



**CDM project activity/programme of activities registration request review form (CDM-REGR-FORM)
(Version 03.0)**

Section 1. General Information

Designated national authority/Executive Board member submitting this form (Name in print)	
Title and UNFCCC reference number of the proposed project activity or programme of activities (PoA) submitted for registration	6861 Shanxi Fenxi Coal Mine Methane Utilization Project

Section 2. Basis for review request

Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures (the annex to decision 3/CMP.1), which validation requirements may require review. Please tick the appropriate boxes in the list of requirements below. For requesting a review of a proposed afforestation or reforestation project activity or PoA, please refer to paragraphs 12 and 15 of the CDM modalities and procedures for afforestation and reforestation project activities (the annex to decision 5/CMP.1), and tick the equivalent boxes below mutatis mutandis.

The following are requirements derived from paragraph 37 of the CDM modalities and procedures:

- The participation requirements as set out in paragraph 28 to 30 of the CDM modalities and procedures are satisfied;
- 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;
- 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;
- 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;
- The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board;
- 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;
- 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.

The following are requirements derived from paragraph 40 of the CDM modalities and procedures:

- 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;
- 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;
- 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;
- 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;
- 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;

- 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 of the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received.
- There are only minor issues which should be addressed by the DOE/project participants prior to the registration of the project.

Section 3: Comments supporting review request

Please elaborate the reason for requesting a review on the requirements you indicated in section 2 above.

1) The DOE is requested to further substantiate the suitability of the operating hours of 6,000 per annum, in particular, to clarify;

- a) how the operating hours have been calculated in the FSR.
- b) if the operating hours of the similar projects analysed (5,250 – 8,000) are already adjusted by the effective power rate, and if so, how they are comparable to that of the project activity.
- c) how it validated the list of similar projects to be comparable to the project activity based on technical parameters that are relevant to the annual operating hours, such as power generator technology, methane utilization, and other relevant components, considering that the similar registered project activity (PA 3016) with the highest operating hours, 8000 hours/annum, utilizes gensets of comparable capacity as the proposed project activity (500 kW), that utilize low concentration coal mine methane ranging from 6%-30%, and have been manufactured by the same technology provider, Shengli Oilfield Shengli Power Machinery Co. Inc. Please refer to VVM 1.2, paragraph 111 (a), (b), (c) and paragraph 113 (c).

2) The DOE is requested to further substantiate the suitability of the tariff of 0.285RMB/kWh, which is the latest available desulphurized coal fired tariff in 2006, to be appropriate, considering that; 1) the Notice on Implementing the Opinions of Power Generation by Coalmine Methane (FaGaiNengYuan No.[2007]721) stipulates to follow the feed-in tariff of electricity generated by biomass as described in the Trial Measures for Pricing and Cost Sharing Management for Renewable Energy Electricity Generation (FaGaiJiaGe No.[2006]7) and 2) FaGaiJiaGe No.[2006]7 further states that the tariff for biomass generated electricity is the local desulphurized coal fired feed-in tariff plus 0.25RMB/kWh. In doing so, the DOE shall validate all the preferential subsidies and tax incentives that were available to the project participant encouraging the capture and utilization of low concentration CMM. Such policies may include those indicated in notifications such as “Opinions Regarding Implementation of the Use of CBM/ CMM for Power Generation” (NDRC, 2007.April), and “Notice on Accelerating CBM (CMM) Drainage and Related Tax Regulations from Ministry of Finance and State Administration of Taxation, Cai Shui [2007] No.16”. Please refer to VVM 1.2, paragraph 111 (a), (b), (c) and paragraph 113 (c).

3) The DOE is requested to clarify how it validated the availability of VAT refunds and reductions (CaiShui [2008]156, CaiShui[2008]170) to the project participant, and how these were considered in the framework of the investment analysis.

Please refer to VVM 1.2, paragraph 111 (a), (b), (c).

Date received at UNFCCC secretariat

02 Feb 13