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Att: CDM Executive Board

Your ref.:
CDM Ref 0695

Our ref.:
DENGCP/PETMO/BRINKS

Date:
11 November 2008

Response to request for review of the project “Yanling Shendu Hydropower Project” (0695)

Dear Members of the CDM Executive Board,

We refer to the issue raised by the requests for review by four Board members regarding project activity “Yanling Shendu Hydropower Project” (UNFCCC reference number 0695) and would like to provide following initial responses to the issue raised.

Comment: *The DOE is requested to clarify how it has verified the conservativeness for the discount of emission reductions during the monitoring period when the energy meters were not annually calibrated as per the PDD, based on 0.1% defined as the uncertainty in the testing report rather than 0.5% of the meter specification.*

DNV Response:

For this verification activity, the monitoring period is from 16 February 2007 to 23 December 2007. The power meter was tested by an independent third party on 9 February 2006, issuing a test report valid until 8 February 2008,¹ hence the report covers the entire monitoring period. The report has been received and verified by DNV.

However, according to China’s regulations for testing of power meters, the power meter should be subject to an annual calibration before 8 February 2008. Regarding this issue, a FAR was raised in this verification report in order to be addressed by the project owner.

From the above justification, no discounting for the emission reduction in this monitoring period could be reasonable. However, based on risk management and conservative rule, DNV has requested the project owner to discount the emission reductions in this monitoring period.

The accuracy of installed power meter is 0.5S which was prescribed in the PDD and verified during the site visit. 0.5S means that the maximum uncertainty of the meter should not exceed 0.5% of the full-scale rating. According to the testing report by the qualified third party, the actual inaccuracy of the power meter is 0.1%, which is well within the 0.5S as required. Based on this number, the discount rate was selected as 0.1% instead of 0.5%. The certificate of the third party and testing report will be submitted to EB along with this response.

Therefore, DNV was able to confirm that the calibration management in this project is in conformity with the monitoring plan in the PDD and the discount rate is reliable and reasonable.

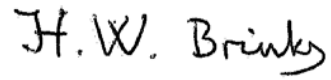
¹ Certificate No. YDJ2006-0010 issued by Measuring Institute of Yanling County water resources and power Co., Ltd. on 9 February 2006.

We sincerely hope that the Board find our elaboration on the above satisfactory

Yours faithfully
for DET NORSKE VERITAS CERTIFICATION AS



Ms. Cuiping Deng
Project Manager



Hendrik W. Brinks
Technical Director for CDM