

Experience with methodology development and approval process

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Methodology Approval: Going from NM to A, B, or C

- 65 New Methodologies presented in 7 rounds from April 2003 to Oct 2004. (Many more in Oct.)
- 16 Approved 17 Rejected 31 In process
(including 11 submitted over a year ago!)
- Rejection rates have fallen over time, *but* 5 of 11 methodologies submitted at the 6th round were rejected.
- One reason for rejection was additionality.
- Fortunately, Meth Panel has developed “consolidated tests” for demonstrating additionality



Approved Methodologies: Going from NM-A to AM

- Of Approved Methodologies:
 - 4 grid-connected renewable electricity,
 - 8 are waste: 4 landfill gas, 1 other solid waste, 2 manure, 1 waste water
- Overlapping methodologies causes problems
- Fortunately, two consolidated methodologies have been developed by the Meth Panel:
 - ACM0001: Consolidated methodology for landfill gas projects
 - ACM0002: Consolidated methodology for grid-connected electricity generation from renewable sources



Approved Methodologies: Problems with AM

- Many **approved methodologies** are **very specialized**:
 - AM0008: Industrial fuel switching from coal and petroleum fuel to natural gas without extension of capacity and lifetime of the facility.

Note: This is based on a methodology developed by MGM for Nestlé in Chile, but with the restrictions applied, its **application is very limited**

- AM0012: Biomethanation of municipal solid waste in India, using compliance with MSW rules.

This methodology could be widely applicable, but it has **been restricted to India.**



Approved Methodologies: More problems with AM

- The first approved methodology AM0001 deals with destruction of HFC 23 emissions from HCFC 22 production, a source of large volumes of CERs at relatively low cost.
- Following public comments, Meth Panel decided to limit CDM projects to past production of HCFC 22.
- This limitation will mean that much of future HCFC production will have no incentive to reduce associated HFC 23 emissions...



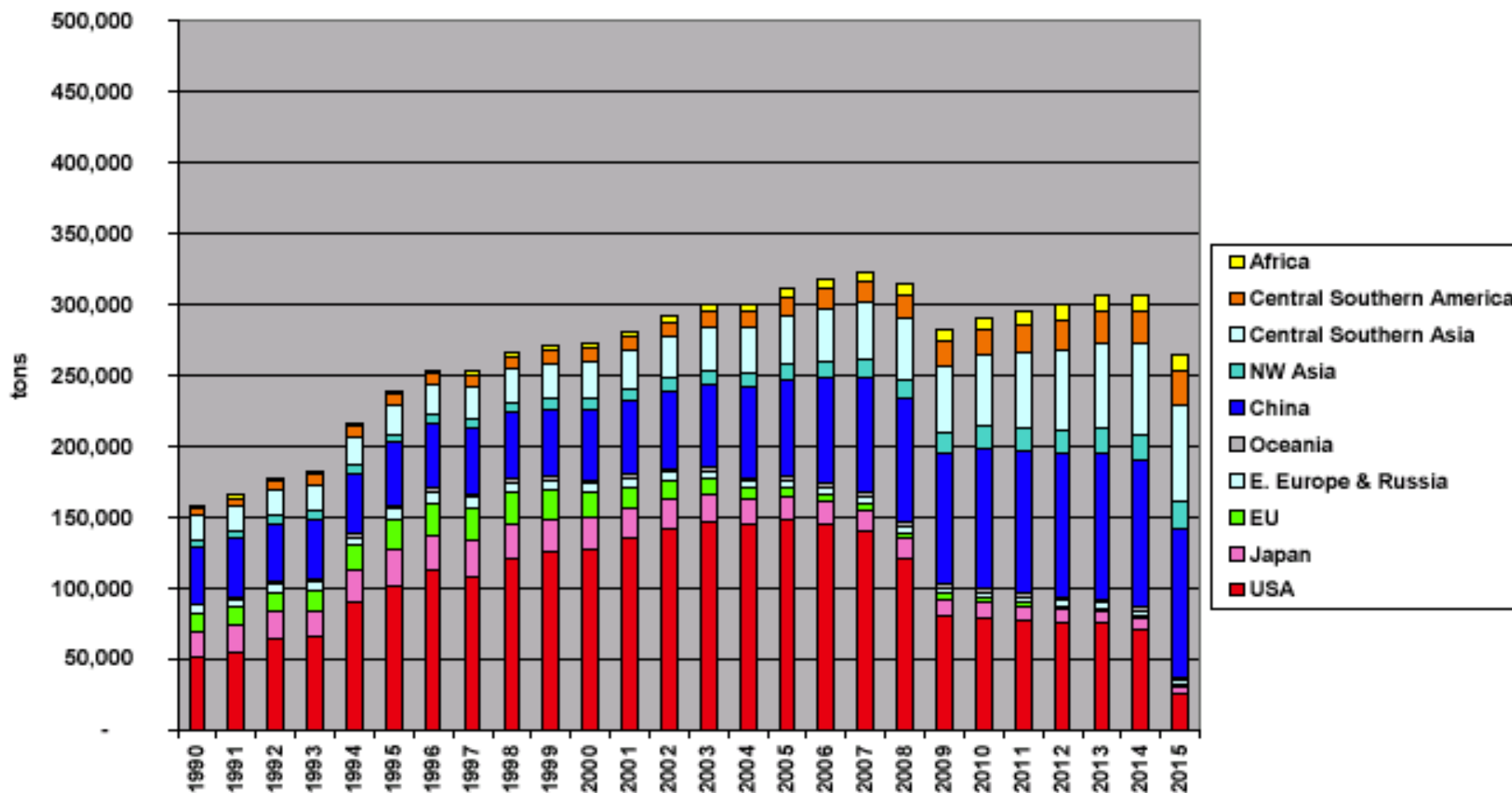
HCFC Low-Demand Scenario

Source: UNEP Technology and Economic Assessment Panel, 2003

Year 2003: 120,000 t

HCFC Low Demand

Year 2015: 230,000 t





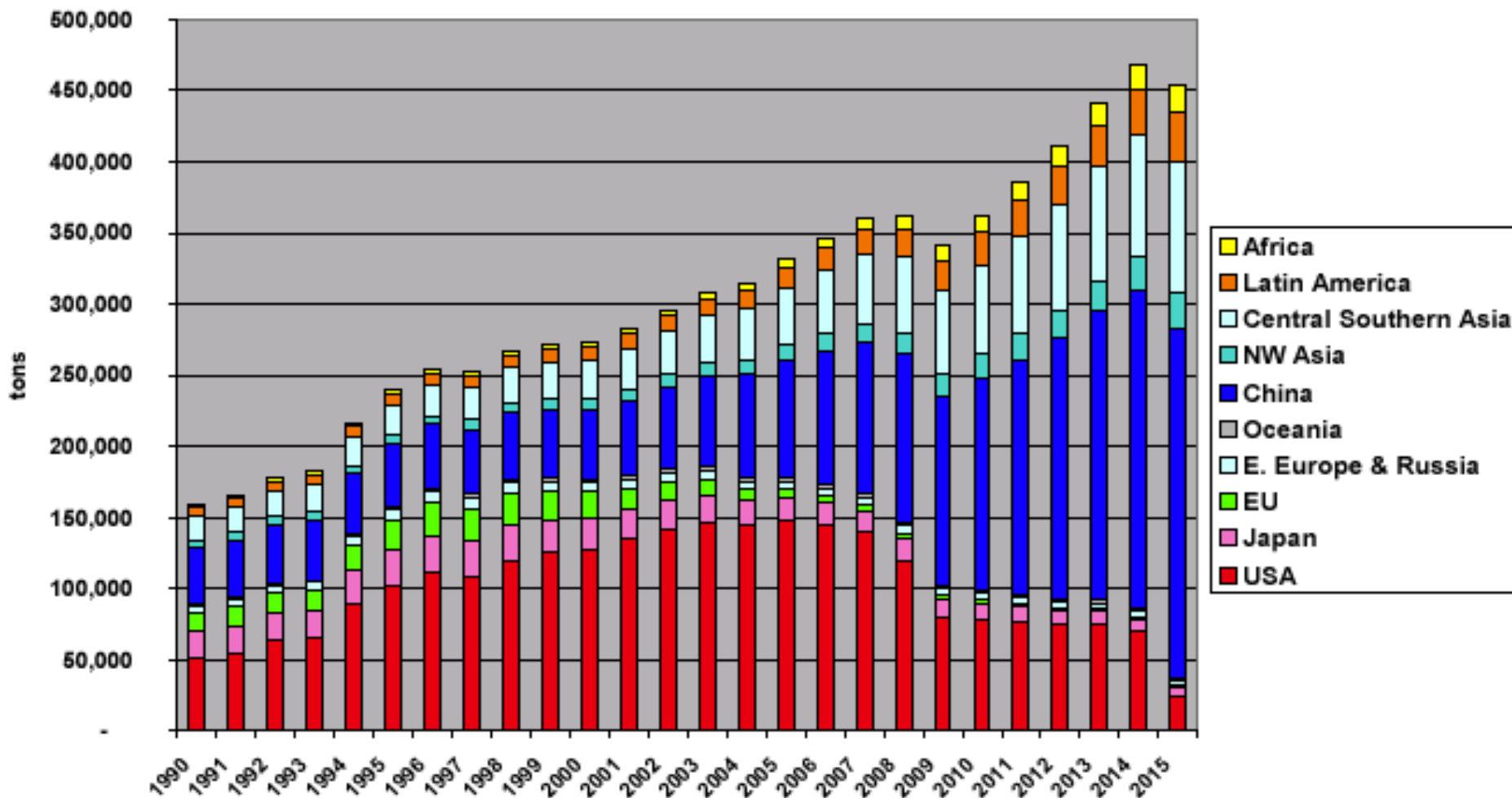
HCFC High-Demand Scenario

Source: UNEP Technology and Economic Assessment Panel, 2003

Year 2003: 120,000 t

HCFC High Demand

Year 2015: 420,000 t





Future Methodologies

- Future submittals need to be similar to consolidated methodologies in order to be broadly applicable. Examples include MGM recent submissions:
 - NM0068. Changes in industrial processes, energy efficiency, fuel switching, self-generation, and cogeneration equipment at an aluminium smelting facility
 - NM0077: Fuel switching, and changes in self-generation and/or cogeneration at an industrial facility (developed for Shell)



Future Methodologies

- Consolidated tools for demonstrating additionality may be incorporated into new methodologies, greatly simplifying the process, and encouraging many new methodology submissions, but:
 - Will project developers accept the new tools?
 - Can the Meth Panel handle many new methodologies, or will the approval delays increase?



Conclusions

- Even approved methodologies may change as we learn more, BUT:
- An approved methodology (AM) should remain applicable for projects presented earlier, and for one year prior to modification to allow projects in the pipeline that depend on the AM.



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