

Umweltbundesamt | Deutsche Emissionshandelsstelle
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RWE Power AG
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Berlin, 14.11.2007
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Hefeng Taoyuan Hydropower Co. Ltd
Zhongba Road 20, Rongmei Town, Hefeng County
Enshi Tujia-Miao Autonomous Prefecture
445800 Hubei Province
P.R. China
- reporting -

**Authorisation to participate in the project „Hubei Hefeng Yanzi Town Baishun Village
Taohuashan Hydropower Station“ in China within the framework of the Clean Development
Mechanism**

Request of Hefeng Taoyuan Hydropower Co. Ltd

Dear Madam or Sir,

On above-mentioned request the Federal Environment Agency as the German Designated National Authority authorises RWE Power AG to participate in this project. In accordance with section 8 paragraph 1 of the German Project Mechanisms Act (ProMechG) the Federal Environment Agency has approved this project on 14 November 2007 and has issued a Letter of Approval.

Yours sincerely,

On behalf of the Federal Environment Agency


Malin Ahlberg

Courtesy Translation

**Of the approval notice concerning the project activity
„Hubei Hefeng Yanzi Town Baishun Village Taohuashan Hydropower Station“**

Issuer: Federal Environment Agency; German Emissions Trading Authority
Consignee: RWE Power AG, 45128 Essen, Germany

Application for approval of the project “Hubei Hefeng Yanzi Town Baishun Village Taohuashan Hydropower Station“ within the framework of the Clean Development Mechanism from 17 September 2007, received on 19 September 2007

Dear Madam or Sir,

The Federal Environment Agency notifies you of the approval of the above mentioned project.

Notification.

The Federal Republic of Germany as investor country grants its approval of the project activity „Hubei Hefeng Yanzi Town Baishun Village Taohuashan Hydropower Station“ within the framework of Clean Development Mechanism.

Notice:

This notification is subject to fees of which you will be notified separately.

Reasons

I) Facts

On 17 September 2007 RWE Power AG applied for approval of the project activity „Hubei Hefeng Yanzi Town Baishun Village Taohuashan Hydropower Station“. The Project Executing Agency “Hefeng Taoyuan Hydropower Co. Ltd” applied for authorisation of RWE Power AG, Essen, Germany, to participate in the project „Hubei Hefeng Yanzi Town Baishun Village Taohuashan Hydropower Station“. For further details we refer to the project design document from 03 July 2007 and the preliminary validation report by 'TÜV SÜD Industrie Service GmbH' from 12 July 2007. We have received the Letter of Approval of the host country People's Republic of China. The project has not been registered at the Executive Board so far.

II) Legal Reasons

The Federal Environment Agency is the competent national authority according to German law, section 10 para. 1 of the German Project Mechanisms Act (ProMechG).

The authorisation is granted according to section 8 ProMechG.

In detail it determines:

- 1) The Federal Republic of Germany and the People's Republic of China are parties to the Kyoto Protocol.
- 2) The Federal Republic of Germany participates voluntarily in the Clean Development Mechanism (CDM) and the notified project.
- 3) The final project documentation dating 12 July 2007 (version 3) conforms to the formal and substantial requirements of Appendix B and section H of the Annex to Decision 17/CP.7.
- 4) The calculations concerning baseline and project emissions follow the baseline and monitoring methodology AMS-I.D. („Grid connected renewable electricity generation" - Version 10). Based on the calculations in the project documentation it is expected that the project activity will lead to a reduction of greenhouse gas emissions of 279,406 tonnes of carbon dioxide equivalents in the period from 2007 until 2014. This also follows from the preliminary validation by 'TÜV SÜD Industrie Service GmbH' from 14. September 2007 (Report No. 984786 Pos. 60). The validation report approves the registration as CDM-project and confirms the predicted reductions of greenhouse gases.
- 5) The project does not cause severe adverse environmental impacts.
- 6) The host country China confirms with its Letter of Approval dating 22 May 2007, that the project will not be adverse to sustainable development taking into account social, economic and environmental aspects.
- 7) Reasons to deny the authorisation according to section 8 para. 2 ProMechG are not apparent.

Regarding the above-mentioned project all legal requirements are fulfilled.

Therefore the Federal Republic of Germany as investor country represented by the Federal Environment Agency grants its approval to the notified project.

Legal Note:

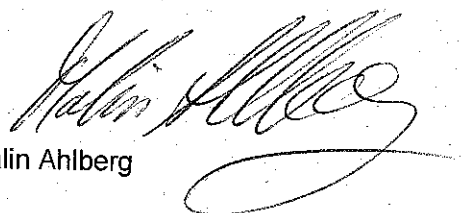
In particular we indicate that this approval does not assure the registration as a CDM-project by the Executive Board.

Instruction on rights to appeal

Administrative appeal ("Widerspruch") against this notification can be filed within one month after its announcement. The appeal has to be in written form, in an equivalent electronic form or in form of a memorandum in writing ("zur Niederschrift") and to be addressed to Umweltbundesamt, Bismarckplatz 1, 14193 Berlin. The appeal in an equivalent electronic form requires an electronic signature according to the German Signature Act ("Signaturgesetz"). For further details regarding the electronic form please refer to the corresponding specifications published on our website <http://www.dehst.de>.

Yours sincerely,

On behalf of the Federal Environment Agency


Malin Ahlberg