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Validation Report

BEIJING GUOTOU ENERGY CONSERVATION COMPANY

VALIDATION OF THE REVISED MONITORING PLAN OF THE REGISTERED CDM-PROJECT N^{O} 0233

ZHANGBEI MANJING WINDFARM PROJECT

P.R. CHINA

REPORT NO. 828744-RM

2007, May 25

TÜV SÜD Industrie Service GmbH

Carbon Management Service
Westendstr. 199 - 80686 Munich – GERMANY

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Report No.	Date of first issue	Revision No.	Date of this revision	Certificate No.
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Subject: Validation of a Revised Monitoring Plan

Accredited TÜV SÜD Unit:	**TÜV SÜD Contract Partner:**
TÜV SÜD Industrie Service GmbH Certification Body “climate and energy” Westendstr. 199 - 80686 Munich Federal Republic of Germany	TÜV SÜD Industrie Service GmbH Carbon Management Service Westendstr. 199 - 80686 Munich Federal Republic of Germany
Client: CECIC Wind Power (Zhangbei) Co., Ltd. 18th Floor, East Wing, Sichuan Mansion, No. 1 Fuwai St., Xicheng District, Beiijing, China	**Project Site(s):** Manjing village, in the west of Zhangbei County, Hebei Province, in the People’s Republic of China

Project Title: Zhangbei Manjing Windfarm project

Applied Methodology / Version: AM0005 version 1 **Scope(s):** 1

Registered PDD Version:	**Revised Monitoring Plan:**
Registration Date: 2006-03-23 Starting Date of Crediting Period: 2006-01-01	Date of issuance: 2007-05-22
Assessment Team Leader: Dr. S. Kolmetz	**Further Assessment Team Members:** Cuiyun Zhang

Summary of the Validation Opinion:

☒ The review of the revised monitoring plan and the subsequent follow-up interviews have provided TÜV SÜD with sufficient evidence to determine the fulfilment of all stated criteria. In our opinion, the revised monitoring plan meets all relevant UNFCCC requirements for the CDM. Hence TÜV SÜD will recommend the replacement of the monitoring plan of the registered PDD by the submitted revision.

☐ The review of the project design documentation and the subsequent follow-up interviews have not provided TÜV SÜD with sufficient evidence to determine the fulfilment of all stated criteria. Hence TÜV SÜD will not recommend the replacement of the monitoring plan of registered PDD.

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1 INTRODUCTION

1.1 Objective

The validation objective is an independent assessment by a Third Party (Designated Operational Entity = DOE) of a proposed revision of a monitoring plan against all defined criteria set for the registration under the Clean Development Mechanism (CDM). Validation is required in the context of proposed revisions of a registered CDM activity and will finally result in a conclusion by the executing DOE whether a revised monitoring plan is valid and should be submitted for replacing the previous version. The ultimate decision on the registration of a proposed revision rests at the CDM Executive Board.

The project activity discussed by this validation report is registered as CDM activity Nº 0233 with the project title:

Zhangbei Manjing Windfarm project

1.2 Scope

The scope of any assessment is defined by the underlying legislation, regulation and guidance given by relevant entities or authorities. The core requirements on revised monitoring plans are given by annex 12 of the report of EB-31 as referred below:

15. The request for revising monitoring plan is made in cases where:

a. the monitoring plan in the registered CDM project activity document is found not to be consistent with the approved monitoring methodology applied to the registered project activity; or

b. the proposed revision of the monitoring plan ensures that the level of accuracy or completeness in the monitoring and verification process is not reduced as a result of the revision;

The validation is not meant to provide any consulting towards the client. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.

2 METHODOLOGY

The project assessment aims at being a risk based approach and is based on the methodology developed in the Validation and Verification Manual (for further information see www.vvmanual.info), an initiative of Designated and Applicant Entities, which aims to harmonize the approach and quality of all such assessments.

2.1 Appointment of the Assessment Team

According to the technical scopes and experiences in the sectoral or national business environment TÜV SÜD has composed a project team in accordance with the appointment rules of the TÜV SÜD certification body "climate and energy". The composition of an assessment team has to be approved by the Certification Body ensuring that the required skills are covered by the team. The Certification Body TÜV SÜD operates four qualification levels for team members that are assigned by formal appointment rules:

- Assessment Team Leader (ATL)
- Greenhouse Gas Auditor (GHG-A)
- Greenhouse Gas Auditor Trainee (T)
- Experts (E)

It is required that the sectoral scope linked to the methodology has to be covered by the assessment team.

The validation team was consisting of the following experts (the responsible Assessment Team Leader in written in bold letters):

Name	Qualification	Coverage of technical scope	Coverage of sectoral expertise	Host country experience
Dr. Sven Kolmetz	**ATL**	☑	☑	
Ms. Cuiyun Zhang	GHG-A	☑	☑	☑

Dr. Sven Kolmetz is deputy head of the department Carbon Management Service of TÜV SÜD and expert for conventional energy generation, renewable energy, energy expansion planning and familiar with the recent version of CDM and JI criteria as necessary for the implementation of Art. 6 and Art. 12 of the KP. Since 2005 he works in the emission trading business and since 2006 in the international climate change business as a verifier.

Cuiyun Zhang is an auditor for environmental management systems (according to ISO 14001) at Jiangsu TUV Product Service Ltd. She is based in Shanghai. In her position she is responsible for the implementation of validation, verification and certifications audits for management systems. She has received training in the CDM validation process and participated already in several CDM project assessments.

2.2 Review of Documents

The revised Monitoring Plan submitted by the client and additional background documents related to further monitoring aspects were reviewed as initial step of the validation process. The assessment was correlated to the verification of the first monitoring plan.

(see http://cdm.unfccc.int/Projects/DB/DNV-CUK1136989231.92/iProcess/TUEV-SUED1158579525.87/view)

2.3 Follow-up Interviews

In Sep 18, 2006 TÜV SÜD performed interviews on-site with project stakeholders in the context of the first verification as aforementioned. Further telephone conferences have been held with the responsible person (M Christiaan vrolijk) of Carbon Resource Management in the UK discussing the revision of the monitoring plan.

2.4 Internal Quality Control

As final step of a validation the validation report has to undergo and internal quality control procedure by the Certification Body “climate and energy”, i.e. each report has to be approved either by the head of the certification body or his deputy. In case one of these two persons is part of the assessment team approval can only be given by the other one.

It rests at the decision of TÜV SÜD’s Certification Body whether a revised monitoring plan will be submitted for approval by the EB or not.

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3 FINDINGS

In the context of the awaited second verification of the registered CDM activity TÜV SÜD realised that the metering of the net electricity is not consistent with the existing monitoring plan. According to section D of the registered PDD the following has to be monitored:

“Electricity supplied to the grid by the project. The grid company reports its measuring data monthly to the project operator, who can also access the readings remotely. There is a back-up meter which also records electricity supply to the grid and allows readings to be taken remotely” (see D.2.1.3.).

“These data will be directly used for calculation of emission reductions. The same meter readings will be used for sales to the grid; this main meter is owned by the grid company. The back-up meter is owned by the project developer, and if disparity exists between the two meters the cause needs to be identified and rectified. Procedures are further described in Annex 4.” (see D.3.).

Meanwhile another wind farm has been constructed nearby this site delivering the electricity via the same substation to the grid. Hence, the meter readings and invoices of the main meter at the 220 kV station cannot be used for the calculation of the emission reductions directly as the invoices are now including two CDM projects instead of one. For the calculation of the emission reductions one additional step has to be added, the share of both projects has to be calculated. This can be achieved by the separate meter readings of both projects at the respective 35 kV transformer. The percentage achieved for each project will be multiplied with the meter readings at the main meter. Hence, the emission reductions can be calculated for both projects without any reduction of accuracy.

According to this description the project participants developed a revised monitoring plan forming the base of the assessment presented herewith.

TÜV SÜD considers the revised monitoring plan as acceptable and reasonable. There is no loss in information as the same meters are used as before for the calculation of the emission reductions. Only one additional step for the calculation is added. In the worst case, i.e. in case one meter is not functioning and therefore is not accounting further electricity generation, the monitored production is lower than the real one and will be accounted for the other project. An overestimation can be excluded as result of performed plausibility checks and calibration records. The overall certainty and accuracy of the monitoring will be increased as there are two more meter readings than before.

Consequently it can be confirmed that the level of accuracy or completeness in the monitoring and verification process is not reduced as a result of the revision. Even more the revision provides more details on quality assurance and quality control as given by the registered PDD.

4 VALIDATION OPINION

TÜV SÜD has performed a validation of the revised Monitoring Plan of CDM Project 0023:

Zhangbei Manjing Windfarm project

The review of the revised monitoring plan and the subsequent follow-up interviews have provided TÜV SÜD with sufficient evidence to determine the fulfilment of all stated criteria. In our opinion, the revised monitoring plan meets all relevant UNFCCC requirements for the CDM. Hence TÜV SÜD recommends the replacement of the monitoring plan of the registered PDD by the submitted revision.

Munich, 2007-05-25

Certification Body “climate and energy”
TÜV SÜD Industrie Service GmbH

Munich, 2007-05-25

Assessment Team Leader