



## PARTY/JISC REVIEW FORM

(version 03)

(by submitting this form, a Party involved in a JI activity (through DFP) or a JISC member requests a review)

Party involved (DFP) / JISC member submitting the form:

Reference number and title of the proposed JI activity:

0137: Joint Implementation project aimed at N2O emissions reduction by installation of secondary catalyst inside ammonia oxidation reactors at 3 nitric acid production plants NA2, NA3 and NA4 of Azomures SA company, situated at Târgu Mures, Romania

AIE that performed the verification

BVCH

Type of JI activity:

large-scale

small-scale

LULUCF

PoA/JPA

### Background

1. The requirements of Article 6 of the Kyoto Protocol, the JI guidelines and relevant CMP and JISC requirements regarding verifications (paragraph 37 of the JI guidelines) have to be met and appropriately addressed by the AIE.
2. Project participants shall submit to an AIE a report in accordance with the monitoring plan on reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks that have already occurred, as provided for in paragraph 36 of the JI guidelines. The report shall be made publicly available.
3. The AIE shall perform a verification of the reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks reported by project participants, provided that they were monitored and calculated in accordance with paragraph 33 of the JI guidelines (paragraph 37 of the JI guidelines).
4. The AIE shall make its verification publicly available through the secretariat, together with an explanation of its reasons, in accordance with paragraph 38 of the JI guidelines.
5. Where applicable, the AIE shall take into consideration paragraphs 41–55 of the procedures for programmes of activities under the verification procedure under the JISC (JI PoA procedures, version 1).
6. The AIE shall observe the standard for applying the concept of materiality in verifications (version 1).

### Request for review

Please respond to the questions presented below by marking the appropriate check box:

Yes	No	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	➤ Has the AIE verified appropriately the reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks reported by project participants in accordance with appendix B of the JI guidelines, and the fact that they were monitored and calculated in accordance with paragraph 33 of the JI guidelines?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	➤ Has the AIE made its verification under paragraph 37 of the JI guidelines publicly available through the secretariat together with an explanation of its reasons (including the sampling plan for JI PoA, if applicable)?
<input type="checkbox"/>	<input type="checkbox"/>	➤ Has the coordinating entity of the JI PoA included only JPA(s) that appear to meet all the eligibility requirements defined in the JI PoA DD? ( <i>applicable to JI PoA only</i> )

Please describe in detail the reasons for requesting the review, including the specific JI requirements (e.g. guidelines, guidance, decisions, rules, etc.) that you consider not fulfilled, and attach supporting documentation, if appropriate.

- While it is stated that the project has been implemented as per the determined PDD, the current (3rd) project campaign contains only line NA 4 last from 05/04/2011 to 13/07/2012. **It has not been clarified why the PP has not accounted for emission reductions in other two lines NA2 and NA3 and the AIE has not raised any finding on this aspect.** From the reports of this and the past two monitoring periods, it appears that the PP has separated monitoring periods for the three production lines. Since the project is a bundle of three separate plants it has been claimed that such a separation is allowable. The MR refers to a clarification issued by the JISC regarding this. The

referred clarification (vide Annex 13 of the JISC 13 report) requires vide its paragraphs 5 and 6 that (a) The monitoring plan shall explicitly provide for overlapping monitoring periods of clearly defined project components, justify its need and state how the conditions mentioned in paragraph 4 above are met. And (b) the [determining] accredited independent entity (AIE) shall assess whether the requirements listed in paragraphs 4 and 5 above [relating to the conditions under which overlapping of monitoring periods is permissible] are fulfilled as part of the determination in accordance with paragraph 33 of the JI guidelines. Fulfillment of these conditions by the PP and determining AIE are not evident from the PDD Annex 3, determination report as well as the verification reports by the verifying AIE. **Unless the above conditions are fulfilled, it is inferred from the JI procedures that only one monitoring report is prepared for a monitoring period.** Moreover the requirements of the paragraph 8 of the above clarification have not been met by the AIE for verification as well.

- Emission factor for line NA4 is estimated in PDD as 6.11 kgN<sub>2</sub>O/tHNO<sub>3</sub>. PDD p41 "Final baseline emission factor calculation will be subject to verification during first periodic verification". MR p22 indicates **Baseline Emission Factor for line NA4 as 9.14 kgN<sub>2</sub>O/tHNO<sub>3</sub>, 50% above the PDD estimation.** VR of the first verification p8: "Monitoring Report, version 3 dated 14 February 2011, gives adequate calculation method for baseline emission factor, implemented and correctly applied in the Excel calculation sheet". VR of the current monitoring period (3rd) p10: "Baseline emission factors and project emission factors for emission reduction calculations for Lines NA2, NA3, NA4 has been established on the line-specific basis. The calculation of emission reductions is based on conservative assumptions and the most plausible scenarios in a transparent manner. In particular conservative approach has been used in the statistical evaluation, which is applied to the complete data series of N<sub>2</sub>O concentration as well as to the data series for gas volume flow on every production line on AZOMURES plant. Detailed calculations are correct and described transparently in the Monitoring Report and Calculation models". **Verification Reports of the 1st monitoring period and of the current monitoring period do not mention reasons for 50% difference between the PDD estimation and the value applied in the MR (both VRs do not notice the difference).**
- According to PDD p7 the nameplate capacity of production line NA4 is 247,500 tHNO<sub>3</sub>/y, 330 days/y, resulting in 223,767 tHNO<sub>3</sub>/y maximum production possible. 247,500 tHNO<sub>3</sub>/y nameplate capacity of line NA4 equals to 28.3 tHNO<sub>3</sub>/hr. According to MR, the project NAP was 325,170 tHNO<sub>3</sub> in 466 days, equivalent to 254,693 tHNO<sub>3</sub>/y, 14% above the maximum production possible. VR p9 indicates the nameplate capacity of production line NA4 as 750 t HNO<sub>3</sub>/day, which results in 31.25 tHNO<sub>3</sub>/hr, 11% above the PDD nameplate capacity. XL attached to MR details the project NAP with 1 hour resolution. The project NAP exceeds the 31.25 tHNO<sub>3</sub>/hr limit in many hours, reaching maximum of 49.2 tHNO<sub>3</sub>/hr, 57% above the VR nameplate capacity and 74% above the PDD nameplate capacity of the production line. MR p21 indicates the project NAP of 698 tHNO<sub>3</sub>/day comparing to 435 tHNO<sub>3</sub>/day in baseline, 60% more than in baseline campaign. **It is not clarified how it was possible to exceed the project Nitric Acid Production by 60% above the baseline campaign, and up to 57% above the nameplate capacity of the production line.**
- VR p8 of the second monitoring period (previous verification) includes the following FAR: "FAR1: Please define the back-up procedures for the Emission Reduction Model in documented or electronic form in such a way that copies can have developer of the model and representatives of AZOMURES plant." The current VR p8 includes the following observation "There are no remaining issues and FARs from previous verifications." As the previous MR included FAR, this AIE observation is not correct. The current MR and VR do not include expression "back-up procedure". **Thus the FAR from the previous verification have not been addressed by the AIE.**