

**CDM-PA9006-RULE01**

## Ruling note

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Request for registration for “Installation of Top-Pressure Recovery Turbine at Blast Furnace-4”

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

1. The CDM-Executive Board decided to reject the above proposed project activity on 23 September 2013, in accordance with the "Procedures for review of requests for registration", version 1.1, EB 55, Annex 40, paragraphs 20 and 28 (the procedures). In accordance with paragraph 27 of the procedures, the rulings shall contain an explanation of the reasons and rationale for the final decision, which are as follows:
  - (a) The DOE (BVCH) failed to substantiate: (i) the extent of use of waste energy from the waste energy generation facilities in the absence of the CDM project activity in accordance with the methodology ACM0012, version 4, Annex 1, Option 2; (ii) the appropriateness of the identified baseline scenario in accordance with validation and verification manual (VVM), version 1.2, paragraph 84; and (iii) the appropriateness and conservativeness of the electricity emission factor of the identified baseline scenario in accordance with VVM, version 1.2, paragraph 91.
  - (b) Methodology ACM0012, version 4, Annex 1, option 2 states that "Option 2: Assessment of alternative design of the project facility: ... The manufacturer of the project facility will be invited to 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."
  - (c) VVM, version 1.2, paragraph 84 states that "The DOE shall determine whether the baseline scenario identified is reasonable by validating the assumptions, calculations and rationales used, as described in the PDD. It shall ensure that documents and sources referred to in the PDD are correctly quoted and interpreted. The DOE shall cross check the information provided in the PDD with other verifiable and credible sources, such as local expert opinion, if available."
  - (d) VVM, version 1.2, paragraph 91 states that "The DOE shall verify the justification given in the PDD for the choice of data and parameters used in the equations. If data and parameters will not be monitored throughout the crediting period of the proposed CDM project activity but have already been determined and will remain fixed throughout the crediting period, the DOE shall assess that all data sources and assumptions are appropriate and calculations are correct, applicable to the proposed CDM project activity and will result in a conservative estimate of the emission reductions."
  - (e) Only investment analysis of the project activity is conducted whereas no investment analysis of alternative designs of the facility (i.e. the project facility and conventional blast furnaces) is carried out, in accordance with the methodology ACM0012, version 4, Annex 1, Option 2.
  - (f) The internal grid is not identified as an alternative baseline scenario, while the emission factor of the internal grid is calculated as the electricity emission factor of the baseline scenario, which is not in accordance with VVM, version 1.2, paragraph 84.
  - (g) The emission factor of the internal grid is calculated as the electricity emission factor of the baseline scenario, which contradicts to the identified baseline scenario (a Greenfield 300 MW captive power plant) and thus not in accordance with VVM, version 1.2, paragraph 91.

2. Please note, however, that, with appropriate revisions, this project activity may be resubmitted for validation and registration provided it meets the requirements for validation and registration, in accordance with paragraph 42 of the CDM Modalities and Procedures (Decision 3/CMP.1).

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### Document information

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<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	28 October 2013	Initial publication. Related to EB 55, Annex 40 (Paragraphs 20, 27 & 28)

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