



Mr. Hans Jürgen Stehr  
Chair, CDM Executive Board  
UNFCCC Secretariat  
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September 28, 2007

**Re: Review requested for request for issuance for “Ceran's Monte Claro Run of River Hydropower Plant CDM Project Activity” (Ref. no. 0773) for the monitoring period from 01 March 2005 to 31 December 2006**

Dear Mr. Stehr,

SGS has been informed that the request for issuance for the CDM project activity “Ceran's Monte Claro Run of River Hydropower Plant CDM Project Activity” (Ref. no. 0773) for the monitoring period from 01 March 2005 to 31 December 2006 is under consideration for review because three requests for review have been received from members of the Board.

SGS response to the issues raised through the request for review is as below:

**1. Request for review :**

The DOE raised two corrective request actions (CAR1 and CAR2) regarding the fact that the monitoring report was not in accordance with the registered monitoring plan. However, the verification report did not provide sufficient information on how the DOE revolved these two CARs. Further clarification is required.

**Response SGS:**

CAR 1 and CAR 2 were raised to seek clarification on the following issues:

CAR 1: The monitoring report version 1 mentioned that the electricity delivered is verified, monitored and double checked by report prepared by the agency Câmara Comercializadora de Energia Elétrica (CCEE) which is an authorized entity to monitor the energy delivered to the Brazilian grid. During site visit it was not possible to perform double checks on the internal data at the site against the CCEE report. To close out CAR 1, a copy of the CCEE report was provided. Hence it was possible to cross check the data. Companhia Paulista de Força e Luz 's (CPFL) is the company which in parallel monitors the energy generated by Ceran; a declaration (internal official report ) detailing quantity of energy delivered to the grid in the year 2005 and 2006 was also checked (attached Ref 13 and 14).

CAR 2: The DOE had initially requested the client to provide the spreadsheet “emission reductions calculation” detailing the monthly data for year 2006. The spreadsheet was provided during site visit but the data was not reported in the spreadsheets on a monthly basis. To close out CAR 2, a new version of the spreadsheet with emission reduction calculation was presented with monthly data for years 2005 and 2006. This information was checked and was found to be correct and in compliance with the monitoring methodology and the monitoring plan of the registered PDD.

## **2. Request for review :**

The monitoring plan included in the PDD, validated and registered, has not been appropriately applied. The section D.2.1.3 of the PDD states that the recording frequency of EGy is “15 minutes-measurement and monthly recording”. However, the Monitoring Report did not provide the relevant information as per requirement. Further clarification is required.

### **Response SGS:**

The energy generated and delivered to the grid is continuously measured. The energy meter registers the energy delivered to the grid on a continuous basis. The project measures EGy every 5 minutes; which is even more frequent than stated in the registered PDD (sec D.2.1.3). The monitoring report presents the consolidated monthly data. The detailed information was verified during verification assessment.

## **3. Request for review :**

The DOE verified that the project participant has correctly applied the registered monitoring plan and the approved methodology. During the site-visit, the DOE checked the calibration certificates of the installed meters. The DOE verified the calculation of the emission reductions. The DOE raised three corrective request actions (CARs) regarding the inconsistency between the monitoring report, monitoring plan and the calibration certificates. However, the verification report did not provide sufficient information on how the DOE resolved the two CARs regarding the inconsistency between the monitoring report and the registered monitoring plan. Further clarification is required.

### **Response SGS:**

Please refer to SGS replies on point 1 above. It was concluded that the information provided by the project participant was correct and hence the CARs were closed. The project participant correctly applied the monitoring plan and the approved methodology.

During site visit evidences were collected. As discussed in the verification report (section 8.1), the project participant provided sufficient information to resolve the two CARs and the project complies with registered monitoring plan.

## **4. Request for review**

The DOE did not provide the information regarding the “Interviews with the project participants and local stakeholders”. Further information is required.

### **Response SGS:**

Annex I of the verification report (UK AR6 CDM Ver0277, 09 August 2007) presents the list of person interviewed during verification assessment.

*“Persons interviewed:*

*Luiz Carlos Silveira – Ceran (Operations Manager)*

*Gustavo Furini – Ceran (Environmental assistant)*

*Eduardo Bess Ferraz – Ceran ( Operation Engineer)*

*Eduardo Barros – Ceran (Finance Analyst)*

*José Ângelo Ohro – Ecoinvest (Consultant)*

*Karen Nagai – Ecoinvest (Consultant)”*

## **5. Request for review**

By stating that “the verification checklist is used as an internal report only”, the DOE did not disclose this checklist. This information shall be provided to facilitate the appraisal of the verification activities performed by the DOE.

### **Response SGS:**



Follow attached the verification checklist (UK AU4i and UK AU4). This document is an internal document but as desired, this is attached herewith.

With the above explanation, we hope that the concerns of the EB have been addressed. We do however apologize if this was not sufficiently clear from the verification report.

Fabian Goncalves (+55 11 5504-8887) will be the contact person for the review process and is available to address questions from the Board during the consideration of the review in case the Executive Board wishes.

Yours sincerely

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Annexes:

- Ref 13
- Ref 14
- UK AU4i CDM Ver0277
- UK AU4 CDM Ver0277
- UK AR6 CDM Ver0277
- Monitoring report