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Att: CDM Executive Board

Your ref.: CDM Ref 0649 Our ref.: MLEH/BLARA Date: 24 June 2008

Response to requests to review "Trojes Hydropower Project" (0649)

Dear Members of the CDM Executive Board,

We refer to the issue raised by the requests for review by three Board members regarding our request of issuance for project activity 0649 "Trojes Hydropower Project" and would like to provide our responses to the issue raised.

Comments:

1. The meters were not calibrated until November 2007, after the previous calibration conducted in March, 2003. Clarification is required on how DOE verified the requirement of at least three years of the measurement equipment calibration frequency as specified in EB 35, Annex 35 had been met.

2. The electricity supply has been based on the readings of the CFE main meter whose deviation was verified to be bigger than +/-0.20% (0.2675%) in this monitoring period. In accordance with ICC, this meter was replaced in November 2007 which was after this monitoring period. Clarification is required on how the DOE verified the conservativeness of the emission reduction claimed in this monitoring period.

DNV Response

The certificates of calibration are issued by CFE (Comisión Federal de Electricidad). This is the only entity authorized to perform these activities for every supplier of electricity to the Mexican Grid.

The project participant Hidroelectricidad del Pacífico S de RL de CV, i.e. the entity in charge of the commercialization of the electricity generated by the Trojes Hydropower Project has a contract with CFE in which it is established that only in case of a deviation of more than +/- 2.0 % identified during the calibration of the main meter, CFE will request an adjustment of the total amount of electricity delivered to the grid for a period taken into account the date of the last calibration and the adjustment will impact the invoicing of the electricity sold to the grid. On the

other hand, the manufacturer establishes an accuracy of +/-0.20% and in case of major deviations the meter will have to be sent to the manufacturer's plant.

The monitoring report and verification report did by mistake not mention all the certificates of calibration for the main meter. However, the project participant has provided DNV with the certificates of calibration issued by CFE on 31 March 2005, 3 March 2006 and 5 November 2007.

Certificate of Calibration of the main meter Serial Number (7EY981, 5F4C13) dated 31 March 2005: This certificate stated that this device is in the range established by the manufacturer and authorized by CFE (0.045%), in which case CFE has recognized all the electricity delivered to the grid up to this date.

Certificate of Calibration of the main meter identified as (AR-0012A368-02) 5F3C23 (Main Meter, previously identified as 7EY981, 5F4C13) dated 03 March 2006. This certificate stated that this device is in the range established by the manufacturer and authorized by CFE (0.061%), in which case CFE has recognized all the electricity delivered to the grid up to this date.

Certificate of Calibration of the main meter identified as (AR-0012A368-02) 5F3C23 (Main Meter, previously identified as 7EY981, 5F4C13) dated 5 November 2007: This certificate stated that this device presents a deviation of -0.2675%. Although this is within the acceptable range established by CFE, it is not by within the acceptable range according to the manufacturer's specification. For this reason the meter was removed and sent to the manufacturer's plant.

The backup meter identified as (PR-0506A068-02), for which the Certificate of Calibration of 5 November 2007 confirmed that the measuring accuracy of this meter is within the range required by the CFE and the manufacturer (-0.0433%). Hence, the readings of the back-up meter are taken as the measurement for the electricity delivered to the grid from 5 November 2007 onwards until the main meter is reinstalled.

The calibration of the main meter on 5 November 2007 showed that the error of the meter was -0.2675 % and thus negative, i.e. the meter was showed less electricity being delivered to the grid than actually delivered to the grid. Hence, DNV accepted the readings from this meter as the basis for determining emission reductions as this meter has systematically underestimated the amount of electricity supplied to the grid. The meter readings from this meter were also the basis for the invoices raised.

We hope this provides a satisfactory explanation with regards to the issues raised.

Yours faithfully for DET NORSKE VERITAS CERTIFICATION AS

lohna ... Michael

Michael Lehmann *Technical Director* Climate Change Service