures (if any):	Use appropriate instrument (e.g. digital temperature indicator)
Monitoring frequency:	Measured daily, averaged yearly
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 46.**

<b>Data / Parameter:</b>	<b><math>EG_{PJ,y}</math></b>
Data unit:	MWh
Description:	The total quantity of electricity generated from the identified WECM stream(s) during the year $y$
Source of data:	Measured by project participants
Measurement procedures (if any):	Measured through an appropriate electricity metering device. The cumulative electricity supply is to be monitored for year $y$
Monitoring frequency:	Measured continuously, aggregated annually
QA/QC procedures:	Regular calibration of the electricity meter is required
Any comment:	-

**Data / Parameter table 47.**

<b>Data / Parameter:</b>	<b><math>MG_{PJ,j,y}</math></b>
Data unit:	TJ
Description:	The total quantity of mechanical energy supplied by steam turbine operated by steam generated using waste energy of identified WECM stream(s) (in terms of TJ in the year $y$ )
Source of data:	Measured by project participants
Measurement procedures (if any):	Follow the procedures for $MG_{i,j,y,mot}$ and $MG_{k,j,y,tur}$ to estimate Mechanical energy delivered by the turbine in absence of project activity
Monitoring frequency:	Measured continuously, aggregated annually
QA/QC procedures:	Regular calibration of steam meter is required
Any comment:	-

**Data / Parameter table 48.**

<b>Data / Parameter:</b>	<b>HG<sub>PJ,n,j,y</sub></b>
Data unit:	TJ
Description:	Net quantity of heat (enthalpy) supplied to the element process/unit process/reactor <i>n</i> (only for process heating and not for heat of reaction) in recipient facility <i>j</i> during the year <i>y</i> from the identified WECM stream(s). In the case of steam this is expressed as difference of energy content between the steam supplied to the recipient facility and the feed water to the boiler
Source of data:	Measured by project participants
Measurement procedures (if any):	Measured by project participants through an appropriate metering device (calibrated flow meters) for three years prior to implementation of project activity
Monitoring frequency:	Measured continuously, aggregated annually
QA/QC procedures:	Regular calibration of steam meter is required
Any comment:	-

**Data / Parameter table 49.**

<b>Data / Parameter:</b>	<b>H<sub>wcm,y</sub></b>
Data unit:	TJ
Description:	Energy supplied, using WECM stream(s), as heat for process and/or as a heat of reaction to chemical reaction, in project year <i>y</i>
Source of data:	Measured by project participants
Measurement procedures (if any):	This energy is to be determined based on energy supplied to the process or chemical reaction (and not received by the processor chemical reaction). For example, it should be the heat supplied by a waste heat recovery boiler to the chemical process to meet the demand of heat of reaction (and not calculated)
Monitoring frequency:	Continuously, aggregated annually
QA/QC procedures:	Meter should be calibrated regularly
Any comment:	This indirect method is needed because the energy (heat) received by process or chemical reaction will remain same in the project and baseline scenario. Only the fossil fuel based heat supplied in baseline will be displaced (either fully or partly) by the recovered heat from WECM stream(s)

**Data / Parameter table 50.**

<b>Data / Parameter:</b>	<b>t<sub>wcm,y</sub></b>
Data unit:	deg C
Description:	Average temperature of Waste Energy Carrying Medium (WECM) in year <i>y</i>
Source of data:	To be measured using appropriate temperature measuring instrument
Measurement procedures (if any):	Use appropriate instrument (e.g. digital temperature indicator)

Monitoring frequency:	Measured daily, averaged yearly
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 51.**

<b>Data / Parameter:</b>	$P_{WCM,y}$
Data unit:	kg/m <sup>2</sup> (a)
Description:	Average pressure of WECM in year <i>y</i>
Source of data:	-
Measurement procedures (if any):	Use appropriate instrument (e.g. pressure gauge, manometer etc.)
Monitoring frequency:	Measured daily, averaged yearly
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 52.**

<b>Data / Parameter:</b>	$H_{WCM,y}$
Data unit:	TJ/kg
Description:	Average enthalpy of WECM in year <i>y</i>
Source of data:	Engineering data books (e.g. steam tables)
Measurement procedures (if any):	Measure temperature and pressure at which the enthalpy has to be determined
Monitoring frequency:	Temperature and pressure measured daily, averaged yearly. Determine enthalpy at average temperature and pressure of WECM (e.g. steam)
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 53.**

<b>Data / Parameter:</b>	$d_{wcm,y}$
Data unit:	kg/m <sup>3</sup> at actual conditions
Description:	Average density of WECM at actual temperature and pressure in year <i>y</i>
Source of data:	From standard data books
Measurement procedures (if any):	-
Monitoring frequency:	-
QA/QC procedures:	-
Any comment:	Value of density to be used for calculations should correspond to the average pressure and temperature of WECM

**Data / Parameter table 54.**

<b>Data / Parameter:</b>	$Q_{OE,y}$
Data unit:	TJ
Description:	Quantity of actual output/intermediate energy generated during year $y$
Source of data:	From standard data books
Measurement procedures (if any):	Directly measure the actual output/ intermediate energy produced by the project activity
Monitoring frequency:	Measured daily, aggregated annually
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 55.**

<b>Data / Parameter:</b>	$m_{p,n,j,y}/m_{r,n,j,y}$
Data unit:	Tonnes
Description:	Quantity of product $p$ in the product mix at the outlet of the process (or reactor) ' $n$ ' in recipient facility $j$ during the year $y$ /Quantity of reactant $r$ in the reactant mix at the inlet of the process (or reactor) $n$ during the year $y$
Source of data:	Actual measurements at the project site
Measurement procedures (if any):	For single component flow - actual mass flow meter or volumetric flow meter with density/temperature measurement. For a product/reactant mix - concentration of individual component in the mix to be measured and total flow to be measured. Accordingly massflow rate of individual component to be calculated
Monitoring frequency:	Measured daily, averaged annually
QA/QC procedures:	Usual procedures for concentration and flow measurement
Any comment:	-

**Data / Parameter table 56.**

<b>Data / Parameter:</b>	$M_{p,n,j,t}/M_{r,n,j,t}$
Data unit:	Kmol
Description:	Flow of product $p$ in the product mix at the outlet of the process (or reactor) $n$ in recipient facility $j$ in time interval $t$ /flow rate of reactant $r$ in the reactant mix at the inlet of the process (or reactor) $n$ in time interval $t$
Source of data:	Actual measurements at the project site
Measurement procedures (if any):	For single component flow - actual mass flow meter or volumetric flow meter with density measurement. Mass to Mol can be converted by dividing with compound's molecular weight. For a product/reactant mix - concentration/partial pressure (in the case of gases) of individual component in the mix to be measured and total flow to be measured. Accordingly massflow/molar flow rate of individual component to be calculated
Monitoring frequency:	Measured hourly for gaseous mix/daily for liquid or solid mix

QA/QC procedures:	Usual procedures for concentration and flow measurement
Any comment:	Time interval 't' determines how the data is aggregated and can be in hour, shift, day, week, month or year depending upon the monitoring practice followed by project participants

**Data / Parameter table 57.**

<b>Data / Parameter:</b>	<b>ST<sub>whr,y</sub></b>
Data unit:	TJ
Description:	Energy content of the steam generated in the waste heat recovery boiler fed to the turbine via a common steam header
Source of data:	Steam tables
Measurement procedures (if any):	-
Monitoring frequency:	Continuously
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 58.**

<b>Data / Parameter:</b>	<b>ST<sub>other,y</sub></b>
Data unit:	TJ
Description:	Energy content of the steam generated in other boilers and fed to the turbine via a common steam header
Source of data:	Steam tables
Measurement procedures (if any):	-
Monitoring frequency:	Continuously
QA/QC procedures:	-
Any comment:	-

**Data / Parameter table 59.**

<b>Data / Parameter:</b>	<b>EF<sub>heat,i,y</sub></b>
Data unit:	Tonnes CO <sub>2</sub> /TJ
Description:	CO <sub>2</sub> emission factor of the heat source that would have supplied the recipient facility <i>j</i> in absence of the project activity, expressed in t CO <sub>2</sub> /TJ
Source of data:	The source of data should be the following, in order of preference: project specific data, country specific data or IPCC default values. As per guidance from the Board, IPCC default values should be used only when country or project specific data are not available or difficult to obtain

Measurement procedures (if any):	-
Monitoring frequency:	Yearly
QA/QC procedures:	No QA/QC necessary for this data item
Any comment:	IPCC guidelines/Good practice guidance provide for default values where local data is not available

**Data / Parameter table 60.**

<b>Data / Parameter:</b>	<b>Abnormal operation of the project facility including emergencies and shut down</b>
Data unit:	Hours
Description:	The hours of abnormal operation of parts of project facility that can have an impact on waste energy generation and recovery
Source of data:	Operation of project facility
Measurement procedures (if any):	-
Monitoring frequency:	Daily, aggregated annually
QA/QC procedures:	-
Any comment:	This parameter has to be monitored to demonstrate that no emission reduction is claimed for the hours during the abnormal operation of the part of project facility which have impact on waste energy generation and recovery. The abnormality can be in terms of violation of operational parameters, poor quality product, emergencies or shutdown



## Appendix 1. Assessment of extent of use of WECM and determination of baseline practice factor for CDM project activity implemented in Greenfield facilities using a reference waste energy generating facility (or “reference facility” for the purpose of this annex) and manufacturer’s specifications

### 1. Option 1: Assessment of other existing facilities

- (a) The Greenfield (or new) facility generating the WECM used in the CDM project activity should be categorised based on following criteria applicable to **project WEG** facility: (i) industry sector; (ii) product manufactured, its specifications and applications; (iii) production capacity; (iv) quality of raw material used; (v) process flow or technology type; (vi) configuration of the facility; (vii) facilities implemented in the previous 10 years;
- (b) Based on the literature from the recognised sources, or from surveys in the relevant industry sector, these facilities which follow the criteria mentioned above should be listed. The selected facilities can vary by +/-10 per cent in terms of capacity of the facility as compared to the proposed facility under CDM;
- (c) These facilities should not cover those which are already registered (or under validation) under CDM for waste energy recovery projects from the same source that is recovered under the proposed project under CDM;
- (d) The difference between the **project WEG** facility and the selected facilities would be the use of waste energy from the source that is recovered under proposed project activity;
- (e) The facilities identified above should be studied for the use of waste energy. The following can be the possible uses of waste energy by these facilities: (i) the waste energy completely used, (ii) waste energy partially used, (iii) waste energy not used but incinerated, flared or released to atmosphere;
- (f) Analyse the practice **of more than 75 per cent for all the** facilities in the list. For example the following situations can apply:
  - (i) If more than **50 75** per cent of the facilities do not use waste energy, it can be decided that the proposed Greenfield facility also would have wasted the energy in the absence of waste energy recovery CDM project;
  - (ii) If more than **50 75** per cent of the facilities use the waste energy partially, the baseline emissions can be capped using the most conservative baseline practice factor ( $f_{practice}$ ) of the facilities. For example if **60 per cent usage of waste energy is most conservative baseline practice in the list, then  $f_{practice}$  is 0.6 based on the percentage of waste energy used in the baseline; for example a 50 per cent usage of waste energy in these facilities results in to  $f_{practice}$  of 0.5;**

- (iii) If more than 50 25 per cent of the facilities recover the waste energy fully, the methodology is not applicable as it cannot be demonstrated that waste energy would not have been recovered in the absence of CDM project. Use operational information or manufacturer's specification of the facilities;
- (g) In case none of the above practices are followed by more than 50 per cent of facilities, the most conservative practice decides the baseline emissions practice factor ( $f_{practice}$ ).
1. For the use of Option 1, it is necessary that at least five facilities are analysed to arrive at "reference facility" practice.
  2. The outcome of the above assessment shall be considered in the determination of the baseline scenario.
- 2. Option 2: Assessment of alternative design of the project WEG facility**
3. This option is to be used if the project participants are not able to arrive at five facilities of similar type as the Greenfield project facility. The manufacturer of the project facility will be invited to project proponent shall submit an alternative design including the usage of WECM that is recovered under project. The project participants have to demonstrate through investment analysis that the use (or no use) of WECM(s) of such alternative design would have been the baseline scenario for the waste energy generated in the Greenfield facility. The alternative design provides the value of factor " $f_{practice}$ " that is referred in Option 1 above.

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## Appendix 2. Assessment of extent of use of WECM in the existing facility

1. It shall be demonstrated that the waste energy utilized in the project activity was flared or released into the atmosphere or remained unutilised in the absence of the project activity at the existing ~~or new~~ facility<sup>1</sup> by either one of the following methods:<sup>2</sup> ~~The DOE should supplement the analysis prescribed by following methods through the on-site checks prior to project implementation to confirm that no equipment for waste energy recovery and utilisation had been installed on the specific WECM stream (that is recovered under the project activity) prior to the implementation of the CDM project activity. In case the project activities improve the energy recovery from the already existing WECM stream(s), the DOE will make the on-site checks to confirm the above with respect to unrecovered stream or energy.~~
2. ~~DOEs during their on-site visit as part of their validation activities, shall confirm that no equipment for waste energy recovery and utilisation was installed on the specific WECM stream(s) (that is recovered under the project activity) prior to the implementation of the project activity. In cases where the project activity improves the energy recovery from already existing WECM stream(s), the DOEs validation shall confirm that the unrecovered portion of the WECM stream(s) was not used prior to the implementation of the project activity:~~
  - (a) ~~By direct measurements of the amount of the waste energy produced for at least three years prior to the start of the project activity;~~
  - (b) ~~Providing an energy balance of the relevant sections of the facility to prove that the waste energy, that is recovered in project activity, was not a source of energy before the implementation of the project activity. For the energy balance applicable process parameters are required. The energy balance must demonstrate that the waste energy was not used and also provide conservative estimations of the amount of waste energy released;~~
  - (c) ~~Energy bills (electricity, fossil fuel) to demonstrate that all the energy required for the process (e.g. based on specific energy consumption specified by the manufacturer) has been procured commercially. Project participants are required to demonstrate through the financial documents (e.g. balance sheets, profit and loss statement) that no energy was generated by waste energy and sold to other facilities and/or the grid. The bills and financial statements should be audited by competent authorities;~~

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<sup>1</sup> ~~Facilities where the commercial production had began at the time when the Project Activity is submitted for validation.~~

<sup>2</sup> If it cannot be demonstrated through procedures listed in sub-bullets that the WECM has been flared/combusted or released into atmosphere or the pressure has been wasted in absence of project activity, the project proponent can propose a procedure for indirect measurements (in the context of specific industrial applications) as a revision to the methodology.

- (d) Process plant manufacturer's commissioning report from the facility could be used as an estimate of the quantity and energy content of the waste energy produced for the rated plant capacity/per unit of product produced;
- (e) For the project activity, improving energy efficiency of existing waste heat recovery equipment, the demonstration of low energy recovery of WECM steam(s) should be done by estimating the energy efficiency of the electricity and/or heat generation equipment(s) and demonstrating the amount of heat and/or captive electricity generated for at least three years prior to the start of the project activity;

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### Appendix 3. Conservative baseline emissions if multiple waste gas stream(s) with potential for interchangeable application exist in the project WEG facility

1. If several waste gas streams are available in the project WEG facility, and can be used interchangeably for various applications or are commonly used as a part of energy sources in the facility, there is always a possibility that the potential for leakage exists due to the implementation of the CDM project. For example, in an integrated iron & steel plant the Coke Oven Gas, Blast Furnace gas and Basic Oxygen Furnace gas (LD gas) can be used independently or as a mixture of gases for various applications and therefore use of waste energy recovery from any of these gases for a specific CDM project can lead to the emissions due to firing of fossil fuel to meet the requirement of energy at some other applications in the facility or even outside of the facility. The following table, for example, can define the profile of the potential application areas of these gases.

**Table 1. Potential application areas**

By-product gas	Application area								
	Coke oven	Sinter plant	Blast furnace	Basic oxygen furnace	Casting and rolling	Flaring	Power generation	Sale to external consumers	Any other uses
Coke oven gas									
Blast furnace gas									
Basic oxygen furnace gas (LD gas)									
Other fossil fuel used (coal/natural gas/fuel oil) solely as fuel									

2. Therefore, it has to be ensured that any decrease of waste gas energy recovery of one source due to recovery of waste gas energy of another source is properly adjusted to ensure conservativeness of emission reduction.
3. The following steps can be followed in this regard.
  1. **Define an extended boundary of the project**
4. If the waste gas energy recovered under the CDM project is usable in the other applications in the facility either independently, or by mixing with similar other waste gas energy sources in the facility, the project boundary should include the generation of all

other waste gas streams and the potential applications. For example, for a blast furnace energy recovery project in an existing or a Greenfield iron & steel plant, it is well recognized that a mixture of gases can be used in the baseline to supply to the energy requirements of many applications. Based on above table, for this CDM project, an extended boundary for the mixture of waste fuel gases can be defined as follows:

**Table 2. Extended boundary for the mixture of waste fuel gases**

WECM	Extended System Boundary						
	Coke oven	Sinter Plant	Blast Furnace	Casting and Rolling	Flaring	Power generation	Sale to external consumer
Common waste fuel gas (COG, BFG, LD gas combined)	Yes	Yes	Yes	Yes	Yes	Yes	No

## 2. Determination of conservative baseline emissions for the CDM project in an existing facility

5. An energy balance is to be established for the demand and supply of energy in all the applications covered in extended project boundary identified in Step 1 above, based on the historical data of one year prior to implementation of CDM project. This energy balance should be checked by the DOE on-site, and only if it is established that there is no likelihood of decrease in energy recovery of other WECM stream(s) under the extended project boundary, the methodology is deemed applicable to the project.
6. This should be monitored by the verifying DOE every year, and if there is a decrease in the energy recovery of WECM(s) in the extended boundary excluding the project activity WECM, a technical justification along with energy balance should be demanded explaining why the reduction in recovery is not due to the CDM project. If this explanation is not satisfactory and there are possibilities of increase in emissions due to the project activity within the extended project boundary, the methodology cannot be applied to the project activity anymore and no CERs can be claimed for the rest of the monitoring period. **Detailed monitoring procedures corresponding to this requirement shall be provided in the PDD.**

## **Appendix 4. Guidance on the application of appropriateness of benchmarks for project activities utilizing waste heat/waste gas for power generation**

1. For projects in which the electricity is produced for captive consumption the benchmark of the core business is considered to be appropriate, as the project is considered to be an investment in the operation of the core business.
2. For projects in which the electricity is exported to the grid the benchmark of the core business is not considered to be appropriate, as the project is considered to be an investment in power production and therefore to face a risk profile different to that of the core business of the project developer.
3. In undertaking this assessment for appropriateness benchmark the below shall be considered:
  - (a) If 75 per cent or more of the power output was meant for consumption by users other than the industrial facilities from which the waste heat/waste gas/waste pressure is derived, the proposed CDM project activity can be considered as predominantly exporting to the grid; and
  - (b) If 75 per cent or more was meant to be consumed within the industrial facilities from which the waste heat/waste gas/waste pressure is derived the proposed CDM project activity can be considered as predominantly for captive consumption.
  - (c) In any other cases than those covered in 3(a) and 3(b) above, use the weighted average (based on the percentage of electricity supplied) of the financial benchmarks of the sectors which the recipient facility(ies) belong to.

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## Document information

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<i>Version</i>	<i>Date</i>	<i>Description</i>
05.0	22 October 2013	<p>MP 61, Annex 06</p> <p>To be considered by the Board at EB 76.</p> <p>The call for public input (open from 2 to 17 September 2013) did not receive any inputs.</p> <p>The revision:</p> <ul style="list-style-type: none"> <li>• Provides new definitions, and streamlines the sections for applicability, procedure for baseline scenario identification, additionality and baseline emissions;</li> <li>• Includes previously issued clarifications and Board decisions such as the “Information note: previous rulings related to the appropriateness of benchmarks for project activities utilizing waste heat/waste gas for power generation” that relates to this methodology;</li> <li>• Expands the application of the methodology to claim additional emission reduction to those project activities that generate electricity from recovery and use of waste energy beyond historical level of the baseline recipient facilities.</li> </ul>
04.0.0	15 April 2011	<p>EB 60, Annex 5</p> <p>The revision makes the following changes in the methodology:</p> <ul style="list-style-type: none"> <li>• Consolidates this methodology with AM0024 "Methodology for greenhouse gas reductions through waste heat recovery and utilization for power generation at cement plants";</li> <li>• Provides several definitions in order to improve clarity;</li> <li>• Makes several changes in applicability section to improve clarity;</li> <li>• Broadens applicability of methodology to include more project activities for which a partial recovery of waste energy exists in the baseline;</li> <li>• Redefines project boundary more clearly;</li> <li>• Redefines the baseline scenarios, including scenarios for the Greenfield project activities;</li> <li>• Makes explicit requirement of financial analysis to determine baseline scenario and demonstrate additionality for certain types of project situations;</li> <li>• Includes flowchart for determination of baseline emissions;</li> <li>• Avoids categorization of project activities according to different “types” but allow calculation of the baseline emissions depending upon the extent of recovery of the waste energy in the absence of project activity;</li> <li>• Includes the approaches to calculate the baseline emissions, if waste energy under the project activity is recovered and supplied to meet the requirement of the heat of reaction of unit processes;</li> </ul>



<i>Version</i>	<i>Date</i>	<i>Description</i>
		<ul style="list-style-type: none"> <li>Improves the guidance on baseline efficiency and emission factors, including those for “reference energy generating facility”;</li> <li>Improves the description of method 3 to determine capping factor for baseline emissions;</li> <li>Provides separate guidance (Annex 1) for Greenfield facility for the purpose of estimation of baseline emissions;</li> <li>Provides guidance (Annex 3) for the conservative estimation of baseline emissions where multiple waste gas streams exist in the project facilities with potential for interchangeability of application;</li> <li>Revises project emission section to remove some sources of emissions;</li> <li>Provides explicit situations to calculate project emissions due to combustion of auxiliary fuel along with waste energy;</li> <li>Refers the tools “Tool to calculate baseline, project and/or leakage emissions from electricity consumption”, “Tool to determine the baseline efficiency of thermal or electric energy generation systems” and “Tool to determine the remaining lifetime of equipment”;</li> <li>Includes the monitoring requirements for return condensate in the configuration of extraction cum condensing turbine;</li> <li>Deletes/add/changes several parameters in monitoring section.</li> <li>Modifies the structure of methodology and carries out several textual changes to improve clarity of methodology.</li> </ul> <p>Due to the overall modification of the document, no highlights of the changes are provided.</p>
03.2	04 December 2009	EB 51, Annex 10 Editorial revision: <ul style="list-style-type: none"> <li>The editorial revision in the description text of equation (1h) in the section of baseline emissions (Case 1 and Case 2 of Method-3 for capping of baseline emissions).</li> </ul>
03.1	28 November 2008	EB 44, Annex 13 Editorial revision: <ul style="list-style-type: none"> <li>The parameter <math>HG_{j,y}</math> further described;</li> <li>Editorial changes carried out in equation 1b).</li> </ul>
03	02 August 2008	EB 41, Annex 6 Revision to incorporate the following changes: <ul style="list-style-type: none"> <li>Inclusion of project activity under applicability of methodology, which is based on replacement of electrical or steam-driven drives in baseline with steam turbine, which is driven by steam recovered from waste energy;</li> <li>Inclusion of Type-2 project activities where part of waste gas energy was recovered in baseline for the purpose of power generation and project intends to improve utilisation of waste gas energy with high efficiency heat recovery equipment for the</li> </ul>

<i>Version</i>	<i>Date</i>	<i>Description</i>
		<p>purpose of power generation;</p> <ul style="list-style-type: none"> <li>• Clarity provided on fcap calculations where project proponents do not have baseline data of waste energy for three years prior to implementation of project activity;</li> <li>• Clarity provided in waste gas streams. Applicability condition added for Type-1 activities to cover scenario where in baseline there are other non-CDM projects recovering waste energy and as a result of CDM project, their energy generation is reduced and diverted to CDM project;</li> <li>• Consistency is provided in use of terms waste gas/heat/pressure. In many instances this is replaced by the common term “waste energy”;</li> <li>• Provided new capping procedure (Method-3) for waste energy, further elaborated Method-1;</li> <li>• Monitoring tables amended to incorporate parameters of new and modified capping procedures;</li> <li>• Added new definitions of waste energy and waste energy carrying medium. Modified definition of cogeneration;</li> <li>• Added new applicability condition for waste pressure recovery projects.</li> </ul>
02	19 October 2007	EB 35, Para 24 Revision to incorporate the use of the “Tool to calculate the emission factor for an electricity system”.
01	22 June 2007	EB 32, Annex 8 Initial adoption.

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