



Sree Rayalseema Green Energy Limited

CORPORATE OFFICE :

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Ref.No.SRGEL/HO/07-08/255

Date: 08.03.2008
Corporate Office

To
The Executive Board,
United National Framework Convention for Climate Change (UNFCCC)
Bonn,
Germany

Dear Sir,

Sub: Replies to the queries raised by the EB for issuance of CERs

- 1) Project Registration No: **0546**
- 2) Name: **SRGEL Non-Conventional Energy Sources Biomass Power Plant**
- 3) Issuance Period: **1st April 2006 to 23rd June 2007**

Please find enclosed the replies to the queries raised by the EB of UNFCCC for issuance of CERs with respect to reference Project.

Request you kindly issue the CERs at the earliest.

Thanking you,

Yours faithfully
For Sree Rayalseema Green Energy Limited


(K. Madhusudan)
Chairman & Managing Director.

REGISTERED OFFICE

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GENERATION

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Reply to queries raised by Executive Board (EB)

Query 1

The reported electricity generations in the months of February and June 2007 are beyond the maximum generation capacity based on the operating hours reported in the respective months. Further clarification is required.

SRGEL Reply

The electricity generation data reported in the monitoring report is for all the months are based on the billing period (24th January to 23rd February for the month of February) and not the generation in a calendar month (i.e. 1st February to 28th February).

Therefore, in case on February 2007, the billing period starts from 24th January 2007 and ends on 23rd February 2007 during which the electricity generation was 3,872,900 kWh (equivalent to 5.2 MW - less than the total capacity of the plant). For the month of June 2007, the billing month starts from 24th May 2007 and ends on 23rd June 2007 and the electricity generation was 3,447,500 kWh (equivalent to 4.63 MW).

There is no electricity generation beyond the maximum rated generation capacity during the monitoring period.

Query 2

The PDD states that the emission reduction shall be calculated based on the annual total clean power export to grid. However, in the monitoring report the total clean power export to grid includes both the power export to the grid and power export to third party. The monitoring plan includes the monitoring of power export measured at the substation, however, does not include the monitoring of power export to third party. Further clarification is required.

SRGEL Reply

SRGEL exports clean power to the grid after generation at the plant site. The quantity of power export to the grid is measured using the energy meters available at the sub-station on 23rd of every month through a joint meter reading by APTRANSCO officials and plant personnel and signed by both the parties as a proof of export of power to the grid from power plant. These meter readings are the basis for the emission reduction calculations.

Power exported to the third party is monitored from energy meter (calibrated periodically) installed at third party premises on 23rd day of every month along with grid export. A meter reading for the energy exported to the third party is recorded by representatives of third party and SRGEL. These meter readings are the basis for the invoices raised by the SRGEL. Hence the monitoring of the power to third party has been carried out regularly though it was not made part of monitoring plan of PDD. However during first periodic verification a FAR was raised by DOE to include this as a part of monitoring, since then the monitoring of this power exported to third party has been monitored and accounted as clean power generated.

It may also be noted that emissions reductions due to export of power to the third party have been considered in the previous issuance and UNFCCC EB issued CERs earlier for the monitoring period of 18th February 2001 to 31st March 2006 (first monitoring period).

For Sree Rayalseema Green Energy Ltd.


Chairman & Managing Director

Query 3

Regarding the availability of biomass in the region, the monitoring report stated that the total biomass available in the region was 2,762,251 t and the total biomass utilization in the region is 1,438,346 t and therefore the total surplus biomass in the region after usage is 1,323,905 MT. However, the DOE verified that "it has been confirmed that the surplus biomass available in the region is around 94%". Further clarification is required.

SRGEL Reply

The total Biomass availability in the region was assessed based on the authentic secondary data available from the Central Planning Officer, District Administration of Kurnool District, Government of Andhra Pradesh.

The total biomass available in the region was estimated for the year 2005-06 (latest available data) at 2,762,251 MT. Accordingly the total biomass utilization in the region is estimated at 1,438,346 MT per annum which includes biomass power plants and other users. The total surplus biomass in the region after usage is 1,323,905 MT.

Based on the total usage and excess availability of biomass, the percentage of surplus availability of biomass is 92%. The same has been erroneously reported as 94% in the verification report.

The details of the calculations are provided below for reference.

Total available biomass in the region ¹	=	2,762,251 MT
Total usage of biomass in the region ²	=	1,438,346 MT
Total surplus available biomass in the region ³	=	1,323,905 MT
Percentage of surplus biomass ⁴	=	92 %

¹ Area of cultivation from 'Handbook of Statistics', Chief Planning Officer, Kurnool District, Govt. Of Andhra Pradesh and Crop Yield Report on district wise 'Biomass Assessment Study' conducted by NEDCAP

² Biomass usage from the study report of Administrative Staff College of India

³ Total surplus available biomass = Total biomass in the region – Total usage of biomass

⁴ Percentage of surplus biomass = (total surplus biomass / total usage of biomass) x 100