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Att: CDM Executive Board

Your ref.:
CDM Ref 0984

Our ref.:
MLEH

Date:
20 September 2007

Response to request for review Golden Hope Composting Project – Lavang (0984)

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 project activity 0984 entitled "Golden Hope Composting Project - Lavang", and we would like to provide the following response to the issues raised by these requests for review.

1. The PP/DOE shall further demonstrate the additionality of the project activity by adequately substantiating the benchmark utilized.

DNV Response:

We refer to the response to the requests for review submitted by the project participants which now demonstrates that the benchmark is selected based on the expected return on investment by the Golden Hope Plantations Berhad. The average return on asset (ROA) that was calculated for the financial year of 2003-2005 further justifies the appropriateness of the 10% benchmark applied.

The earlier source for the 10% benchmark was selected from a documented source, i.e. the base lending rates (BLR) released by Bank Negara Malaysia (BNM), which is the Central Bank of Malaysia (see <http://www.bnm.gov.my>). This base lending rate was deemed appropriate and reliable by DNV as a benchmark.

2. Project activity emissions from diesel consumption should be accounted for when calculating the emission reductions.

DNV Response:

We refer to the response to the requests for review and the revised PDD submitted by the project participants. Project emissions from the diesel consumption of the compost site machineries, e.g. compost turners and front loaders, will now be taken into account when calculating emission reductions and the PDD is updated accordingly.

The calculations of the project emissions from transportation (PE_{y,transp}) were earlier assessed by DNV during the validation of the project. These calculations demonstrated that the transport emissions in the baseline scenario are larger than in the project scenario, and excluding these emissions was deemed appropriate.

3. Clarification is required as to why diesel consumption is included in Annex 5 of the PDD but not in the table of data to be monitored in D.3.

DNV Response:

We refer to the response by the project participants and to Section D.3 of the revised PDD which has been updated to include monitoring of diesel consumption (Q_{diesel}).

We sincerely hope that the Board accepts our above explanations.

Yours faithfully
for DET NORSKE VERITAS CERTIFICATION AS



Michael Lehmann
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