Mr. Lex de Jonge
The Chair, CDM Executive Board
UNFCCC Secretariat
CDMinfo@unfccc.int

April 10, 2009

Re: Initial response to the request for review for the CDM project activity "Reduction in steam consumption in stripper reboilers through process modifications" (0340) for the monitoring period 15/05/2006 to 03/02/2008.

Dear Mr. Lex de Jonge,

SGS has been informed that the request for issuance for the CDM project activity "Reduction in steam consumption in stripper reboilers through process modifications" (0340) for the monitoring period 15/05/2006 to 03/02/2008 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 same reasons outlined below. SGS would like to provide an initial response to the issues raised by the requests for review:

Request for Review 1:

The DOE is requested to clarify how it verified that:
i) The application of IPCC default values for CO2 emission factor of fuel oil is in accordance with the monitoring methodology.
ii) The baseline SSCR re estimated by conducting test on CDU-I in February 2007 is applicable for CDU-II also.
iii) The emission reductions are calculated in accordance with the methodology for those days when the production was beyond the ±5% range of re verified name plate capacity.

SGS Response:

i) The application of IPCC default values for CO2 emission factor of fuel oil is in accordance with the monitoring methodology.

The monitoring methodology states that Carbon emission factor for fuel to be taken based on actual laboratory tests, but it clearly states on page 6 (foot note 3) that *In case, reliable test report unavailable, use IPCC factor or a national factor for fuel from reliable sources,* and due to this fact, PP relied on the IPCCC default values and put this under the monitoring plan of the registered PDD (please refer registered PDD page 27 table D.2.1.1 with reference)
However to be inline with the monitoring methodology, Actual fuel oil analysis at site was checked by the DOE. The Emission Factor calculated from the analysis is 83.9 t CO_2/TJ (calculation attached as Annex 1). This value is much higher than the IPCC default value of 76.6 t CO_2/TJ and hence the use of IPCC default factor is conservative.

ii) *The baseline SSCR re estimated by conducting test on CDU-I in February 2007 is applicable for CDU-II also.*

Design documents and relevant pages of operating manual are attached as Annex 2, which clearly states that both the CDUs are identical. In fact some of the downstream units of the stripper columns are common for both CDUs. Hence trial in one CDU can be valid for both.
However, same issue was raised by the audit team of DOE during site visit; hence a trial was conducted in the month of June'08 in CDU-II also. The report of the same along with data is attached as Annex 3, which shows that there is no deviation in SSCR during the trial from baseline SSCR as estimated in registered PDD.

iii) *The emission reductions are calculated in accordance with the methodology for those days when the production was beyond the ±5% range of re verified name plate capacity.*

As mentioned in the methodology page 2 Step1: *Based on general experience, the energy consumption per unit of production is not significantly sensitive up to +/-5% of nameplate capacity. For the purpose of this methodology, a normal production range can be defined as the range in which production levels are 5% above or below the verifiable2 nameplate capacity. If production fluctuates (from shift to shift or batch to batch) beyond this normal production range, these specific values can be excluded to derive a representative production level of the day. Similarly steam consumption values corresponding to the excluded production values can be also excluded*. Thus the Prep and Srep were calculated to finally calculate the SSCR. The same is applied while calculating the SSCR1.

The registered PDD, (Page 13) step iv, states that maximum SSCR1 for the month to be considered for the days when production is >105% and actual value to be taken for days when production is <95%. The same is followed in the excel sheet.

It may be noted that the reduction in steam consumption and hence emission reduction for the day is calculated based on actual production (Pact) and not representative production (Prep)

Step 7: Estimate net daily reduction in steam consumption

$$S_{net} = SSCR_{diff} \times P_{act}$$

Hence from the above clarification, it is clear that even if production is beyond ±5% range, emission reduction may be claimed and the value of SSCR1 is conservatively resolved in the registered PDD. As mentioned in methodology, SSCR is lower at higher production and is higher at lower production level. Hence considering maximum value of SSCR1 for higher production days and actual value for lower production days is conservative.

Request for Review 2:

The DOE is requested to correct the date of issue of verification report i.e. 31/12/2008, since the final monitoring report assessed was dated 17/01/2009.

SGS Response:

The error in the verification report has been addressed and the revised report is attached as Annex 4.

We feel that the clarification sought by board members has been taken into account. We do however apologize if this was not sufficiently clear from the earlier verification and certification report.

Nikunj Agarwal (+91 98717 94661) 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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Enclosures:

Annex 1 – Excel Sheets for the Emission factor of FO.
Annex 2 – Design documents and relevant pages of operating manual
Annex 3 – Trial report for CDU II
Annex 4 – Verification Report.