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DET NORSKE VERITAS
DNV CERTIFICATION AS

Att: CDM Executive Board

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Your ref.:
CDM Ref 1051

Our ref.:
BRINKS/ETEL

Date:
05 July 2007

Response to request for review

"Mitigation of Methane Emissions in the Charcoal Production of Plantar, Brazil" (1051)

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 "Mitigation of Methane Emission in the Charcoal Production of Plantar, Brazil" (1051), and we would like to provide the following response to the issues raised by the requests for review.

Comment 1 from each of the three requests:

Request 1 and 2: "The validation report should clearly state how the project activity satisfies the prompt start criteria, e.g. the PDD was submitted for validation before 31 December 2005 or a new methodology was submitted before 11 January 2006."

Request 3: "The validation report should clearly state how the project activity satisfies the prompt start criteria."

DNV Response:

The project applies AM0041 version 1, and this methodology was developed for this particular project. The methodology was based on NM0110-rev and the original submission NM0110. NM0110 was submitted for the Methodology Panel Round 10 and had its call for public inputs period from 9 May 2005 to 27 May 2005. Hence the methodology was submitted before 11 January 2006.

The project start date of 1 July 2004 is already clearly stated in the validation report.

The request for registration was submitted to UNFCCC 30 March 2007; before the 31 March 2007 requirement.

The project thus satisfies all the prompt start criteria.

Comment 2 from each of the three requests:

Request 1, 2 and 3: "Further evidence should be provided to demonstrate that the CDM was seriously considered in the decision to proceed with this project activity."

DNV Response:

In the validation report it was stated: "*Documentation has been shown that Plantar considered CDM at the time of decision of another related project "Replacement of coke with charcoal" by the letter of intent from 25 April 2001 from Prototype Carbon Fund (PCF). DNV was also engaged by the PCF to do an initial validation of that project in 2001. It is therefore deemed evidenced that CDM was considered when carrying out the research on the present project for mitigation of methane emissions during charcoal production.*"

Plantar has been involved in developing CDM projects since at least 2000. This is e.g. evident from communication from 2000 (Annex 8A and 8B) and the letter of intent from 25 April 2001 with Prototype Carbon Fund (PCF) on the project "Replacement of coke with charcoal", which is now included as Annex 8C in the PDD. DNV can also confirm to have been

involved in the initial validation of the project in 2001. The project in 2001 was related to the present project by improving the charcoal production.

Another part of the project was to reduce the methane emission during charcoal production. In the beginning, the idea was to flare the exhaust gases, but since the measured methane content of the exhaust was too small (cf. Annex 5A), Plantar after research in collaboration with RS consultants developed a method for reducing the methane production during charcoal production. This was done mainly by better control of temperature and air intake. A report on this was given as Annex 5A, dated 11 July 2003. The aim of the report was to establish a baseline for the related emissions and to reduce emissions by optimization the production conditions and improve the design of the kilns.

Furthermore, the amount of charcoal produced may increase on weight basis, but not necessarily on volume basis. Since charcoal is sold on volume basis, the revenue of the project without CDM is at best minimal. By application of the CDM methodology, the production is capped and there is hence no other revenue than from the sales of CER. There is no reason to believe that this project would have done without CDM incentives. Furthermore, based on the involvement of PCF and DNV from 2001 on Plantar CDM projects, this project proponent has without any doubt considered CDM in its decision to proceed with the project activity.

In addition to already presented evidence, we can present the following evidence:

- Annex 8A: The Government of Brazil of Minas Geiras, Brazil supported the project entity for application for funding from the Prototype Carbon Fund of the World Bank to develop the project as a CDM project. Dated 23 May 2000.
- Annex 8B: The Brazilian Ministry of Science and Technology issued a "letter of no objection" ion 30 August 2000 for undertaking the project as a CDM project
- Annex 8C: Prototype Carbon Fund and Plantar signed a Letter of Intent on 25 April 2001 for purchase of the Emission Reductions generated by the Plantar's replacement of coke with charcoal.
- Annex 8D: Rabobank confirmed in a letter of 8 January 2002 that a condition for loan funding was sales of CER.
- Annex 8E and F: Contract and its extension between Plantar and RS consultants for research clearly aimed at GHG mitigation.

Comment 3 from request 1 and 2:

Request 1 and 2: "The PDD should display the annual average emission reductions for the first crediting period."


DNV Response:

We acknowledge this information was not included in the PDD, but the PDD presented the annual emission reduction for each of the year in the first crediting period. For clarity, the annual values have now only been shown for the first crediting period in the PDD and the average value has been presented for this period. The annual emission reduction has changed slightly because the emission reduction from the beginning of 2011 has been included in the calculation. The average annual emission reduction is 16 098 tCO₂e.

We sincerely hope that the Board accepts our above explanations.

Yours faithfully.

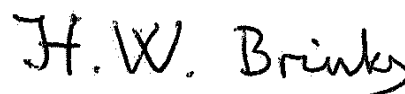
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