
VALIDATION OPINION FOR REVISION OF REGISTERED MONITORING PLAN

EcoSecurities Ltd.

Youshuishiti Hydroelectric Project

UNFCCC Reference Number: 1226

SGS Climate Change Programme
SGS United Kingdom Ltd
SGS House
217-221 London Road
Camberley Surrey
GU15 3EY
United Kingdom

Date of issue:		Project No.:	
07-07-2008		CDM Ver0272CN04	
Project title		Organisational unit:	
Youshuishiti Hydroelectric Project		SGS Climate Change Programme	
Revision number		Client:	
0		EcoSecurities Ltd.	
Subject:			
Validation of Revised Monitoring Plan		Indexing terms	
Work carried out by			
Julian Zhou, Lead Assessor Ginger Jiang, Assessor			
Technical review			
Elton Chen Wu		<input checked="" type="checkbox"/> No distribution without permission from the Client or responsible organisational unit	
Authorized signatory			
Siddharth Yadav		<input type="checkbox"/> Limited distribution	
Date of final decision:	Number of pages:		
21-07-2008	7	<input type="checkbox"/> Unrestricted distribution	

Table of content

Table of content.....	3
1. Introduction.....	4
1.1 Objective.....	4
1.2 Scope.....	4
1.3 GHG Project Description.....	4
1.4 The names and roles of the validation team members.....	4
2. Methodology.....	4
2.1 Review of documentation.....	4
2.2 Findings.....	5
2.3 Internal quality control.....	5
3. Determination Findings.....	5
4. Validation opinion.....	6
5. Document references.....	7

1. Introduction

1.1 Objective

Paragraph 57 of the modalities and procedures for the CDM allow project participants to revise monitoring plans in order to improve accuracy and/or completeness of information, subject to the revision being validated by a Designated Operational Entity.

EcoSecurities Ltd. has commissioned SGS to perform such a validation of the revision of monitoring plan according to the procedure detailed in Annex34 to EB26 meeting report. The original monitoring plan is part of the PDD of the registered CDM project: Youshuishiti Hydroelectric Project (hereafter referred to as Youshuishiti Project), UNFCCC reference number 1226. The purpose of this validation is to have an independent third party assessment to the revision of monitoring plan, in particular, the level of accuracy or completeness in the proposed revision of the monitoring plan, and the conformity with the approved monitoring methodology applicable to the project activity.

1.2 Scope

The scope of the validation is defined as an independent and objective review of the revision of monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules, approved methodology and associated interpretations. SGS has employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of CERs.

The validation is not meant to provide any consulting towards the Client. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.

1.3 GHG Project Description

Youshuishiti Hydroelectric Project was registered on 12/10/2007, UNFCCC Ref number 1226, and the first crediting period is from 12/10/2007 to 11/10/2014.

1.4 The names and roles of the validation team members

Name	Role
<i>Julian Zhou</i>	<i>Lead Assessor</i>
<i>Ginger Jiang</i>	<i>Assessor</i>

2. Methodology

2.1 Review of documentation

The validation is performed primarily as a document review of the proposed revision of monitoring plan, registered PDD, approved methodology and relevant EB guidance and meeting reports. The assessment is performed by trained assessors.

2.2 Findings

As an outcome of the validation process, the team can raise different types of findings

In general, where insufficient or inaccurate information is available and clarification or new information is required the Assessor shall raise a **New Information Request (NIR)** specifying what additional information is required.

Where a non-conformance arises the Assessor shall raise a **Corrective Action Request (CAR)**. A CAR is issued, where:

- I. mistakes have been made with a direct influence on project results;
- II. validation protocol requirements have not been met; or
- III. there is a risk that the project would not be accepted as a CDM project or that emission reductions will not be verified.

The validation process may be halted until this information has been made available to the assessors' satisfaction. Failure to address a NIR may result in a CAR. Information or clarifications provided as a result of an NIR may also lead to a CAR.

Observations may be raised which are for the benefit of future projects and future verification or validation actors. These have no impact upon the completion of the validation or verification activity.

Corrective Action Requests and New Information Requests are raised in the draft validation protocol and detailed in a separate form to his report if applicable. In this form, the Project Developer is given the opportunity to "close" outstanding CARs and respond to NIRs and Observations.

2.3 Internal quality control

Following the completion of the assessment process and a recommendation by the Assessment team, all documentation will be forwarded to a Technical Reviewer. The task of the Technical Reviewer is to check that all procedures have been followed and all conclusions are justified. The Technical Reviewer will either accept or reject the recommendation made by the assessment team.

3. Determination Findings

The Revision of Monitoring Plan is in response to the request of the project participant.

Revision is made to the registered PDD as follows:

1. Revisions regarding metering of electricity supplied to the grid:

The original PDD stated 'To ensure maximum availability of CDM data and to introduce quality controls of the CDM data, a cross-check meter will be installed in addition to the revenue meter. This meter will be located at the generation site, measuring the electricity exported from the project'. In the revised PDD, the project participant rephrased the description, i.e. addressing cross-check meters (not a cross-check meter) would be installed and these meters would measure not the exported electricity but the generated electricity.

The modification is based on actual project status and in compliance with the ACM0002 Ver06.

2. Revisions regarding quality assurance:

As indicated in the original PDD, the annual calibration would be carried out by Chongqing Wujiang Power Generation Co.,Ltd (the local power grid company). This entity has been changed in the revised monitoring plan to the third party who has the appropriate qualification, which is in obedience with the internationally accepted practice (calibration be done by an accredited entity who complies with ISO/IEC17025) and the Metrology Law in China (calibration only be done by the entity who has been accredited by relevant authority-Administration of Quality Supervision, Inspection and Quarantines).

The updated PDD also stated the meters would be read frequently not both but jointly by the project developer and the grid company; Applicable standard would replace national standard when dealing with the allowable range of meter error.

In summary, accuracy and completeness of information is not reduced by the revision of MP, which is in accordance with the ACM0002 Version06.

4. Validation opinion

SGS has performed a validation of the revision of monitoring plan for registered project 'Youshuishiti Hydroelectric Project', UNFCCC reference number 1226. The validation was performed following the UNFCCC criteria, approved methodology and relevant EB guidance and meeting reports.

The proposed revision of monitoring plan can reflect the accuracy and completeness of the project information in the PDD.

Furthermore, we confirm the following:

- (a) The proposed revision of the monitoring plan ensures that the level of accuracy or completeness in the monitoring and verification process is not reduced as a result of the revisions;
- (b) The proposed revision of the monitoring plan is in accordance with the approved monitoring methodology ACM0002 Version06;

The validation is based on the information made available to SGS and the engagement conditions detailed in the report. The validation has been performed using a risk based approach as described above. The only purpose of this report is its use during the approval process by the EB. Hence SGS can not be held liable by any party for decisions made or not made based on the validation opinion, which will go beyond that purpose.

SGS China, 07/07/2008
Julian Zhou
Lead Assessor

SGS United Kingdom Limited, 21/07/2008
Siddharth Yadav
Technical Manager

5. Document references

Category 1 Documents (documents provided by the Client that relate directly to the revision of monitoring plan):

- /1/ Revised MP (track change version)
- /2/ Revised MP (clean version)

Category 2 Documents (background documents used to check project assumptions and confirm the validity of information given in the Category 1 documents and in validation interviews):

- /3/ ACM0002 Version06
- /4/ Annex34 to EB26 meeting report
- /5/ Registered PDD: Youshuishiti Hydroelectric Project, UN Ref: 1226
- /6/ ISO/IEC 17025:2005
- /7/ The Metrology Law in China- effective as of July 1, 1986

- o0o -