

São Paulo - Brazil, August 22th, 2008.

**Project Participants (PP) Comments on request for review of
Project 0187 : Jalles Machado Bagasse Cogeneration Project (JMBCP)**

Att: CDM Executive Board

Dear Members of the CDM Executive Board,

The Project Participants (PPs) of CDM project activity “**Jalles Machado Bagasse Cogeneration Project (JMBCP)**” (UNFCCC Ref. No. 0187) have received a request for review from the Board. (raised by three EB members).

Below, the PPs provide a response to the request for review.

Request for review 1:

The implementation of the project shall not increase the bagasse production in the facility and the bagasse at the project facility should not be stored for more than one year.” Clarification is required on how this requirement has been met.

Response PPs

- **The project shall not increase the bagasse production in the facility**

It is important to explain that bagasse is obtained as a by-product from sugar cane processing for ethanol and sugar production. Any increase in the bagasse would be due to the increase in the demand of ethanol and sugar production.

Jalles Machado produces internal report with accumulated data for each year. The graph and table below show that sugar cane crushing and bagasse production are correlated variables. The correlation factor is 0.987. There was the increase in the bagasse production due to only the increase in the sugar cane crushed.

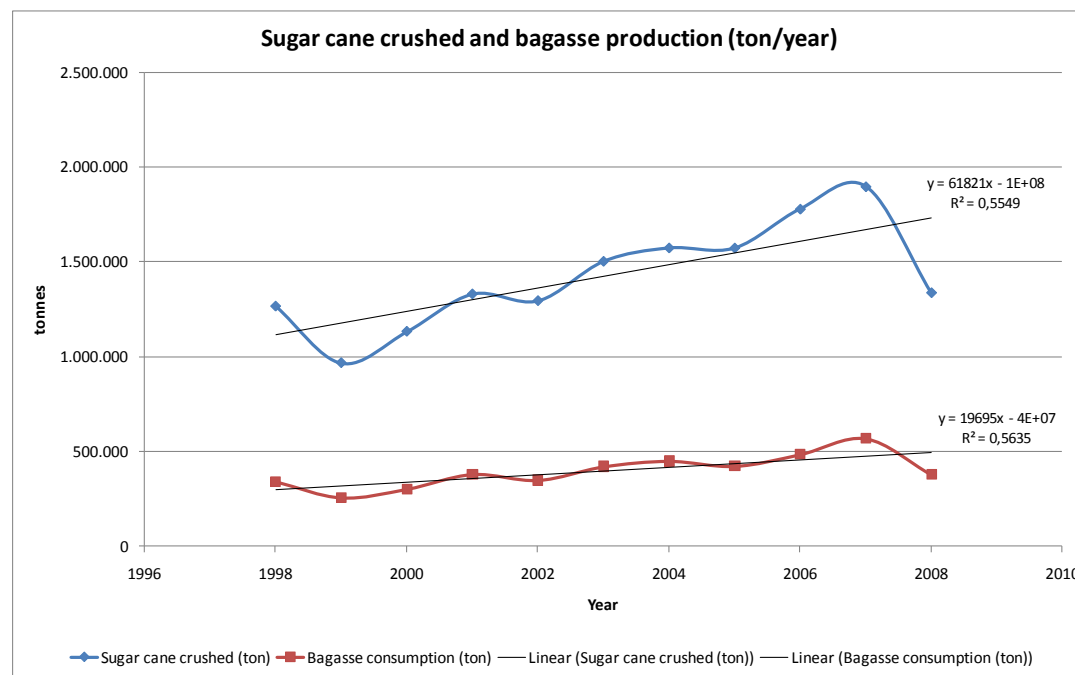


Figure 1 - Sugar cane crushed and bagasse production

Year	Before the project activity			After the project activity							
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sugar cane crushed (ton)	1,267,438	967,236	1,133,747	1,332,158	1,296,575	1,505,126	1,576,053	1,575,562	1,781,961	1,900,849	1,338,413
Bagasse consumption (ton)	343,017	258,323	303,665	381,624	350,341	421,964	451,191	424,383	486,078	569,978	380,258

Therefore, the PPs conclude that the project activity did not increase the bagasse production.

- **The bagasse at the project facility should not be stored for more than one year**

The bagasse produced in the facility is used to generate steam and electricity. A small amount of bagasse is stored from one crop season to another, to start up the boilers in the beginning of a new crop season.

Year	Before the project activity			After the project activity							
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sugar cane crushed (ton)	1,267,438	967,236	1,133,747	1,332,158	1,296,575	1,505,126	1,576,053	1,575,562	1,781,961	1,900,849	1,338,413
Bagasse production (ton)	353,017	268,323	313,665	391,624	360,341	431,964	461,191	434,383	496,078	579,978	390,258
Bagasse consumption (ton)	343,017	258,323	303,665	381,624	350,341	421,964	451,191	424,383	486,078	569,978	380,258
Bagasse stored to next crop season (ton)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Crop season (days)	207	154	182	222	190	190	180	180	227	212	135
Bagasse consumption per day	1,657.09	1,677.42	1,668.49	1,719.03	1,843.90	2,220.86	2,506.62	2,357.68	2,141.31	2,688.57	2,816.73
Days using bagasse from previous year	6.03	5.96	5.99	5.82	5.42	4.50	3.99	4.24	4.67	3.72	3.55

According to the table above, 10,000 tonnes of bagasse are stored per year for the next crop season for boiler start up. This amount is enough only for approximately 5 days of operation.

Therefore, the bagasse at the project facility is not stored for more than one year.

We sincerely hope that the Board accepts our explanations above.

Yours faithfully,



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Senior Engineer
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