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CDM Ref 0968 MLEH 11 April 2008

Validation opinion

Request for revision of monitoring plan for project activity 0968 "Incomex Hydroelectric Project"

We refer to the procedure for revising monitoring plans adopted at EB 26. We herewith request a revision of the monitoring plan for project activity 0968 entitled "Incomex Hydroelectric Project".

The project applies the approved simplified baseline methodology AMS-I.D (version 10) – *Grid connected renewable electricity generation*.

The revision of the monitoring plan is related to the monitoring of the net electricity generated by the project activity. While the monitoring plan in the registered PDD suggests monitoring the "Gross Electricity generated by the project" and the "Electricity consumed by the project (new plant)", the monitoring practice as currently implemented by the project participant is that the net electricity generation by the project is directly monitored. Hence, the monitoring plan has been revised to reflect this and the project participants have submitted a revised PDD dated 4 April 2008 containing the revised monitoring plan.

completeness in the monitoring and verification process is not reduced as a result of the revisions. The relevant parameter for determining the emission reductions is the net electricity supplied by the project to the grid. In the case of the project, the net electricity is measured with calibrated meters for each hydropower plant included in the project. The meters are installed by the electricity concessionaire CERON in a configuration to directly measure the net electricity that is injected in the grid by the Monte Belo, Rio Branco and Cabixi power plants. DNV has also verified (by physical inspection in the related power plants and meters) that the meters installed are two way meters that measure both the electricity supplied to the grid and the electricity consumed by the hydropower plants when the hydropower plants are not generating electricity (normally, all electricity consumed by the plants is locally generated and supplied by power

transformers that are positioned before the CERON's electricity meters). As a result of that, there is no need to monitor gross electricity generated and electricity consumed by the project (in order

(a) the proposed revision of the monitoring plan ensures that the level of accuracy or

(b) the proposed revision of the monitoring plan is in accordance with the approved monitoring methodology applicable to the project activity

to calculate the net exported electricity as the difference of these parameters).

The use of the net electricity generation is also in accordance with AMS-I.D which requires "metering the electricity generated by the renewable technology" and ACM0002, which can be

considered best practise for renewable energy projects and requires monitoring the "Electricity supplied by the project activity to the grid".

(c) the findings of previous verification reports, if any, have been taken into account

The CDM Executive Board's request for review of DNV's verification for the project pointed out this inconsistency and at EB 38 the Board requested that a revised monitoring plan is submitted that reflects the monitoring practice as currently implemented by the project participant in accordance with the applied methodology.

Yours faithfully for Det Norske Veritas Certification AS

Michael Lehmann

Michael

Technical Director

International Climate Change Services

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