DHARMSHALA HYDRO POWER LIMITED

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Date: 18.10.2007

The Secretary CDM Executive Board, UNFCCC, Bonn, Germany.

Sub: Review requested for: Request for issuance for 4.5 MW Maujhi Small Hydro Project, Himachal Pradesh (0098) by Dharmshala Hydro Power Limited

Kindly refer to your communication vide your email dated 5th October, 2007 in respect of issuance for "4.5 MW Maujhi Small Hydro Project, Himachal Pradesh, India" (0098) and we furnish our response for your kind review.

Comment No.1:

The DOE shall clarify how they have verified calibration procedures as the verification report contains inconsistent statement regarding the frequency of calibration of the meters: "the calibration of the electricity meters is being done regularly every six months and have been verified by DNV" (page 4) and "calibration process is followed as per defined procedures and carried out annually and the calibration certificates of the instruments used for data monitoring and recording were also verified during the site visit" (page 5).

Response by Project Participant (PP)

As per QA/QC procedures mentioned in Section D of the registered PDD, "All meters will be calibrated and sealed as per the Industrial practices at regular intervals". Since all meters are under the control of Himachal Pradesh State electricity Board (HPSEB) who is the buyer of electricity from the project activity, the periodic calibration is carried out by the Maintenance & Test Division of the HPSEB as per the Power Purchase Agreement (PPA) (Article 7.5 of PPA attached as Annexure 1). A few sample records of periodic Meter Test Reports are attached as Annexure 2 for reference.

The Meter Test reports were submitted to DOE during verification.

Comment No.2:

The PP shall clarify whether they have maintained and calibrated energy meters as per the Monitoring Plan or only "according to procedures laid out in the PPA" as stated in the monitoring Report (page 2 of

Response by PP

PP has maintained and calibrated energy meters as per Monitoring Plan. It is stated in the monitoring plan "All meters will be calibrated and sealed as per the industrial practices at regular intervals". The industrial practice is as specified in Article 7 of the Power Purchase Agreement. Copy of Article 7 of the PPA is attached as Annexure 1 for reference.

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Comment No.3:

The DOE shall clarify how they have verified that "All the data required for emission reduction calculations [that] are manually recorded in log sheets every month" are "then transferred to a spreadsheet and the actual values for the month are then taken for emission reduction calculations.

Response by PP

As per the monitoring plan in the registered PDD, the data have been recorded both at the project site as well as at the grid sub-station and the PP has maintained the following records at the project site.

- 1. Shift wise log books recording daily generation and export data with all operating parameters.
- 2. Daily production report maintained by plant manager
- 3. Consolidated monthly report including summary of generation, maintenance details etc
- 4. Duly signed Joint meter reading certificates.

These records were presented to the DOE during verification.

Comment No.4:

The DOE shall clarify how they have verified that the calibration has been done by an entity with the appropriate competencies and qualifications.

Response by PP

The calibration is carried out by Maintenance & Test Division of the HPSEB, which is Government of Himachal Pradesh owned utility and are considered to be competent authority to carry out the calibration.

Comment No.5:

The PP shall further clarify their reference to uncertainty of results in the monitoring Report (page 5 of

Response by PP

In respect of a small hydro project the uncertainty is only with respect to power generation readings. The resolution of uncertainties is covered under Article 7 of the PPA (attached as Annexure 1). This has been clearly indicated in the revised monitoring report.

Comment No.6:

The PP shall further clarify if the Joint Meter Reading was actually verified or will be only verified in next monitoring periods as stated in page 5 of 5 of their monitoring Report.

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Response by PP

Monthly joint meter readings of the Main and Check meters installed at the interconnection point are being taken on the first day of every month from the date of synchronization i.e. 1st July 2004 and these readings were certified by the designated officials (HPSEB as well as M/s Dharmshala Hydro Power Ltd

The PP further confirms that the reported electricity data in motoring report was taken from the duly signed certificates of "Joint Billing of Maujhi HEP 4.5 MW at 33 KV Sub-station, Sidhpur", which were made available for verification during DOE visit to project site.

We hope the above explanation for the request for review is in line and request you to kindly do the

Please feel free to contact us for any further information.

Thanking you,

Yours faithfully

For DHARMSHALA HYDRO POWER LIMITED,

(K. RAGHU) Managing Director