

Agenda item 4.1.

Paragraph 25 (a) of the annotated agenda.

AM0082 “Use of charcoal from planted renewable biomass in the iron ore reduction process through the establishment of a new iron ore reduction system”

CDM EB 101

Katowice, Poland, 26 to 29 November 2018



Procedural background

At EB83, the Board approved the revision of the tool “Project and leakage emissions from biomass” and requested the Meth Panel (MP) to revise relevant approved methodologies to introduce reference to the revised methodological tool and to recommend the revised methodologies to the Board for its consideration at future meetings.

At MP72, the MP agreed to continue revising further biomass-related methodologies so that they refer to the methodological tool “Project and leakage emissions from biomass”, including AM0082.

At MP76 a call for public inputs was launched and at MP77 the MP agreed to recommend for approval by the Board.



Purpose

The purpose of the revision is to streamline the methodology by referring to the methodological tools:

- “Project and leakage emissions from biomass”,
- “Project and leakage emissions from transportation of freight” and
- “Upstream leakage emissions associated with fossil fuel use”.

Further editorial improvements were made, enhancing the clarity and consistency of the methodology.



Key issues and proposed solutions

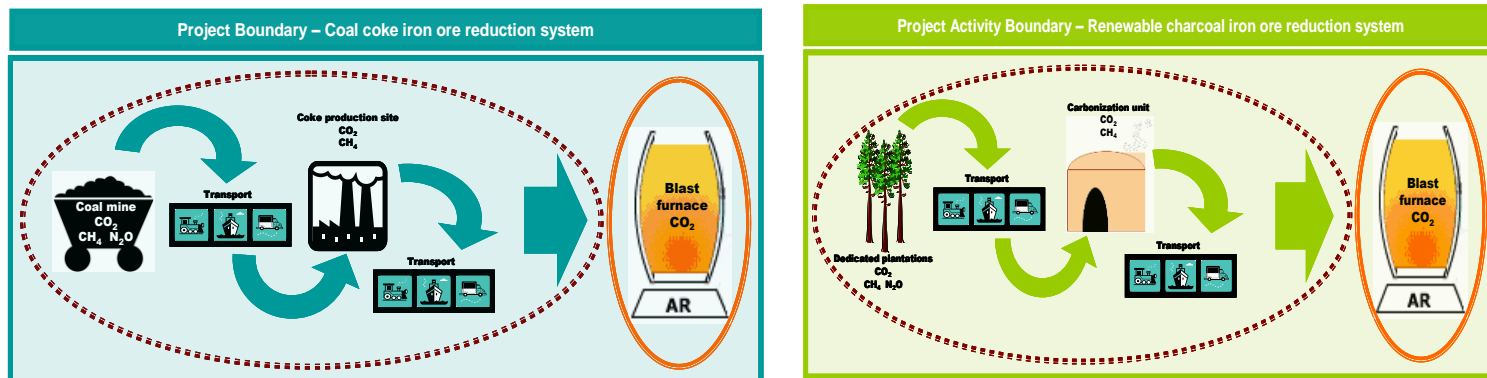
AM0082 (v01) includes upstream emissions from coal mining as a baseline source of emissions. At MP 76 and MP 77, the MP discussed how to treat this emissions source in the revised draft, noting that:

- (a) “TOOL15: Upstream leakage emissions associated with fossil fuel use” defines upstream emissions as “GHG emissions associated with the production, processing, transmission, storage and distribution of a fossil fuel, (from extraction to the delivery fuel to the site of use);
- (b) In several approved methodologies (e.g. ACM0017 and AM0029), this source is excluded from the project boundary and considered as Leakage;
- (c) At EB 85, the Board clarified that net leakage should always be considered as zero when net leakage effects are negative.



Key issues and proposed solutions

The MP considered that the upstream emissions from coal should be symmetrically compared in the same level as the “upstream” emissions from biomass at the dedicated plantation, i.e. within the project boundary.



The MP recommends to keep this source of emissions in the baseline, as in the current version of the methodology, noting that these emissions are accounted as zero if they are higher in the baseline than those in the project scenario (also capping the project emission sources).

$$ER_y = BE_y - PE_y - LE_y - \text{MAX} \left(0, BUE_{RAy} - PUE_{RA,y} \right)$$



Impacts

The revision will streamline the applicability of the methodology and facilitate its usability by the project participants.



Recommendations to the Board

The MP recommends that the Board adopt this draft methodology.

