



RAIN CALCINING LIMITED

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Project Activity: Electricity generation by utilization of waste heat from calcined petroleum coke production process (1002)

Sr. No.	Reference	Details of EB Comments	PP Replies
1.	Comment # 1	The additionality of the project activity was demonstrated through investment analysis and the barriers related to prevailing practice and technology. According to the PDD and the VR, the simple cost analysis was used to demonstrate the investment analysis. This method is to be used only when there are no financial benefits other than the CDM-related income, and therefore not applicable since the project activity generates net revenues from power generation through WHRB2 as cash inflows.	<p>The project activity generates revenues from sale of power generated through use of WHRB2 on a stand-alone basis. In the pre-project activity scenario, similar revenues were generated through use of CFBB.</p> <p>The project activity thus merely changes the source of electricity generation from CFBB to WHRB2 and there are no net additional revenues due to implementation of project activity.</p> <p>Therefore, investment analysis has been based on 'simple cost analysis method'.</p>
2.	Comment # 2	It was demonstrated that with CDM revenues the project IRR improves to 15.95%. However, the assumptions for deriving the net power generation revenues were not shown and no sensitivity analysis was done to show that the financial analysis is robust to variations in the assumptions.	<p>The investment analysis has used 'simple cost analysis method', and as explained above, there are no net additional revenues due to electricity generation in the project activity.</p> <p>The use of IRR in the investment analysis has been made to highlight that though there is no net additional revenue from electricity generation in the project activity in comparison with pre-project activity scenario, the CDM revenues are the only benefits to the project activity which assists the IRR improvement.</p> <p>Since, the simple cost analysis method has been used no sensitivity analysis or critical assumptions are mentioned.</p>

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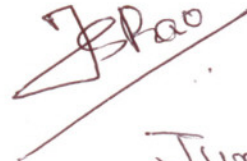


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3.	Comment # 3	The OM emission factor is calculated using the Simple OM approach, without any explanation whatsoever as to why it is used, and also why the Dispatch Data Analysis method, which should be the first methodological choice according to ACM0002, is not used.	<p>The Simple OM approach has been selected (section B.6.1 in the PDD) since, low-cost/ must run resources in the southern regional electricity grid constituted less than 50% of the total grid generation during previous 5 years w.r.t the project activity.</p> <p>The Central Electricity Authority, a statutory authority under Ministry of Power, Government of India, is an apex body that publishes power sector data in India. So far, dispatch data has not been published in the public domain and hence due to lack of necessary data "Dispatch data analysis in the operating margin" cannot currently be applied in India. Therefore, in line with ACM0002 guidelines, Simple OM approach and not Dispatch Data Analysis method has been used.</p>


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