



São Paulo, 2007-07-24

SUBJECT: Request for review 0187 Jalles Machado Bagasse Cogeneration

Dear Sirs,

Please find attached the response to the request for review formulated for the CDM project with the registration number 0187.

For requests numbers 1 and 2 are presented the DOE responses. For request number 3 responses from the PP and the DOE are given.

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: " **0187 Jalles Machado Bagasse Cogeneration**"

Request 1. *"The registered monitoring plan stipulates that the grid emission factor needs to be monitored "yearly after registration". However, neither the monitoring report nor the verification report indicates how this requirement has been met".*

Response by the DOE:

In accordance with the validation report section 3.4 (report DNV NUMBER 2004-0165) "the electricity emission factor is determined ex-ante and will only be updated at renewal of the crediting period", therefore it was not required that it should be monitored yearly after registration, as it is stated in the verification report section 3.3

Request 2. *"The DOE has not provided sufficient information on the outcome of FAR 1 & 2 raised in the previous monitoring period related to emission reductions, calibration, personnel responsibilities, commercial invoices for electricity sales, QA procedures, emergencies, preparation of monitoring report, etc."*

Response by the DOE:

Section 3.1.1 of the second verification report there is a statement about the previous FARs raised in the first verification and the conclusion.

The verification report was revised into version 2 including as reference in section 7 the procedure RO-09-IND/044-1 Monitoring of Carbon Credit developed and implemented by Jalles Machado. This version is provided attached to the email responding the request for review.

The procedure RO-09-IND/044-1 is only available in Portuguese language and covers the following relevant topics:

Section 3. Detalhamento - Details

Presents all the routines related to the receiving of external data, review, emission of invoices of the energy dispatched to the grid, archiving of data and all the responsibilities in connection to the determination of emission reduction.

Section 4. Calibração dos medidores de energia – Calibration of the energy meters

Section 5. Impossibilidade de Leitura dos Medidores de Energia da Subestação –
The impossibility of power meter measurement in the substation

Section 6. Procedimentos em Caso de Emergência / Segurança – Procedures in case of emergency/safety

Request 3. *"The project activity is claiming zero project emissions in the monitoring report since it is indicated in the PDD that no fossil fuel will be consumed. However, it is unclear from the verification report how the DOE has verified that no fossil fuel has been consumed and thus confirming zero project emissions. Although the monitoring plan does not specify the requirement for monitoring of the fossil fuel used within the project boundary, the monitoring methodology applied to this project activity stipulates this requirement"*

Response by PP:

The project activity consists of increasing the efficiency in the bagasse cogeneration facility and the sell of electricity to the national grid. In accordance with the registered PDD. The only parameter to be monitored is the electricity dispatched to the grid, generated by the cogeneration facility.

According to the Monitoring Methodology of the Approved Monitoring Methodology AM0015 – "Bagasse-based cogeneration connected to an electricity grid" (AM0015 / Version 01, 22 September 2004), which was used by the project activity at the time of its registration, it is required the monitoring of the data required to calculate CO₂ emissions from fossil fuels combusted due to the project activity at the project site (where relevant).

The PDD (Jalles Machado Bagasse Cogeneration Project (JMBCP) – Version 2 B of 05 December 2005), registered on 03 March 2006, its Section E.1. (page 31) demonstrates the following information:

"SECTION E. Estimation of GHG emissions by sources

E.1. Estimate of GHG emissions by sources:

This project activity does not burn any additional quantity of fossil fuel due to the project implementation, instead it actually decreases the amount of diesel oil burned due to the electrification of irrigation allowed by the production of renewable energy.

The electric energy supplying the electric engines for irrigation is produced by JMBCP. Therefore, no net GHG emissions associated to the electric energy generating source will be considered."

As mentioned in the last version of the Monitoring Report, PP would like to clarify, that the bagasse is a fibrous biomass residue from sugarcane processing (alcohol and sugar production). All the bagasse utilized by Jalles Machado is produced internally and used in its cogeneration facility (boilers and steam turbines) for steam and power generation. All the bagasse internally produced by Jalles Machado is internally transported to its cogeneration facility through electrical and/or mechanical conveyor belts which operate using electricity and/or steam generated in the biomass residue cogeneration facility of the own mill.

Therefore, would like to reaffirm that there is neither fossil fuel consumption within the project boundary nor any other fossil fuel consumption attributable to the project activity. Consequently, there is no need to monitor fossil fuel consumption of the project activity.



Response by the DOE:

Based on the data observed during on site visit Bureau Veritas Certification could evidenced that there is no relevant CO₂ emissions from fossil fuels combusted due to the project activity at the project site, as required by the applicable methodology AM 0015, therefore the DOE agrees with the explanation presented by the PP.