Date, 2007-05-31

SUBJECT: Request for review

Dear Sirs,
Please find attached the response to the request for review formulated for the CDM project with the registration number 1062. In case you have any further inquiries please let us know as we kindly assist you.

Yours sincerely,

Sergio Carvalho
Local Product Manager

Request for review for: "Santa Terezinha - Tapejara Cogeneration Project (Usina de Açúcar Santa Terezinha Ltda.)" (1062)

Requests 1,2 and 3

It should be clearly described how the requirement of scenario 14 of ACM0006 that the project activity will not result in an increase in thermal firing capacity has been complied with.

Response by the project participants:

In the Response form for request for clarification on Approved Methodologies F-CDM-AM-Clar_Resp_ver 01.1 - AM_CLA_0035 / 0036, issued during the Meth Panel meeting of 15-19 Januay 2007, it was recognized that scenarios 11 and 14 of methodology ACM0006 have a certain overlap: some project types may effectively be applicable to both scenarios. It was also agreed that the difference between power capacity expansion projects and energy efficiency improvement projects may not be fully clear as currently stated in the methodology.

It was also stated that, for scenarios 11, 12, 13 and 14, no additional quantity of biomass residues is used as a result of the project activity. Any increases in the bagasse production in this project are due to Santa Terezinha's business expansion and can not be attributed to the implementation of the cogeneration project. The project itself does not have an impact in total thermal energy generation either, as project owners did not increase sugar production because of the project, but due to the natural expansion of the business, as stated in section B.2 of the PDD.

The project developers had long discussions with DOEs in order to define the scenario, 11 or 14, that better suits this kind of project activity. Scenario 14 was chosen because:

"The equation to determine the additional electricity generation (EGy) for scenario 14 seems to be more appropriate for this project than the equation for scenario 11. The equation for scenario 11 simply subtracts the historic electricity generation, while the equation for scenario 14 compares the efficiencies prior and after project implementation. In Santa Terezinha sugar mill, the production of sugar is increasing and the combustion of bagasse as well. Hence, the electricity generation capacity would increase also in the baseline, just not to the same extent as in the project. The equation of scenario 14 seems to capture this to some extent, while the equation for scenario 11 does not".

Regarding the thermal firing capacity, Santa Terezinha had three boilers operating in the baseline, all of them with the following thermal characteristics:

Baseline

Enthalpy: 721.2 kcal/kg steam (manufacturer data - Zanini)
Specific production: 2.4 kg steam/kg bagasse (manufacturer data - Zanini)

Thermal firing capacity in the baseline: 1,731 kcal/kg bagasse

In the project, there is one boiler, with the following thermal characteristics:

Project

Enthalpy: 804.7 kcal/kg steam (manufacturer data - Monodrum)
Specific production: 2.14 kg steam/kg bagasse (manufacturer data - Monodrum)

Thermal firing capacity in the project: 1,722 kcal/kg bagasse

Hence, there was no increase in the thermal firing capacity.

Bureau Veritas Certification Response

We consider that all the information required to clearly describe how the requirement of scenario 14 of ACM 0006 that due to the project activity the power generation capacity is increased while the thermal firing capacity is maintained has been complied, are provided by the project participants in the response to this request for review.