



**JOINT IMPLEMENTATION PROJECT DESIGN DOCUMENT FORM**  
**Version 01 - in effect as of: 15 June 2006**

**CONTENTS**

- A. General description of the project
- B. Baseline
- C. Duration of the project / crediting period
- D. Monitoring plan
- E. Estimation of greenhouse gas emission reductions
- F. Environmental impacts
- G. Stakeholders' comments

**Annexes**

- Annex 1: Contact information on project participants
- Annex 2: Baseline information
- Annex 3: Monitoring plan

**SECTION A. General description of the project****A.1. Title of the project:**

YARA Köping S3 N<sub>2</sub>O abatement project in Sweden  
Version: 11<sup>th</sup> February 2010 (Version #3)  
Sectoral scope: 5 – Chemical Industry

**A.2. Description of the project:**

The sole purpose of the proposed project activity is to significantly reduce current levels of N<sub>2</sub>O emissions from the production of nitric acid at YARA's nitric acid plant Syra 3 at Köping, Sweden.

The nitric acid plant was designed by Uhde. Commercial nitric acid production started in 1982. It is a 5 bar medium/high pressure plant with a daily design production output of 425 metric tonnes of HNO<sub>3</sub> (100% conc.) per day<sup>1</sup>. YARA Köping S3 runs production campaigns of 180 days. Depending on whether or not the plant is shut down for maintenance purposes or exchange of the primary catalyst gauzes, the plant is operated for around 315 - 330 days per year, resulting in an annual production output of up to 140,250 tHNO<sub>3</sub>.

To produce nitric acid, ammonia (NH<sub>3</sub>) is reacted with air over precious metal – normally a platinum-rhodium- (Pt-Rh) alloy – catalyst gauze pack in the ammonia oxidation reactor (AOR) of the nitric acid plant. The main product of this reaction is NO, which is metastable at the conditions present in the ammonia oxidation reactor and therefore it reacts with the available oxygen to form NO<sub>2</sub>, which is later absorbed in water to form HNO<sub>3</sub> – nitric acid. Simultaneously, undesired side reactions yield nitrous oxide (N<sub>2</sub>O), nitrogen and water. N<sub>2</sub>O is a potent greenhouse gas with a Global Warming Potential (GWP) of 310<sup>2</sup>. The plant currently emits an average of 7.59kgN<sub>2</sub>O/tHNO<sub>3</sub><sup>3</sup>, which means that the continued operation of the plant without any N<sub>2</sub>O abatement technology installed could entail emissions of as much as 329,994 tCO<sub>2</sub>e annually.

The project activity involves the installation of a new N<sub>2</sub>O abatement technology: a pelleted catalyst that will be installed inside the Ammonia Oxidation Reactor (AOR), underneath the precious metal gauzes. It is expected that this catalyst will reduce approximately 90% of current N<sub>2</sub>O emissions on average over its lifetime.

The N<sub>2</sub>O abatement catalyst applied to the proposed project has been developed by YARA. Industrial trial runs have been undertaken at various YARA plants (mainly in France) over the last four years. By now, the YARA management considers the technology as sufficiently mature for full application in nitric acid plants.

For monitoring the N<sub>2</sub>O emission levels, YARA Köping S3 will install and operate an Automated Monitoring System according to EU standards<sup>4</sup>.

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<sup>1</sup> All nitric acid amounts are provided in metric tonnes of 100% concentrated HNO<sub>3</sub>, unless otherwise indicated.

<sup>2</sup> IPCC Second Assessment Report (1995); applicable according to UNFCCC-decision 2/CP.3, paragraph 3. After 2012 the GWP of N<sub>2</sub>O will be 298, as defined by the IPCC Fourth Assessment Report in connection with Art 5 paragraph 3 Kyoto Protocol.

<sup>3</sup> See section A 4.3.1 for details

<sup>4</sup> See section D.1 for detailed information.



YARA Köping adheres to ISO 9001 and ISO 14001 management standards<sup>5</sup> and will implement procedures for monitoring, regular calibrations and QA/QC in line with the requirements of these standards.

**A.3. Project participants:**

Party involved (*) (host indicates a host Party)	Legal entity project participant (as applicable)	Please indicate if the Party involved wishes to be considered as project participant (Yes/No)
Sweden (host)	<ul style="list-style-type: none"> <li>YARA AB (Sweden)</li> </ul>	No
Norway	<ul style="list-style-type: none"> <li>YARA International ASA, Oslo (Norway)</li> </ul>	No
Germany	<ul style="list-style-type: none"> <li>N.serve Environmental Services GmbH (Germany)</li> </ul>	No

This project will be developed as an independently-verified JI Project activity in accordance with UNFCCC decision 9/CMP.1, paragraph 24. The project will be developed under Track 2 JI, since the Swedish government has decided not to undertake Track 1 projects.

**A.4. Technical description of the project:**

**A.4.1. Location of the project:**

**A.4.1.1. Host Party(ies):**

Sweden

**A.4.1.2. Region/State/Province etc.:**

Köping Municipality

**A.4.1.3. City/Town/Community etc.:**

Köping

<sup>5</sup> All quality management documents are stored on the internal YARA Koping database and will be made available to the AIEs upon request.

**A.4.1.4. Detail of physical location, including information allowing the unique identification of the project (maximum one page):**

Plant address:  
P.O Box 908  
SE - 73129  
Köping  
Nya Hamnvägen 14  
SWEDEN

The pictures below illustrate the location of the plant:

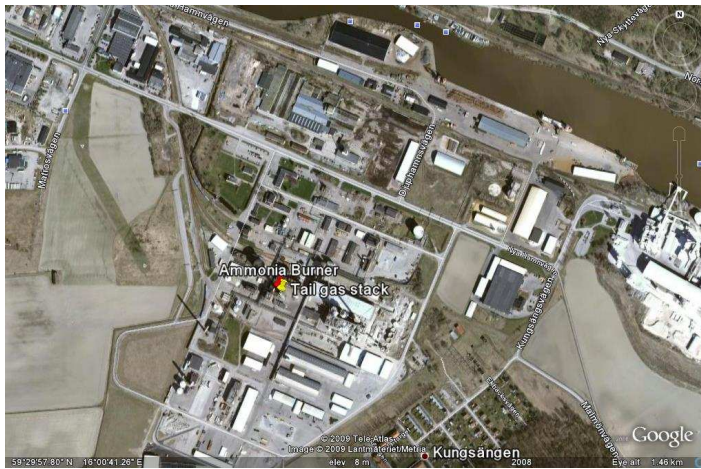


Figure 1: Location of YARA Köping S3 plant

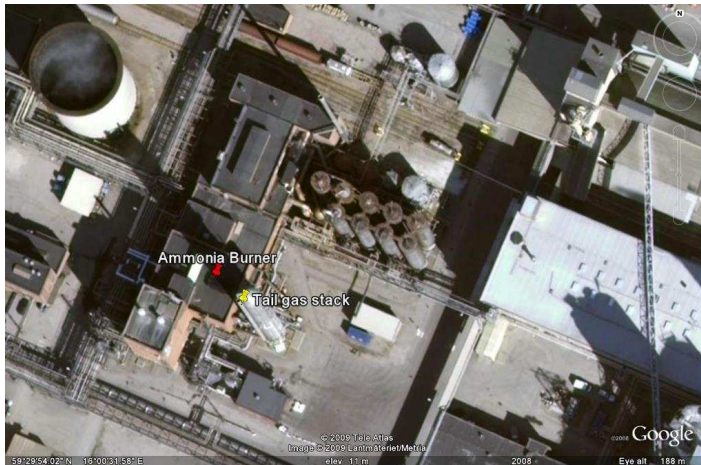


Figure 2: Close up image of YARA Köping S3 plant

**Plant Coordinates<sup>6</sup>:**

Ammonia burner: 59°29'53.71"N & 16°00'28.99"E

Tail gas stack: 59°29'53.40"N & 16°00'29.42"E

<sup>6</sup> Coordinates according to Google Earth©

**A.4.2. Technology(ies) to be employed, or measures, operations or actions to be implemented by the project:**

The main parts of the plant as currently set up are the ammonia burner inside which the ammonia oxidation reaction takes place, the absorption tower where the gas mix from the burner is led through water in order to form nitric acid and the stack through which the off-gasses are vented into the atmosphere.

The precious metal gauze pack – i.e. the primary catalyst required for the formation of NO in the first step of the nitric acid production process – is manufactured by KAR Rasmussen, located in Norway and the same primary catalyst composition and supplier will continue to be used throughout the project crediting period

The project activity entails the implementation of:

- N<sub>2</sub>O abatement technology, until recently only applied on industrial trial level within the European Union, that will be inserted into the ammonia oxidation reactor; and
- Specialised monitoring equipment to be installed at the stack (detailed information on the AMS is contained in section D.1).

**Catalyst Technology**

A number of N<sub>2</sub>O abatement technologies have become commercially available in the past 4 years after several years of research, development and industrial testing. Since the end of 2005, many CDM project activities employing various kinds of N<sub>2</sub>O abatement catalysts have been registered with the CDM EB. But these activities are of course limited to plants located in developing nations.

Due to lack of incentives for voluntary reductions before 2008 and the absence of legal limits on industrial N<sub>2</sub>O emissions in nearly all the European Union member states, the vast majority of EU-based plant operators have so far not invested in N<sub>2</sub>O abatement devices. YARA International ASA (Norway) is a noteworthy exception to this general rule, because the company conducted long term industrial trial runs of its self-developed catalyst system YARA58 Y 1 ® in various plants, mainly in France, since 2005.

The plant operated by YARA Köping S3 has also been part of this catalyst industrial trial programme and has a partial batch of test catalyst installed since May 2007 (850kg). Due to potential operational problems associated with installing abatement catalyst, the YARA management decided not to fill the catalyst containment system to its maximum capacity during the research and testing phase. However, since the catalyst is now installed all over the world in many CDM and JI projects and its capabilities have been extensively proven, these industrial trial runs are now considered complete and are no longer necessary. Since the catalyst was nearing the end of its useful life, it has been removed during a regular shutdown in November 2009 and not replaced, i.e. the plant is currently operating without any N<sub>2</sub>O abatement installed.

However, participation in a JI project offers a real incentive to install and operate a full batch of secondary catalyst after the industrial trials have come to an end and to achieve the maximum emissions reductions possible from this catalyst. Following the measurement of a historic baseline to establish the factual emissions of the plant in the absence of any N<sub>2</sub>O abatement technology, the basket will be filled with a new batch of catalyst (approx 1400kg) to achieve optimum abatement of N<sub>2</sub>O.

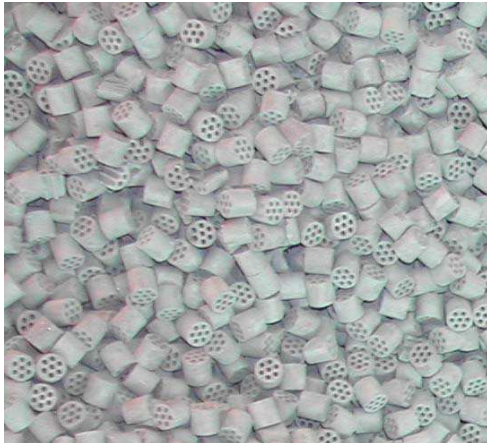
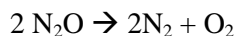


Figure 2: Close up image of Yara secondary catalyst

YARA Köping S3 will install the YARA catalyst system, consisting of an additional base metal catalyst that is positioned below the standard precious metal gauze pack in the ammonia burner. Operation with a full batch of catalyst installed is expected to start at the end of April/beginning of May 2010. The exact date is yet to be confirmed.

A secondary catalyst will reduce N<sub>2</sub>O levels in the gas mix resulting from the primary ammonia oxidation reaction. A wide range of metals (e.g. Cu, Fe, Mn, Co and Ni) have shown to be of varied effectiveness in N<sub>2</sub>O abatement catalysts. The YARA abatement catalyst is made of cylindrical pellets containing cobalt as an active ingredient. The abatement efficiency has been shown to be more than 90% in the following reaction:



If operated properly, the secondary catalyst system may significantly reduce N<sub>2</sub>O emissions for up to three years before the catalyst material needs to be replaced.

The YARA abatement catalyst has been proven by industrial testing not to have any positive effect on plant production levels<sup>7</sup>. Also, only traces of the catalyst material at concentrations of parts per billion could be found in the nitric acid product<sup>8</sup>.

No additional heat or other energy input is required, because the temperature levels present inside the ammonia oxidation reactor suffice to ensure the catalyst's optimum abatement efficiency. There are no additional greenhouse gases or other emissions generated by the reactions at the N<sub>2</sub>O abatement catalyst.

### **N<sub>2</sub>O abatement catalyst installation**

The secondary catalyst itself can easily be installed during a routine plant shut-down and gauze change. The pellets are poured into the support basket / perforated plate arrangement and levelled. The gauze pack is then installed above the levelled catalyst pellets.

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<sup>7</sup> See the European IPPC Bureau publication „Integrated Pollution Prevention and Control; Reference Document on Best Available Techniques for the Manufacture of Large Volume Inorganic Chemicals – Ammonia, Acids and Fertilizers (August 2007), page 152 therein.

<sup>8</sup> This has been proven in industrial testing. The underlying information is commercially sensitive and will be made available to the DOE mandated with the determination procedure upon request. General information on this question is contained in the European IPPC Bureau publication „Integrated Pollution Prevention and Control; Reference Document on Best Available Techniques for the Manufacture of Large Volume Inorganic Chemicals – Ammonia, Acids and Fertilizers (August 2007), page 152 therein (available for downloading under <http://eippcb.jrc.ec.europa.eu/pages/FActivities.htm>)



After the end of its useful life, the catalyst will be refined, recycled or disposed of according to EU regulations.

YARA's Köping S3 nitric acid plant operates at a pressure of around 5 bars inside the ammonia oxidation reactor. Through the introduction of the secondary catalyst into the ammonia reactor, a slight pressure drop ( $\Delta P$ ) is expected to occur. This  $\Delta P$  may lead to a slight reduction in ammonia conversion efficiency and hence a very small reduction in nitric acid output. In practice, this loss of production is likely to be insignificant.

### **Technology operation and safety issues**

As mentioned before, the secondary abatement technology has been tested in several industrial trials and has proven to be a reliable and environmentally safe method of reducing  $N_2O$ .

Once installed, the catalyst and the AMS will be operated, maintained and supervised by the employees of YARA Köping according to standards that are normally used in the European industry<sup>9</sup>.

Due to the long-term catalyst development phase, there is expert know-how readily available within the YARA group. Therefore, YARA Köping is very confident that the effective operation of the catalyst technology, the operation of the monitoring system and the data collection, storage and processing can be managed in accordance with the JI requirements. Adherence to the applicable standards will be ensured by thorough and regularly repeated training sessions for the YARA employees involved.

<p><b>A.4.3. Brief explanation of how the anthropogenic emissions of greenhouse gases by sources are to be reduced by the proposed JI project, including why the emission reductions would not occur in the absence of the proposed project, taking into account national and/or sectoral policies and circumstances:</b></p>
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Without JI participation (and therefore in a 'Business as Usual' scenario), emission levels would:

- Remained unchanged until end of December 2012, because:
  - there is currently no legal requirement for YARA Köping to reduce the emissions of its plant;
  - implementing  $N_2O$  reduction catalyst technology requires significant investments and may result in some technical difficulties with regard to the plant's operation, potentially even causing a reduction in production output; and
  - implementing  $N_2O$  catalyst technology does not yield any other benefits besides potential revenues from ERU sales.

More detail on these assumptions will be provided in section B.2 below.

<p><b>A.4.3.1. Estimated amount of emission reductions over the <u>crediting period</u>:</b></p>
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The following paragraph describes the estimated emission reductions achievable by the project activity.

### **Nitric acid production and estimation of baseline emissions**

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<sup>9</sup> See section D.3 below.

The factual emission reductions depend on the factual emissions of the plant prior to installation of the catalyst and the amount of nitric acid produced. In accordance with AM0034, emission reductions are determined per unit of product measured in metric tonnes of 100% concentrated nitric acid produced. At YARA Köping S3, the nitric acid production is calculated by means of a daily mass balance calculation that takes into account the NH<sub>3</sub> consumption of the plant, the weight of solid ammonium nitrate produced from the nitric acid, and the weight of nitric acid that is exported off-site. This is then double-checked against HNO<sub>3</sub> tank level measurements and readings taken by an HNO<sub>3</sub> flow meter.

Table 1 below displays the budgeted nitric acid production amounts for the years 2010 to 2012 and the estimated N<sub>2</sub>O emissions in the absence of a secondary abatement catalyst.

For the year 2006, prior to the implementation of the catalyst for industrial trials, monthly spot measurements taken at the plant between January and December showed an average N<sub>2</sub>O concentration of 1215ppm, which is equal to 7.59kgN<sub>2</sub>O/tHNO<sub>3</sub>. The measurements were taken with a 'Rosemount Gaslog 800' measuring device, which will be replaced with an EN14181-compliant analyser for the purposes of the project activity.

Since the baseline emissions factor is not yet available at the time of writing this PDD, this preliminary baseline emissions factor of 7.59kgN<sub>2</sub>O/tHNO<sub>3</sub>, in conjunction with the predicted abatement efficiency of the catalyst (90%), will be used in this PDD in order to make realistic assumptions on the likely baseline and project emissions factors that might be expected during the baseline and project campaigns respectively.

Year	Budgeted nitric acid production (tHNO <sub>3</sub> /y)	Predicted baseline Emissions factor (kgN <sub>2</sub> O/tHNO <sub>3</sub> )	Expected baseline emissions (tCO <sub>2</sub> e/yr)
2010 (May-Dec)	92.667	7,59	218.036
2011	140.000	7,59	329.406
2012	140.000	7,59	329.406
Following years	140.000	7,59	329.406

Table 1: Planned nitric acid production and estimated baseline N<sub>2</sub>O emissions at Köping S3

Accordingly, the **following assumptions** apply to the establishment of the emissions reductions eligible to receive ERUs:

- The project activity starts on 1<sup>st</sup> May 2010;
- YARA Köping S3 produces the amounts of nitric acid according to the production budget provided above, each year's production being equally distributed throughout the period;
- The secondary catalyst employed performs with an expected abatement efficiency of 90% throughout the project's lifetime (resulting in an average project emissions factor of 0.76kg N<sub>2</sub>O/tHNO<sub>3</sub>).
- The ERU figures included in this PDD are *estimations* only. ERUs will therefore be awarded for those factual emissions reductions actually achieved below the UNC-corrected baseline emissions factor and subsequently verified by the responsible AIE, and *not* in accordance with the preliminary estimations provided in this PDD.

In the case of introduction of national or local regulations that would limit N<sub>2</sub>O emissions at Köping S3, ERUs would be awarded only for those emissions reductions that take place below the new regulatory level, in accordance with Methodology AM0034.





The following tables 2 and 3 display the emissions reductions expected during the crediting period<sup>10</sup>.

<b>Crediting Period (years)</b>	<b>Nitric Acid Production [tHNO<sub>3</sub>]</b>	<b>Emission Reductions [tCO<sub>2</sub>e]</b>
2010	92,667	185,287
2011	140,000	279,930
2012	140,000	279,930
<b>Subtotal (estimated)</b>	<b>372,667</b>	<b>745,147</b>
<b>Average per year (until end 2012)</b>	<b>139,750</b>	<b>279,430</b>

Table 2 (part A): Estimated emission reductions until 2012

<b>Crediting Period (years)</b>	<b>Nitric Acid Production [tHNO<sub>3</sub>]</b>	<b>Emission reductions [tCO<sub>2</sub>e]</b>
2013	140,000	269,094
2014	140,000	269,094
2015	140,000	269,094
2016	140,000	269,094
2017	140,000	269,094
2018	140,000	269,094
2019	46,667	89,698
<b>Total number of crediting years</b>		<b>10</b>
<b>Total estimated (2009 to 2019)</b>	<b>1,259,333</b>	<b>2,449,409</b>
<b>Annual average (2009 to 2019)</b>	<b>125,933</b>	<b>244,941</b>

Table 3 (part B): Estimated emission reductions from 2013 onwards.

\* Due to the likely inclusion of N<sub>2</sub>O emissions emanating from nitric acid production into the EU ETS from 1<sup>st</sup> January 2013 onwards, the project may not be eligible to earn ERUs after that time, or continuing the project under the JI may not be economically viable. Also, from 2013 onwards a GWP of 298 for N<sub>2</sub>O, as defined by the IPCC Third Assessment Report, will be applied. This is why this PDD differentiates between prospective emission reductions achieved until 31<sup>st</sup> December 2012 and emissions reductions generated from 1<sup>st</sup> January 2013 onwards.

<sup>10</sup> The values indicated in the tables also take into account the estimated uncertainty of the Automated Monitoring System (UNC); this UNC deduction is explained in more detail in section D.1.2.2. A conservative UNC of 5% has been used for the calculations in this PDD, but in reality this is expected to be slightly lower.

**A.5. Project approval by the Parties involved:**

The Swedish government has decided that JI projects to be undertaken on Swedish territory should be implemented in accordance with the JI Track 2 procedures. The project proponents submitted on 12<sup>th</sup> October 2009 a Project Idea Note (PIN), to the Swedish DFP (Swedish Energy Agency) and requested a Letter of Endorsement (LoE). The DFP issued a LoE for the project on 11<sup>th</sup> November 2009, stating that they do not have any objections to the realisation of the planned JI project.

A final decision by the DFP regarding approval of the JI project (in the form of an official Letter of Approval) will be taken only after the final PDD and Determination Report have been submitted to the DFP.

**SECTION B. Baseline****B.1. Description and justification of the baseline chosen:**

This project is based on Approved Baseline and Monitoring methodology AM0034 (Version 03.4): “Catalytic reduction of N<sub>2</sub>O inside the ammonia burner of nitric acid plants”.

Furthermore, the project draws on approved baseline methodology AM0028 (Version 04.2) for the baseline scenario selection and employs the “Tool for the demonstration and assessment of additionality” (Version 05.2).

**Applicability of AM0034**

The CDM methodology AM0034 is applicable to project activities aiming to install secondary N<sub>2</sub>O abatement at a nitric acid plant. YARA Köping S3 consists of one ammonia burner feeding into one absorption tower and the off-gasses are emitted through one stack. The secondary N<sub>2</sub>O catalyst system will be inserted into the ammonia reactor during a routine shut down; the abatement system is installed underneath the primary catalyst gauzes. This corresponds to the defined scope of the methodology.

Furthermore, the additional applicability criteria of the chosen methodology are met by the proposed project activity. These are:

1. The proposed project activity will be applied to production facility that was operated for commercial nitric acid production before the 31<sup>st</sup> December 2005 (based on design capacity installed).
2. Currently, no N<sub>2</sub>O abatement technology is installed in the plant that could be affected by the project activity.

As described in section A.4.2 above, Köping S3 previously had a partial batch of test catalyst installed for industrial trials. However, these industrial trial runs are now considered complete and are no longer necessary. Since the catalyst was nearing the end of its useful life, it was removed in the shutdown in November and not replaced.

3. The project activity has no positive influence on the plant’s nitric acid production levels. It has been proven by industrial testing that a plant’s production levels are not affected by the installation of a secondary N<sub>2</sub>O catalyst<sup>11</sup>.
4. The host country does not have any legal requirements to reduce N<sub>2</sub>O emissions from nitric acid plants.

Swedish environmental legislation, be it on national or local level, currently does not limit or otherwise regulate N<sub>2</sub>O emissions.

5. The project activity will not increase NO<sub>x</sub> emissions.

The secondary catalyst technology to be installed has no effect on NO<sub>x</sub> emission levels. This has been scrutinised in industrial testing over extended industrial process application<sup>12</sup>. In addition, the regular and compulsory NO<sub>x</sub> tests conducted by YARA, and reported to the responsible local environmental authority, would reveal any changes in NO<sub>x</sub> emission levels.

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<sup>11</sup> See the European IPPC Bureau publication „Integrated Pollution Prevention and Control; Reference Document on Best Available Techniques for the Manufacture of Large Volume Inorganic Chemicals – Ammonia, Acids and Fertilizers (August 2007), page 152 therein.

<sup>12</sup> See the European IPPC Bureau publication „Integrated Pollution Prevention and Control; Reference Document on Best Available Techniques for the Manufacture of Large Volume Inorganic Chemicals – Ammonia, Acids and Fertilizers (August 2007), page 124 f. therein. This source states that NO yields for the ammonia oxidation reaction remain unchanged when operating secondary N<sub>2</sub>O abatement catalysts.

6. There is no NSCR DeNO<sub>x</sub>-unit installed in the plant.

No NSCR technology is installed at the plant. The plant is in compliance with its NO<sub>x</sub>-emission limits, thanks to its existing SCR de-NO<sub>x</sub> unit.

### Regulatory framework

The regulatory framework for implementing JI projects in Sweden is influenced by several acts of law. The fundamental framework is provided by the Kyoto Protocol to the United Nations Framework Convention on Climate Change (“UNFCCC”) and subsequent decisions by UNFCCC-entities, most importantly the decisions of the Conference of the UNFCCC Parties serving as the Meeting of Parties to the Kyoto Protocol (“CMP”) and the Joint Implementation Supervisory Committee (“JI SC”).

In addition, there is the European Union legislation adapting the Kyoto JI framework for application in its member states such as the Emissions Trading Directive<sup>13</sup>, the Linking Directive<sup>14</sup> and various JI relevant decisions by EU bodies<sup>15</sup>. Besides acts of law of direct relevance, there are also Directives that have an indirect influence on JI implementation such as the IPPC Directive<sup>16</sup>.

EU Directives do not entail direct consequences on private entities located in the EU member states. In order to be enforceable on member state level, they generally have to be transformed into national legislation by the respective member state. These national transformation acts, as well as other national legislation, are the third layer of the regulatory framework relevant for JI project implementation. In Sweden, the most relevant transformation laws are the ‘Ordinance amending the Emissions Trading Ordinance (2004:1205)’, dated 31st August 2006, and the ‘Regulation concerning project based mechanisms under the Kyoto Protocol’, dated 18<sup>th</sup> October 2006.

Sweden has opted to follow JI Track 2 for the implementation of its JI projects.

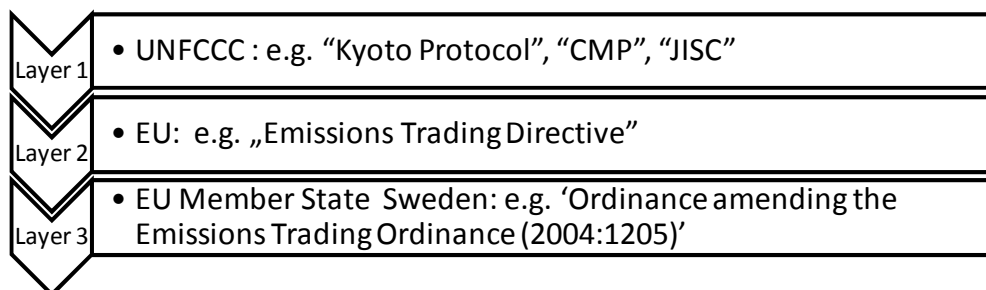


Illustration: Three layers of jurisdiction relevant for the implementation and subsequent operation of N<sub>2</sub>O nitric acid JI projects in Sweden

The JI SC has specified that JI project proponents may choose between two options when implementing JI projects: they may either (i) use a multi project emission factor (ii) or establish a project specific baseline<sup>17</sup>. Due to the significant variances typically observable in different nitric acid plants, it would

<sup>13</sup> 2003/87/EC, published on the internet under [http://ec.europa.eu/environment/climat/emission/implementation\\_en.htm](http://ec.europa.eu/environment/climat/emission/implementation_en.htm)

<sup>14</sup> 2004/101/EC, published on the internet under [http://ec.europa.eu/environment/climat/emission/implementation\\_en.htm](http://ec.europa.eu/environment/climat/emission/implementation_en.htm)

<sup>15</sup> Such as the Double Counting decision 2006/780/EC, published on the internet under [http://ec.europa.eu/environment/climat/emission/pdf/1\\_31620061116en00120017.pdf](http://ec.europa.eu/environment/climat/emission/pdf/1_31620061116en00120017.pdf)

<sup>16</sup> 2008/1/EC, published on the internet under <http://ec.europa.eu/environment/air/pollutants/stationary/ippc/index.htm>

<sup>17</sup> The requirements for this approach are outlined in the 4<sup>th</sup> JI SC Meeting Report, Annex 6 “Gui

dance in the Criteria for Baseline Setting and Monitoring” (Version 01), section B; paragraphs 18 ff. (see the internet under [http://ji.unfccc.int/Sup\\_Committee/Meetings/index.html](http://ji.unfccc.int/Sup_Committee/Meetings/index.html) for reference).



not be appropriate to derive a multi-project emission factor. Instead, the project proponents will measure a project-specific historic baseline, as defined in AM0034.

### Identification of the baseline scenario

The approved baseline methodology AM0034 (Version 03.4) refers to AM0028 (Version 04) with regard to the identification of the baseline scenario. Furthermore, the following steps are based on the “Combined Tool to identify the baseline scenario and demonstrate additionality” (Version 02.2)<sup>18</sup>.

#### Step 1 – Identify technically feasible baseline scenario alternatives to the project activity

The baseline scenario alternatives should include all possible options that are technically feasible to handle N<sub>2</sub>O emissions. These options are, inter alia:

- Status quo: The continuation of the current situation
- Switch to alternative production method not involving ammonia oxidation process;
- Alternative use of N<sub>2</sub>O such as:
  - Recycling of N<sub>2</sub>O as a feedstock for the plant;
  - The use of N<sub>2</sub>O for external purposes.
- Installation of a Non-Selective Catalytic Reduction (NSCR) DeNO<sub>x</sub> unit;
- The installation of an N<sub>2</sub>O destruction or abatement technology:
  - Tertiary measure for N<sub>2</sub>O destruction;
  - Primary or secondary measures for N<sub>2</sub>O destruction or abatement.

These options should include the JI project activity not implemented as a JI project.

#### *1.1 Assessment and continuation of the current situation, the “Status Quo”*

A partial batch (850kg) of N<sub>2</sub>O abatement catalyst was installed in YARA Köping S3 for the past two years as part of an industrial research and development programme. However, since the catalyst is now already installed in many plants around the world in projects implemented under the CDM and JI and its performance has been adequately proven, this industrial testing phase is now considered complete and is no longer necessary.

Since the catalyst was nearing the end of its useful life and there is currently no regulation limiting N<sub>2</sub>O emissions at nitric acid plants in Sweden, there would be no need to replace the catalyst after its removal in November 2009.

The reference case ‘business as usual’ scenario (and the Status Quo) would therefore be **not** to invest in additional N<sub>2</sub>O abatement catalyst following the removal of the previous batch in November 2009 and to operate the plant without any N<sub>2</sub>O abatement technology.

#### *1.2 Switch to alternative production method not involving ammonia oxidation process*

Changing the production process would require setting up a new production facility, because the present plant cannot be amended to employ a different production procedure. Choosing another

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<sup>18</sup> AM\_Tool\_02, provided by the CDM EB in its 28<sup>th</sup> Meeting; published on the UNFCCC web site under <http://cdm.unfccc.int/Reference/tools/index.html>

production procedure would also not be state-of-the-art, because the current operating procedures are the most advanced available.

### 1.3 Alternative use of N<sub>2</sub>O, such as:

- Recycling of N<sub>2</sub>O as a feedstock for the plant

The use of N<sub>2</sub>O as a feedstock for the production of nitric acid is not feasible, because it is not to produce nitric acid from N<sub>2</sub>O at the quantities emitted during nitric acid production.

- The use of N<sub>2</sub>O for external purposes

The use of N<sub>2</sub>O for external purposes is not practised anywhere in the world, as it is technically and economically unfeasible. The quantity of gas to be used as a source is enormous compared to the amount of nitrous oxide that could be recovered. The average N<sub>2</sub>O concentration in the tail gas of the Köping S3 plant during standard operation without any abatement catalyst would be over 1200 ppmv<sup>19</sup>, which is considered far too low to economically recover and separate from the tail gas.

### 1.4 Installation of a Non-Selective Catalytic Reduction (NSCR) De-NO<sub>x</sub> unit (step 1b);

The NSCR scenario alternative could be triggered by NO<sub>x</sub> regulation. From this perspective, YARA Köping S3 could be reducing N<sub>2</sub>O in a business as usual scenario if NO<sub>x</sub> regulation forced the plant operators to install NSCR technology. Such technology would be useful for reducing NO<sub>x</sub> emission levels, but would also lower N<sub>2</sub>O emissions.

However, the installation of a Non-Selective Catalytic Reduction (NSCR) de-NO<sub>x</sub> catalyst unit is uneconomic, because a) an NSCR is generally not considered the best available technology for NO<sub>x</sub> abatement and b) YARA Köping S3 is already in compliance with the prevailing NO<sub>x</sub> regulations<sup>20</sup>. The EFMA BAT reference document explains that an NSCR functions by injecting hydrogen, natural gas or hydrocarbons over a precious metal based catalyst, leading to high investment and operational costs. The use of hydrocarbons as a reducing agent also results in emissions of carbon monoxide, CO<sub>2</sub> and unburned hydrocarbons. Also, NSCR units require very high tail gas temperatures to be able to function. By being led through the absorption tower the gas mix has been cooled down to a temperature level below that required for NSCR abatement catalysts to function<sup>21</sup>. Because of this, an NSCR abatement system would only work if the stack gas mix is re-heated<sup>22</sup>.

If even lower NO<sub>x</sub> levels were introduced, the most economical option would instead be to upgrade the existing SCR NO<sub>x</sub> abatement unit already installed at the plant. However, YARA Köping S3 is currently achieving NO<sub>x</sub>-emission levels in line with the applicable limit of 100 ppm. The regulatory levels would therefore need to be lower in order to enforce any additional adaptation requirements upon YARA Köping S3.

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<sup>19</sup> This value is derived from the average N<sub>2</sub>O emissions readings taken at Köping S3 in the year 2006, prior to catalyst installation.

<sup>20</sup> Environmental permit 'BESLUT nr 72/89', dated 8th June 1989 (page 89 therein)

<sup>21</sup> NSCR abatement catalysts require a gas mix temperatures of around 550°C in order to operate effectively; see the booklet no. 2 of the European Fertilizer Manufacturers Association (EFMA), published in the internet under [http://www.efma.org/EPUB/easnet.dll/ExecReq/Page?eas:template\\_im=000BC2&eas:dat\\_im=000EAE](http://www.efma.org/EPUB/easnet.dll/ExecReq/Page?eas:template_im=000BC2&eas:dat_im=000EAE) (page 17 therein) for further information.

<sup>22</sup> For other disadvantages of NSCR technology see the EFMA-booklet published on the internet under [http://www.efma.org/EPUB/easnet.dll/ExecReq/Page?eas:template\\_im=000BC2&eas:dat\\_im=000EAE](http://www.efma.org/EPUB/easnet.dll/ExecReq/Page?eas:template_im=000BC2&eas:dat_im=000EAE) (page 18 therein).

As the existing SCR-NO<sub>x</sub> abatement system is already efficient, there would be no point in also installing NSCR, even if this technology was considered an alternative option.

Therefore, at this stage baseline scenarios 1.2, 1.3 & 1.4 can be excluded from further assessment.

### *1.5 Implementation of primary, secondary and tertiary technologies*

Since the primary catalyst composition is the most significant factor in determining nitric acid production efficiency and is carefully calculated to ensure a maximum production of HNO<sub>3</sub> at a minimum cost, producers are not willing to take any risks that may affect their nitric acid production by experimenting with different primary catalyst compositions to potentially influence N<sub>2</sub>O levels. For the specific reduction of N<sub>2</sub>O emissions, producers only consider installation of the already widely-tested and well-proven secondary and tertiary catalyst technologies.

Tertiary measures may be considered when building a new plant, but installation in an existing plant is rarely an economical option. It is necessary to install a complete additional reactor between the absorption column and the tail gas stack in order to house the catalyst, and as with the NSCR system, the tail gas generally needs to be re-heated to a temperature high enough for the tertiary catalyst to function. Both these requirements mean that tertiary catalyst is ultimately considerably more expensive than secondary catalyst and a longer period of plant downtime is necessary in order to install the additional reactor<sup>23</sup>.

#### Step 2 – Eliminate baseline alternatives that do not comply with legal or regulatory requirements:

There are currently no national and no regional regulatory requirements for YARA Köping S3 in Sweden regarding N<sub>2</sub>O emissions.

NO<sub>x</sub>-emissions are regulated by an operational permit for the YARA Köping S3 plant. According to the relevant Environmental permit ('BESLUT nr 72/89', dated 8th June 1989), the permitted level since 1992 is 100ppm, but sanctions will only be imposed if the plant exceeds 100kg/day on an annual basis. According to readings taken with the Rosemount Gaslog analyser during 2008 and 2009<sup>24</sup>, the plant is in compliance with these requirements. YARA Köping S3's NO<sub>x</sub> emissions will remain constant and in compliance with the regulatory limit also after the installation of the secondary catalyst. NO<sub>x</sub> emissions at Köping S3 are reported to the municipal authorities once per month and the national authorities (Länsstyrelse and naturvårdsverket) once per year.

In consequence, all scenarios are in compliance with all applicable laws and regulatory requirements.

#### Step 3 - Eliminate baseline alternatives that face prohibitive barriers (barrier analysis)

At the next step, baseline alternatives that face prohibitive barriers are eliminated from the further baseline identification process (barrier analysis).

On the basis of the alternatives that are technically feasible and in compliance with all legal and regulatory requirements, a complete list of barriers that would prevent alternatives to occur in the absence of JI is established.

Barriers include:

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<sup>23</sup> Footnotes 22 and 23 also tend to apply to tertiary catalysts, depending on the exact type.

<sup>24</sup> NO<sub>x</sub>-readings can be provided to the AIE during the on-site Determination, if requested.



### Investment barriers

The investment barriers analysis asks which of the remaining scenario alternatives is likely to be prevented by the costs associated with it becoming reality. The assumption is that these scenarios would be unlikely to be the business as usual scenario.

None of the N<sub>2</sub>O destruction technology options (including NSCR) are expected to generate any financial or economic benefits other than JI-related income. Their operation does not create any marketable products or by-products. Plant operators would face significant investment requirements if they decided to install N<sub>2</sub>O abatement (including NSCR) technology. Unless there is a legal obligation to reduce N<sub>2</sub>O emission levels (NO<sub>x</sub> limits already being complied with), there is no need to overcome these barriers. See step 1 (1.4) above for additional information on investment barriers facing NSCR technology.

Any operator willing to install and thereafter operate N<sub>2</sub>O abatement technology under the JI faces significant investment and additional operating costs:

The proposed project activity aims to install and operate secondary catalyst technology at the plant throughout the crediting period. In order to assess the project emissions, an Automated Monitoring System (AMS) has to be installed and operated. In addition to the initial investment for the expensive catalyst material and suitable AMS, Köping S3 employees and management will have a significant additional work load to cope with in order to initiate the project activity and maintain it for the project's lifetime. Required training for AMS operation has to be undertaken by the responsible staff, and AMS calibration and other JI Project-related audits have to be arranged, facilitated and paid for.

Only the revenues from ERU sales would therefore be sufficient to pay back the investment costs of the project activity. The registration of the project activity as a JI Project is therefore the decisive factor for the realisation of the proposed project activity.

For all these reasons, the only alternative that does not face significant investment barriers is 1.1, the "continuation of the status quo".

### Technological barriers

Yara personnel do have experience of working with this catalyst due to the industrial trials that have taken place at Köping S3.

However, all of the available N<sub>2</sub>O abatement technologies have to be integrated in the nitric acid plant. Primary abatement technologies would be installed inside the ammonia oxidation reactor where they may, if not correctly designed and installed, interfere with the nitric acid production process by causing a deterioration of product quality or a loss of production output. Tertiary measures require the installation of a complete reactor between the absorption column and the stack, as well as a re-heating system, which may cause significant downtime of the plant during construction and commissioning.

These technical barriers can be demonstrated by the fact that the YARA management decided not to fill the catalyst containment system to its maximum capacity during the research and testing phase. The greater the bed depth of catalyst installed inside the burner, the more likely it will be that the plant encounters problems associated with pressure drop. This may affect the gas flow through the burner, potentially lowering nitric acid production yields. Additionally, the heavier the weight of catalyst, the stronger must be its supporting containment structure and the more technical modifications will be needed to accommodate the increased load.





It is therefore unlikely that any plant operator would be willing to confront these possible technical risks and install such technologies on a voluntary basis without the incentive of any regulatory requirements (emissions caps) or financial benefits (such as revenues from the sale of ERUs).

For these reasons, all the above scenarios, with the sole exception of the continuation of the status quo, face technological barriers.

### **Barriers due to prevailing practice**

This test reconfirms the previous assessments: If the steps taken so far have led to the conclusion that one or more baseline scenario alternatives meet investment related or technological barriers, these scenarios should be excluded. Of course, similar plants that gain ERU or CER revenues by participating in the JI or CDM, and can thus overcome the identified barriers by using the additional financial means available, are not to be taken into account.

So far, secondary catalyst technology has only been operated in some European countries on an industrial trial basis. Researching this technology made sense due to the prospective revenues obtainable under the Kyoto Protocol's Clean Development Mechanism (CDM), by employing it in nitric acid plants located in developing nations on a voluntary basis. Also, it is expected that N<sub>2</sub>O emissions from nitric acid production may be included in the European Union Emissions Trading Scheme ("EU ETS")<sup>25</sup> from 2013 onwards or regulated otherwise. Both aspects provided some incentive for developing N<sub>2</sub>O abatement technology.

However, now that the research and development phase has been completed and secondary catalyst technology is being employed successfully in many CDM projects worldwide, plant operators would no longer be willing to incur the costs associated with the continued operation of such technology. For European nitric acid producers, the only incentive to operate such technology before the likely inclusion of N<sub>2</sub>O emissions into the EU ETS from 2013 onwards is to take advantage of the incentives available under the Kyoto Protocol's Joint Implementation ("JI") mechanism. While this option has in principle been available since the beginning of 2008, EU member states took some time developing a coherent policy approach on whether or not to allow JI participation in their respective territories, and if so, under which conditions. This process has not been fully completed yet.

Such JI projects are currently being developed across the EU, e.g. Poland, Lithuania, Hungary, Romania, Bulgaria, France, Finland and Germany.

All scenarios, with the exception of the continuation of the "Status Quo", face significant investment barriers, as well as some technological barriers, and therefore have to be excluded from further analysis.

### **Conclusion**

The only scenario that does not face any technical, investment or common practice barriers and that is in compliance with all applicable regulations is the continuation of the present situation, the 'Status Quo': the operation of the plant without any abatement technology, following removal of the trial batch of catalyst at the end of the industrial trials in November 2009.

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<sup>25</sup> On 23<sup>rd</sup> January 2008, the EU Commission published a communication on its post-2013 climate change strategy (see <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0035:FIN:EN:PDF>), which announces the determination to expand the EU ETS beyond its present scope, especially mentioning the inclusion of non-CO<sub>2</sub> gasses into the system. This development is no news to the industry, because responding to Article 30 of the EU ETS Directive 2003/87/EC, the Commission had submitted a report to the European Parliament and the Council considering the inclusion of non-CO<sub>2</sub> GHGs into the EU ETS already in November 2006. See the EU homepage under [http://ec.europa.eu/environment/climat/emission/pdf/com2006\\_676final\\_en.pdf](http://ec.europa.eu/environment/climat/emission/pdf/com2006_676final_en.pdf) for this report which expressly considers extending the EU ETS into N<sub>2</sub>O emissions (see page 6 therein).

**B.2. Description of how the anthropogenic emissions of greenhouse gases by sources are reduced below those that would have occurred in the absence of the JI project:**

In this step, the JI project's additionality is ascertained. Project proponents need to demonstrate that the intended JI activity could only be realised if ERU sales revenues were available to offset the investments to be made. Because the project has no revenues other than JI-related revenues, a simple cost analysis is sufficient for demonstrating the project's additionality<sup>26</sup>.

The proposed project activity aims to install secondary catalyst technology at the plant and to operate this catalyst throughout the crediting period. In order to assess the project emissions, an Automated Monitoring System (AMS) has to be installed and operated. In addition to the initial investment for the catalyst, YARA Köping S3 employees and management will have a significant additional work load to cope with in order to initiate the project activity and maintain it for the project's lifetime. The required training for catalyst and AMS operation has to be undertaken by the responsible staff, and the regular AMS calibration and other JI-related audits have to be arranged, facilitated and paid for.

As previously assessed, YARA Köping S3 has no need to invest in any N<sub>2</sub>O destruction or abatement technology at present and so the identified baseline scenario alternative (the operation of the nitric acid plant without an N<sub>2</sub>O abatement catalyst) would not incur any additional costs.

Revenues from the sale of ERUs are the only source of income that would be generated by the project activity.

In consequence, no income other than ERU sales revenues could be used to pay back the investment costs. The registration of the project activity as a JI Project and the resulting expected ERU revenues are the single source of project revenues. JI registration is therefore the decisive factor for the realisation of the proposed project activity.

The proposed JI project activity is undoubtedly additional, since it passes all the steps of the Additionality assessment, as defined by section B.2 above.

The identification of the baseline scenario and assessment of additionality should be re-conducted following any changes in legislation that may affect the JI project activity.

**Conclusion**

Köping S3 currently has no need to make any investment to decrease its N<sub>2</sub>O emissions. Without the revenues from the sale of the ERUs generated by the project activity there would be no incentive to justify the additional cost and technical risks<sup>27</sup> associated with the implementation of the project activity. The project activity would not take place without the revenues from the sale of ERUs and therefore JI Project registration is the decisive factor for the realisation of the proposed project activity.

**B.3. Description of how the definition of the project boundary is applied to the project:**

<sup>26</sup> See the "Tool for the demonstration and assessment of additionality" (Version 05.1); CDM EB 39<sup>th</sup> Meeting Report, Annex 10; published under [http://cdm.unfccc.int/EB/039/eb39\\_repan10.pdf](http://cdm.unfccc.int/EB/039/eb39_repan10.pdf).

<sup>27</sup> See 'technological barriers' under Step 3, section B.1 for details of the technical risks associated with installing secondary catalyst

The project boundary entails all parts of the nitric acid plant in so far as they are needed for the nitric acid production process itself. With regard to the process sequence, the project boundary begins at the ammonia burner inlets and ends at the tail gas stack. If and when installed, any form of NO<sub>x</sub>-abatement device, such as the SCR unit, shall also be regarded as being within the project boundary, since this does not reduce N<sub>2</sub>O emission levels.

The flow chart below provides an overview of the plant's process design:

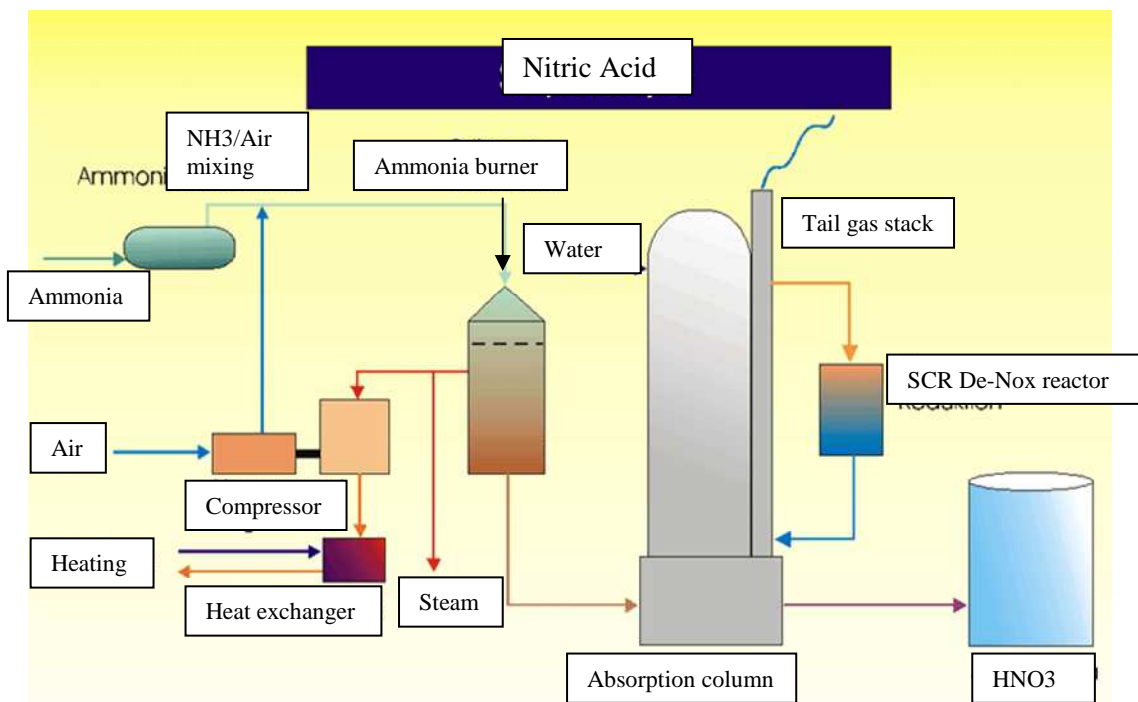


Illustration: Flow chart for the YARA Köping S3 nitric acid plant.

An overview of all emission sources within the project boundary is provided below:

	Source	Gas	Included?	Justification / Explanation
Baseline	Nitric Acid Plant (Burner Inlet to Stack)	CO <sub>2</sub>	No	The process does not lead to any CO <sub>2</sub> or CH <sub>4</sub> emissions
		CH <sub>4</sub>	No	
		N <sub>2</sub> O	Yes	
Project Activity	Nitric Acid Plant (Burner Inlet to Stack)	CO <sub>2</sub>	No	The process does not lead to any CO <sub>2</sub> or CH <sub>4</sub> emissions
		CH <sub>4</sub>	No	
		N <sub>2</sub> O	Yes	
	Leakage emissions	CO <sub>2</sub>	No	No leakage emissions are expected.
		CH <sub>4</sub>	No	
		N <sub>2</sub> O	No	

Table 4: Overview of all emission sources within the project boundary

**B.4. Further baseline information, including the date of baseline setting and the name(s) of the person(s)/entity(ies) setting the baseline:**

Since the measurement of the baseline campaign has not yet been undertaken at the time of writing this PDD, the date of the final baseline setting cannot yet be defined.

However, a 'preliminary baseline emissions factor' of 7.59kgN<sub>2</sub>O/tHNO<sub>3</sub> has been used for estimating in this PDD the expected emission reductions that will result from the project activity. This factor of 7.59kgN<sub>2</sub>O/tHNO<sub>3</sub> is based on monthly spot measurements taken throughout the whole of 2006, as explained in section A.4.3.1 above. N<sub>2</sub>O data was obtained using a Rosemount Gaslog 800 analyser.

The final request for issuance of ERUs will not be based on the preliminary estimations in this PDD, but using the factual historic baseline emissions factor (EF<sub>BL</sub>), which will be determined following the measurement of an historic baseline in the absence of the N<sub>2</sub>O destruction technology.

The preliminary baseline emissions factor was calculated by Mrs Rebecca Cardani-Strange of N.serve Environmental Services GmbH on the 9<sup>th</sup> December 2009.

**SECTION C. Duration of the project / crediting period****C.1. Starting date of the project:**

Start date of baseline campaign: 19/11/2009

Likely start date of project campaign: 01/05/2010

The N<sub>2</sub>O abatement catalyst can only be installed during a routine shut-down. At YARA Köping S3's plant a shutdown only takes place approximately every 6 months in order to exchange the primary catalyst gauzes. A shutdown took place in mid-November and the plant re-started production on 19<sup>th</sup> November 2009, which is intended as the start of the baseline campaign. The following shutdown and gauze change is scheduled to take place at the end of April 2010 and therefore the official starting date of the project is most likely to be the beginning of May 2010, when the plant will re-start production with a new set of gauzes and with the abatement catalyst installed (the exact date is yet to be confirmed).

Since the official approval of the Swedish government is expected to be received only later in 2010, the Swedish DFP has stated that it has no objections to retroactive crediting from the start of the project activity, and that project participants shall be entitled to ERUs for emission reductions physically achieved from the date of installation of the catalyst onwards.

**C.2. Expected operational lifetime of the project:**

Since the expected lifetime of the catalyst is three years, the anticipated duration of the project's operational life is three years. In reality, however, the project is expected to run for only 2 years and 8 months (until the end of December 2012), since it is expected that N<sub>2</sub>O emissions from HNO<sub>3</sub> plants will be covered by the EU ETS from 2013 onwards and that the project will no longer be viable<sup>28</sup>. If this is not the case, and N<sub>2</sub>O is not otherwise regulated in a way that prohibits the continuation of the project,

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<sup>28</sup> See footnote 26



the catalyst will continue to be replaced every 3 years for a total operational life of 10 years, in accordance with the crediting period specified in C.3 below.

The S3 plant has an operational life of at least another 20 years and is therefore expected to be fully operational for the whole 10-year crediting period and beyond.

<b>C.3. Length of the <u>crediting period</u>:</b>
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The starting date of the crediting period is expected to be 01/05/2010.

The Project Participants herewith apply for a crediting period of 10 years. The JI project will be terminated earlier if there is a legal requirement to do so. All laws relevant for this project<sup>29</sup> will be complied with at all times during the chosen crediting period.

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<sup>29</sup> See section B.1 above for more detailed information.

**SECTION D. Monitoring plan****D.1. Description of monitoring plan chosen:**

The emission reductions achieved by the project activity will be monitored using the approved monitoring methodology, AM0034, as prepared by N.serve Environmental Services GmbH, Germany. It is the appropriate monitoring methodology to be used in conjunction with the baseline methodology AM0034, “Catalytic reduction of N<sub>2</sub>O inside the ammonia burner of nitric acid plants”. Its applicability depends on the same prerequisites as the mentioned baseline methodology.

AM0034 requires the use of the European Norm EN14181 (2004) “*Stationary source emissions - Quality assurance of automated measuring systems*”<sup>30</sup> as a guidance for installing and operating the Automated Monitoring System (AMS) in the nitric acid plants for the monitoring of N<sub>2</sub>O emissions.

An Automated Measuring System (AMS) consisting of the following shall be used for monitoring:

- An automated gas analyser system that will continuously measure the concentration of N<sub>2</sub>O in the tail gas of the nitric acid plant; and
- A gas volume flow meter that uses differential-pressure to continuously monitor the gas volume flow, temperature and pressure, in the tail gas of the nitric acid plant.

Sampling shall be carried out continuously using a multiple-point sampling tube that is optimised to the specific width and height of the tail gas duct and the expected gas velocities in the tail gas. Temperature and pressure in the tail gas will also be measured continuously and used to calculate the gas volume flow at standard conditions.

**Description of the AMS installed at YARA Köping S3 nitric acid plant.****1. General Description of the AMS**

From the shutdown and gauze change in mid-November 2009, YARA Köping S3 plant is equipped with an EN-14181 compliant state of the art AMS consisting of a Dr. Födisch MCA 04 Continuous Emissions Analyser, a sample probe, heated filter and heated sample-line connected directly to the analyzer, and a Dr. Födisch FMD 99 Stack Gas Flow meter. The new analyzer is connected to the plant’s existing data collection system (Emerson DeltaV).

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<sup>30</sup> This standard describes the quality assurance procedures needed to assure that an Automated Measuring System (AMS) installed to measure emissions to air are capable of meeting the uncertainty requirements on measured values given by legislation, e.g. EU Directives, or national legislation, and more generally by competent authorities.



Since this nitric acid plant has been in operation since 1982, YARA Köping's staff in general, and its instrument department in particular, is accustomed to operating technical equipment adhering to high quality standards.

At the time of writing this PDD, Mr Gilles Raskopf (Site Manager) and Mr Axel Pallin (Process Engineer) are responsible for the overall implementation of the project. Mr Axel Pallin, Mr Jozef Meglic and Mr Mikael Larsson are responsible for the quality assurance, operation and maintenance of the N<sub>2</sub>O monitoring system installed at the plant. It is possible that the people responsible for these tasks may change throughout the course of the project crediting period. Operation, maintenance and calibration intervals are being carried out by staff from the instrument department according to the vendor's specifications and under the guidance of internationally relevant environmental standards, in particular EN 14181 (2004). Service will be performed by the supplier of the AMS. YARA has defined an AMS checking procedure schedule and will continue to plan ahead for the remaining years of the crediting period, strictly adhering to the relevant standards.

All monitoring procedures at YARA are also conducted and recorded in accordance with the procedures under ISO 9001 and ISO 14001, which is regularly audited by an independent auditing organisation accredited for ISO 9001 certification<sup>31</sup>.

## 2. Sample points

The sample points were chosen in accordance with the AMS requirements, EN 14181 requirements and the plant design specifications to allow an optimum of data collecting quality. The location of the sample points for the N<sub>2</sub>O measurement [NCSG] and tail gas flow measurements [VSG] was selected to provide ease of access in a location close to the analyser. The most suitable location at Köping S3 is downstream of the tail gas expander in an upwards-sloping diagonal straight section of the tail gas pipe.

This section of pipe is 10.9m in length. The VSG sampling point is positioned at 5.6m along this pipe, while the NCSG sampling point is located at 6.1m. The calibration ports are a little further downstream in the same section of the pipe, at 6.85m.

## 3. Analyser

The Dr. Födisch MCA 04 Continuous Emissions Analyser is capable of analysing N<sub>2</sub>O concentration in gas mixtures. The analysis system MCA 04 is an extractive, continuous measuring system. It extracts a partial gas flow from the flue gas, which is led to the analyser through a heated line (all heated components of the measuring system are regulated at 185 °C). This state of the art gas sampling and conditioning system and the most advanced photometer technology ensure high reliability and long operating times with short maintenance intervals.

The MCA 04 is a single beam photometer. It is based on the absorption of infrared light. For the calculation of a component's concentration the measuring technology registers unattenuated and attenuated intensity in the range of absorption wave lengths. For measurement of N<sub>2</sub>O, Gas filter correlation technique is used.

According to EN 14181 the Analyser is QAL1<sup>32</sup> tested for the measurement of all standard components that usually are measured in the waste gas of large combustion plants, waste incineration plants or mechanical biological waste treatment plants. The QAL1 tested components are: CO, NO, SO<sub>2</sub>, HCl, NH<sub>3</sub>, H<sub>2</sub>O.

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<sup>31</sup> External auditor: DNV



The QAL1 test for N<sub>2</sub>O is currently ongoing and is expected to be completed in the near future. A QAL2 audit will be performed in January 2010 by an independent laboratory with EN ISO/IEC 17025 accreditation.

A hot extractive analyser was chosen in order to address a particular safety concern. Since the analyzer will be installed downstream of the SCR unit where ammonia is used for NO<sub>x</sub> abatement purposes, there is a possibility of the formation of ammonium nitrate/nitrite. In case of a cold measurement system, as usually applied in other plants, it is possible that due to the low temperature in the gas cooler and the analyzer solid nitrate/nitrite deposits could block the sampling lines, harm the analyzer and, in the worst case, lead to explosions when mechanically removed during maintenance works. In case of the MCA 04 analyzer all parts of the system that come into contact with the waste gas are heated well above 180°C. Therefore no solid deposits of nitrate/nitrite are possible. At the moment no QAL1 tested NDIR-Analyzer for N<sub>2</sub>O is available on the market that fulfils the requirements of hot measurements according to the YARA internal safety rules.

#### 4. Sample Conditioning System

As the gas sample is extracted, particles are removed with a heated filter unit at the sampling point and the clean sampling gas is delivered through a heated sampling line directly to the analyser in its cabinet, via the sampling pump. The temperature of the sampling gas is always maintained at 185 °C. The minimum flow rate to the analyser is controlled and connected to a general alarm. The alarm is connected to the data acquisition system.

#### 5. Flow Meter

The Dr. Födisch FMD99 measuring system allows continuous determination of the flow rate of stack gas. It is type tested to the guidelines of the German Federal Ministry for the Environment, Nature Conservation and Reactor Safety on suitability testing of measuring equipment for continuous measuring of emissions<sup>33</sup> and is therefore officially QAL1 approved.

The flow measuring device FMD 99 is a highly sensitive system for continuous, in-situ flow measurement of the exhaust gas. The differential pressure is continuously measured via the dynamic pressure probe of the FMD 99.

The signal resulting from the differential pressure is a degree of the velocity respective to the flow of the exhaust gas. The flow meter is combined with the internal measurement of the absolute stack gas pressure (PSG) and the stack gas temperature (TSG).

Linking this device with the Emerson DeltaV data acquisition system, the data flows can be converted from operating to standard conditions, taking into account the other flow parameters, such as temperature and pressure.

#### 6. The data acquisition system

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<sup>32</sup> TÜV Immissionsschutz und Energiesysteme GmbH, Köln TÜV Rheinland Group Report No. 936/21203173/A vom 13. Juli 2005

<sup>33</sup> TÜV Rheinland Sicherheit und Umweltschutz GmbH, Köln (report number 936/808 005/C vom 18. Februar 2000) and TÜV Immissionsschutz und Energiesysteme GmbH, Köln (report number 936/rö vom 15. Oktober 2003).

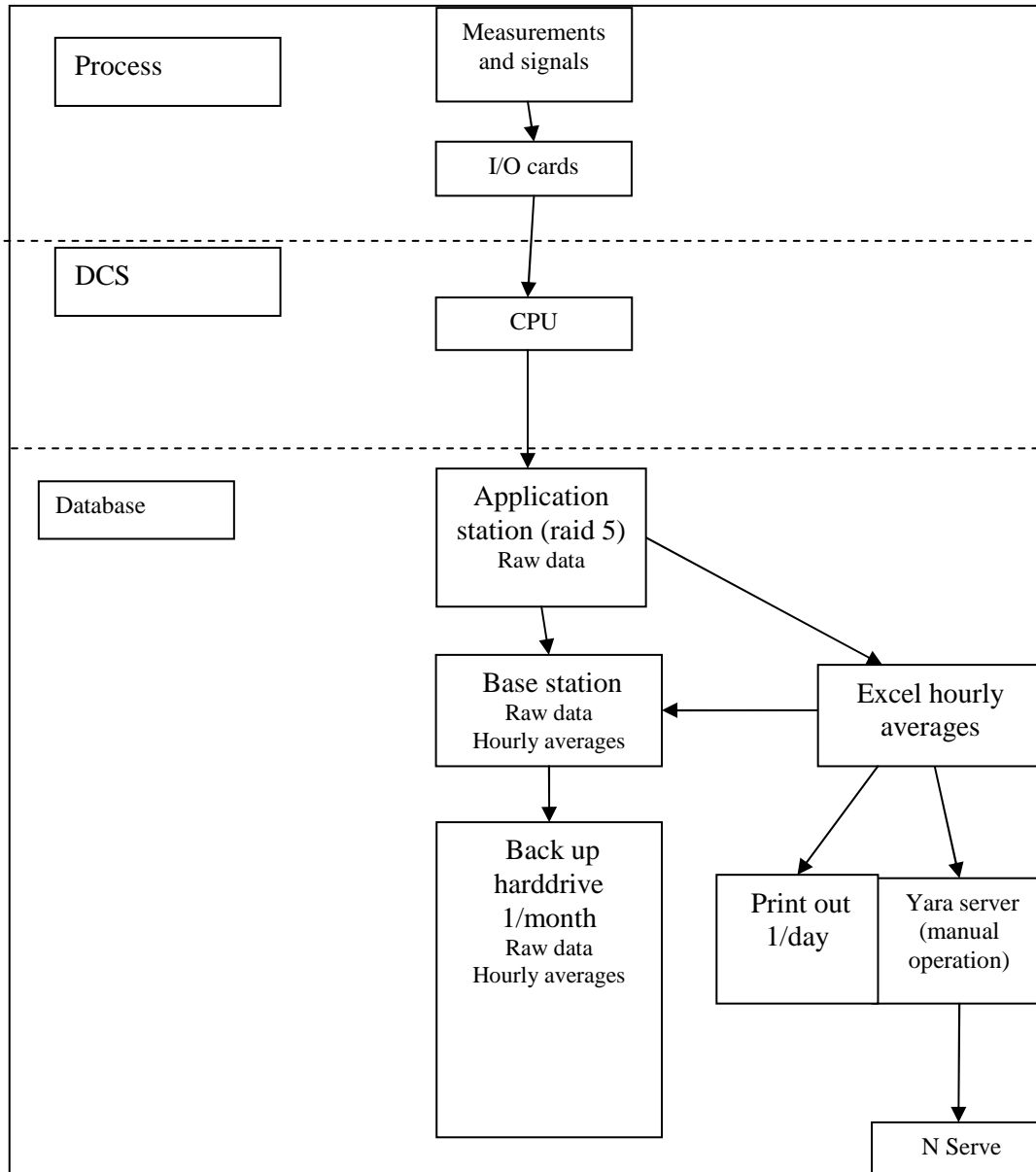




The YARA Köping S3 nitric acid plant is equipped with an Emerson DeltaV data collection and storage system that collects and stores the values for all the relevant monitoring parameters, as well as different status signals of the AMS and the NH<sub>3</sub> valve status signal from the nitric acid plant that defines whether or not the plant is in operation.

The data is stored simultaneously on different hard disks to prevent the loss of data in case one hard disk fails. The Emerson DeltaV system is especially designed for emissions monitoring systems and is type-approved for these purposes.

Data that is directly related to plant operation, such as oxidation temperature, oxidation pressure, ammonia flow rate, ammonia to air ratio and nitric acid production rate, is also stored. The flow chart below shows this system in more detail:



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## 7. Data evaluation

The nitric acid plant operator derives hourly averages for all of the monitored parameters from the Emerson DeltaV data management system. This data is exported to EXCEL-format and delivered by email or CD from the plant operator to N.serve, who is responsible for the correct analysis of the delivered data in accordance with the PDD.

At N.serve the received data is stored on the N.serve fileserver in a special section for the storage of monitoring data separately for each project. The files are protected against manipulation by a password. Mr Martin Stilkenbäumer at N.serve is currently responsible for the correct data handling and processing, but this may change throughout the course of the project crediting period.

After a first plausibility-check, the data is transferred to a special database system. All necessary calculations and steps of data analysis of the monitoring data according to AM 0034 regulations, as well as other regulations outlined in this PDD, are carried out by N.serve using the database tool.

The results of the data analysis are transferred to an Excel spreadsheet. The results are used for definition of Project emissions as well as for the preparation of the Monitoring reports.

## 8. AMS QA procedures

The following section describes how the procedures given in EN14181 for QAL1, 2 and 3 have been adapted and are practically applied at the YARA nitric acid plant.

### QAL 1

An AMS shall ideally have been proven suitable for its measuring task (parameter and composition of the flue gas) by use of the QAL1 procedure as specified by EN ISO 14956. This standard's objective is to prove that the total uncertainty of the results obtained from the AMS meets the specification for uncertainty stated in the applicable regulations. Such suitability testing has to be carried out under specific conditions by an independent third party on a specific testing site.

A test institute shall perform all relevant tests on the AMS. The AMS has to be tested in the laboratory and field.

The chosen Dr. Födisch MCA 04 gas analyser is QAL1<sup>34</sup> tested for the measurement of all standard components that usually are measured in the waste gas of large combustion plants, waste incineration plants or mechanical biological waste treatment plants. The QAL1 tested components are: CO, NO, SO<sub>2</sub>, HC<sub>1</sub>, NH<sub>3</sub>, H<sub>2</sub>O. The QAL1 test for N<sub>2</sub>O is currently ongoing and is expected to be completed in the near future. A QAL2 audit will be performed by an independent laboratory with EN ISO/IEC 17025 accreditation.

A hot extractive analyser was chosen in order to address a particular safety concern. As described above, this is a YARA internal safety precaution.

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<sup>34</sup> TÜV Immissionsschutz und Energiesysteme GmbH, Köln TÜV Rheinland Group Report No. 936/21203173/A from 13. July 2005



The chosen Dr. Födisch FMD 99 stack gas flow meter has fulfilled the requirements of the QAL1 and was successfully tested by TÜV Rheinland Sicherheit und Umweltschutz GmbH, Köln, Germany<sup>35</sup>.

### **QAL2**

QAL2 is a procedure for the determination of the calibration function and its variability, and a test of the variability of the measured values of the AMS compared with the uncertainty given by legislation. The QAL2 tests are performed on suitable AMS that have been correctly installed and commissioned on-site (as opposed to QAL 1 which is conducted off-site). QAL2 tests are to be performed at least every 3 years according to EN 14181 (or following any major change to the monitoring system).

A calibration function is established from the results of a number of parallel measurements performed with a Standard Reference Method (SRM). The variability of the measured values obtained with the AMS is then evaluated against the required uncertainty. There is a problem in fully complying with EN14181 since there is no regulation on N<sub>2</sub>O emissions level and measurement uncertainty limit. According to EN14181, the QAL2 test including the SRM need to be conducted by an independent “testing house” or laboratory which has to be accredited to EN ISO/IEC 17025. The QAL2 test is expected to be conducted in January 2010.

### **AST**

In addition, Annual Surveillance Tests (AST) should be conducted in accordance with EN 14181; these are a series of measurements that need to be conducted with independent measurement equipment in parallel to the existing AMS. The AST tests are performed annually. If a full QAL 2 test is performed (at least every 3 years), an additional AST test is not necessary in that same year.

### **QAL3**

QAL3 describes the ongoing quality assurance and maintenance procedures and documentation for the AMS conducted by the plant operator. With this documentation it can be demonstrated that the AMS is in control during its operation so that it continues to function within the required specifications for uncertainty.

This is achieved by conducting periodic zero and span checks on the AMS. Zero and span adjustments or maintenance of the AMS may be necessary depending on the results of the evaluation. In essence, YARA staff performs QAL3 procedures through the established calibration procedures described below.

### **AMS calibration and QA/QC procedures**

The monitoring equipment used to derive the N<sub>2</sub>O emissions data for this project will be made part of the ISO 9001 procedures.

### **N<sub>2</sub>O-Analyser Zero Calibration**

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<sup>35</sup> TÜV Rheinland Sicherheit und Umweltschutz GmbH, Köln (report number 936/808 005/C vom 18. Februar 2000) and TÜV Immissionsschutz und Energiesysteme GmbH, Köln (report number 936/rö from 15. October 2003)



Conditioned ambient air is used as reference gas for zero calibration. The zero calibration is conducted automatically every 24 hours. Manual calibrations are done at least once every four weeks (the calibration frequency might be adjusted if necessary).

**N<sub>2</sub>O-Analyser Span calibration**

Manual span calibrations are done with certified calibration gas at least once every four weeks (the calibration frequency might be adjusted if necessary). The calibration results and subsequent actions are all documented as part of the QAL3 documentation. In addition, the analyser room and equipment is visually inspected at least once a week and the results are documented in analyser specific log-books.

**Flow meter calibration procedures**

The flow meter FMD 99 itself does not need to be calibrated since it is a physical device which will not have drift. Therefore, it is sufficient to regularly inspect the physical condition of the Dr. Födisch FMD. It is checked regularly for the following: Visual check; electric check; cleaning of probe, if necessary. In addition the flow meter is checked during the QAL2 and AST tests by an independent laboratory by comparison to a standard reference method (SRM).

**D.1.1. Option 1 – Monitoring of the emissions in the project scenario and the baseline scenario:**

D.1.1.1. Data to be collected in order to monitor emissions from the project, and how these data will be archived:								
ID number <i>(Please use numbers to ease cross-referencing to D.2.)</i>	Data variable	Source of data	Data unit	Measured (m), calculated (c), estimated (e)	Recording frequency	Proportion of data to be monitored	How will the data be archived? (electronic/ paper)	Comment

Not applicable. Project Proponents have chosen to complete Option 2 (see D.1.2 below)

**D.1.1.2. Description of formulae used to estimate project emissions (for each gas, source etc.; emissions in units of CO<sub>2</sub> equivalent):**

The project emissions will not be estimated, but monitored using the parameters described in section D.1.2.1 below.



**D.1.1.3. Relevant data necessary for determining the baseline of anthropogenic emissions of greenhouse gases by sources within the project boundary, and how such data will be collected and archived:**

ID number <i>(Please use numbers to ease cross-referencing to D.2.)</i>	Data variable	Source of data	Data unit	Measured (m), calculated (c), estimated (e)	Recording frequency	Proportion of data to be monitored	How will the data be archived? (electronic/ paper)	Comment

Not applicable

**D.1.1.4. Description of formulae used to estimate baseline emissions (for each gas, source etc.; emissions in units of CO<sub>2</sub> equivalent):**

Not applicable, since baseline emissions will not be estimated, but monitored using the parameters described in section D.1.2.1 below.

**D. 1.2. Option 2 – Direct monitoring of emission reductions from the project (values should be consistent with those in section E.):**

**D.1.2.1 Data to be collected in order to monitor emissions reductions from the project, and how these data will be archived:**

ID number <i>(Please use numbers to ease cross-referencing to D.2.)</i>	Data variable	Source of data	Data unit	Measured (m), calculated (c), estimated (e)	Recording frequency	Proportion of data to be monitored	How will the data be archived? (electronic/ paper)	Comment



P.1	$NC SG_n$  Average $N_2O$ concentration in the tail gas during project campaign $n$ .	$N_2O$ analyser (part of AMS)	$mgN_2O/Nm^3$ (converted from ppm if necessary)	Measured	Hourly average value based on a recording frequency of 2 seconds.	100%	Electronic	The data output from the analyser will be processed using appropriate software. The information will be stored for the duration of the project, plus two years thereafter.
P.2	$VSG_n$  Average Volume flow rate of the tail gas during project campaign $n$ .	Gas volume flow meter (part of AMS)	$Nm^3/h$	Measured	Hourly average value based on a recording frequency of 2 seconds.	100%	Electronic	The data output from the tail gas flow meter will be processed using appropriate software. Corrected for standard conditions (273.15 °K, 1013.25 hPa) using TSG (P.10) and PSG (P.11) data. The information will be stored for the duration of the project, plus two years thereafter



<i>P.3</i>	<i>OH<sub>n</sub></i>  <i>Total operating hours during project campaign n</i>	<i>Production Log, plant status signal</i>	<i>Hours</i>	<i>Measured</i>	<i>Daily, compiled for entire campaign</i>	<i>100%</i>	<i>Electronic</i>	<i>Electronically recorded, based on plant status signal</i>
<i>P.4</i>	<i>NAP<sub>n</sub></i>  <i>Metric tonnes of 100% concentrated nitric acid during project campaign n</i>	<i>Plant data on NH<sub>3</sub> consumption, weight of HNO<sub>3</sub> exported and quantity of ammonium nitrate produced.</i>	<i>tHNO<sub>3</sub></i>	<i>Calculated using mass balance calculation</i>	<i>Daily, compiled for entire campaign.</i>	<i>100%</i>	<i>Electronic</i>	
<i>P.5</i>	<i>PE<sub>n</sub></i>  <i>N<sub>2</sub>O emissions during project campaign n.</i>	<i>Calculation from measured data.</i>	<i>tN<sub>2</sub>O</i>	<i>calculated</i>	<i>Calculated after each project campaign</i>	<i>100%</i>	<i>Electronic</i>	





P.6	$EF_n$ Emissions factor calculated for project campaign $n$	Calculated from measured data	$tN_2O / tHNO_3$	Calculated	After each project campaign	100%	Electronic	
P.7	TSG Temperature of tail gas	Probe (part of the AMS gas volume flow meter).	°C	Monitored.	Hourly average value based on a recording frequency of 2 seconds.	100%	Electronic	Used for normalization of VSG measurement to standard conditions see P.2
P.8	PSG Pressure of tail gas	Probe (part of the AMS gas volume flow meter).	Pa	Monitored.	Hourly average value based on a recording frequency of 2 seconds.	100%	Electronic	Used for normalization of VSG measurement to standard conditions see P.2
P.9	$NCSG_{BC}$ Average $N_2O$ concentration in the tail gas during the baseline campaign.	$N_2O$ analyser (part of MCA 04 AMS)	$mgN_2O/Nm^3$ (converted from ppm if necessary)	Measured	Hourly average value based on a recording frequency of 2 seconds.	100%	Electronic	The data output from the analyser will be processed using appropriate software. The information will be stored for the duration of the crediting period



P.10	VSG <sub>BC</sub>  Average Volume flow rate of the tail gas during the baseline campaign.	Gas volume flow meter FMD 99	Nm <sup>3</sup> /h	Measured	Hourly average value based on a recording frequency of 2 seconds.	100%	Electronic	The data output from the tail gas flow meter will be processed using appropriate software. Corrected for standard conditions (273.15 °K, 1013.25 hPa) using TSG (P.10) and PSG (P.11) data. The information will be stored for the duration of the crediting period
P.11	OH <sub>BC</sub>  Total operating hours during the baseline campaign	Production Log, plant status signal	Hours	Measured	Hourly average value based on a recording frequency of 30 seconds.	100%	Electronic	Electronically recorded, based on plant status signal
P.12	NAP <sub>BC</sub>  Metric tonnes of 100% concentrated nitric acid during the baseline campaign	Plant data on NH <sub>3</sub> consumption, weight of HNO <sub>3</sub> exported and quantity of ammonium nitrate produced.	tHNO <sub>3</sub>	Calculated using mass balance calculation	Daily, compiled for entire campaign.	100%	Electronic or paper	



P.13	$BE_{BC}$  Total N <sub>2</sub> O emissions during the baseline campaign	Calculated from measured data	tN <sub>2</sub> O	Calculated	At the end of the baseline campaign	100%	Electronic	
P.14	$EF_{BL}$  Emissions factor for the baseline campaign	Calculated from measured data	kgN <sub>2</sub> O/tHNO <sub>3</sub>	Calculated	At the end of the baseline campaign	100%	Electronic	
P.15	$AFR$  Ammonia Flow rate to the ammonia oxidation reactor (AOR)	Ammonia flow meter	kgNH <sub>3</sub> /h	Measured	Hourly average value based on a recording frequency of 30 seconds.	100%	Electronic	Monitored data of AFR will be used to determine if plant was operating outside of $AFR_{max}$ .
P.16	$AFR_{max}$  Maximum ammonia flow rate	Plant records	kgNH <sub>3</sub> /h		Once, before baseline campaign	100%	Paper/Electronic	Used to determine those periods where the plant may be operating outside of the permitted operating conditions.



P.17	UNC  Overall measurement uncertainty of the AMS	Calculation of combined uncertainty of AMS	%	Calculated	Once, following commissioning of AMS	100%		
P.18	AIFR  Ammonia to air ratio going into the ammonia oxidation reactor (AOR)	Ammonia & Air flow meters	%	Monitored & Calculated	Hourly average value based on a recording frequency of 30 second.	100%	Electronic	Data of AIFR will be used to determine if plant was operating outside of AIFR <sub>max</sub> .
P.19	AIFR <sub>max</sub>  Maximum ammonia to air ratio	Plant records	%	Calculated	Once, before baseline campaign	100%	Electronic/Paper	Used to determine those periods where the plant may be operating outside of the permitted operating conditions.
P.20	CL <sub>BL</sub>  Length of the baseline campaign in tonnes of nitric acid produced	HNO <sub>3</sub> production data	tHNO <sub>3</sub>	Calculated	At the end of the baseline campaign	100%	Electronic or paper	
P.21	CL <sub>normal</sub>  Average historic operating campaign length	HNO <sub>3</sub> production data	tHNO <sub>3</sub>	Calculated	Prior to the end of the baseline campaign	100%	Electronic or paper	



P.22	<i>OT<sub>normal</sub></i>  <i>Range for historic normal operating temperature</i>	<i>Plant records</i>	<i>°C – min and max</i>		<i>Once, before baseline campaign</i>	<i>100%</i>	<i>Electronic/paper</i>	<i>Established after elimination of the upper and lower 2.5% percentiles of all data sets.  Used to determine those periods where the plant may be operating outside of the permitted operating conditions.</i>
P.23	<i>OT<sub>h</sub></i>  <i>Oxidation temperature in the ammonia oxidation reactor (AOR) for each hour of the production campaign</i>	<i>Thermocouples inside the AOR</i>	<i>°C</i>	<i>Measured</i>	<i>Hourly average value based on a recording frequency of 30 seconds.</i>	<i>100%</i>	<i>Electronic</i>	<i>Data of OT<sub>h</sub> will be used to determine if the plant was operating outside of OT<sub>normal</sub></i>



P.24	<i>OP<sub>normal</sub></i>  <i>Range for historic normal operating pressure</i>	<i>Plant records</i>	<i>Pa- min and max</i>		<i>Once, before baseline campaign</i>	<i>100%</i>	<i>Electronic/paper</i>	<i>Established after elimination of the upper and lower 2.5% percentiles of all data sets. Used to determine those periods where the plant may be operating outside of the permitted operating conditions.</i>
P.25	<i>OP<sub>h</sub></i>  <i>Pressure in the ammonia oxidation reactor (AOR) for each hour of the production campaign</i>	<i>Pressure probe at the burner inlet</i>	<i>Pa</i>	<i>Measured</i>	<i>Hourly average value based on a recording frequency of 30 seconds.</i>	<i>100%</i>	<i>Electronic</i>	<i>Data of OP<sub>h</sub> will be used to determine if the plant was operating outside of OP<sub>normal</sub></i>



P.26	<i>GS<sub>normal</sub></i>  <i>Gauze supplier for historic operating campaigns</i>	<i>Plant documentation</i>		<i>Recorded</i>	<i>For each historic operating campaign</i>	<i>100%</i>	<i>Electronic or paper</i>	<i>To be obtained during the operating condition campaigns</i>  <i>This information is used as a plausibility check against the information on Gauze Composition.</i>
P.27	<i>GS<sub>BL</sub></i>  <i>Gauze supplier for the baseline campaign</i>	<i>Plant documentation</i>		<i>Recorded</i>	<i>For the baseline campaign</i>	<i>100%</i>	<i>Electronic or paper</i>	<i>To be obtained during the baseline campaign.</i>  <i>This information is used as a plausibility check against the information on Gauze Composition.</i>



P.28	<i>GS<sub>project</sub></i>  <i>Gauze supplier for project campaigns</i>	<i>Plant documentation</i>		<i>Recorded</i>	<i>For each project campaign</i>	<i>100%</i>	<i>Electronic or paper</i>	<i>To be obtained during the project campaigns.</i>  <i>This information is used as a plausibility check against the information on Gauze Composition.</i>
P.29	<i>GC<sub>normal</sub></i>  <i>Gauze composition during historic operating campaigns</i>	<i>Plant documentation</i>	<i>% of various metals</i>	<i>Recorded</i>	<i>For each historic operating campaign</i>	<i>100%</i>	<i>Electronic or paper</i>	<i>To be obtained during the operating condition campaigns</i>
P.30	<i>GC<sub>BL</sub></i>  <i>Gauze composition during baseline campaign</i>	<i>Plant documentation</i>	<i>% of various metals</i>	<i>Recorded</i>	<i>For the baseline campaign</i>	<i>100%</i>	<i>Electronic or paper</i>	<i>To be obtained during the baseline campaign</i>
P.31	<i>GC<sub>project</sub></i>  <i>Gauze composition during project campaigns</i>	<i>Plant documentation</i>	<i>% of various metals</i>	<i>Recorded</i>	<i>For each project campaign</i>	<i>100%</i>	<i>Electronic or paper</i>	<i>To be obtained during the project campaigns</i>





P.32	$EF_{reg}$ Emissions cap for $N_2O$ from nitric acid production set by government or local regulation	Swedish Environmental Law	$kgN_2O/tHNO_3$ (converted, if necessary)	Not applicable	Continuous.	100%	Paper	Continuous surveillance throughout crediting period.
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**D.1.2.2. Description of formulae used to calculate emission reductions from the project (for each gas, source etc.; emissions/emission reductions in units of CO<sub>2</sub> equivalent):**

*Measuring of N<sub>2</sub>O data sets for the calculation of project emissions*

Throughout the project's crediting period, N<sub>2</sub>O concentration (NCSG<sub>n</sub>) and volume flow in the stack gas (VSG<sub>n</sub>) are to be monitored. The monitoring system provides separate hourly average values for NCSG<sub>n</sub> and VSG<sub>n</sub> based on 2-second interval readings. These N<sub>2</sub>O data sets (consisting of NCSG<sub>n</sub> and VSG<sub>n</sub> average values for each operating hour) can be identified by means of a unique time / date key indicating when exactly the values were observed.

- Furthermore, the operating hours (OH<sub>n</sub>) as recorded by the plant's process control system and the nitric acid production output (NAP<sub>n</sub>) are required for calculating the project emissions.

*Downtime of Automated Monitoring System*

In case of malfunction of the AMS during the **baseline** campaign, either the conservative IPCC default factor of 4.5kg N<sub>2</sub>O/tHNO<sub>3</sub> or the last valid measured value (whichever is the *lowest*) will be applied for calculating the baseline emissions factor. In the case of malfunction of the AMS during the **project** campaigns, the highest measured value in the campaign will be applied for calculating the campaign emissions factor.

*Measurement during plant operation*

Only those data sets collected during operation of the plant shall be used as a basis for determining the campaign-specific project emissions. Most plants have one or more trip point values, normally defined by the manufacturer and specified in the plant's operating manuals. At Köping S3, the plant's operational status can be determined by whether or not NH<sub>3</sub> is still flowing into the AOR. When the ammonia valve status signal indicates that the plant's ammonia valve is



closed, the plant is considered to be off-line. In addition, trip point values for oxidation temperature and ammonia to air flow ratio have been defined and these parameters will be used for the purposes of a plausibility check. The trip point range for the ammonia oxidation temperature is 840°C (min) to 927°C (max), while the maximum ammonia to air ratio is 11.5%. If one of these parameters is outside the range specified by the trip point values, even if the NH<sub>3</sub> value is still open, the plant should automatically shut down.

Consequently, any NCSG and VSG data sets that were recorded at times when plant was shut down are automatically excluded from the derivation of EF<sub>n</sub>. The number of operating hours (OH<sub>n</sub>) will be reduced accordingly. NAP will not be adjusted - all NAP measured will be used in the calculation of EF<sub>BL</sub> and EF<sub>n</sub>.

For the avoidance of doubt, data sets containing values during shut down of the plant are not to be regarded as AMS downtime readings (as defined above).

#### *Application of instrument correction factors / elimination of implausible values*

The correction factors derived from the calibration curve of the QAL2 audit for all components of the AMS, as determined during the QAL2-test in accordance with EN14181, must be applied onto both VSG and NCSG, unless these were already automatically applied to the raw data recorded by the data storage system at the plant.

For all N<sub>2</sub>O data sets a plausibility check is conducted in accordance with current best practice monitoring standards. All data sets containing values that are implausible are eliminated.

#### *Determination of the permitted operating conditions of the nitric acid plant to avoid overestimation of baseline emissions*

In order to avoid the possibility that the operating conditions of the nitric acid production plant are modified in such a way that increases N<sub>2</sub>O generation during the baseline campaign, the normal ranges for operating conditions shall be determined for the following parameters:

(i) oxidation temperature; (ii) oxidation pressure; (iii) ammonia gas flow rate, and (iv) air input flow rate

The permitted range shall be established using the procedures described below. Note that data for these parameters is routinely logged in the process control systems of the plant.

#### **(i) and (ii) Oxidation temperature and pressure:**

Process parameters to be monitored are the following:



$OT_h$	Oxidation temperature for each hour ( $^{\circ}C$ );
$OP_h$	Oxidation pressure for each hour (Pa);
$OT_{normal}$	Normal range for oxidation temperature ( $^{\circ}C$ );
$OP_{normal}$	Normal range for oxidation pressure (Pa).

The permitted range for oxidation temperature and pressure is to be determined using one of the following sources:

- Historical data for the operating range of temperature and pressure from the previous five campaigns (or fewer, if the plant has not been operating for five campaigns); or, then
- If no data on historical temperatures and pressures is available, the range of temperature and pressure stipulated in the operating manual for the existing equipment; or
- If no operating manual is available or the operating manual gives insufficient information, from an appropriate technical literature source.

The permitted range is determined through a statistical analysis of the historical data in which the time series data is to be interpreted as a sample for a stochastic variable. All data that falls within the upper and lower 2.5% percentiles of the sample distribution is defined as abnormal and shall be eliminated. The permitted range of operating temperature and pressure is then assigned as the historical minimum (value of parameter below which 2.5% of the observation lies) and maximum operating conditions (value of parameter exceeded by 2.5% of observations).

**(iii) and (iv) Ammonia gas flow rates and ammonia to air ratio input into the ammonia oxidation reactor (AOR):**

Parameters to be monitored:

AFR	Ammonia gas flow rate to the AOR (tNH <sub>3</sub> /h);
AFR <sub>max</sub>	Maximum ammonia gas flow rate to the AOR (tNH <sub>3</sub> /h);
AIFR <sub>_</sub>	Ammonia to air ratio (%);
AIFR <sub>max_</sub>	Maximum ammonia to air ratio (%).

The upper limits for ammonia flow and ammonia to air ratio shall be determined using one of the following three options, in preferential order:

- historical maximum operating data for hourly ammonia gas and ammonia to air ratio for the previous five campaigns (or fewer, if the plant has not been operating for five campaigns); or, then



- (b) If no data is available, calculation of the maximum permitted ammonia gas flow rates and ammonia to air ratio as specified by the ammonia oxidation catalyst manufacturer or for typical catalyst loadings; or
- (c) If information for (b) above is not available, based on a relevant technical literature source

Once the permitted ranges for pressure, temperature, ammonia flow rate and ammonia to air ratio are determined, it must also be demonstrated that these ranges are within the specifications of the facility. If not, the baseline campaign must be reassessed.

Calibrations for the operating parameters OT, OP, AFR and AIFR (including primary air flow) will be carried out in accordance with Yara internal quality control procedures<sup>36</sup>.

### Composition of the ammonia oxidation catalyst

If the composition of the ammonia oxidation catalyst used for the baseline campaign and after the implementation of the project are identical to that used in the campaign for setting the operating conditions (previous five campaigns), then there shall be no limitations on N<sub>2</sub>O baseline emissions.

In the case of Köping S3, the same gauze supplier and composition have been used for the historic operating campaigns and will continue to be used for the baseline campaign. Köping S3 also has no intention of changing the gauze supplier or composition throughout the project period.

Parameters to be monitored for composition of the catalyst are as follows:

GS <sub>normal</sub>	Gauze supplier for the operation condition campaigns;
GS <sub>BL</sub>	Gauze supplier for baseline campaign;
GS <sub>project</sub>	Gauze supplier for the project campaigns;
G <sub>normal</sub>	Gauze composition for the operation condition campaigns;
GC <sub>BL</sub>	Gauze composition for baseline campaign;
GC <sub>project</sub>	Gauze composition for the project campaigns

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<sup>36</sup> Further information on these procedures will be provided to the Determining AIE during the site visit.



## Campaign Length

In order to take into account the variations in campaign length and its influence on N<sub>2</sub>O emission levels, the historic campaign lengths and the baseline campaign length are to be determined and compared to the project campaign length. Campaign length is defined as the total number of metric tonnes of nitric acid at 100% concentration produced with one set of gauzes

### *Historic Campaign Length ( $CL_{normal}$ )*

The average historic campaign length ( $CL_{normal}$ ) defined as the average campaign length for the historic campaigns used to define operating condition (the previous five campaigns excluding abnormal campaigns, or fewer, if the plant has not been operating for five campaigns), will be used as a cap on the length of the baseline campaign.

### *Baseline Campaign Length ( $CL_{BL}$ )*

If  $CL_{BL} \leq CL_{normal}$ , all N<sub>2</sub>O values measured during the baseline campaign can be used for the calculation of  $EF_{BL}$  (subject to the elimination of data that was monitored during times where the plant was operating outside of the 'permitted range').

If  $CL_{BL} > CL_{normal}$ , N<sub>2</sub>O values that were measured beyond the length of  $CL_{normal}$ , during the production of the quantity of nitric acid (i.e. the final tonnes produced) are to be eliminated from the calculation of  $EF_{BL}$ .

### *Project Campaign Length*

#### (a) Longer Project Campaign

If the length of each individual project campaign  $CL_n$  is longer than or equal to the average historic campaign length  $CL_{normal}$ , then all N<sub>2</sub>O values measured during the project campaign can be used for the calculation of EF (subject to the elimination of data from the ammonia/air analysis, see above);

#### (b) Shorter Project Campaign

If  $CL_n < CL_{normal}$ , recalculate  $EF_{BL}$  by eliminating those N<sub>2</sub>O values that were obtained during the production of tonnes of nitric acid beyond the  $CL_n$  (i.e. the last tonnes produced).

## **Determination of baseline emission factor: measurement procedure for N<sub>2</sub>O concentration and gas volume flow**



N<sub>2</sub>O concentration and gas volume flow are to be monitored throughout the baseline campaign. The EN14181-compliant monitoring system will provide separate readings for N<sub>2</sub>O concentration and gas flow volume for a defined period of time (an hourly average will be calculated from the values recorded every 2 seconds). Error readings (e.g., downtime or malfunction) and extreme values are to be automatically eliminated from the output data series by the monitoring system.

Measurement results can be distorted before and after periods of downtime or malfunction of the monitoring system and can lead to mavericks. To eliminate such extremes and to ensure a conservative approach, the following statistical evaluation is to be applied to the complete data series of N<sub>2</sub>O concentration, as well as to the data series for gas volume flow. The statistical procedure will be applied to data obtained after eliminating data measured for periods where the plant was operating outside the permitted ranges:

- (a) Calculate the sample mean ( $\bar{x}$ );
- (b) Calculate the sample standard deviation(s);
- (c) Calculate the 95% confidence interval (equal to 1.96 times the standard deviation);
- (d) Eliminate all data that lie outside the 95% confidence interval;
- (e) Calculate the new sample mean from the remaining values (volume of stack gas (VSG) and N<sub>2</sub>O concentration of stack gas (NCSG)).

The average mass of N<sub>2</sub>O emissions per hour is estimated as a product of the NCSG and VSG. The N<sub>2</sub>O emissions per campaign are estimated as a product of N<sub>2</sub>O emissions per hour and the total number of complete operating hours of the campaign using the following equation:

$$BE_{BC} = VSG_{BC} * NCSG_{BC} * OH_{BC} * 10^{-9} \quad (\text{tN}_2\text{O}) \quad (1)$$

The plant-specific baseline emissions factor representing the average N<sub>2</sub>O emissions per tonne of nitric acid over one full campaign is derived by dividing the total mass of N<sub>2</sub>O emissions by the total output of 100% concentrated nitric acid for that period.

The overall uncertainty of the monitoring system shall also be determined during the QAL2 audit and the measurement error will be expressed as a percentage (*UNC*). The N<sub>2</sub>O emission factor per tonne of nitric acid produced in the baseline period (*EF<sub>BL</sub>*) shall then be reduced by the estimated percentage error as follows:



$$EF_{BL} = \left(1 - \frac{UNC}{100}\right) \left(\frac{BE_{BC}}{NAP_{BC}}\right) \quad (\text{tN}_2\text{O}/\text{tHNO}_3) \quad (2)$$

Where:

- $EF_{BL}$  = Baseline N<sub>2</sub>O emissions factor (tN<sub>2</sub>O/tHNO<sub>3</sub>)  
 $BE_{BC}$  = Total N<sub>2</sub>O emissions during the baseline campaign (tN<sub>2</sub>O)  
 $NCSG_{BC}$  = Mean concentration of N<sub>2</sub>O in the stack gas during the baseline campaign (mgN<sub>2</sub>O/m<sup>3</sup>)  
 $OH_{BC}$  = Total operating hours of the baseline campaign (h)  
 $VSG_{BC}$  = Mean gas volume flow rate at the stack in the baseline measurement period (m<sup>3</sup>/h)<sup>37</sup>  
 $NAP_{BC}$  = Total nitric acid production during the baseline campaign (tHNO<sub>3</sub>)  
 $UNC$  = Overall uncertainty of the monitoring system (%), calculated as the combined uncertainty of the applied monitoring equipment

In the absence of any national or regional regulations governing N<sub>2</sub>O emissions, the resulting EF<sub>BL</sub> will be used as the baseline emission factor.

**The baseline campaign is not valid and must be repeated** if the plant operates outside the permitted range of operating conditions (see 'Determination of the permitted operating conditions...' above for more details) for more than 50% of the duration of the baseline campaign. In order to further ensure that operating conditions during the baseline campaign are representative of normal operating conditions, statistical tests should be performed to compare the average values of the permitted operating conditions with the average values obtained during the baseline determination period. If it can be concluded with 95% confidence level, in any of the tests, that the two values are different, then the baseline determination should be repeated.

### Calculation of the Project Emissions

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<sup>37</sup>  $VSG_{BC}$  and  $NCSG_{BC}$  should be measured simultaneously and values should be expressed on the same basis (wet or dry) and should be corrected to normal conditions (101.325 kPa, 0 deg C). If the instrument (or measurement system) uses an algorithm to convert actual conditions to normal conditions, the proper source of such an algorithm should be used (e.g., based on procedures of EN14181). In all cases, either manual or algorithm-based conversion of actual conditions to normal conditions, the temperature and pressure of actual conditions of stack gas should be recorded as per the monitoring plan of this methodology.



The same statistical data evaluation that was described above for the calculation of baseline emissions is also to be applied to the project data series.

#### *Estimation of campaign-specific project emissions*

The total mass of N<sub>2</sub>O emissions in a Campaign (PE<sub>n</sub>) is the product of the remaining valid NCSG<sub>n</sub> and VSG<sub>n</sub>-values multiplied by OH<sub>n</sub>.

The following equation is used:

$$PE_n = VSG_n * NCSG_n * 10^9 * OH_n \quad (tN_2O) \quad (3)$$

The plant-specific project emissions factor, representing the average N<sub>2</sub>O emissions per tonne of nitric acid over the respective campaign, is derived by dividing the total mass of N<sub>2</sub>O emissions by the total output of 100% concentrated nitric acid for that period.

The average N<sub>2</sub>O emissions per metric ton of 100% concentrated nitric acid for the campaign (EF<sub>n</sub>) shall then be calculated as follows:

$$EF_n = (PE_n / NAP_n) \quad (tN_2O/tHNO_3) \quad (4)$$

where:

Variable	Definition
PE <sub>n</sub>	total specific N <sub>2</sub> O emissions during the campaign (kgN <sub>2</sub> O)
EF <sub>n</sub>	Emissions factor used to calculate the emissions from the campaign n (kgN <sub>2</sub> O/tHNO <sub>3</sub> )
NCSG <sub>n</sub>	Mean concentration of N <sub>2</sub> O in the tail gas stream during the campaign (mgN <sub>2</sub> O/m <sup>3</sup> )
OH <sub>n</sub>	Operating hours of the plant during the campaign (h)
VSG <sub>n</sub>	Mean tail gas volume flow rate during the campaign (m <sup>3</sup> /h)
NAP <sub>n</sub>	Nitric acid production during the campaign (tHNO <sub>3</sub> )

#### *Derivation of a moving average emission factor*

A moving average emission factor shall be calculated in accordance with AM0034. However, since the objective of the moving average emissions factor is to account for possible long term emissions trends (and not to penalise the project participants for any temporary period of technical difficulty), any periods during which the catalyst was experiencing technical problems should be excluded from the calculation of the moving average emissions factor, since these periods would not be representative of standard plant operation.



*Minimum project emission factor*

A campaign-specific emissions factor shall be used to cap any potential long-term trend towards decreasing N<sub>2</sub>O emissions that may result from a potential build up of platinum deposits. After the first ten campaigns of the crediting period of the project, the lowest EF<sub>n</sub> observed during those campaigns will be adopted as a minimum (EF<sub>min</sub>). If any of the later project campaigns results in an EF<sub>n</sub> that is lower than EF<sub>min</sub>, the calculation of the emission reductions for that particular campaign shall use EF<sub>min</sub> and not EF<sub>n</sub>.

**Leakage**

No leakage calculation is required.

**Calculation of emission reductions**

The **emissions reductions for which ERUs will be issued** for the project activity are determined by deducting the project-specific emission factor from the baseline emissions factor and multiplying the result by the production output of 100% concentrated nitric acid over the campaign and the GWP of N<sub>2</sub>O, as follows:

$$ERU = (EF_{BL} - EF_n) / 1000 \times NAP \times GWP_{N_2O} \quad (tCO_2e) \quad (8)$$

Where:

Variable	Definition
ERU =	Emission reductions awardable to the project for the specific campaign (tCO <sub>2</sub> e)
NAP =	Nitric acid production during the project campaign (tHNO <sub>3</sub> ). The maximum value of NAP shall not exceed the design capacity <sup>38</sup> .
EF <sub>BL</sub> =	Baseline Emissions factor (kgN <sub>2</sub> O/tHNO <sub>3</sub> );
EF <sub>p</sub> =	Emissions factor used to calculate the emissions from the particular campaign (i.e., the higher of EF <sub>ma,n</sub> and EF <sub>n</sub> (kgN <sub>2</sub> O/tHNO <sub>3</sub> )).
GWP <sub>N<sub>2</sub>O</sub> =	Global warming potential of N <sub>2</sub> O as per IPCC default value (310) (tCO <sub>2</sub> e/tN <sub>2</sub> O)

<sup>38</sup> The 'design' capacity means the total yearly capacity (considering 365 days of operation per year) as per the documentation of the plant technology provider (such as the Operation Manual). If the plant has been modified to increase production, and such de-bottleneck or expansion projects were completed before December 2005, then the new capacity is considered 'design', provided proper documentation of the projects is available



### Impact of regulations

Should N<sub>2</sub>O emissions regulations that apply to nitric acid plants be introduced in the host country or jurisdiction covering the location of the project activity, such regulations shall be compared to the calculated baseline emissions factor for the project ( $EF_{BL}$ ), regardless of whether the regulatory level is expressed as:

- An absolute cap on the total volume of N<sub>2</sub>O emissions for a set period;
- A relative limit on N<sub>2</sub>O emissions expressed as a quantity per unit of output; or
- A threshold value for specific N<sub>2</sub>O mass flow in the stack.

In this case, a corresponding plant-specific emissions factor cap (max. allowed tN<sub>2</sub>O/tHNO<sub>3</sub>) is to be derived from the regulatory level. If the regulatory limit is lower than the baseline factor determined for the project, the regulatory limit shall serve as the new baseline emissions factor, that is:

If  $EF_{BL} > EF_{reg}$

Then the baseline N<sub>2</sub>O emission factor shall be  $EF_{reg}$  for all calculations.

Where:

$EF_{BL}$  = Baseline emissions factor (tN<sub>2</sub>O/tHNO<sub>3</sub>)

$EF_{reg}$  = Emissions level set by newly introduced policies or regulations (tN<sub>2</sub>O/tHNO<sub>3</sub>).

<b>D.1.3. Treatment of leakage in the monitoring plan:</b>
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**not applicable**



**D.1.3.1. If applicable, please describe the data and information that will be collected in order to monitor leakage effects of the project:**

ID number (Please use numbers to ease cross-referencing to D.2.)	Data variable	Source of data	Data unit	Measured (m), calculated (c), estimated (e)	Recording frequency	Proportion of data to be monitored	How will the data be archived? (electronic/ paper)	Comment

**D.1.3.2. Description of formulae used to estimate leakage (for each gas, source etc.; emissions in units of CO<sub>2</sub> equivalent):**

>>

not applicable

**D.1.4. Description of formulae used to estimate emission reductions for the project (for each gas, source etc.; emissions/emission reductions in units of CO<sub>2</sub> equivalent):**

The following equation is used for estimating the emissions reductions to be awarded to the project in this PDD, since the factual baseline and project emissions factors have not yet been established:

$$EF_{Pest} = EF_{BLPR} * (1 - AE) \quad (kgN_2O/tHNO_3) \quad (9)$$

Where:

- Variable      Definition
- EF<sub>Pest</sub> =      Estimated Project Emissions Factor (kgN<sub>2</sub>O/tHNO<sub>3</sub>)
- EF<sub>BLPR</sub> =      Preliminary Baseline Emissions Factor, calculated in accordance with section A.4.3.1 (kgN<sub>2</sub>O/tHNO<sub>3</sub>)
- AE =            Predicted Abatement Efficiency of secondary catalyst (%)

$$ERU_{PIS} = (EF_{BLPR} - EF_{Pest}) \times NAP_{yr} / 1000 \times GWP_{N_2O} \quad (tCO_2e) \quad (10)$$



ERU<sub>PIS</sub> = Estimated number of ERUs to be issued to the project (tCO<sub>2</sub>e)  
 NAP<sub>yr</sub> = Budgeted or Estimated Annual Nitric Acid Production (tHNO<sub>3</sub>)  
 GWP<sub>N2O</sub> = Global Warming Potential of N<sub>2</sub>O (310 tCO<sub>2</sub>e/tN<sub>2</sub>O)

**D.1.5. Where applicable, in accordance with procedures as required by the host Party, information on the collection and archiving of information on the environmental impacts of the project:**

For detailed information on good monitoring practice and performance characteristics see Annex 3.

<b>D.2. Quality control (QC) and quality assurance (QA) procedures undertaken for data monitored:</b>		
Data (Indicate table and ID number)	Uncertainty level of data (high/medium/low)	Explain QA/QC procedures planned for these data, or why such procedures are not necessary.
D.1.2.1.: P1, P2, P3, P7, P8, P9, P10, P11	low	Regular calibrations according to vendor specifications and recognised industry standards (EN 14181). Staff will be trained in monitoring procedures and a reliable technical support infrastructure will be set up. Third party audits by laboratories with EN ISO/IEC 17025 Accreditation
D.1.2.1.: P5,P6, P13, P14	low	Calculated values included in evaluation by third party AIE
D.1.2.1.: P4, P12	low	Included in plant internal Quality Assurance program as validated by third party during ISO 9001/ ISO 14001 audit
D.1.2.1.: P15, P18, P23,P25	low	Only monitored for internal use and plausibility checks if necessary .Included in plant internal Quality Assurance program as validated by third party during ISO 9001/ ISO 14001 audit
D.1.2.1.: P32	low	Constant factors included in evaluation by third party AIE

**D.3. Please describe the operational and management structure that the project operator will apply in implementing the monitoring plan:**

At the time of writing this PDD, the following people are responsible for the listed project tasks. However, it is possible that the responsible people may change throughout the course of the project activity.

**General Project Responsibilities**Yara central project coordination:

Peter Fauconnier (TPO Nitric acid)

- AMS/General coordination

Oystein Nirisen (catalyst department)

- Catalyst development

N.serve:

Rebecca Cardani-Strange (Project Manager)

- Project Implementation and official project documentation

Martin Silkenbaeumer (Monitoring Specialist)

- Final data analysis, ERU calculations and project monitoring consultant

**Köping Site Management & Local Project Responsibilities:**Site Management:

Gilles Raskopf (Site Manager)

- Overall political and project strategy

Pär Höök (Production Manager)

Lars-Håken Karlsson (HESQ Manager)

- Environmental permit responsibilities

Plant personnel:

Axel Pallin (Process Engineer)

- Project management/implementation
- Data collection

Mikael Larsson (Instrumentation Supervisor)

- Instrumentation calibration and maintenance

Jozef Meglic (Automation Engineer)

- Data collection and storage, back-up procedures

Operation, maintenance, calibration and service intervals are being carried out by staff from the instrument department according to the vendor's specifications and under the guidance of internationally relevant environmental standards, in particular EN 14181 (2004).

YARA Köping S3 has defined an AMS checking procedure schedule and will continue to plan ahead for the remaining years of the crediting period, strictly adhering to the relevant standards.

All monitoring procedures at YARA Köping S3 are also conducted and recorded in accordance with the procedures under ISO 9001, which is regularly audited by an independent auditing organisation accredited for ISO 9001 certification (see section D.1.)

**D.4. Name of person(s)/entity(ies) establishing the monitoring plan:**

N.serve Environmental Services GmbH

Grosse Theaterstr. 14

20354 Hamburg

Germany

[www.nerve.net](http://www.nerve.net)[contact@nserve.net](mailto:contact@nserve.net)

**SECTION E. Estimation of greenhouse gas emission reductions****E.1. Estimated project emissions:**

Using the assumptions from section A.4.3.1 above, the following project emissions are estimated for the project activity in the crediting period. The first crediting period would start on the 1<sup>st</sup> May 2010:

<b>Crediting Period (years)</b>	<b>Nitric Acid Production [tHNO<sub>3</sub>]</b>	<b>Project Emissions [tCO<sub>2</sub>e]</b>
2010	92,667	21,832
2011	140,000	32,984
2012	140,000	32,984
<b>Total estimated (until end 2012)</b>	<b>372,667</b>	<b>87,800</b>
<b>Annual average (until end 2012)</b>	<b>139,750</b>	<b>32,925</b>

Table 4 (part A): Hypothetic project emissions until 2012

<b>Crediting Period (years)</b>	<b>Nitric Acid Production [tHNO<sub>3</sub>]</b>	<b>Project emissions [tCO<sub>2</sub>e]</b>
2013	140,000	31,707
2014	140,000	31,707
2015	140,000	31,707
2016	140,000	31,707
2017	140,000	31,707
2018	140,000	31,707
2019	46,667	10,569
<b>Total number of crediting years</b>		<b>10</b>
<b>Total estimated (2009 to 2019)</b>	<b>1,259,333</b>	<b>288,613</b>
<b>Annual average (2009 to 2019)</b>	<b>125,933</b>	<b>28,861</b>

Table 5 (part B): Hypothetic project emissions from 2013 onwards

**E.2. Estimated leakage:**

No leakage emissions do occur.

**E.3. The sum of E.1. and E.2.:**

See E.1.

**E.4. Estimated baseline emissions:***Business as usual emissions*

As described in section A.4.3, in the business as usual scenario emissions would continue unabated at the current preliminary baseline emissions factor of 7.59kg/tHNO<sub>3</sub>. The figures in the table below show the emissions that would most likely occur in the absence of the JI project, taking into account the estimated conservative UNC deduction of 5% (in reality this figure is expected to be slightly lower):

<b>Crediting Period (years)</b>	<b>Nitric Acid Production [tHNO<sub>3</sub>]</b>	<b>BL Emissions (minus AMS uncertainty) [tCO<sub>2</sub>e]</b>
2010	92.667	207.119
2011	140.000	312.914
2012	140.000	312.914
<b>Subtotal (estimated)</b>	<b>372.667</b>	<b>832.947</b>
<b>Average per year (until end 2012)</b>	<b>139.750</b>	<b>312.355</b>

Table 6 (part A): Hypothetic baseline emissions until 2012





Crediting Period (years)	Nitric Acid Production [tHNO <sub>3</sub> ]	BL Emissions [tCO <sub>2</sub> e]
2013	140.000	300.801
2014	140.000	300.801
2015	140.000	300.801
2016	140.000	300.801
2017	140.000	300.801
2018	140.000	300.801
2019	46.667	100.267
<b>Total number of crediting years</b>		<b>10</b>
<b>Total estimated (2009 to 2019)</b>	<b>1.259.333</b>	<b>2.738.022</b>
<b>Annual average (2009 to 2019)</b>	<b>125.933</b>	<b>273.802</b>

Table 7 (part B): Hypothetic baseline emissions from 2013 onwards.

\* Due to the likely inclusion of N<sub>2</sub>O emissions emanating from nitric acid production into the EU ETS from 1<sup>st</sup> January 2013 onwards, the project may not be eligible to earn ERUs after that time or continuing the project under the JI may not be economically viable. Also, from 2013 onwards a GWP of 298 for N<sub>2</sub>O as defined by the IPCC Third Assessment Report will be applied. This is why this PDD differentiates in between prospective emission reductions achieved until 31<sup>st</sup> December 2012 and emissions reductions generated from 1<sup>st</sup> January 2013 onwards..

#### **E.5. Difference between E.4. and E.3. representing the emission reductions of the project:**

The ERU figures included in this PDD are *estimations* only. ERUs will therefore be awarded for those factual emissions reductions achieved below the baseline emissions factor and subsequently verified by the responsible AIE, and not in accordance with the preliminary estimations provided in this PDD.

The below tables show the estimated emission reductions that will be generated by the project activity:

Crediting Period (years)	Nitric Acid Production [tHNO <sub>3</sub> ]	Emission Reductions [tCO <sub>2</sub> e]
2010	92,667	185,287
2011	140,000	279,930
2012	140,000	279,930
<b>Subtotal (estimated)</b>	<b>372,667</b>	<b>745,147</b>
<b>Average per year (until end 2012)</b>	<b>139,750</b>	<b>279,430</b>



Table 8 (part A): Emissions reductions until 2012

Crediting Period (years)	Nitric Acid Production [tHNO <sub>3</sub> ]	Emission reductions [tCO <sub>2</sub> e]
2013	140,000	269,094
2014	140,000	269,094
2015	140,000	269,094
2016	140,000	269,094
2017	140,000	269,094
2018	140,000	269,094
2019	46,667	89,698
<b>Total number of crediting years</b>		<b>10</b>
<b>Total estimated (2009 to 2019)</b>	<b>1,259,333</b>	<b>2,449,409</b>
<b>Annual average (2009 to 2019)</b>	<b>125,933</b>	<b>244,941</b>

Table 9 (part B): Emission reductions from 2013 onwards

\* Due to the likely inclusion of N<sub>2</sub>O emissions emanating from nitric acid production into the EU ETS from 1<sup>st</sup> January 2013 onwards, the project may not be eligible to earn ERUs after that time or continuing the project under the JI may not be economically viable. Also, from 2013 onwards a GWP of 298 for N<sub>2</sub>O as defined by the IPCC Third Assessment Report will be applied. This is why this PDD differentiates in between prospective emission reductions achieved until 31<sup>st</sup> December 2012 and emissions reductions generated from 1<sup>st</sup> January 2013 onwards.

**E.6. Table providing values obtained when applying formulae above:**

Crediting Period [years]	Project Emissions [tCO <sub>2</sub> e]	Baseline Emissions [tCO <sub>2</sub> e]	Leakage [tCO <sub>2</sub> e]	Emission Reductions [tCO <sub>2</sub> e]
2010	21,832	207,119	-	185,287
2011	32,984	312,914	-	279,930
2012	32,984	312,914	-	279,930
<b>Subtotal (estimated)</b>	<b>87,800</b>	<b>832,947</b>	<b>-</b>	<b>745,147</b>
<b>Average per year (until end 2012)</b>	<b>32,925</b>	<b>312,355</b>	<b>-</b>	<b>279,430</b>

Table 10 (part A): Summary of calculation of emissions reductions until 2012



Crediting Period (years)	Project Emissions [tCO <sub>2</sub> e]	Baseline Emissions [tCO <sub>2</sub> e]	Leakage [tCO <sub>2</sub> e]	Emission Reductions [tCO <sub>2</sub> e]
2013	31,707	300,801	-	269,094
2014	31,707	300,801	-	269,094
2015	31,707	300,801	-	269,094
2016	31,707	300,801	-	269,094
2017	31,707	300,801	-	269,094
2018	31,707	300,801	-	269,094
2019	10,569	100,267	-	89,698
<b>Total number of crediting years</b>				<b>10</b>
<b>Total estimated (2009 to 2019)</b>	<b>288,613</b>	<b>2,738,022</b>	<b>-</b>	<b>2,449,409</b>
<b>Annual average (2009 to 2019)</b>	<b>28,861</b>	<b>273,802</b>	<b>-</b>	<b>244,941</b>

Table 11 (part B): Summary of calculation of emissions reductions from 2013

\* Due to the likely inclusion of N<sub>2</sub>O emissions emanating from nitric acid production into the EU ETS from 1<sup>st</sup> January 2013 onwards, the project may not be eligible to earn ERUs after that time or continuing the project under the JI may not be economically viable.

## SECTION F. Environmental impacts

### F.1. Documentation on the analysis of the environmental impacts of the project, including transboundary impacts, in accordance with procedures as determined by the host Party:

The project will reduce gaseous emissions of nitrous oxide (N<sub>2</sub>O) from the plant tail gas and will therefore contribute to international efforts to reduce greenhouse gas emissions. The project will have no negative effects on local air quality.

The project will have no impact on water pollution. No additional water is required for the project activity's implementation or operation. Therefore, there is no impact on the sustainable use of water. Also, the project does not impact on the community's access to other natural resources, as it will not require any additional resources. In addition, there is no impact on the efficiency of resource utilization, nor is there any impact on the population living in the vicinity of the plant.

There are no other positive or negative impacts on the environment.

### F.2. If environmental impacts are considered significant by the project participants or the host Party, please provide conclusions and all references to supporting documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party:

Given the facts stated in section F.1 above, no environmental impact assessment is necessary.



**SECTION G. Stakeholders' comments**

**G.1. Information on stakeholders' comments on the project, as appropriate:**

As the JI project does not have any relevance for local air, water or soil emissions, it is not necessary to undertake a local stakeholder consultation.

Annex 1**CONTACT INFORMATION ON PROJECT PARTICIPANTS**

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## Annex 2

### BASELINE INFORMATION

Baseline information cannot yet be provided at the time of writing this PDD, since the baseline has not yet been completed.

The measurement of the baseline started in November 2009 and it is therefore expected that complete baseline monitoring data will be available in May 2010.

## Annex 3

### MONITORING PLAN

#### **Background on EN14181**

The objective is to achieve the highest practically possible level of accuracy in conducting those measurements and transparency in the evaluation process.

While EN14181 provides the most advanced procedures, its practical application is currently limited for the following reasons:

- Specific procedures for N<sub>2</sub>O are not yet defined in EN14181;
- Only very limited experience exists with monitoring systems for N<sub>2</sub>O emissions;
- In the context of conducting some of the calculations and tests of EN14181, no applicable regulatory N<sub>2</sub>O levels exist in the EU (or elsewhere).

Therefore, it is currently not possible to fully comply with the letter of EN14181, neither in the EU, nor in a non-Annex 1 country to the Kyoto Protocol.

Despite all this, EN14181 provides very useful guidance in conducting a logical, step-by-step approach to selecting, installing, adjusting and operating the N<sub>2</sub>O AMS for CDM and JI projects.

The monitoring procedures developed for this project aim to provide workable and practical solutions that take into account the specific situation at each nitric acid plant. Wherever possible, EN14181 is applied as guidance for the development and implementation of the monitoring procedures for this JI project in order to achieve highest possible measuring accuracy and to implement a quality control system that assures transparency and credibility.

#### **Scope of EN 14181**

This European Standard specifies procedures for establishing quality assurance levels (QAL) for automated measuring systems (AMS) installed at industrial plants for the determination of the flue gas components and other flue gas parameters.

This standard is designed to be used after the AMS has been accepted according to the procedures specified in EN ISO 14956 (QAL1).

EN14181 specifies:

- a procedure (QAL2) to calibrate the AMS and determine the variability of the measured values obtained by it, so as to demonstrate the suitability of the AMS for its application, following its installation;
- a procedure (QAL3) to maintain and demonstrate the required quality of the measurement results during the normal operation of an AMS, by checking that the zero and span characteristics are consistent with those determined during QAL1;



- a procedure for the annual surveillance tests (AST) of the AMS in order to evaluate (i) that it functions correctly and its performance remains valid and (ii) that its calibration function and variability remain as previously determined.

This standard is restricted to quality assurance (QA) of the AMS, and does not include the QA of the data collection and recording system of the plant.

**For a full description of the AMS to be installed at YARA Köping S3 nitric acid plant, as well as details on the quality assurance and control procedures to be undertaken, see section D.1 above.**