



## China Adipic Acid Production Protocol Workgroup Meeting Notes and Takeaways

**Work Group Meeting #2 Notes:** June 15 USA // June 16 China

**Reserve Attendees:** Rachel, Craig, Kristen, Holly

[Link to review recording](#)

**Workgroup Members in attendance:**

Organization (alphabetically)	Name	Present (P) or Absent (A)
Ascend Performance Materials	Chris Johnson	P
Ascend Performance Materials	Brian Clancy- Jundt (Alternate)	P
China National Chemical Energy Conservation Center	Hanna Zhang	P
ClimeCo	Lauren Mechak	P
Futurepast	John Shideler	A
GHD	Yusi Li	P
Henan Shenma Nylon Chemical Company	Liu Wei	P
Henan Shenma Nylon Chemical Company	Li Xiaoye (Alternate)	P
Invista	Yuwen Wang	A
Ruby Canyon Environmental	Phillip Cunningham	P
Ruby Canyon Environmental	Issai Medellin (Alternate)	A
Sinocarbon Innovation and Investment Co., Ltd	Dr. Tang Jin	P

### Agenda:

- Introduction
- Process overview
- protocol considerations
  - Startup testing
  - Defining Additionality
  - Bypass of Control Unit and Venting
  - Monitoring and QA/QC
  - Quantification
- Next steps

### Main Points of Discussion and Decisions Made:

#### 1. Startup Testing

- a. The Reserve proposed new language to clarify the timeline for startup testing, documentation for verification, and the associated 12-month deadline to submit the project for listing. A timeline figure was presented to the workgroup.
- b. Workgroup confirmed that the proposed language and figure clarifies the timeline for startup testing and the deadline for listing the project.

**2. How will the protocol address when abatement efficiency falls below the baseline abatement efficiency threshold?**

- a. The Reserve clarified that if the control falls below 90%, the project cannot claim credits during the period it falls below  $AE_{BL}$ . It will receive credits when control is above  $AE_{BL}$ .
- b. Workgroup supported the methodology but noted that it should include a time component to know which data to remove. I.e., should abatement efficiency be calculated on a monthly or daily basis, and if it's below  $AE_{BL}$  then should data be removed daily?
- c. The Reserve will propose a time component for the next draft of the protocol.

**3. Production Cap**

- a. The Reserve clarified that the intent of the cap is not to limit the business operations of the facility, but rather to signal to the market that increasing adipic acid production solely for the purpose of producing credits is not allowed.
- b. Workgroup stated that due to market conditions, it's in a facility's best interest not to increase production for the sake of offset credits because it would eat into their profits rather than providing a net benefit.
- c. Workgroup confirmed that they must receive government approval in order to increase production beyond their nameplate capacity.
- d. Workgroup will provide suggested language on the production cap and more information on nameplate capacity.

**4. Bypass of Control Unit and Venting**

- a. The Reserve revisited the alternative method for quantifying bypass/vented gas instances, and the appropriate upper limit.
- b. Workgroup clarified the monitoring of bypass/venting pathways.
- c. Reserve proposed, and workgroup confirmed, that the upper limit on the alternate method for calculating bypass/venting is not necessary, as it will be addressed when the facility falls below the  $AE_{BL}$ .

**5. How will the protocol address pre-existing projects?**

- a. The Reserve proposed the following; 1) Facilities with no previous abatement or abatement below 90% will use an  $AE_{BL}=90\%$ ; 2) Pre-existing projects with  $AE_{BL}>90\%$  and enhances the technology, will adjust the AE based on the maximum level of abatement achieved over the previous five years; and 3) Pre-existing projects that were/are registered under another offset program shall follow the transfer process outlined in the Offset Program Manual.
- b. Workgroup did not comment on the proposed language.
- c. Workgroup stated that there are no facilities in China actively reporting to the CDM.
- d. Workgroup could not confirm the current levels of abatement in China to inform the establishment of historic baseline abatement efficiency levels for pre-existing projects.
- e. Workgroup suggested incorporating a lookback period to evaluate historic abatement.
- f. The Reserve will update the protocol based on the proposed language and suggest an appropriate lookback period to determine  $AE_{BL}$ .

**6. Changes in the Quantification Methodology**

- a. The Reserve corrected several equations to remove the 5-year lookback period as a lookback period is not required with the proposed baseline approach.
- b. Workgroup confirmed that this is appropriate to simplify equations.



**Pending Questions for the Workgroup:**

- Workgroup to provide comments on the production cap.
- Final comments/feedback on current workgroup meeting and protocol draft due by June 30, 2023

**Next Steps for Reserve:**

- Provide a new draft protocol to the workgroup based on workgroup feedback for review.