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Att: CDM Executive Board

Your ref.: CDM Ref 0911

Our ref.: MLEH/ETEL

Date: 27 April 2007

Response to request for review "ESTRE Itapevi Landfill Gas Project (EILGP)" (0911)

Dear Members of the CDM Executive Board,

We refer to the requests for review raised by three Board members concerning DNV's request for registration of the "ESTRE Itapevi Landfill Gas Project (EILGP)" (0911), and we would like to provide the following response to the issues raised by the requests for review.

Comment 1:

The PP argues that the only alternative is the continuation of the landfill. This may not be a correct conclusion. The project with electricity generation using the captured LFG should be added to the alternatives examined. Investment analysis should be revised incorporating the changes in identification of alternatives.

DNV Response:

Based on our experience from validating several landfill gas projects in Brazil and our knowledge of the waste management sector in Brazil, we were able to confirm on a general basis that any revenues from generating and selling electricity do not sufficiently offset the investment costs for installing a landfill gas capture system. As shown by the analysis of the proposed and registered CDM projects in the waste management sector in Brazil and the analysis of the costs of installing a power generation engine included in the project participant's response to the requests for review, generating and selling electricity using the captured landfill gas is not economically attractive. Generation of electricity is thus not a plausible baseline alternative.

We acknowledge that the validation report did not adequately address that electricity generation using the captured landfill gas is not considered a realistic and credible baseline alternative.

Comment 2:

Although the step 4 analysis mentioned which landfills have forced methane extraction, here is no data presented to show what share of total landfill sites these represent or whether they have applied to be CDM project. (In it would be possible that these sites did represent a significant share of the sector and are common practice.)

DNV Response:

The project participant's response to the requests for review demonstrates that landfill gas capture and destruction is not common practise in Brazil and not required by any law. The few landfill gas

capture projects implemented or under implementation in Brazil have been registered as CDM projects or have requested validation.

We sincerely hope that the Board accepts our above explanations.

Yours faithfully for DET NORSKE VERITAS CERTIFICATION AS

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