

	CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD” (Version 01.2)
	<p>This form should be used only by project participants and other stakeholders for submitting a “Letter to the Board” in accordance with the latest version of the <i>Modalities and procedures for direct communication with stakeholders</i></p>
<i>Name of the stakeholder¹ submitting this form (individual/organization):</i>	<p>Mr. Lai Shimao Lushui County Quande hydropower development Co. Limited</p>
<i>Address and contact details of the individual submitting this form:</i>	<p>Address: Lushui county Liuku town Bayi road, Peoples Republic of China Telephone number: +86 886 3637199 E-mail address: quande@vip.163.com</p>
<i>Title/Subject (give a short title or specify the subject of your submission)</i>	<p>Ask for returning the Sole Focal Point from the buyer back to project owner</p>
<i>Please mention whether the submitter of the form is:</i>	<p><input checked="" type="checkbox"/> Project participant <input type="checkbox"/> Other stakeholder, please specify</p>
<i>Specify whether you want the letter to be treated as confidential²:</i>	<p><input type="checkbox"/> To be treated as confidential <input checked="" type="checkbox"/> To be publicly available (UNFCCC CDM web site)</p>
<p>Please choose any of the type(s) below³ to describe the purpose of this submission.</p>	
<p><input type="checkbox"/> Type I:</p> <p style="padding-left: 40px;"> <input type="checkbox"/> Request for clarification <input checked="" type="checkbox"/> Revision of existing rules </p> <p style="padding-left: 80px;"> <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference </p> <p><input type="checkbox"/> Type II: Request for Introduction of new rules</p> <p><input type="checkbox"/> Type III: Provision of information and suggestions on policy issues</p>	
<p>Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).</p>	

¹ DNAs and DOEs shall use the respective DNA/DOE forms for communication with the Board.

² As per the applicable modalities and procedures, the Board may make its response publicly available.

³ Latest CDM regulatory documents and information are available at: <http://cdm.unfccc.int/Reference/index.html> .

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<p>The project : 48MW Duduluo River Hydroelectric Power Plant (registration NO. 2199)</p> <p>This project had got 2nd issuance in the middle of March 2012 and it had been issued to the temporary account. The buyer had terminated the ERPA before the issuance happened. But this buyer, who is the sole focal point of this prproject, refused to return back the focal point role to us project owner.</p> <p>The current situation is that a) we could not either control or manager the issued parts of CERs, b) we could not move forward with our project since we have no any way to communicate with EB for any coming step, such as further verification process, etc.</p>	
<p><i>Please provide any specific suggestions or further information which would address the issue raised in the previous section, including the exact reference source and version (if applicable).</i></p>	
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<ol style="list-style-type: none"> 1. The current MoC should open a scenario: if one PP (buyer) terminated the ERPA with project owner, the project owner, who is the permanent PP has right to submit a special MoC form to inform EB and ask back the focal point, meanwhile withdraw the existing focal point no matter the buyer agreed or not, since this buyer is not the PP any more. 2. If the project owner, who is the PP could provide the evidence, such as the Termination letter of the ERPA, host country DNA should issue a letter to EB to abandon the PP of the buyer. Consequently, EB need approve the project owner get back the focal point. 3. EB should consider setting up a certain period of time limitation which allowing the issued CERs could stay in the temporary account, eg 15 days or something. Current rules have no any clarification for this issue. 	
<p><i>If necessary, list attached files containing relevant information (if any)</i></p>	<ul style="list-style-type: none"> • To EB_Duduluo Hydro_2199
<p>Section below to be filled in by UNFCCC secretariat</p>	
Date when the form was received at UNFCCC secretariat	11 August 2012
Reference number	2012-196-S

History of document

Version	Date	Nature of revision
01.2	08 February 2012	Editorial revision.
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
<p>Decision Class: Regulatory Document Type: Form Business Function: Governance</p>		

To: UNFCCC secretary
From: Lushui County Quande Hydropower Development Liability Ltd. Company
Lushui County, Liuku Town, Bayi Road, Yunan province, P.R. China
Project registration number:2199
Project name: 48MW Duduluo River Hydroelectric Power Plant

Subject: The Buyer had terminated ERPA, but doesn't return the Focal Point back to the Project Owner

Date: 6th Aug, 2012

Dear Sirs,

Here is the Project Owner of the project 48MW Duduluo River Hydroelectric Power Plant (the "project"). We want to take this opportunity to inform you two main problems which current MoC process may not be suitable to solve the problems. We believe that EB needs to take further serious discussion in order to improve or revise the existing rules.

Problem 1:

One PP (the buyer) was the Sole Focal Point. It had terminated the ERPA with us from beginning of this March. Theoretically, the buyer, which is First Climate (Swissland) AG has no right any more to still hold the focal point since it will not be the PP anymore after it terminated the deal with project owner. Unfortunately, this buyer is really an immoral entity and it refused to submit MoC to change back the focal point back to us.

Following current rules, if the Focal point does not submit a new MoC to change Focal points, we could not do anything.

Suggestion:

If the PP (the buyer) terminated the ERPA with the project owner, who is the permanent PP, the Project Owner should automatically have the right to submit a letter to EB to claim its right for asking back the focal point if the previous buyer refused to return back the Focal point.

And EB should consider add a rule to the current MoC process to say that if the buyer is not the PP any more, it should withdraw its role of any focal point (sole, join or share) within certain days, eg. 15days.

Problem 2:

The project had successfully got the 2nd issuance in the middle of this March. Those 221,516 had been transferred to the temporary account. The fact is that the buyer terminated the deal before the issuance happened. Currently, the buyer still holds the Sole Focal Point for the project.

In the absence of clear regulation, the current Sole Focal Point has no obligation to immediately submit MoC to withdraw its focal point role and return it back to the PO. Consequently, we project owner could not manage our own project's CERs which had been issued. We have no control for this at all.

Additionally, we believe that it's very risky for us since the previous buyer could make best use of current rules and illegally transfer / steal those issued CERs to any account if they want to do so.

Suggestion:

Since the project owner is the permanent Project Participant, PO should have right to be either sole or shared focal point for CERs transfer and issuance, especially for communication with EB for the temporary account. What else, EB should think about set up a limitation for the staying period for issued CERs, eg 20 days. Exceeding this requested days, PO has right to request either PO holds the right of transferring or host country holds the issued CERs.

Otherwise, if the buyer, who may be the sole focal point for the CERs transfer, could take advantage of the current rules and let the project owner in a very unfair situation.

Current economic situation is not very good and the CDM revenue does make great sense to our company's revenue. If we could not get back the Focal Point, we could not move forward at all. We had reported above problems to our Chinese DNA and they will have further discussion. We will be highly appreciated to see you will take immediate consideration and further discussion about our situation.

Yours faithfully

General Manager
Mr. Lai Shimao