



**CDM project activity registration review form (F-CDM-RR)**  
*(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)*

<b>Designated national authority/Executive Board member submitting this form</b>	
<b>Title of the proposed CDM project activity submitted for registration</b>	Satyamaharshi 6 MW biomass based power project (0396)

**Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures, which validation requirement(s) may require review. A list of requirements is provided below. Please provide reasons in support of the request for review, including any supporting documentation.**

- The following are requirements derived from paragraph 37 of the CDM modalities and procedures:*
- The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied;
  - Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity (DOE) on how due account was taken of any comments has been received;
  - Project participants have submitted to the DOE documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party;
  - The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM modalities and procedures;
  - The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board;
  - Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP;
  - The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the CDM modalities and procedures and relevant decisions by the COP/MOP and the Executive Board.
- The following are requirements derived from paragraph 40 of the CDM modalities and procedures:*
- The DOE shall, prior to the submission of the validation report to the Executive Board, have received from the project participants written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development;
  - In accordance with provisions on confidentiality contained in paragraph 27 (h) of the CDM modalities and procedures, the DOE shall make publicly available the project design document;
  - The DOE shall receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available;
  - After the deadline for receipt of comments, the DOE shall make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated;
  - The DOE shall inform project participants of its determination on the validation of the project activity. Notification to the project participants will include confirmation of validation and the date of submission of the validation report to the Executive Board;
  - The DOE shall submit to the Executive Board, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received.
- There are only minor issues which should be addressed by the DOE / project participants prior to the registration of the project.

**Section below to be filled in by UNFCCC secretariat**

Date received at UNFCCC secretariat	12/06/06
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**Reasons for Requesting a Review:**

1. The competition for fuel leads to a leakage problem that is not mentioned by the project. Given biomass plants can fire up to 30% coal in case of biomass shortage, the competition for biomass from this plant could well directly lead to the use of coal in other plants. Depending on the shape of the supply and demand curves, the addition of this one facility could cause serious shifts to coal at the margin for several facilities; in theory it could nullify the carbon benefit of the project.

2. Secondly, related to leakage, the project states they may have to procure biomass from farther away to ensure a continuous supply – the leakage discussion ignores transport, stating that as coal is also transported, there is no difference under the project and baseline cases. However, this ignores the transport emissions per unit of fuel – biomass is delivered truck by truck to small facilities, while coal is delivered by ship and train in massive quantities, such that the per joule transport emission is likely to be much lower for coal than for biomass.
  3. The monitoring plan in the PDD does not specify how and how often the carbon content of coal will be measured. The validation report states that the "provided monitoring plan is adequate to provide the necessary information for the [...] the fuel consumed" but does not discuss at all whether this also applies to the determination of coal carbon content. In India, carbon content of coal varies strongly according to the mine and there is recurring discussion on misreporting about coal quality. The answer of the project participants to CL.7 only refers to the quantity, not the quality of coal.
  4. Furthermore, the monitoring plan does not specify monitoring the type of biomass which is key in checking whether the biomass is from a sustainable source. Many biomass plants in India are currently partially supplied by woody biomass illegally cut from forests. A case study of biomass projects in A.P. cite states that agricultural residues can sustain around 220 MW of biomass power production in A.P., but 351 MW have been licensed. This forces the use of coal (up to the 30% level), but also the use of illegally cut wood as well as use of biomass previously used for other purposes (like industrial boilers), causing them to shift to other fuels. The study finds that even though plants are licensed only to use agricultural residues, 'most biomass plants are not following this obligation because they face logistical and technical problems with agricultural residues...the majority of power producers...use other fuels than foreseen in the license.' This finding is consistent with what the DOE found on its site visit (clarification request CL1 of the validation report) - that wood not listed in the license was being used.
  5. The methodology used is AMS-I.D., and considers the southern regional grid of India. The baseline data excel sheet mentioned in the PDD as "Enclosure II" is not available in the PDD. The calculation of the baseline does not fulfil the requirements of the methodology as the PDD states on p. 36 "As per the availability, actual generation figures as against the sector wise installed capacity were used. Wherever the break up of generation was not available, proportionate calculated figures were used so as to match the total energy availability." This approach would have required a request for deviation.
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