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Att: CDM Executive Board

Your ref.:
 CDM Ref 1544

Our ref.:
 MLEH/KCHA

Date:
 05 May 2008

Response to request for review

“1544 Dwarikesh 8 MW Bagasse-Based Power Generation Project, Bijnor, UP India”

Dear Members of the CDM Executive Board,

We refer to the issues raised in the requests for review raised by three Board members concerning DNV’s request for registration of the “**Dwarikesh 8 MW Bagasse-Based Power Generation Project, Bijnor, UP India**” (1544) and would like to provide the following initial response to the issues raised by the requests for review.

Comment 1: The DOE is requested to describe how the prior consideration of CDM has been validated given the time gap between the project start date (December 2003) and validation (December 2006). In doing so the DOE should provide a detailed timeline of the project development from the date of the CDM consideration and should explain how the CDM income was considered necessary to proceed with the project activity.

DNV response:

The prior consideration of the project activity has been validated by the following chronology of events and the evidences provided therein:

- a) The CDM consideration for the project activity was evidenced from the certified true copy of the minutes of the board meeting held on the *21st November 2003*, and which is attached as annex III of the project proponent’s response.
- b) The start date of the project activity is *9th December 2003*, and was evidenced by the contract signed between the project proponent DSIL and Triveni Engineering and Industries Ltd., for the purchase of the 8 MW bleed cum extraction cum condensing system (Annex IV of the project [proponents response]).
- c) Construction activities started on the *3rd February 2004* as was evidenced by the contract signed between the project developer and A. K. Builders and Suppliers (Annex V of project proponent’s response).
- d) Financial closure of project achieved on the *8th March 2004* with the Sanction letter of Rupee Term Loan (RTL) from IDBI, i.e. agreement from IDBI to grant a loan to DSIL for the project (Annex VI of project proponents response).

- e) Trial runs of the project activity and identification of the teething problems started on the *18th November 2004* as was evidenced from the minutes of the meeting held between the project developer and the technology provider, Triveni Engineering and Industries Ltd. (Annex VIII of project proponent response).
- f) DNV acknowledges that though the CDM was considered early, the identification process for CDM consultants had taken a long time. E-mail correspondence between the project proponent and consultants from *July 2005 - October 2005* do substantiate this fact: Authorization for placing a firm contract with EcoSecurities was obtained from the Board of Directors on *16th January 2006* and the emission reduction purchase agreement was formally signed *12th April 2006*: (Annex XI of project proponents response).
- g) The project was submitted for validation as a large scale project on the *25th August 2006*, because the small scale methodology was not applicable at the time. However validation of the project revealed that suitable scenario was not available in the methodology and a deviation was necessary to proceed further. During the discussions on seeking deviation, ACM0006 was further revised rendering the project inapplicable to the methodology.
- h) The project was re-submitted for validation as a small scale project (AMS I D, subsequent to changes in version 10) on the *29th December 2006*:
- i) Project was put up for registration on *17th January 2008* subsequent to receiving the host country approval on the *10th August 2007* and Annex I country approval on the *4th January 2008*.

From the chronology of the events it is clear that while CDM was indeed considered prior to the start of the project activity, there was considerable delay in the project proponent finalizing on the CDM consultant. The evidences in the point (f) above do substantiate the efforts taken by the project proponent in identifying a consultant project proponent during the period July 2005 to January 2006.

We sincerely hope that the Board accepts our aforementioned explanations and we look forward to the registration of the project activity.

Yours faithfully
for DNV CERTIFICATION AS



Michael Lehmann
Technical Director
International Climate Change Services