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DET NORSKE VERITAS  
DNV CERTIFICATION AS

Att: CDM Executive Board

Your ref.:  
CDM Ref 1035

Our ref.:  
MRSA/ETEL

Date:  
16 July 2007

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### Response to request for review

#### "Compañía Azucarera Hondureña S.A. Cogeneration Project" (1035)

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 "Compañía Azucarera Hondureña S.A. Cogeneration Project" (1035), and we would like to provide the following response to the issue raised by the requests for review.

#### **Comment 1:**

*"The thermal firing capacity at the site before and after the project activity should be clearly stated. On this basis it should be transparently justified how the requirement of scenario 14 of the approved methodology that the project should "increase the power generation capacity, while the thermal firing capacity is maintained" has been met."*

#### **DNV Response:**

DNV has verified that, as sugar-cane bagasse is a by-product of sugar production, all incremental biomass residue consumption and associated thermal energy generation during the project activity (in comparison with the baseline scenario) will be due to the company's natural expanding sugar production business as a response to the projected demand increase in sugar market. Thus, such increments can not be attributed to the implementation of the project activity as they would have also occurred in the absence of the project (baseline plant configuration).

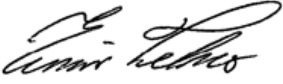
It should be noted that the recently implemented baseline scenarios 18 and 19 of ACM0006 (scenarios implemented in version 5 of ACM0006 not available by the time project was submitted for validation) indeed make a provision to increase in thermal firing capacity in projects resulting in improvement of energy efficiency by considering that "*(...) in the absence of the project activity, the existing plant would also be retrofitted, but resulting in a lower efficiency of electricity generation than in the project case (e.g. by using a low-pressure boiler instead of a high-pressure boiler). The retrofitted plant in the baseline is referred to as "reference plant".*" However, given that while scenarios 14, 18 and 19 adopt the same formula for estimation of the annual additional quantity of electricity generated as a result of the project implementation, the estimated GHG emission reductions would not change if scenario 18 or 19 were adopted as an alternative.

Finally, it should also be noted that, while registered as a CDM project activity, the project will generate certified emission reductions which will be verified based on the amount of excess electricity that the plant exports to the grid (monitoring parameter), not the estimated additional electricity.

We sincerely hope that the Board accepts our above explanation.

DET NORSKE VERITAS

Yours faithfully.  
for DET NORSKE VERITAS CERTIFICATION AS



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*Director*  
International Climate Change Service



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