



São Paulo - Brazil, May 17, 2007.

PP Comments on Request for Review of Project: 0213 Serra Bagasse Cogeneration Project (SBCP) - Issuance Request

Reason for Request:

1. The monitoring plan states that “..the metering equipment shall be periodically calibrated to comply with the regulations for independent power producers connected to the regional grid.” Neither the monitoring report nor the verification report indicates that this requirement has been met.

The Project Participants (PP) affirm that the appropriate documentation was provided to the DOE (SGS United Kingdom Ltd), during the verification site visit at the project location on 07 March 2007, confirming that the power meters have been properly calibrated.

In addition, the referred document is also mentioned in the Annex 1 (sub-item 4, page 8) of the “CDM Verification and Certification Report for the Serra Bagasse Cogeneration Project”¹ from 22 March 2007 and issued by SGS United Kingdom Ltd, as demonstrated below:

“Annex 1

Key reference documents:

(...)

/4/ Calibration certificate ELO2180 SP, serial number 40072998-9 and 40073000-6, 01/04/2006, issued by Metrowatt.”

2. The monitoring plan does not specify the requirement for monitoring of the fossil fuel used within the project boundary, but the monitoring methodology applied to this project activity stipulates this requirement. The verification report does not indicate if this requirement has been complied with by the project activity.

According to page 11 of the Monitoring Methodology of the Approved Monitoring Methodology AM0015 – “Bagasse-based cogeneration connected to an electricity grid” (AM0015 / Version 01, 22 September 2004)², which was used by the project activity at the time of its registration, the following is stated:

¹ Available at: <http://cdm.unfccc.int/UserManagement/FileStorage/DTBNB58V2C0X6GCC76WURIR0IRRWUT>

² Available at: http://cdm.unfccc.int/UserManagement/FileStorage/CDMWF_AM_678093135



“Monitoring Methodology

(...)

• *Data required to calculate CO₂ emissions from fossil fuels combusted due to the project activity at the project site (**where relevant**); (...)*”

Therefore, and in accordance to the PDD – Project Design Document (Serra Bagasse Cogeneration Project (SBCP) – Version 3 B of 21 December 2005)³, registered on 03 March 2006, its Section E.1. (page 23) clearly 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. Therefore, the variable PE_y, presented in the methodology, does not need to be monitored.

Thus, PE_y = 0”

In addition, PP would like to clarify, as it has already been clearly described in the PDD, that the bagasse is a fibrous biomass residue from sugarcane processing (alcohol and sugar production). All the bagasse utilized by Serra is produced internally and used in its cogeneration facility (boilers and steam turbines) for steam and power generation. All the bagasse internally produced by Serra 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, PP 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.

We sincerely hope that the Board accepts the aforementioned explanations.

Best Regards,

For Econergy Brasil Ltda.

A handwritten signature in blue ink, appearing to read "Francesca Maria Cerchia", is written over a horizontal line.

Francesca Maria Cerchia

Managing Director

³ Available at: <http://cdm.unfccc.int/UserManagement/FileStorage/KCCDQW813JPDO8SSYWSTBPC5ID3AF6>