

VARAM POWER PROJECTS (P) LTD.

Chilakapalem (Village), Etcherla (Mandal),
Srikakulam (Dist) - 532 402, A.P.

Phones: 08942-231181,82,83
Fax: 08942-231120
E-Mail: varampower@sancharnet.in



July 10, 2007

The Secretary
CDM Executive Board,
UNFCCC,
Bonn, Germany.

Sub: Review requested for: request for issuance for "6 MW Renewable energy generation project by Varam Power Projects in India" (0697)

Ref : Your mail dt.27th June, 2007

Kindly refer to your communication vide your mail dt.27th June, 2007 in respect of issuance for 6 MW renewable energy generation project by Varam Power Projects (P) Limited in India and we furnish for your kind review our detailed response.

Comment - 1

Further clarifications should be provided regarding the substantial difference between data in monitoring report and estimates in the PDD, in particular for coal consumption.

Response

Fossil fuel is used in the biomass power plant along with crop residues only when the situation demands and also when required to maintain the boiler temperature. The Ministry of Non-Conventional Energy Sources, Government of India and the State Nodal Agency i.e. NEDCAP allows fossil fuel usage up to 25% of the total fuel requirement of the project. Fossil fuel is purchased either from Government owned company or from Private sources.

The project has considered fossil fuel (coal) purchased from Government owned company and omitted to furnish private purchase of the fossil fuel by over sight while furnishing the data with respect to usage of fossil fuel during validation which is not intentional. Since it was understood that actual emission reductions are finally established and calculated as a result of verification process by DOE, accuracy of data furnished in PDD with respect to fuel used was not given due attention. Subsequently while carrying out internal audit as a preparation for initial verification it was realized that coal purchases from private sources were not included in the registered PDD. Hence total quantity of coal used has been considered while estimating actual CERs during chosen monitoring period and the same were included in initial monitoring report submitted to DOE for web hosting before verification visit. The DOE then verified this data and has confirmed that the same is actual and realistic. The total fossil fuel showed in the monitoring report included total fuel procured by the PP. The effect of this change is **reduction of CER's from 117,048 tCO₂e as claimed in PDD to 108,066 tCO₂e as verified by DOE.**

Further, the consumption of fossil fuel is with in the limit of 25% permitted by the MNES for the project. The actual percentage of consumption of fossil fuel works out as follows:

S.No.	Year	Net Electricity Displaced	Total Fuel Consumption	Total Biomass Used	Total Coal Used	
		GWh	MT	MT	MT	%
1	2001-02	4.362	11648	11648	0	0
2	2002-03	42.680	89817	84140	5677	6.3%
3	2003-04	47.061	95821	81477	14344	15.0%

Av Narasimha

VARAM POWER PROJECTS (P) LTD.

Chilakapalem (Village), Etcherla (Mandal),
Srikakulam (Dist) - 532 402, A.P.



Phones: 08942-231181,82,83

Fax: 08942-231120

E-Mail: varampower@sancharnet.in

4	2004-05	41.357	82257	79468	2789	3.4%
5	2005-06	39.570	74267	71364	2903	3.9%
Grand Total		175.029	353810	328097	25713	7.83%

Comment- 2

Further clarifications should be provided regarding the monitoring of NCV of coal.

Response

As mentioned in monitoring plan of registered PDD, the analysis of coal for calorific value is carried out by an independent third party laboratory for each batch of coal received to the project plant. The project is also having an in-house laboratory facility for analysis of gross calorific value (GCV) using bomb calorie meter as a quality check while receiving coal at the project site.

While estimating the project emissions due to usage of coal for PDD, The PP has taken same calorific value for the different grades of coal used, which was furnished by one of the suppliers.

At the time of initial monitoring report, GCV of coal used in the project has been taken from in-house analysis report for estimating project emissions during the chosen monitoring period. During verification it was pointed out by the DOE and raised a CAR stating that NCV analysis (of a third party laboratory) has to be considered for estimating project emissions and the monitoring report needs to be revised to conform to the monitoring plan of registered PDD.

Accordingly the PP has incorporated the revised estimates by taking NCV values of third party lab reports for the different grades of coal used. The test reports for the used coal are provided to DOE for verification. Few copies of test reports mentioned below are attached for reference.

S.No.	Third Party Lab Certificate Reference	NCV, Cal/gm
1	No. 118/R/2002 dated 28.08.2002	2600
2	No. 125/R/2002 dated 15.10.2002	3000
3	No. 134/R/2003 dated 18.05.2003	3200
4	No. 147/R/2003 dated 10.07.2003	3500
5	No. 174/R/2004 dated 24.10.2004	3300
6	No. 196/R/2005 dated 10.01.2005	3200
7	No. 210/R/2005 dated 14.05.2005	2800
8	No. 233/R/2006 dated 26.01.2006	3200

A V Manamthi

VARAM POWER PROJECTS (P) LTD.

Chilakapalem (Village), Etcherla (Mandal),
Srikakulam (Dist) - 532 402, A.P.



Phones: 08942-231181,82,83

Fax: 08942-231120

E-Mail: varampower@sancharnet.in

Kindly refer Table 5 of Revised Monitoring Report wherein the PP has shown different Net calorific values from 2600 to 3800 kcal/kg for different grades of coal used in the respective months.

We hope the explanation for the request for review is in line and request you to kindly do the needful.

Please feel free to contact us for any further information.

Thanking you,

Yours faithfully,

For **Varam Power Projects (P) Limited,**

A.V. Narasimham

**(A.V. Narasimham)
Managing Director**

10-7-07

Copies of test reports

(C) : 0891-2561399
Tel / Fax : 0891-6648468
Email : simhadrilabs@sancharnet.in



SIMHADRI LABS

(ENVIRONMENTAL, PETROLEUM, CHEMICAL & MICROBIOLOGICAL ANALYSIS)

SSI Reg. No. 0113 12231 (SSSBE)

Head Off. : 26-26-40/1, 2nd Floor, Harbour Approach Road, Town Kotha Road, Opp. Electrical Office, Visakhapatnam - 530 001.


CERTIFICATE OF EXAMINATION

Ref No.118/R/2002	Date: 28/08/02
-------------------	----------------

Description of Samples	COAL
Account	M/s VARAM POWER PROJECTS (P) LIMITED* Chilakapalem, Etcherla, Srikakulam - 532 001.
Sample	Submitted by the party
Date of Receipt	22/08/02

ANALYSIS REPORT

Parameters	Result	Units *
Net Calorific Value	2600	Cal/gm
Ash content	24.3	%
Moisture	5.8	%


Chemist





SIMHADRI LABS

(ENVIRONMENTAL, PETROLEUM, CHEMICAL & MICROBIOLOGICAL ANALYSIS)
SSI Reg. No. 0113 12231 (SSSBE)

(O) : 0891-2561399
Tel / Fax : 0891-6648468
Email : simhadri@saicharnet.in

Head Off. : 26-26-40/1, 2nd Floor, Harbour Approach Road, Town Kolha Road, Opp. Electrical Office, Visakhapatnam - 530 001.


CERTIFICATE OF EXAMINATION

Ref No.125/R/2002	Date: 15/10/02
-------------------	----------------

Description of Samples	COAL
Account	Ms. VARAM POWER PROJECTS (P) LIMITED Chilakapalem, Etcherla, Srikakulam - 532 001.
Sample	Submitted by the party
Date of Receipt	11/10/02

ANALYSIS REPORT

Parameters	Result	Units
Net Calorific Value	3000	Cal/gm
Ash content	22.8	%
Moisture	8.4	%


Chemist



(O) : 0891-2561399
Tel / Fax : 0891-6648468
Email : simhadrilabs@sancharnet.in



SIMHADRI LABS

(ENVIRONMENTAL, PETROLEUM, CHEMICAL & MICROBIOLOGICAL ANALYSIS)

SSI Reg. No. 0113 12231 (SSSBE)

Head Off. : 26-26-40/1, 2nd Floor, Harbour Approach Road, Town Kotha Road, Opp. Electrical Office, Visakhapatnam, - 530 001.

CERTIFICATE OF EXAMINATION

Ref No 134/R/2003	Date: 18/05/03
-------------------	----------------

Description of Samples	COAL
Account	M/s VARAM POWER PROJECTS (P) LIMITED Chilakapalem, Etcherla, Srikakulam - 532 001
Sample	Submitted by the party
Date of Receipt	12/05/03

ANALYSIS REPORT

Parameters	Result	Units
Net Calorific Value	3200	Cal/gm
Ash content	19.5	%
Moisture	8.0	%

J. S. Sankar
Chemist



(O) : 0891-2561399
Tel / Fax : 0891-6648468
Email : simhadri@sancharnet.in



SIMHADRI LABS

(ENVIRONMENTAL, PETROLEUM, CHEMICAL & MICROBIOLOGICAL ANALYSIS)

SSI Reg. No. 0113 12231 (SSSBE)

Head Off. : 26-26-40/1, 2nd Floor, Harbour Approach Road, Town Kolha Road, Opp. Electrical Office, Visakhapatnam - 530 001.

CERTIFICATE OF EXAMINATION

Ref.No 147/R/2003	Date: 10/09/03
-------------------	----------------

Description of Samples	COAL
Account	M/s. VARAM POWER PROJECTS (P) LIMITED Chilakapalem, Etcherla, Srikakulam - 532 001.
Sample	Submitted by the party
Date of Receipt	02/09/03

ANALYSIS REPORT

Parameters	Result	Units
Net Calorific Value	3500	Cal/gm
Ash content	18.6	%
Moisture	6.5	%

[Signature]
Chemist





SIMHADRI LABS

(ENVIRONMENTAL, PETROLEUM, CHEMICAL & MICROBIOLOGICAL ANALYSIS)
SSI Reg. No. 0113 12231 (SS5BE)

(O) : 0891-2561399

Tel / Fax : 0891-6648468

Email : simhadrilabs@sancharnet.in

Head Off. : 26-26-40/1, 2nd Floor, Harbour Approach Road, Town Kolha Road, Opp. Electrical Office, Visakhapatnam - 530 001.

CERTIFICATE OF EXAMINATION

Ref.No.174/R/2004	Date: 24/10/04
-------------------	----------------

Description of Samples	COAL
Account	M/s. VARAM POWER PROJECTS (P) LIMITED Chilakapalem, Etcherla, Srikakulam - 532 001.
Sample	Submitted by the party
Date of Receipt	16/10/04

ANALYSIS REPORT

Parameters	Result	Units
Net Calorific Value	3300	Cal/gm
Ash content	22.9	%
Moisture	8.15	%

J. K. Iyer
Chemist



[C] : 0891-2561399
Tel / Fax : 0891-6648468
Email : simhadrilabs@sancharnet.in



SIMHADRI LABS

(ENVIRONMENTAL, PETROLEUM, CHEMICAL & MICROBIOLOGICAL ANALYSIS)
SSI Reg. No. 0113 12231 (SSSBE)

Head Off. : 26-26-40/1, 2nd Floor, Harbour Approach Road, Town Kotha Road, Opp. Electrical Office, Visakhapatnam - 530 001.

CERTIFICATE OF EXAMINATION

Ref No. 196/R/2005	Date: 10/01/05
--------------------	----------------

Description of Samples	COAL
Account	M/s. VARAM POWER PROJECTS (P) LIMITED Chilakapalem, Eicherla, Srikakulam - 532 001.
Sample	Submitted by the party
Date of Receipt	05/01/05

ANALYSIS REPORT

Parameters	Result	Units
Net Calorific Value	3200	Cal/gm
Ash content	21.8	%
Moisture	7.3	%

[Signature]
Chemist

[Signature]
Authorized Signatory

(O) : 0891-2561399
Tel / Fax : 0891-6648468
Email : simhadri@sancharnet.in



SIMHADRI LABS

(ENVIRONMENTAL, PETROLEUM, CHEMICAL & MICROBIOLOGICAL ANALYSIS)
SSI Reg. No. 0113 12231 (SS58E)

Head Off. : 26-26-40/1, 2nd Floor, Harbour Approach Road, Iawn Kotha Road, Opp. Electrical Office, Visakhapatnam - 530 001.

CERTIFICATE OF EXAMINATION

Ref No.210/R/2005

Date: 14/05/05

Description of Samples	COAL
Account	M/s. VARAM POWER PROJECTS (P) LIMITED Chilakapalem, Etcheria, Srikakulam - 532 001.
Sample	Submitted by the party
Date of Receipt	12/05/05

ANALYSIS REPORT

Parameters	Result	Units
Net Calorific Value	2800	Cal/gm
Ash content	24.2	%
Moisture	5.8	%

F. J. M.
Chemist



COAL REPORTS

(O) : 0891-2561399
Tel / Fax : 0891-6648468
Email : simhadri@sancharnet.



SIMHADRI LABS

(ENVIRONMENTAL, PETROLEUM, CHEMICAL & MICROBIOLOGICAL ANALYSIS)
SSI Reg. No. 0113 12231 (SSSBE)

Head Off. : 26-26-40/1, 2nd Floor, Harbour Approach Road, Town Kotha Road, Opp. Electrical Office, Visakhapatnam - 530 001

CERTIFICATE OF EXAMINATION

Ref.No 233/R/2006	Date: 26/01/06
-------------------	----------------

Description of Samples	COAL
Account	M/s. VARAM POWER PROJECTS (P) LIMITED Chilakapalem, Etcherla, Srikakulam - 532 001.
Sample	Submitted by the party
Date of Receipt	20/01/06

ANALYSIS REPORT

Parameters	Result	Units
Net Calorific Value	3200	Cal/gm *
Ash content	18.4	%
Moisture	6.2	%

J. K. Reddy
Chemist

