



Mr. Hans Jürgen Stehr
Chair, CDM Executive Board

UNFCCC Secretariat
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31 January 2008

Re: Request for review of the request for issuance for the CDM project activity 'HFC23 Decomposition Project of Zhejiang Juhua Co., Ltd, P. R. China' (Ref. No. 0193)

Dear Mr. Stehr,

SGS has been informed that the request for issuance for the CDM project activity 'HFC23 Decomposition Project of Zhejiang Juhua Co., Ltd, P. R. China' (UNFCCC Ref. No. 0193) is under consideration for review because three requests for review have been received from members of the Board.

The requests for review are based on the reasons as outlined below. Through this letter we would like to comment on the reasons for review and provide additional information.

1. The first concern in all requests states:

The DOE is required to verify that the w value cannot exceed the capped value for the past one year period, in accordance with paragraph 90 of EB35.

SGS response:

We would like to correct a typo in section 3.2.6 of verification report and state current project year should be 1 Aug 2007 - 31 Jul 2008, not 1 Aug 2007 - 31 Jul 2007. This typo has been revised in the revised verification report attached to this response as Annex 1.

The capped "w" value of this project given in the registered PDD is 3%. This value was applied to cap the quantity of HFC23 in any of past or this monitoring period for calculating emission reductions, so the "w" value concerning the calculation of CERs did not exceed the capped value in each monitoring period, therefore it was not possible to exceed the capped value for past one year. This verification approach was described in section 3.2.6 of verification report, and has been used since the beginning of this project.

In the CERs spreadsheet uploaded with the verification report, the logical formula used in above determination is available as well to help reader to understand this approach (parameter 12.Q_HFC23y).

2. The second concern in all requests states:

Further clarification is required on how DOE confirmed the incinerator operation temperature above 800° C as stated in the Verification Report.

SGS response:

As a routine procedure, SGS assessor has checked the temperature curve archived in DCS for the entire monitoring period with the event log of stop of incinerator, and confirmed that the temperature in normal incineration was above 800°C.

In addition, we have verified and confirmed, at the preliminary verification stage for this project in Aug 2006, that an interlock system is in place that if the incineration temperature drops to lower than 850°C, the HFC23 flow to the incinerator is cut off automatically to guarantee a complete decomposition of HFC23. The same has also been reflected in page 24 of the Monitoring Report.

Relevant information is now added in section 3.2.13 in the revised verification report attached as Annex 1 to this response.

3. The third concern in request 3 states:

When referring to the quantity of HCFC22 produced, the Monitoring Report (page 21 of 31 of Appendix 3) describes the implementation of the monitoring procedure as calculation of the “Sum of the quantity of HCFC22 from production line to packaging shop each time”. Meters, their accuracy and calibration are not mentioned. However, the DOE in page 9 of 17 of Verification report states both that “HCFC22 production is measured by using mass flow meter, meter readings by shift is taken as raw record and is used to generate the daily data then monthly statistics” and that “The reported Q_HCFC22 was checked by verifying the raw records and monthly statistics and no error was found”. Further clarification is required.

SGS response:

Based on the information available in the monitoring report, SGS assessor visited the project and reported the findings in the verification report, which may be able to provide more precise information than the monitoring report. What described in the Monitoring Report “Sum of the quantity of HCFC22 from production line to packaging shop each time” is the calculation method for acquiring the monthly Q_HCFC22, wherein the “quantity of HCFC22 from production line to packaging shop each time” was actually measured by mass flow meter with meter readings at the beginning and ending of each transmission recorded as raw record, forming the ‘material mutual supply list’, which is to be verified and reported by SGS verifier. The calibration of the meter has been described in section 7.3 of the Monitoring Report and section 3.2.4 of the Verification Report. The description is now refined in Appendix 3 of the revised Monitoring Report attached as Annex 2 to this response.

4. The fourth concern in request 3 states:

Further explanation on the decomposition technology used and further clarification is required on whether the decomposition technology is an electric heater, as mentioned in page 6 of 31 of the Monitoring Report: “The decomposition technology does not use fossil fuel; instead uses electric heater to obtain the decomposition temperature”, or steam at 800C° as detailed in PDD (page 5): “The proposed project activity will utilize the superheated steam decomposition technology”.

SGS response:

The decomposition technology in this project uses “the superheated steam decomposition technology”. “Superheated steam” is provided by electric heater instead of fossil fuel. Description of this process is shown on page 5 of 31 of the Monitoring Report and on page 5 of 37 of the PDD.

We hope this will support the understanding of the 'electric heater technology' and the 'superheated steam technology' expressed in the PDD.

5. The fifth concern in request 3 states:

To verify the quantity of HFC23, the methodology requires analysis of the effluent gas when the thermal oxidizer stops ("When the thermal oxidizer stops, analysis of the effluent gas is done to check leaked HFC23 by sampling"). The Monitoring Report mentions analysis of the effluent gas; however it is not clear if this analysis was performed each time the thermal oxidizer stopped. Further clarification is required as some of the necessary parameters to perform that task are not referred to in the Monitoring Report.

SGS response:

The HFC23 decomposition facility in this project consists of 8 identical incinerators in parallel so that the HFC23 incineration can be continuously operated when one or some of the incinerators stop.

We have confirmed that the analysis of HFC23 in effluent gas was performed at each time when any of the 8 incinerators stops as stated in the monitoring report and verification report. In this monitoring period, the HFC23 incineration was continuous (no stoppage of HFC23 incineration), wherein there have been 78 stops of individual incinerators for regular alternation or maintenance, and all the 78 chromatograms have been verified during onsite visit and all the results are "Not Detected". These details are now available in the revised monitoring report and verification report attached as Annex 2 and 1 respectively to this response.

6. The sixth concern in request 3 states:

Further clarification is required on the emission factor of the steam supply, on the parameters used in the calculation, its sources and levels of accuracy.

SGS response:

The calculation of the CO₂ emission factor of the steam supply ($E_{F_{2,y}}$) is as follows:

$E_{F_{2,y}} = \text{coal consumption rate for steam supply} * \text{heat value of coal} * \text{emission factor}$

According to the registered PDD, IPCC default value is applied for the heat value of coal and the emission factor. The only variable in the calculation is the coal consumption rate (kgce/kg-steam). As what has been stated in the verification report, the monthly raw coal consumption and production data (coal consumption for heating and enthalpy value of steam) is provided by the steam supplier JTPP as the sources for calculation. The monthly reporting of these data has been a routine QMS procedure of the JTPP for years for the purpose of performance-financial analysis of the factory. The accuracy of the provided data is thus considered as appropriate, in addition, we would like to point out that emissions from steam consumption only accounts for 0.0023% (35.677 vs 1577196) of the Emission Reductions achieved by this project.

7. The seventh concern in request 3 states:

The DOE Verification Team included only one person, Mr. Qi Yang as Lead Assessor. Further clarification is required regarding the assessor's qualifications, specific scope expertise and relevant experience, as it is not detailed in the Verification Report.



SGS response:

We were not aware of the requirement of enclosing assessor's qualifications, specific scope expertise and relevant experience into the verification report. However, his CV and SGS Statement of Competence of the Lead Assessor are attached in the revised verification report (Annex 1).

We hope that this letter and attached revisions of the Monitoring Report and Verification Report address the concerns of the Board.

If further information is required, Qi Yang (qi.yang@sgs.com; +86 13916512072) will be the contact person for the review process and is available to address questions from the Board during the consideration of the review in case the Executive Board wishes.

Yours sincerely,

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Annexes :

1. Revised verification report.
2. Revised monitoring report.