



Mr. R. K. Sethi  
Chair, CDM Executive Board  
UNFCCC Secretariat  
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March 24<sup>th</sup> 2008

Re: Response to the request for review for project activity "NSL 27.65 MW Wind Power Project in Karnataka, India" (0998) for the monitoring period 01.04.2001 to 31.03.2007

Dear Mr. Sethi

SGS has been informed that the request for issuance for the CDM project activity "NSL 27.65 MW Wind Power Project in Karnataka, India" (0998) for the monitoring period 01.04.2001 to 31.03.2007 is under consideration for review because four requests for review have been received from members of the Board.

The requests for review are based on the same reason outlined below. SGS would like to provide an initial response to the issues raised by the request for review:

Request 1, 2, 3 and 4:

*The monitoring plan of the registered PDD states that, "All the meters shall be tested for accuracy every calendar quarter with reference to a portable standard meter." However, it would appear from the verification report that the calibration of the meters were conducted with a frequency less than stated in the monitoring plan. Clarification is required.*

SGS's Response on the Comments:

The project was registered with the UNFCCC on 25<sup>th</sup> May 2007 and is claiming retro-active credits from 1<sup>st</sup> April 2001. The project was implemented in three phases during which the wind mills were commissioned from 2001 to 2005.

The project activity supplies electricity to the grid and is bound by the PPA signed (attached as Annex 1) with the Karnataka Power Transmission Corporation Limited (KPTCL).

As per the terms and conditions mentioned under Article 6<sup>i</sup> or 7<sup>ii</sup> "Metering and Communication" of the PPA with Karnataka Power Transmission Corporation Limited (KPTCL); KPTCL is authorized to carry out the calibration and testing of the electricity meters and as per PPA same is to be conducted quarterly in each calendar year. This was followed for year 2001 and 2002 and the necessary calibration and testing reports were submitted by the project proponent to DOE during verification. Thus same was mentioned in registered PDD. In year 2003 KPTCL conducted the calibration once in calendar year and not quarterly as mentioned in PPA and followed the same practice for the next coming years. The calibration certificates for entire period from 2001 to 2007 were checked by the DOE during verification and same were found accepted as the monitoring instruments are reliable enough and the calibration certificate covers the

monitoring period. Furthermore, the calibration frequency is out of project participant control. KPTCL who has to pay to the PP towards invoiced raised which is based on these instruments's reading is equally concerned for accuracy of monitored data.

Following paragraphs throw light on clauses under PPA for meter testing

The PPA under the Article 6.3<sup>i</sup> or 7.3<sup>ii</sup> mentions;

Inspection of Energy Meters: All the main and check energy meters (export and import) and all associated instruments, transformers installed at the project shall be of 0.2% accuracy class. Each meter shall be jointly inspected and sealed on behalf of the Parties (Nuziveedu Seeds Limited and KPTCL) and shall not be interfered with by either party except in the presence of the other party or its accredited representatives.

The PPA under Article 6.4i or 7.4ii mentions;

Meter Readings: The monthly meter readings (both main and check meters) shall be taken jointly by the parties (Nuziveedu Seeds Limited and KPTCL) on the first day of the following month at 12 Noon. At the conclusion of each meter reading an appointed representative of the Corporation and the Company shall sign a document indicating the number of kilowatt hours indicated by the meter.

And under Article 6.5<sup>i</sup> or 7.5<sup>ii</sup> it describes the meter testing and calibration as follows;

Meter Test Checking: All main and check meters shall be tested for accuracy every calendar quarter with reference to a portable standard meter which shall be of an accuracy class of 0.1%. The portable standard meter shall be owned by the corporation (KPTCL) at its own cost and expense and tested and certified at least once a year against an accepted laboratory standard meter in accordance with electricity standards. The meters shall be deemed to be working satisfactorily if the errors are within specifications for meters of 0.2% accuracy class. The consumption registered by the main meter will hold good as long as the error in the main meter is within the permissible limits.

Thus it can be observed from Article 6.3<sup>i</sup> or 7.3<sup>ii</sup> and Article 6.5<sup>i</sup> or 7.5<sup>ii</sup> of the PPA with KPTCL, calibration of the main and check meters falls entirely in the purview of KPTCL and beyond the control of the project proponent. Hence no calibration or testing could be carried out privately by the project proponent as it would be violation of the terms and condition specified in the PPA with KPTCL.

During the time of verification the project proponent submitted the calibration certificates for the project activity for year 2001 to 2007 which was carried out by the KPTCL. The same was checked during the verification of the project activity and the meters were found within the permissible limits of +/- 0.2% as specified by the KPTCL and as reported in the verification report submitted for the project activity.

In addition to this, as per Article 6.4<sup>i</sup> or 7.4<sup>ii</sup>, at the time of taking monthly joint meter readings the meters are to be physically verified by the appointed representative of KPTCL to ensure the meter is functioning within the acceptable norms as agreed upon in the PPA with KPTCL, the meters are sealed again in the presence of both the parties.

Over and above this, KPTCL is also the authority that makes payment to the PP towards the energy delivered to the grid. Hence, it is more in the interest of KPTCL to ensure that the meters are functioning accurately. Thus this was concluded that the meters in question were working satisfactorily as they are verified physically (compared with the check meter) every month while taking the reading and are calibrated annually.

We feel that the clarification sought by board members has been taken into account. We do however apologize if this was not sufficiently clear from the earlier verification and certification report.



Vikrant Badve (+91 9860365556) 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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Annex 1: PPA for the project activity, "NSL 27.65 MW Wind Power Project in Karnataka, India" (PPA for 6.75 MW dated 29/10/2001, PPA for 10.0 MW dated 22/03/2002, PPA for 1.9 MW dated 16/01/2004 and PPA for 9.0 MW dated 16/01/2004)

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<sup>i</sup> For 1.9 MW PPA dated 16/01/2004

<sup>ii</sup> For 6.75 MW PPA dated 29/01/2001, 9.0 MW PPA dated 16/01/2004 and 10.0 MW PPA dated 22/03/2002