



Mr. Hans Jurgen Stehr  
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November 2<sup>nd</sup> 2007

Re: Request for review of the request for issuance for the CDM project activity "The Godavari Sugar Mills Ltd (TGSML)'s 24 MW Bagasse Based Co-generation Power Project at Sameerwadi" (UNFCCC No. 577)

Dear Mr. Stehr

SGS has been informed that the request for registration for the CDM project activity "The Godavari Sugar Mills Ltd (TGSML)'s 24 MW Bagasse Based Co-generation Power Project at Sameerwadi" (UNFCCC No. 577) is under consideration for review because three requests for review have been received from members of the Board.

The requests for review are based on the same reason outlined below. SGS would like to provide an initial response to the issues raised by the request for review:

**Request 1, 2 and 3:**

1. The project participant calculated the emission reduction from 2002 to 2007 based on ex-post grid emission factor of 0.858, 0.864 and 0.861 tCO<sub>2</sub>/MWh based on the monitoring plan. However, the verification report (p. 6) stated that "the grid emission factor was ex-ante calculated and fixed for the entire crediting period." Further clarification is required on how the DOE verified the calculation of emission reduction.

**SGS Response:**

The grid emission factor used for emission reduction calculations was referred from CEA (Central Electricity Authority), Ministry of Power, Govt. of India database version 1.1 dated 21st December 2006; which is attached as Annex 1 herewith. CEA has calculated this grid emission factor as per the guidelines given in ACM0002 version 6. Thus it was verified and found acceptable that the grid emission factor for the project activity is ex-post calculated; which is inline with the Registered PDD and monitoring plan for the project activity. In the verification report page 6 it was erroneously mentioned that grid emission factor was fixed for the crediting period, which is not the case. DOE regret for the typo error which was occurred in the earlier verification report. The corrected verification report is attached as Annex 2 herewith.

2. The DOE verified that calculated values of net electricity generation which are more conservative than the measured values were used for the calculation of the emission reduction. However, this approach is not in line with the monitoring plan and the approved methodology. Further clarification is required on why the DOE did not request for deviation on this issue before the request for issuance.

**SGS Response:**

The monitoring plan and the approved methodology used for the project activity require the measured value of net electricity is to be used for calculation of emission reduction. Project proponent has met this requirement, as net electricity generated by the project plant is measured by DCS at the plant. A snapshot of DCS is attached as Annex 3. Thus project proponent is following the registered monitoring plan and there is no deviation with respect to registered PDD and approved methodology used for the project activity. However the QA/QC procedure of registered PDD and the approved methodology also requires that beyond monitoring, 'The consistency of metered net electricity generation should be cross-checked with receipts from sales' (pls. ref. to page 50 of ACM0006 version 3). Thus in view of this DOE has considered the net electricity generation by the project activity based on the sales receipts from State Electricity Utility, internal consumption and the gross electricity generation. This net electricity generation value is thus calculated. Attached Annex 4 gives the extract of yearly power statistics at the project activity site. This was verified during the verification site visit and same was mentioned in the verification report.

For the period 12<sup>th</sup> April 2002 to 31<sup>st</sup> March 2007 the measured net electricity generated through DCS is 454934 MWh (using this value emission reduction from project activity is 185307 tCO<sub>2</sub>e); excel sheet attached as Annex 5 gives the emission reduction calculations based on the measured value of the electricity. While calculated value of net electricity is based on sales receipts; which is 437259 MWh (using this value emission reduction from project activity is 170103 tCO<sub>2</sub>e). The difference in measured and calculated value of net electricity is due to various losses (line losses, transformer losses etc.) between plant and actual electricity off-take point. DOE has verified this during the verification site visits and discussed this in the verification report. Thus it was concluded that the project proponent has followed the monitoring plan in conjunction with QA/QC procedures of the approved methodology not in isolation of each other; and thus followed registered PDD. Same has been demonstrated in the CER calculation sheet also.

Hence being conservative and as per QA/QC procedures, DOE has accepted the use of calculated value for net electricity generation to calculate emission reductions and does not seek the deviation.

We hope that above explanation would have cleared the comments raised by the CDM-EB.

Vikrant Badve (+91 9860365556) will be the contact person for the review process and is available to address questions from the Board during the consideration of the review in case the Executive Board wishes.

Yours sincerely

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Annex 1: CEA database version 1.1 dated 21<sup>st</sup> December 2006

Annex 2: Verification Report

Annex 3: DCS snapshot

Annex 4: Yearly power statistics for the project activity

Annex 5: Excel sheet for emission reduction calculation using measured value of electricity