

**Annex 45****Registration****Scope of the review on
“Ningxia Yinchuan No. 1 Natural Gas Cogeneration Project” (2373)**

1. The Board agreed to undertake a review of the project activity “Ningxia Yinchuan No. 1 Natural Gas Cogeneration Project” (2373).
2. The Board agreed that the scope of the review relating to issues associated with validation requirements shall cover a review to assess the:
 - (a) Additionality of the project activity through an assessment of the:
 - (i) Investment costs as the DOE has not clarified how they consider the comparison of the unit cost of investment for the project activity with an installed capacity of 64 MW against the unit cost of investment for plants of 400-600 MW capacity reasonable, and the suitability of O&M costs as the DOE has not validated the current gas price in the region;
 - (ii) Identification of investment costs for the waste heat recovery component of the project activity plant and how it has been segregated as an independent plant; and
 - (iii) Sensitivity analysis as the IRR reaches the benchmark with very slight variation of the main parameters;
 - (b) The selection of the baselines, in particular, the alternatives considered will provide the similar level of services as that of project activity and the suitability of input values used in the levelized cost calculations.
