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Att: CDM Executive Board

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Your ref.:	Our ref.:	Date:
CDM Ref 0065	MLEH/ETEL	7 February 2006

Response to requests for review
Request for registration of "Santa Cândida Bagasse Cogeneration Project (SCBCP)"

Dear Members of the CDM Executive Board,

We refer to the requests for review raised by three Board members concerning DNV's request for registration of the "Santa Cândida Bagasse Cogeneration Project (SCBCP)".

Only one request for review provides information on the reasons for requesting a review. This request for review states that:

1) "There is a contradiction relating to how the build margin emission factor (EFbm) is determined. To my understanding AM0015 is not applied correctly - if it would have been correctly applied the emission reductions would be smaller. A clearance on how the EFbm was calculated has to be provided before the project can be registered.

2) "Once again the PDD does not indicate any date which makes it impossible to check if the Host Country Approval was based on the latest PDD version.

With regard to the first comment, DNV has validated that the build margin emission factor was determined in accordance with AM0015 and the guidance provided by the Board at its 22nd meeting on DNV's request for deviation with regard to the application of AM0015 (and AMS-I.D) in Brazil.

The operating margin and build margin emission coefficients applied by the "Santa Cândida Bagasse Cogeneration Project (SCBCP)" has been determined based on electricity generation data provided by the Brazilian Electricity Agency (ANEEL) and the National Electricity System Operator (ONS) for the electricity generated in the South-Southeast-Midwest grid of Brazil in the years 2002-2004. For the determination of the operating margin (OM) emission coefficient, average plant efficiencies for different power plant types established in the IEA study on the Brazilian grid and IPCC carbon emission factors for specific fuels were applied to calculate plant specific emission coefficients. This deviation from AM00015 was accepted by the EB at its 22nd meeting. For the calculation of the build margin emission coefficient, the conservative plant efficiencies recommended by the CDM Executive Board at its 22nd meeting were applied.

We enclose the spreadsheets which were developed by several Brazilian project participants and which in more detail document the calculation of the operating margin and build margin emission coefficients. These spreadsheets were the basis for DNV's validation of the operating margin and

build margin emission coefficients applied by the "Santa Cândida Bagasse Cogeneration Project (SCBCP)".

With regard to the second comment, we would like to note that section A.1 of the PDD of the "Santa Cândida Bagasse Cogeneration Project (SCBCP)" clearly states the version number and date of the PDD version that was submitted for registration. Moreover, section A.1 also describes the changes made to this version of the PDD compared to the version of the PDD presented to the DNA of Brazil and referred to in the letter of approval by the DNA of Brazil. It must be noted that the EB guidance on the application of AM0015 (and AMS-I.D) in Brazil was only available after the project was already approved by the DNA of Brazil and an update of the PDD was thus necessary. Moreover, the DNA of Brazil was consulted by the project participants and DNV in the process of establishing an operating margin and build margin emission coefficient for the South-Southeast-Midwest grid of Brazil.

We hope that the additional information provided herewith resolves the Board concerns with regard to the "Santa Cândida Bagasse Cogeneration Project (SCBCP)" and several other bagasse cogeneration projects in Brazil applying AM0015 which have been submitted by DNV and another DOE for registration in December 2005.

Yours faithfully
for DNV CERTIFICATION

Einar Telnes
Director
International Climate Change Services

Michael Lehmann
Technical Director

Enclosures:

- *Spreadsheet for Calculation of Combined Margin* (ONS Emission Factor SSECO 2002-2004 v 2005-11-29.xls