

# **An Approach to CDM/JI Business from a Technology Provider's Perspective**

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# An Approach to CDM/JI Business from a Technology Provider's Perspective

## - Content -



- Current business activity:  
**Secondary N<sub>2</sub>O abatement technology**  
for adipic acid & nitric acid plants
- Further proprietary technology suitable for CDM/JI business: **CCS**
- Other BASF products with potential for CDM/JI
- Experiences from CDM workshop, December 2006 in Beijing
- Cooperation with BMU/DEHSt  
critics – suggestions for improvement

# Current business activity: Secondary N<sub>2</sub>O abatement technology for adipic acid and nitric acid plants



## **BASF**

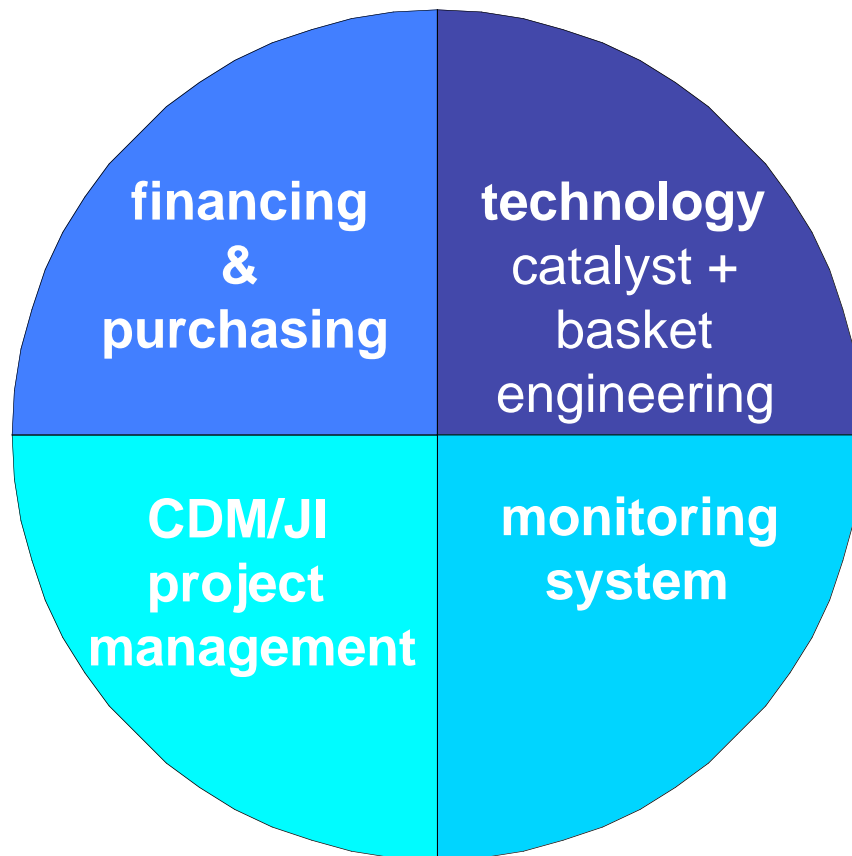
- ... is a producer of adipic acid & nitric acid.
- ... commercializes inhouse technology for N<sub>2</sub>O abatement.
- ... sells technology against certificates.

## **Technology** was

- ... developed in 1990s based on a self commitment of adipic acid industry.
- ... improved for nitric acid in following years.

**Market** was not established until ratification of Kyoto protocol.

# Current business activity: Secondary N<sub>2</sub>O abatement technology for adipic acid and nitric acid plants



- **service against share of CERs/ERUs**  
=> financing
- **main advantage**
  - excellent estimate of project risk
  - direct control of technology  
(applied also in BASF plants)

# Further proprietary technology suitable for CDM/JI: CCS



## BASF

- ...is one of the leading technology suppliers for gas treatment applications.
- ...has over 220 reference plants for **CO<sub>2</sub> capture**.
  - **aMDEA<sup>®</sup>** process => natural gas, LNG, synthesis gas, flue gas
- ...has **storage** competencies within BASF's affiliate Wintershall.
- ...pays close attention to NM168.
- ...reports increasing market demand for approval of CCS within CDM/JI.

# BASF product families with potential for CDM/JI application

- building insulation materials
- fuel additives
- oil field chemicals, especially concrete additives (*=> well sealing*)
- plastics in the automotive industry
- ...

*Currently no specific CDM/JI project under development.*

# Experiences from the CDM workshop December 2006 in Beijing



- BMU organised symposium „CDM in China“.
- BASF, Heraeus and SEPA offered workshop on N<sub>2</sub>O abatement technology.
- perfect opportunity to address the major part of chinese nitric acid manufacturers.
- appreciation of BMU initiative.
- **excellent business support** in emerging market!

# Cooperation with BMU / DEHSt

## - critics & suggestions -

- **no significant appearance of Germany as direct buyer** of CDM/JI projects
  - direct purchasing program => clear commitment to the public
  - chance to check of own regulations on applicability
- **prevention of JI projects by national guidelines**, like TA-Luft
  - no national plant specific emission guidelines for greenhouse gases, but acceptance of JI projects from plant operators in Germany.
- **no planning reliability for CDM/JI projects after 2012**, although investment projects need longer time frames
  - EU commission / german government should guarantee planning reliability, also in case of a failing post-Kyoto regulation.
  - assure acceptance > 10 years after project start by EU directive or NAP
- **high fees for CDM/JI projects**
  - => adjusted to international standards recently (ProMechG) ➡



Thank you!

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