




F-CDM-RtB

 CDM: FORM FOR SUBMISSION OF “LETTER TO THE BOARD” (Version 01.1) <i>(To be used only by the Project Participants and other Stakeholders for submitting Letter to the Board as per Modalities and Procedures for Direct Communication with Stakeholders)</i>	
Name of the stakeholder ¹ submitting this form (individual/organisation):	Project Developer Forum
Address and Contact details of the individual submitting this Letter:	Address: 100 New Bridge Street, London, EC4V 6JA Telephone number: +65 6578 9286 E-mail Address: office@pd-forum.net
Title/Subject (give a short title or specify the subject of your submission)	AM_Tool_06, Flaring Tool v2 Arbitrary conservativeness
Please mention whether the Submitter of the Form is:	<input type="checkbox"/> Project participant <input checked="" type="checkbox"/> Other Stakeholder, please specify PD Forum
Specify whether you want the Letter to be treated as confidential ²):	<input type="checkbox"/> To be treated as confidential <input checked="" type="checkbox"/> To be publicly available (UNFCCC CDM web site)
Purpose of the Letter to the Board:	
Please use the space below to describe the purpose for submitting Letter to the Board. (Please tick only one of the four types in each submission)	
<input checked="" type="checkbox"/> Type I: <input type="checkbox"/> Request Clarification <input checked="" type="checkbox"/> Revision of Existing Rules <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input checked="" type="checkbox"/> Others. Please specify reference Comment on revision of methane tool <input type="checkbox"/> Type II: Request for Introduction of New Rules <input type="checkbox"/> Type III: Provision of Information and Suggestions on Policy Issues	

¹ Note that DNAs and DOEs shall not use this form to submit letter to the Board.

² Note that the Board may decide to make this Letter and the Response publicly available



Please use the space below to describe in detail the issue that needs to be clarified/revised or on which the response is requested from the Board as highlighted above. In doing this please describe the exact reference source including the version (if any).

To cdm-info@unfccc.int
From office@pd-forum.net
Date 01/08/2012
Subject **AM_Tool_06 Flaring Tool v2
Arbitrary conservativeness**

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Dear Mr. Maosheng Duan,
Honorable Members of the CDM Executive Board,
Members of the Methodology Panel,

The Project Developer Forum (PD Forum) would like to express its concern about the introduction of further arbitrary conservativeness in the latest version of the Flaring Tool (version 02.0.0, EB68 Annex 15) and propose the removal of such arbitrary discounts.

Step 2 of the tool describes the determination of flare efficiency. Open flares are assumed to have an efficiency of only 50%. Enclosed flares can apply either a default of only 90%, or measure the flare efficiency. However, for the newly introduced class of low height enclosed flares, an additional and arbitrary 10% is taken of the efficiency – even if the efficiency is measured accurately according to the requirements of the tool. For all flares, whenever the flame is not detected or temperature or flow is not within the manufacturer's specification, the efficiency is taken as 0%. We have two concerns with the new step 2 of the tool.

First, the additional 10% discount in efficiency introduced for low height enclosed flares is arbitrary and not based on any research results. Enclosed flares achieve destruction efficiencies exceeding 99%, often exceeding 99.9%; the default of 90% is already significantly and in our opinion sufficiently conservative. To apply a default of 80% efficiency can not be justified. In addition, this discount is also applied, when the efficiency is actually measured in accordance with the tool under options B.1 or B.2, biannual measurement of efficiency by an accredited entity or continuous (each minute) measurement of the efficiency, respectively. So even if the measurements prove that the flare efficiency is, for example, 99%, the tool applies a 10% discount to 89%. While an 80% default efficiency for low height flares can not be justified, the Board may decide to apply such an unjustified default factor – PPs can choose the default if they wish to reduce monitoring costs³ or choose the alternative. However, to arbitrarily take away 10% from an accurately measured parameter does not make any sense and can only be a mistake.

Second, the previous version of the tool included an already-conservative lower default of 50% when the specifications are not fully within the manufacturer's specifications. However, this has been

³ Although the potential monitoring cost savings from using the default are greatly reduced by the requirement to monitor – on a continuous basis – the temperature and flow.



removed, and is replaced with 0% as if the flare is not working at all. We do not believe this is justified and request the re-insertion of the 50% lower default factor. This may be justified on the basis that whilst an enclosed flare is operating outside manufacturer’s specifications, it would be at least as effective as an open flare.

Flaring of methane yields no revenues other than carbon related revenues. Flaring only projects and flaring in conjunction with power generation are both highly additional actions. The loss of 10% of revenues which this adjustment will trigger, and the damage that such arbitrary and unexpected decisions does to the reputation of the CDM as a stable regulatory mechanism, will further discourage new investment. When existing projects commence a new crediting period, revenues from flaring of methane using existing low-height flares will be decreased.

While we appreciate the desire for the CDM to calculate emission reductions conservatively, and agree that over-estimations need to be avoided, the repeated introduction of arbitrary conservativeness factors is not warranted. Therefore, we would like to propose the removal of the additional conservativeness factor 0.1 applicable to low height flares in step 2 of the Flaring tool and maintaining the 50% default flare efficiency for flares which are operating outside manufacturer’s specifications.

Kind regards,

Dr. Sven Kolmetz

Co-Vice Chair, Project Developer Forum

Please use the space below to any mention any suggestions or information that you want to provide to the Board. In doing this please describe the exact reference source including the version (if any).

[replace this bracket with text, the field will expand automatically with size of text]

If necessary, list attached files containing relevant information (if any)

- [replace this bracket with text, the field will expand automatically with size of text]

Section below to be filled in by UNFCCC secretariat

Date when the form was received at UNFCCC secretariat

History of document

Version	Date	Nature of revision
01.1	09 August 2011	Editorial revision.



01	04 August 2011	Initial publication date.
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