

 <p align="center"><b>CDM project activity registration review form (F-CDM-RR)</b>  <i>(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)</i></p>	
<b>Designated national authority/Executive Board member submitting this form</b>	
<b>Title of the proposed CDM project activity submitted for registration</b>	Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.'s NG Power Generation Project; Project activity 1344
<p><b>Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures, which validation requirement(s) may require review. A list of requirements is provided below. Please provide reasons in support of the request for review, including any supporting documentation.</b></p> <p><input type="checkbox"/> <i>The following are requirements derived from paragraph 37 of the CDM modalities and procedures:</i></p> <p><input type="checkbox"/> The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied;</p> <p><input type="checkbox"/> Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity (DOE) on how due account was taken of any comments has been received;</p> <p><input type="checkbox"/> Project participants have submitted to the DOE documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party;</p> <p><input checked="" type="checkbox"/> The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM modalities and procedures;</p> <p><input checked="" type="checkbox"/> The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board;</p> <p><input type="checkbox"/> Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP;</p> <p><input type="checkbox"/> The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the CDM modalities and procedures and relevant decisions by the COP/MOP and the Executive Board.</p> <p><input type="checkbox"/> <i>The following are requirements derived from paragraph 40 of the CDM modalities and procedures:</i></p> <p><input type="checkbox"/> The DOE shall, prior to the submission of the validation report to the Executive Board, have received from the project participants written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development;</p> <p><input type="checkbox"/> In accordance with provisions on confidentiality contained in paragraph 27 (h) of the CDM modalities and procedures, the DOE shall make publicly available the project design document;</p> <p><input type="checkbox"/> The DOE shall receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available;</p> <p><input type="checkbox"/> After the deadline for receipt of comments, the DOE shall make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated;</p> <p><input type="checkbox"/> The DOE shall inform project participants of its determination on the validation of the project activity. Notification to the project participants will include confirmation of validation and the date of submission of the validation report to the Executive Board;</p> <p><input type="checkbox"/> The DOE shall submit to the Executive Board, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received.</p> <p><input type="checkbox"/> There are only minor issues which should be addressed by the DOE / project participants prior to the registration of the project.</p>	
<b>Section below to be filled in by UNFCCC secretariat</b>	
Date received at UNFCCC secretariat	24/12/2007

Reasons for request:

1. Further information is required on the steps taken by the DOE to validate the evidence of prior consideration of the CDM to undertake the project activity and how that evidence was cross checked and validated.
2. Further clarification is required on the nature of incentives availed of by a multinational corporation that invested in a project similar to the project activity without CDM.

3. Further clarification is required as to whether and how all relevant power plant technologies that have recently been constructed or are under construction or are being planned, including those of other investors, were considered as additional baseline scenario candidates.
4. According to the applicability condition of the AM0029/ver.01 (19 May 2006), condition 2 establishes that “..and information pertaining to the grid and estimating baseline emissions is publicly available”. As far as plant specific fuel consumption and electricity generation data are not publicly available in China, the PP/DOE shall further substantiate the application of this methodology beyond the explanation given by the PPs/DOE referring to the deviation accepted by the EB with regard to the application of methodology AM0005 later replaced by ACM0002. Accordingly the statement on page 8 (top) of PDD that “...the information pertaining to the East China Power Grid and estimating baseline emissions is publicly available” is not adequate.
5. Third condition of applicability of methodology requires demonstration that natural gas is sufficiently available in the region, country, etc. Table B1 (on page 8 of PDD) is submitted as an evidence of availability trying to prove this requirement. According to this table supply of NG to this region in 2005 was  $8.78 \times 10^8$  Nm<sup>3</sup>/a, while the project feasibility study expects  $5.3354 \times 10^8$  Nm<sup>3</sup> annual consumption (60.7% of supplied to the region NG) of NG. Figure for 2010 is ten times more, but the first crediting period will start after the project registration and therefore the current (2006-2007) situation should clearly show the real perspective of increase in natural gas supply. Statement in Validation Report (page 13) that the project annual consumption is very small comparing the NG available in the region thus is not directly deducted from table B1. Future plans on perspective constructions should be also analyzed with regard to the NG consumption.
6. When identifying plausible alternatives, among others, the “import of electricity from connected grids, including the possibility of new interconnections” is mentioned and excluded. The argument provided in the PDD is that “interconnected Central China Power Grid (CCPG) usually provides base load power to the East China Power Grid (ECPG) which is in project boundary. Further clarification is required as the CCPG could supply peak electricity to the ECPG in future. Moreover the project activity might provide both base and peak load electricity and not only peak load electricity. Even more, there is not information in the PDD what is the share of peak load electricity and what is the base load electricity share from annual 3,500 hours.
7. For the calculation of the baseline emission factor of baseline (calculation and selection of BM of ECPG when capacity addition is not publicly available in China) the PPs introduced alternative formulae for calculation of BM. Further clarification is required. In addition, the DOE shall further clarify how they substantiate that the new formula applied can be considered a follow up (or application) of deviation accepted for AM0005.
8. Data for calculation of OM for the years 2002, 2003, 2004 is provided in Annex 3 to the PDD. Quantity of imported electricity is in relevant tables, but EF of imports is not clear. Further clarification is required.
9. The validation report (page 8) states that “The IPCC default values used for OM&BM calculation have been changed from IPCC 1996 to IPCC 2006”. However, there is no reference to which one is more conservative and why they changed only these default values and leave the IPCC 1996 value for GWP of methane (21). Further clarification is required.
10. According to the monitoring methodology ACM0002 and parameter EGy described on page 34 the net electricity is used for calculation of ER. It is not explained in monitoring plan how the net electricity will be calculated, how the self consumption will be assessed, even if it is insignificant. Further clarification is required.
11. Letter of Confirmation and Reply to the Submission of Supplementary Loan Evaluation Materials by Industrial and Commercial Bank of China, Ningbo City Branch (reference # 14) confirming that CDM has been taken into consideration before project starting date is not submitted. The DOE shall further clarify whether they have assessed and validated the pertinent information.
12. The electricity import for 2003 mentioned on page 11 and in Annex 3 is different. Further clarification is required.
13. In table B.6.2 the data unit for parameter  $F_{ij,y}$  should be t or m<sup>3</sup>, otherwise it could be read as mass divided by volume.
14. All the relevant information should be made available.