
VALIDATION OPINION FOR REVISION OF REGISTERED MONITORING PLAN

The Ugar Sugar Works Limited

**Grid connected bagasse based cogeneration
project of Ugar Sugar Works Limited (USWL)**

UNFCCC Ref. No. 0189

SGS Climate Change Programme

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Date of Issue:		Project Number:	
29/07/2008		CDM.VER0016	
Project Title:			
Grid connected bagasse based cogeneration project of Ugar Sugar Works Limited (USWL)			
Organisation:		Client:	
SGS United Kingdom Limited		The Ugar Sugar Works Limited	
Subject:			
Validation opinion for revision of Registered Monitoring Plan			
Validation Team:			
Kamesh Iyer – Lead Assessor Sathis Kumar – Assessor		<input checked="" type="checkbox"/> No Distribution (without permission from the Client or responsible organisational unit)	
Technical Review:	Trainee Technical Reviewer:		
Date: 05/08/2008 Name: Vikrant Badve	Name:	<input type="checkbox"/> Limited Distribution	
Authorised Signatory:			
Name: Siddharth Yadav Date: 22/08/2008			
Revision Number:	Date:	Number of Pages:	<input type="checkbox"/> Unrestricted Distribution
0	29/07/2008	11	
1	08/08/2008	11	

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1. Validation Opinion

Paragraph 57 of the modalities and procedures for the CDM allow project participants to revise monitoring plans in order to improve accuracy and/or completeness of information, subject to the revision being validated by a Designated Operational Entity.

SGS United Kingdom Ltd has been contracted by The Ugar Sugar Works Limited to perform such a validation of the revision of monitoring plan according to the procedure detailed in annex 34 to EB 26 meeting report, the original monitoring plan is part of the PDD of registered CDM project: Grid connected bagasse based cogeneration project of Ugar Sugar Works Limited (USWL); UNFCCC ref. no. 0189. The purpose of a validation is to have an independent third party assessment of the revision of monitoring plan. In particular, the level of accuracy or completeness in the proposed revision of the monitoring plan, and the conformity with approved monitoring methodology applicable to the project activity.

By applying the proposed revision of monitoring plan, the inconsistency in the registered monitoring plan Vis a Vis the actual practice is removed. Some of the parameters used in the calculation of electricity emission factor have been fixed ex-ante as per the applicable methodology in the registered PDD and is not monitored ex-post. But monitoring plan of registered PDD says it should be monitored annually. Hence a CAR was raised to clarify the inconsistency. Project proponent clarified that as per the option chosen in the calculation of electricity emission factor in the applicable methodology the same has been fixed ex-ante during validation and is applicable for the whole crediting period. Hence project proponent was asked to submit a revised monitoring plan. The revised monitoring plan is consistent with the applicable methodology AM0015 version 01 against which the project is registered.

Theoretically, there should be no impact on the calculation of the emissions reduction achieved by this project activity because the revision is aimed at maintaining the consistency of the monitoring plan as per the applicable methodology.

Furthermore, we confirm that:

- (a) the proposed revision of the monitoring plan ensures that the level of accuracy or completeness in the monitoring and verification process is not reduced as a result of the revisions;
- (b) the proposed revision of the monitoring plan is in accordance with the approved monitoring methodology applicable to the project activity
- (c) This is the third verification for the said project activity. During first and second verification the ex-ante values of electricity emission factor have been used in the emission reduction calculation;

Signed on Behalf of the Validation Body by Authorized Signatory

Signature: 

Name: Siddharth Yadav

Date: 22/08/2008

2. Introduction

2.1 Objective

Paragraph 57 of the modalities and procedures for the CDM allow project participants to revise monitoring plans in order to improve accuracy and/or completeness of information, subject to the revision being validated by a Designated Operational Entity.

SGS United Kingdom Ltd has been contracted by The Ugar Sugar Works Limited to perform such a validation of the revision of monitoring plan according to the procedure detailed in annex 34 to EB 26 meeting report, the original monitoring plan is part of the PDD of registered CDM project: Grid connected bagasse based cogeneration project of Ugar Sugar Works Limited (USWL); UNFCCC ref. no. 0189. The purpose of a validation is to have an independent third party assessment of the revision of monitoring plan. In particular, the level of accuracy or completeness in the proposed revision of the monitoring plan, and the conformity with the approved monitoring methodology applicable to the project activity.

The Validation was performed in accordance with the UNFCCC criteria for the Clean Development Mechanism (CDM) and host country criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

SGS reviewed of the project design documentation, using a risk based approach and conducted follow-up interviews.

2.2 Scope

The scope of the validation is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. SGS has employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of CERs.

The validation is not meant to provide any consulting towards the Client. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.

2.3 GHG Project Description

As per <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> page and validation report dated 23-12-2005.

The project was registered on 6th March 2006 with reference number 0189. The first verification for the project activity was for the period covering 1st January 2004 to 31st December 2005 and CER's were issued on 15th May 2006 and the second verification for the project activity was for the period covering 1st January 2006 to 31st January 2007 and CER's were issued on 1st June 2007.

2.4 The Names and Roles of the Validation Team Members

Name	Role	Affiliate
Kamesh Iyer	Lead Assessor	SGS India
Sathis Kumar	Assessor	SGS India

3. Methodology

3.1 Review of CDM-PDD and Additional Documentation

The validation is performed primarily as a document review of the publicly available project documents. The assessment is performed by trained assessors using a validation protocol.

A site visit is usually required to verify assumptions in the baseline.

3.2 Use of the Validation Protocol

The validation protocol used for the assessment is partly based on the templates of the IETA / World Bank Validation and Verification Manual and partly on the experience of SGS with the validation of CDM projects. It serves the following purposes:

- it organises, details and clarifies the requirements the project is expected to meet; and
- it documents both how a particular requirement has been validated and the result of the validation.

The validation protocol consists of several tables. The different columns in these tables are described below.

Checklist Question	Ref ID	Means of verification (MoV)	Comment	Draft and/or Final Conclusion
The various requirements are linked to checklist questions the project should meet.	Lists any references and sources used in the validation process. Full details are provided in the table at the bottom of the checklist.	Explains how conformance with the checklist question is investigated. Examples of means of verification are document review (DR) or interview (I). N/A means not applicable.	The section is used to elaborate and discuss the checklist question and/or the conformance to the question. It is further used to explain the conclusions reached.	This is either acceptable based on evidence provided (Y), or a Corrective Action Request (CAR) due to non-compliance with the checklist question (See below). New Information Request (NIR) is used when the validation team has identified a need for further clarification.

3.3 Findings

As an outcome of the validation process, the team can raise different types of findings

In general, where insufficient or inaccurate information is available and clarification or new information is required the Assessor shall raise a **New Information Request (NIR)** specifying what additional information is required.

Where a non-conformance arises the Assessor shall raise a **Corrective Action Request (CAR)**. A CAR is issued, where:

- I. mistakes have been made with a direct influence on project results;
- II. validation protocol requirements have not been met; or
- III. there is a risk that the project would not be accepted as a CDM project or that emission reductions will not be verified.

The validation process may be halted until this information has been made available to the assessors' satisfaction. Failure to address a NIR may result in a CAR. Information or clarifications provided as a result of an NIR may also lead to a CAR.

Observations may be raised which are for the benefit of future projects and future verification or validation actors. These have no impact upon the completion of the validation or verification activity.

Corrective Action Requests and New Information Requests are raised in the draft validation protocol. In this form, the Project Developer is given the opportunity to “close” outstanding CARs and respond to NIRs and Observations.

3.4 Internal Quality Control

Following the completion of the assessment process and a recommendation by the Assessment team, all documentation will be forwarded to a Technical Reviewer. The task of the Technical Reviewer is to check that all procedures have been followed and all conclusions are justified. The Technical Reviewer will either accept or reject the recommendation made by the assessment team.

4. Validation Findings

4.1 Participation Requirements

As per <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTL05ZH3MCILH8DDQK29KMT> validation report dated 23-12-2005 available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> . No Change.

4.2 Project Design

As per <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTL05ZH3MCILH8DDQK29KMT> validation report dated 23-12-2005 available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> . No Change.

4.3 Eligibility as a Small Scale Project

As per <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTL05ZH3MCILH8DDQK29KMT> validation report dated 23-12-2005 available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> . No Change.

4.4 Baseline Selection and Additionality

As per <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTL05ZH3MCILH8DDQK29KMT> validation report dated 23-12-2005 available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> . No Change.

4.5 Application of Baseline Methodology and Calculation of Emission Factors

As per <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTL05ZH3MCILH8DDQK29KMT> validation report dated 23-12-2005 available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> . No Change.

4.6 Application of Monitoring Methodology and Monitoring Plan

The project activity uses the approved methodology AM0015 version 01. As per the methodology the electricity baseline emission factor is calculated as a combined margin consisting of operating margin and build margin. In the calculation of operating margin there are four choices out of which the PP has chosen and adopted the Option 1 “Simple OM” method. In the calculation of “Simple OM” the PP has used “A 3-year average, based on the most recent statistics available at the time of PDD submission”. In that case there is no need for ex-post monitoring of the operating margin emission factor.

Similarly for the calculation of Build Margin emission factor option 1 as given in AM0015 version 01 has been used i.e. ex ante based on the most recent information available on plants already built for sample group “m” at the time of PDD submission. As per the methodology there is no need for ex-post monitoring for the calculation of Build Margin emission factor. Thus the choice of options for the calculations of $EF_{OM,y}$ and $EF_{BM,y}$ concludes that the calculated electricity emission factors at the time of PDD submission are fixed throughout the crediting period.

However, the monitoring plan of the registered PDD mentions that the parameters used in the calculation of electricity emission factor needs to be monitored annually. CAR was raised to clarify the inconsistency. The project proponent clarified that as per the applicable methodology and the option chosen in the calculation of emission factors the same need not be monitored ex-post. This was found in line with the applicable methodology. However the PP was asked to submit a revised monitoring plan to remove the inconsistencies in the monitoring plan.

Hence as per the revised monitoring plan given in section D.2.1.1 and D.2.1.3 there are only two parameters that need to be monitored ex-post.

1. Physical quantity, Confirmation that no fossil fuels were combusted in boilers for cogeneration at USWL.
2. Electricity Quantity, Electricity supplied to the grid by SNM2.

Rest of the parameters has been fixed ex-ante and are applicable for the entire crediting period. The revised monitoring plan is attached herewith with this correction.

As per applicable methodology AM0015 version 1 and registered PDD there are no project emissions or leakage associated with the project activity.

Rest of the monitoring plan remains the same as mentioned in the registered PDD mentioned on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> and revised monitoring plan is attached with the revised validation opinion.

There is no other change in the validation report <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTLC05ZH3MCILH8DDQK29KMT> dated 23-12-2005 available on UNFCCC website available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> .

4.7 Choice of the Crediting Period

As per <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTLC05ZH3MCILH8DDQK29KMT> validation report dated 23-12-2005 available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> . No Change.

4.8 Environmental Impacts

As per <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTLC05ZH3MCILH8DDQK29KMT> validation report dated 23-12-2005 available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> . No Change.

4.9 Local Stakeholder Comments

As per <http://cdm.unfccc.int/UserManagement/FileStorage/3WYLFXCTLC05ZH3MCILH8DDQK29KMT> validation report dated 23-12-2005 available on UNFCCC website <http://cdm.unfccc.int/Projects/DB/BVQI1135347342.86/view> . No Change.

5. List of Persons Interviewed

Date	Name	Position	Short Description of Subject Discussed
08/05/2008	S.M.Pattanshetty	Chief Manager (Environment) and CDM Coordinator	Monitoring practice adopted at plant site and requirement under regd. PDD monitoring plan

6. Document References

Category 1 Documents (documents provided by the Client that relate directly to the GHG components of the project, (i.e. the CDM Project Design Document, confirmation by the host Party on contribution to sustainable development and written approval of voluntary participation from the designated national authority):

- /1/ Revised Monitoring plan dated 8th August 2008
- /2/ Registered PDD version 03 dated 21st December 2005
- /3/ AM0015 version 01
- /4/ Registered validation report dated 23-12-2005

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