

**REVIEW OF THE PROJECT ACTIVITY****10 MW Somasila Hydro Power Project for a grid system by Balaji Energy Pvt. Ltd. (1201)**

At its thirty-sixth meeting the Board agreed to register, subject to satisfactory corrections, the project activity if the DOE (DNV Certification AS) and the project participant submit a revised PDD and corresponding revised validation report which:

- (i) Exclude taxation from the calculation of the required return on equity in the calculation of the IRR;
- (ii) Justify the choice of the assessment period for the investment analysis; and
- (iii) Apply the assumptions regarding electricity tariffs which were used in the original PDD submitted for registration.

At its thirty-seventh meeting the Board could not register the project activity because the corrections submitted by the DOE and project participant have failed to demonstrate the additionality of the project activity, in particular as the period of assessment in the investment analysis does not give adequate consideration to the costs and benefits attributable to the project activity.

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