

CDM Executive Board  
UNFCCC Secretariat  
Martin Luther King  
Strasse 8 P.O. Box 260124  
D-53153  
Germany

**Subject: REV0186 to revise AM0001 for HFC-23 destruction and request to review Project 0003**

8 July 2010

Dear Mr Mahlung,

We are writing to you on behalf of CDM Watch, the Environmental Investigation Agency and Noe21 in relation to the recent revision request AM\_REV\_0186 to revise AM0001 as well as the request by the Ulsan HFC-23 destruction project (003) to renew the crediting period.

### Revision request AM\_REV\_0186 to revise AM0001

During the upcoming 55<sup>th</sup> EB meeting, the Board will take note that the Meth Panel has considered publicly available information on potential issues related to application of the methodology AM0001 “Incineration of HFC 23 Waste Streams”, including that contained in the request for revision AM\_REV\_0186. Based on the note that was developed at that occasion, the Board may provide further guidance on possible action with respect to the methodology.

The note by the Meth Panel supports many of the points raised in AM\_REV\_0186. The note supports particularly the finding that the methodology can cause incentives to increase baseline emissions through change in the production pattern of HCFC-22 and/or HFC-23 and states that further investigation is required in order to identify situations in which overestimation of CERs occurs in AM0001 and improve the methodology accordingly.

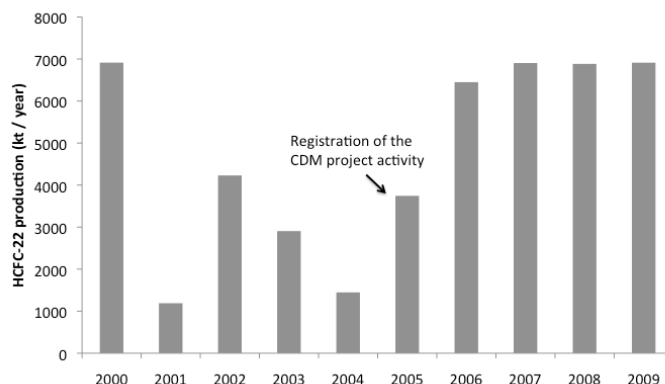
In light of the significance of these findings and the potential for considerable over-estimation of emission reductions, we urge the Executive Board to put the methodology AM0001 on hold with immediate effect and to request the Meth Panel to conduct the required investigation and to prepare a revised methodology which addresses the issues. In this regard, we would like to stress that the Board has put four methodologies on hold in the past (ACM0005, AM0001, AM0006 and AM0016) in situations where the environmental integrity of the CDM was at risk and where a revision of the methodology required more time.

In addition, all issuance of CERs shall be ceased until a fully corrected, revised methodology is adopted. The continued validity of this version of the methodology and the continued issuance of CERs before the investigation is completed would seriously undermine the credibility of the whole CDM and violate the overarching principle established in the Kyoto Protocol that emission reductions from CDM projects shall be real, measurable and additional.

### Request by the Ulsan HFC-23 destruction project (003) to renew the crediting period

During the upcoming 55<sup>th</sup> EB meeting, the Board will also address a request to review the recent request by the Ulsan HFC-23 destruction project (003) to renew the crediting period.

The figure on the right illustrates that from 2001 to 2005 the Ulsan project located in South Korea produced HCFC-22 in the range from about 1000 – 4000 kt/year. When submitting the project for CDM registration, the plant operators declared that they would produce about 4111 kt/yr. However, after the registration of the CDM project in 2005, the annual



HCFC-22 production increased to about 7000 kt/year. In the light of this development and the issues discussed in the note by the Meth Panel, in particular the implications of an accelerated phase out of HCFC-22 which may impact considerably the future demand for HCFC-22 in South Korea, a decision about the renewal of the crediting period should only be taken once the Board has considered the significant concerns in the current methodology. We therefore urge the Board to put the request for renewal of the crediting period of this project on hold until a full investigation has been carried out and a revised methodology adopted.

In summary, in order to maintain the credibility and integrity of the CDM we urge the Board to put the methodology AM0001 on hold with immediate effect, to request the Meth Panel to investigate the issues and prepare a revised methodology, to cease the issuance of CERs, and to put the request for renewal of the crediting period of the Ulsan project on hold until the investigation is completed and a revised methodology has been adopted.

We trust that you take our concerns fully into account.

Best wishes,



Eva Filzmoser  
CDM Watch



Fionnuala Walravens  
Environmental Investigation Agency



Chaim Nissim  
Noe21