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Att: CDM Executive Board

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DNV CERTIFICATION AS

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CDM Ref 0404 LFAT/PETMO 8 October 2008

Response to request for review "Irani Biomass Electricity Generation Project." (0404)

Our ref.:

Dear Members of the CDM Executive Board.

We refer to the requests for review raised by three Board members concerning DNV's requested for issuance of the "Irani Biomass Electricity Generation Project." (0404), and we would like to provide the following response to the issues raised by the requests for review.

Date:

Comment 1:

Your ref.:

"The DOE should clarify how it verified that the quantity of biomass bought from the third party suppliers would have been land filled anaerobically in the absence of the project."

DNV Response:

Neither the applied methodology AMS-III.E version 7 nor the registered PDD include the verification of this point. Furthermore there was no general requirement at time the project was submitted for registration of annual surveys of biomass surplus, which was adopted later. Hence DNV consider the monitoring report to be in line with the PDD and the methodology.

Nevertheless, based on observations around the site there is highly likely a significant surplus of biomass and that the biomass from third party suppliers would have been land filled anaerobically in the absence of the project. DNV observed the quality and specifications of wood waste biomass used for fuel to the boiler during verification site visits. Moreover, the surrounding region was also assessed during the travel to the site visit.

As the DOE for both validation and verification of this project, DNV has performed in total five site visits to this project; one before the start of operation and four during project operation.

From the nearest airport, it is necessary to drive at least two hours (around 150 km) in local roads to reach the plant. During this trip the intense forestry activity in the region has been observed. Clear evidences are trucks with wood logs, *Pinus* plantations, numerous sawmills along the road. Sawmills were visited during the validation site visit, and as the list of biomass suppliers has remained the same, it indicates that the level of activity is similar as during validation.

DNV was able to verify that all biomass used in the project were according to the description in the PDD. The storage of biomass is as follows:

Own Biomass Residues: Irani continue to have its own landfill where most of residues generated in the industrial process are deposited. There is no new boiler or cogeneration plant with the technology necessary to consume the internal residues, thus, as described in the PDD, the own biomass residues would continually be deposited in their own landfill.

Third Parties Biomass: This biomass comprises waste recovered from third party wood mill dumps and sawdust normally dumped and landfilled due the high specific volume and restriction on use by the wood industry and cellulose industry. Given the heterogeneity (barks, sawdust, small woodchips, roots, leaves, etc.), humidity and high content of silica and liquids in this biomass, it cannot be used in any boiler. This

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type of residue needs special technology to allow it use for heat/electricity production due to contamination, incrustation and corrosion problems.

In conclusion, DNV can through site visits and observations in the area of the project location, confirm that wood wastes, in absence of project, would most likely be disposed and decay anaerobically, as stated in the PDD and validation report. More importantly, there is no requirement for the project to monitor this.

We sincerely hope that the Board accepts our above explanations.

Yours faithfully.

for DET NORSKE VERITAS CERTIFICATION AS

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