CDM Project Activity Registration and Validation Report Form

(By submitting this form, designated operational entity confirms that the proposed CDM project activity meets all validation and registration requirements and thereby requests its registration)

Section 1: Request for registration	
Name of the designated operational entity (DOE) submitting this form	BVQI HOLDING S. A.
Title of the proposed CDM project activity (Section A.2 of the attached CDM-PDD) submitted for registration	The Godavari Sugar Mills Ltd (TGSML)'s 24 MW Bagasse Based Co-generation Power Project at Sameerwadi
Project participants (Name(s))	The Godavari Sugar Mills Limited
Sector in which project activity falls	Sector 1: Energy industries (renewable / non-renewable sources)
Is the proposed project activity a small-scale activity?	Yes / No *(underline as applicable)*

Section 2: Validation report

List of documents to be attached to this validation report (please check mark)*:*

- ☑ The CDM-PDD of the project activity
- ☑ An explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations;
- ☑ The written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development:
  - ☑ DNA approval from India
- ☐ Other documents, including any validation protocol used in the validation
  - ☑ Validation report including the validation protocol
- ☑ Information on when and how the above validation report is made publicly available.
- ☑ Banking information on the payment of the non-reimbursable registration fee
- ☑ A statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat in particular with regard to instructions regarding allocations of CERs at issuance

Executive Summary and Introduction, including

- **Description of the proposed CDM project activity**
- **Scope of validation process (include all documentation that has been reviewed and name persons that have been interviewed as part of the validation, as applicable)**
- **DOE Validation team (list of all persons involved in the validation, describing functions assumed in the validation)**

- **Description of the proposed CDM project activity**

The 24 MW cogeneration project of TGSML consists of a double extraction cum condensing machine. The plant is designed to operate with boiler outlet steam parameters of 65 kg/cm^2 and 490±5°C using bagasse as a main fuel. The boiler is designed with a travelling grate and electric drive to burn bagasse. The inlet feed water is at 126°C. The cogeneration turbine is a double extraction cum condensing machine. A 130 tons per hour (TPH) nominal capacity boiler with the super heater outlet steam parameters of 65 kg/cm^2 and 490 ± 5^{0}C and a high efficiency extraction cum condensing (EC) type of turbo-generator set of 24 MW nominal capacity has been implemented for higher power output. As per the requirements of sugar mill, the steam and power is supplied and surplus power is being exported to KPTCL (now HESCOM) after meeting cogeneration plant auxiliary requirements. The total captive power consumption for the sugar plant, colony and the auxiliary power consumption of the cogeneration unit works out to be 8 MW leaving about 24 MW + 1.5 MW (from existing backpressure turbine) – 8 MW (captive consumption) i.e. 17.5 MW of excess power export to KPTCL (now HESCOM) at 110 kV level for sale, during the crushing season of 8 months per annum.

The project start date is 01/05/2000 and has opted for a renewable crediting period for 7 years starting from 12/04/2002

BVQI received the PDD on 03/10/2005 from Project participant. However it was web-hosted only in March 2006 (Period 12/03/2006 to 10/04/2006.) since PDD was revised using more appropriate approved methodology ACM 0006,version 3,which was approved in EB 23, February 2006.

The total emission reductions over the 07 years renewable crediting period are estimated to be about 418,451 tCO2e

- **Scope of validation process**

The scope of the validation is to assess the aspects of GHG reduction involved in the project. The validation scope is defined as an independent and objective review of the project design document, the project baseline study and monitoring plan and other relevant documents related to the project activity as described above and implemented at Sameerwadi Mudhol Taluk, Bagalkot District, Karnataka, India. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. BVQI has, based on the recommendations in the Validation and Verification Manual (IETA/PCF, version 3.3, March 2004), employed a risk-based approach in the validation, focusing on the identification of significant risks for the 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.

- **Documents reviewed**

A number of documents and records were reviewed during the validation process. The key documents are listed below :

- CDM Project Design Document [PDD] submitted on to BVQI India Private Limited, final version no. 3 dated 05/12/06
- Letter of approval dated from Designated National Authority of host country, India, dated 02 June

2006.

- Board Resolution dated 17 February 2000 regarding CDM consideration for the Cogeneration Project.
- Documents of construction start date on 01/05/2000.
- Commissioning certificates dated 10/04/2002 by Karnataka Power Transmission Corporation Limited confirming commissioning of the Co-generation Project.

- **Persons interviewed**

The Godavari Sugar Mills Limited

Head Office -

1. Mr. Samir Somaiya	Executive Director
2. Mr. Naresh Khetan	General Manager (Finance & Accounts)
3. Mr. V.V. Iyer	Dy. General Manager
4. Mr. Prakash Tiwari	Assistant Manager - Projects

Works -

5. Mr. V.Sivaprakasam	Chief Executive Officer
6. Mr. G. Gangadhara Gouda	Dy. General Manager (Co-gen.)
7. Mr. K.G. Aithal	Manager – Power Business Division
8. Mr. T. Shriram	Manager – Electrical
9. Mr. G. Suresh	Water treatment Plant Chemist

Ernst & Young

1. Ms. Chitra Srinivasan	Consultant
2. Mr. Shailesh Kumar Tyagi	Consultant

Local stakeholders

1. Mr. Shankar Gouda Patil – Vice President – Cane Growers' Association
2. Mr. Rajshekhar Chandrakant Salve – Basaveshwar Roadlines

- **DOE Validation team**

Sameer Pendse - Team leader, performed the document review and site visit
H. Muralidhar - Team member, provided the necessary expertise in electricity generation during site visit
V. Venkatachalam – Financial Expert – Provided expertise in assessing the relevant financial information provided by the Project Participant.
Ashok Mammen - Performed the technical review of the validation report

Description of methodology for carrying out validation

- **Review of CDM-PDD and additional documentation attached to it**
- **Assessment against CDM requirements (e.g. by use of a validation protocol)**
- **Report of findings by the DOE, e.g. by use of type of findings (e.g. corrective action requests, clarifications or observations). Please explain the way findings are "labelled" during validation.**
- **Include statements or assessments in the section "Conclusions, final comments and validation opinion" below.**

The overall validation, from Contract Review to Validation Report & Opinion, was conducted using internal procedures (BVQI Management System [BMS], September 2003) which were audited by the CDM Accreditation Team in December 2004.

In order to ensure transparency, a validation protocol was customised for the project, according to the Validation and Verification Manual (IETA/PCF, v. 3.3, 2004). The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria. The validation protocol serves the following purposes:

- It organises, details and clarifies the requirements a CDM project is expected to meet
- It ensures a transparent validation process where the validator will document how a particular requirement has been validated and the result of the validation.

The validation of the project consists of the following 3 phases :

i) A desk review of the project design document and the baseline and monitoring plan [April 2006]
ii) Follow-up interviews with the project stakeholders [April 2006]
iii) The resolution of outstanding issues and the issuance of the final validation report and opinion [April – August 2006]

The validation involved a combination of desk review and site visit to the project site. The desk review consisted of an assessment of PDD against the CDM and other relevant criteria. This was followed by a site visit. The corrective and clarification requests were submitted to the client after the completion of site visit. The validation opinion and the final report were made subsequently.

The overall approach was risk based assessment.

- **Review of CDM-PDD and additional documentation attached to it**

The PDD submitted by the client was reviewed against the CDM and other relevant criteria and approved methodology [initial version of March 2006 and the final version of July 2006]. All other documents submitted to BVQI for detailed calculations of baseline determination were also reviewed [April – July 2006].

- **Assessment against CDM requirements**

A validation protocol as per the procedures established by BVQI was used. This protocol was customised with additional checkpoints to address the requirements of the applicable approved methodology. [April 2006]

The protocol provides for a transparent mechanism and information on how the CDM and other relevant criteria and methodology requirements were assessed by the validation team.

During the period from 10th to 17th April 2006, BVQI performed site visit and interviewed the project proponents and local stakeholders to confirm the information and resolve issues identified in the document review.

- **Report of findings by the DOE**

The desk review and site visit of the validation activity may result in corrective action requests [CAR] or clarification requests [CL].

A corrective action request is issued where the project information does not conform to the CDM and other relevant criteria. A clarification request is made where the project information is not sufficiently described and/or clarified.

These are reported to the client thorough a draft validation report.

The draft validation report including CARs and CLs were issued to Client after the site visit [April 2006].

Explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations;

- **Description of how and when the PDD was made publicly available**
- **Description of how comments were received and made publicly available**
- **Explanation of how due account has been taken of comments received**
- **Compilation of all comments received (Identify the submitter)**

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- **Description of how and when the PDD was made publicly available**

According to the modalities for the validation of CDM projects, the validator shall make publicly available the project design document; receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available.

BVQI published the project design document on the UNFCCC website (http://cdm.unfccc.int) from 12/03/2006 and invited comments within 10/04/2006.

- **Description of how comments were received and made publicly available**

The comments were received from the global stakeholders through e-mail. After the end of the 30 days commenting period, the comments received were published on the UNFCCC website (http://cdm.unfccc.int).

- **Explanation of how due account has been taken of comments received**

No comments received.

- **Compilation of all comments received**

The comments and how BVQI has taken due account of these is given in the "Comments by Parties, Stakeholders and NGOs" of BVQI's validation report no. BVQI/INDIA/8.49. However no comments received.

Conclusions, final comments and validation opinion

- **Provide conclusions on each requirement under paragraph 37 of the CDM modalities and procedures, describing how these requirements have been meet. This shall include assessments and findings (e.g. corrective action requests, clarifications or observations) in relation to each requirement, including a confirmation that all issues raised have been addressed to the satisfaction of the DOE.**
- **Final comments and validation opinion**

BVQI has performed a validation of" The Godavari Sugar Mills Ltd (TGSML)'s 24 MW Bagasse Based Co-generation Power Project at Sameerwadi"

The validation was performed on the basis of UNFCCC criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.

The validation consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan (April 2006); ii) follow-up interviews with project stakeholders (April 2006); iii) the resolution of outstanding issues and the issuance of the final validation report and opinion (July 2006).

The review of the project design documentation (March 2006, version 1) and the subsequent follow-up interviews have provided BVQI with sufficient evidence to determine the fulfillment of stated criteria. In our opinion, the project correctly applies and meets the relevant UNFCCC requirements for the CDM and the relevant host country criteria.

The project activity generated electricity by using the renewable wind sources to meet the ever-increasing demand for energy in the region. The development of the project activity is reducing and will reduce the green house gas [GHG] emissions produced by the western India regional grid generation mix, which is mainly dominated by fossil fuel based power plants. Apart from the generation of electrical power, the project is also contributing to sustainable development through contribution towards meeting the electricity supply deficit in Karnataka, conserving natural resources and rural and infrastructure development.

- **Will the project result in emission reductions that are additional**

By generating electricity from biomass (Bagasse in this case) , the project is likely to result in reductions of GHG emissions partially displacing electricity that would have otherwise been purchased from the grid. An analysis of the technological and investment barriers demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is

implemented and maintained as designed, the project is likely to achieve the estimated amount of emission reductions.

- **Local stakeholder comments and actions taken**

The project participant is 'The Godavari Sugar Mills Limited The host Party – India meets all relevant participation requirements. The DNA of host party, Ministry of Environmental & Forest (MoEF), has confirmed that the Government of India has ratified the Kyoto Protocol in. August 2002, has provided approval of voluntary participation and has confirmed that the project contributes to Sustainable Development in India.

Local stakeholders have been taken into confidence regarding the project activity. Invitation for stakeholder consultation has been done in a transparent manner. Since Host country legislation requires Stakeholders consultation before Project start-up as a Environmental clearance, this was called and held on 29/01/99 One more invitation for consultation was sent on 20 Feb 2006 and consultation took place accordingly. Letter from one such stakeholder dated 8/03/2006 is also attached with PDD. The stakeholders expressed positive views. Due account was taken for all the comments received during the consultation process.

- **Environmental impacts including transboundary impacts and impact assessment if applicable**

The host country (India) legislation requires an analysis of the environmental impacts of the project activity before the actual start-up. Environmental Impact Assessment is evident for the project and also attached with PDD as Enclosure 1. The project has obtained the necessary approvals and permits viz. Consent to operate from Karnataka State Pollution Control Board [KSPCB] as well as licence from Airports Authority Of India for erection of Chimney. The project does not expect to create any negative social or environmental impacts.

- **Appropriateness of the methodology**

The approved methodology ACM 0006, version 3 dated 19/05/2006 was used. The title of the methodology is "Consolidated baseline methodology for grid-connected electricity generation from biomass residues" This methodology is used in conjunction with approved monitoring methodology ACM 0006, Version 3 dated 19/05/2006 and also makes reference to monitoring as per monitoring methodology ACM 0002, Version 6, 19/05/2006. The project conforms to the applicability conditions of the baseline and monitoring methodologies very well. It is demonstrated that the project activity itself is not a likely baseline scenario due to the existence of one or more of the following barriers: investment barriers, technology barriers, barriers due to prevailing practice and other barriers. Various arguments are put forward regarding the investment barriers and technological barriers. It is demonstrated that the project activity depends on the carbon finance through sale of carbon credits.

The GHG emissions calculations are documented in a complete and transparent manner using the provisions of the methodology. The calculated annual average of 59,779 tCO2e over the seven year crediting period of emission reduction represents a reasonable estimation using the assumptions given by the project documents.

- **Are the provisions for monitoring, verification and reporting in accordance with decision 17/CP.7**

The authority and responsibility of project management and monitoring measurement are clearly described. All indicators of importance for controlling and reporting of project performance are incorporated in the Monitoring Plan.

- **Conformance to all CDM requirements as per decision 17/CP.7**

In summary, it is the validation team's opinion that the "The Godavari Sugar Mills Ltd (TGSML)'s 24 MW Bagasse Based Co-generation Power Project at Sameerwadi" as described in the project design documentation of June 2006 meets all relevant UNFCCC requirements for the CDM and correctly applies the approved baseline and monitoring methodology ACM 0006, Version 3, dated 19/05/2006 as well as ACM 0002, Version 6, 19/05/2006 which were the current version at the time the PDD was submitted to BVQI for validation. Hence BVQI requests the registration of the "The Godavari Sugar Mills Ltd (TGSML)'s 24 MW Bagasse Based Co-generation Power Project at Sameerwadi" as a CDM project activity.

Further details can be obtained from the "Validation Findings" Section and Table 1 of the Validation Protocol in Appendix A of BVQI's Validation report (BVQI report no. BVQI/IND/8.49). The validation is based on the information made available to us and the engagement conditions detailed in this report.
The DOE declares herewith that in undertaking the validation of this proposed CDM project activity it has no financial interest related to the proposed CDM project activity and that undertaking such a validation does not constitute a conflict of interest which is incompatible with the role of a DOE under the CDM.

By submitting this validation report, the DOE confirms that all validation requirements are met. Name of authorized officer signing for the DOE	Ashok Mammen
Date and signature for the DOE	11-12-2006 Ashok Mammen

Section below to be filled by UNFCCC secretariat

Date when the form is received at UNFCCC secretariat		
Date at which the registration fee has been received		
Date at which registration shall be deemed final		
Date of request for review, if applicable		
Date and number of registration	Date	Number

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