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|  CDM project activity registration review form (F-CDM-RR) <i>(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)</i> | |
| Designated national authority/Executive Board member submitting this form | |
| Title of the proposed CDM project activity submitted for registration | The Godavari Sugar Mills Ltd (TGSML)'s 24 MW Bagasse Based Co-generation Power Project at Sameerwadi (0577) |
| <p>Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures, which validation requirement(s) may require review. A list of requirements is provided below. Please provide reasons in support of the request for review, including any supporting documentation.</p> <p><input type="checkbox"/> <i>The following are requirements derived from paragraph 37 of the CDM modalities and procedures:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied; <input type="checkbox"/> Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity (DOE) on how due account was taken of any comments has been received; <input type="checkbox"/> Project participants have submitted to the DOE documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party; <input checked="" type="checkbox"/> The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM modalities and procedures; <input type="checkbox"/> The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board; <input type="checkbox"/> Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP; <input checked="" type="checkbox"/> The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the CDM modalities and procedures and relevant decisions by the COP/MOP and the Executive Board. <p><input type="checkbox"/> <i>The following are requirements derived from paragraph 40 of the CDM modalities and procedures:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> The DOE shall, prior to the submission of the validation report to the Executive Board, have received from the project participants 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; <input type="checkbox"/> In accordance with provisions on confidentiality contained in paragraph 27 (h) of the CDM modalities and procedures, the DOE shall make publicly available the project design document; <input type="checkbox"/> The DOE shall receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available; <input type="checkbox"/> After the deadline for receipt of comments, the DOE shall make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated; <input type="checkbox"/> The DOE shall inform project participants of its determination on the validation of the project activity. Notification to the project participants will include confirmation of validation and the date of submission of the validation report to the Executive Board; <input type="checkbox"/> The DOE shall submit to the Executive Board, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received. <p><input type="checkbox"/> There are only minor issues which should be addressed by the DOE / project participants prior to the registration of the project.</p> | |
| Section below to be filled in by UNFCCC secretariat | |
| Date received at UNFCCC secretariat | 23/11/2006 |

Reasons for Request:

- The PDD does not provide strong evidences that the CDM was considered from project inception, although it states that "there is also sufficient evidence available in form of documentation clearly showing that the project promoter was well aware of carbon credits, and CDM incentive played a role in the decision taken by TGSML's management in implementing the cogeneration plant. The documents have been produced to the validator on request". However, these evidences are not attached, and the only evidence mentioned by the Validation Report is a "Board resolution dated 17/02/2000 referring to Mr. Samir Somaiya attending Seattle Conference of World Trade Organisation (WTO) in November – December 1999 and resolution stating ' benefits though CDM to be considered' in implementation of

bagasse based cogeneration power plant.”, which are also not attached. Since the project activity is requesting retroactive credits, strong evidences that CDM was considered from the beginning should be provided. Also, while the PDD defines a project starting date of May 2000, the validation report refers to a stakeholder consultation held in January 1999. Similarly, the EIA dates from 1998 and the loan sanction by IDBI from October 1999. Thus the project may not fulfil the CDM requirements of starting after January 2000.

- In addition, the additionality argument is weak: by December, 2004 bagasse cogeneration capacity in India had reached 432.5 MW from 56 projects, most of which have not applied for CDM, showing that they are an economically attractive alternative and do not face prohibitive barriers. The project developers themselves state that they were the fourth bagasse cogeneration project in the state of Karnataka which supports this argument. In this context, the technological barrier is not credible. Similarly, the fact that consultancy contracts had to be awarded to set up the plant is common practice and cannot be seen as prohibitive barrier. The barrier with respect to the lacking financial health of the state electricity companies affects all electricity generators alike and cannot be seen as barrier specific to bagasse cogeneration.

- The OM values for 2000-1 and 2002-3 are severely overestimated. The data published by CEA show an OM of 1010 and 990 g CO₂/kWh, respectively, so almost 20% less than the PDD. Moreover, the PDD does not explain why it uses 2000-1 instead of 2001-2 for the third year of the OM calculation.

- There is an error that requires attention in the calculation of project emissions. In section E.1 emissions from transportation activities are stated to be 8,310 tons annually. In section E.3 this figure is used for transportation emissions for the entire crediting period. If in fact the figure given is annual, then the total emission reduction for the crediting period should be corrected from 448,587 tons to 398,547 tons. For the sake of transparency, the details of the calculation of annual emissions from transportation should be added to Annex 3.