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Att: CDM Executive Board

Your ref.:  
CDM Ref 0697

Our ref.:  
ETEL/KCHA

Date:  
10 July 2007

## Response to request for review

### “6 MW Renewable energy generation project by Varam Power Projects in India (0697)”

Dear Members of the CDM Executive Board,

We refer to the clarifications to the requests for review raised by four Board members concerning DNV's request for issuance of the “6 MW Renewable energy generation project by Varam Power Projects in India (0697)” and would like to provide the following initial response to the issues raised by the requests for review.

#### **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.*

#### **DNV Response:**

While furnishing the data with respect to usage of fossil fuel during validation, the project had considered fossil fuel (coal) purchases from a Government owned company only and omitted purchases from private suppliers by an oversight. This was realized by the Project Proponent while carrying out an internal audit prior to verification. The quantity of coal purchases from private parties was consequently included as part of the total quantity of coal consumed in calculating emission reductions (CERs), and caused the increase in these estimates.

As a part of site visit for verification the emission reductions claimed it was checked and confirmed by DNV that that the coal quantities reported in the monitoring report reflects the actual consumption and include supplies from the two named sources, namely Singareni Collieries (the state government owned company) and from private parties. As per the monitoring plan and quality assurance procedures, the fossil fuel delivery system, the accounting of stock changes and payments made to fuel suppliers were also crosschecked to confirm the coal consumption figures. DNV was able to confirm that this total coal consumption was within the permissible limits of 25% of total fossil fuel as allowed by MNES for the project. It was also verified that the calorific value considered in the registered PDD is a single value (3800 kcal/kg) fixed ex-ante through estimations. Since the project has used different grades of coal during the chosen monitoring period, the variation in the NCV of coal was considered while estimating the project emissions.

This has also resulted in the variation of data from the PDD to the monitoring report and consequently in the number of CERs.

Comment 2: *Further clarifications should be provided regarding the monitoring of NCV of coal.*

**DNV response:**

The Project Proponent has established a process for analysis of coal received at the plant premises in two stages: The plant has an in-house laboratory for analysing coal using a bomb calorimeter for accepting receipts received from the suppliers as a part of their quality acceptance procedures. For each grade (batch wise) of coal received a combined sample is sent to an independent third party laboratory for analysis along with other fuels used in the plant. While submitting the initial monitoring report to DNV, the project proponent had considered the in-house laboratory data on coal for estimating project emissions (based on the gross calorific values (GCV) as measured using the bomb calorimeter), instead of the net calorific values (NCV) from the independent third party laboratory analysis. DNV subsequently raised a corrective action request (CAR) on which the Project Proponent revised the monitoring report to include NCV values instead of GCV in line with the approved monitoring plan as given in the registered PDD.

At the time of validation, the Project Proponent had for estimating emission reductions considered a single value (3800 kcal/kg) for the entire crediting period. Since project has used different grades of coal during the monitoring period in question, the corresponding NCVs of coal ( 2600-3200 kcal/kg) was considered while estimating the project emissions.

The above mentioned reasons with respect to coal consumption and calorific values have resulted in the difference between data provided in the final monitoring report and estimates in the PDD.

We would like to reiterate that as addressed in the DNV's verification report, the data presented in the monitoring report were assessed in detail through a review of the detailed project documentation and production records, interviews with plant personnel, observation of established monitoring and reporting practices and assessment of the reliability of monitoring equipment during the verification site visit. This has enabled the verification team to assess the accuracy and completeness of the reported monitoring results and verify the correct application of the approved monitoring methodology.

We sincerely hope that the Board accepts our aforementioned explanations and we look forward to the issuance of CERs for the project activity.

Yours faithfully  
for DNV CERTIFICATION AS



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