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Att: CDM Executive Board

Your ref.:
CDM Ref. 1966

Our ref.:
BRINKS/HP

Date:
12 November 2008

Response to request for review of the project “Sichuan Miyaluo Hydroelectric Station” (1966)

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 project activity 1966 “Sichuan Miyaluo Hydroelectric Station” and would like to provide the below initial response to the issues raised in the requests.

Question: The DOE should further clarify how the following are validated and confirmed that (a) there is no reservoir built for the project; (b) the project is not a de-bundled project; (c) the capacity of the project is <15MW; and (d) there is no usage of equipments from other projects, and hence there is no leakage.

(a) How it was validated that there is no reservoir built for the project;

Based on page 9-1 of Preliminary Design Report which was approved by the Development and Planning Committee of Aba Zangzu and Qiangzu Autonomous State in 2004¹, the project has a low diversion dam with a height of 11 meters at the highest part and the depth of the water is only 3.5 to 4 meters. The diversion dam is mainly used to lead the water into the pressure tunnel.

Also, the total surface area of the water at the full water level is only 7 900m² according to the Preliminary Design Report¹ and this area is contained within the area of the river channel, so the power density calculated using the total surface of the water is 1 899 W/m², which is much larger than 10 W/m². Hence, there are no project emissions.

Furthermore, according to the calculation of the power density given in the response to the request for clarification AM_CL_0049², the power density should be calculated as the increased power capacity divided by the increased flooded area measured in the water surface. Because the total surface area of the water at the full water level after the implementation of the project equals the area of the river channel before the implementation of the project, there is no increase in the flooded area due to the project, and the power density cannot be calculated using this equation. A conservative approach was followed in the PDD, which calculated the power density using the total surface area of the water.

¹ The project preliminary design report developed by the China Hydropower 10th Engineering Bureau Reconnaissance Design Institute and the approval letter by the Development and Planning Committee of Aba Zangzu and Qiangzu Autonomous State, 19 April 2004

² http://cdm.unfccc.int/UserManagement/FileStorage/AM_CLAR_T74PW4LBX5ZQRSRV57CR6RIKBALHHE

Therefore, it could be confirmed with DNV's sectoral and local expertise after checking the Preliminary Design Report¹ and the relevant documents² that there is no reservoir built for the proposed project.

(b) How it was validated that the project is not a de-bundled project;

According to Appendix C of the Simplified Modalities and Procedure for Small-Scale CDM project activities for Determining the Occurrence of Debundling³, a proposed small-scale project activity shall be deemed to be debundled components of a large project activity if there is a registered small-scale CDM project activity or an application to register another small-scale CDM project activity:

- With the same project participant;
- In the same project category and technology/measure; and
- Registered within the previous 2 years; and
- Whose project boundary is within 1 km of the project boundary of the proposed small-scale activity at the closest point;

For the proposed project, the same project category and technology/measure comprises hydropower projects. There are two hydropower projects close to the proposed project, one is located upstream and the other downstream of the proposed project according to the Preliminary Design Report¹ on page 4-8 of Zagunao River development plan checked by DNV.

The upstream hydropower project is Shibaguai Hydropower Project. It is developed by another project developer, Li County Yuanlin Co., Ltd, which can be checked by the environmental impact assessment approval by the Environmental Protection Bureau in Aba Zangzu and Qiangzu Autonomous State in April 2006 for Shibaguai Hydropower Project.⁴ Besides, according to the information on page 4-8 of the proposed project Preliminary Design Report and the appendix map 4-3, the distance between the upstream hydropower project and the proposed project at the closest point is more than 1 km. Furthermore, this project has not applied to be registered as a CDM project.

The downstream hydropower project is Lunganqiao Hydropower Project that belongs to the same project developer as the proposed project. However, according to the information on page 4-8 of the Preliminary Design Report and the appendix map 4-3, the distance between the two projects at the closest point is more than 1 km, which could be double checked by the confirmation letter⁵ from China Hydropower 10th Engineering Bureau Reconnaissance Design Institute which is the author of the Preliminary Design Report. Furthermore, this project has not applied to be registered as a CDM project.

DNV has checked all the documents mentioned above and can verify that the proposed project is not a de-bundled project.

(c) How it was validated that the capacity of the project is <15MW;

The capacity of the project was checked and confirmed by the project technical table on page 1-33 of the Summary of the Preliminary Design Report, on which it shows the total capacity of 15 MW. This information could also be double checked by the equipments purchase agreement⁶ which was

³ <http://cdm.unfccc.int/Projects/pac/howto/SmallScalePA/sscdebund.pdf>

⁴ The environmental impact assessment report and the approval of Shibaguai Hydropower Project by the Environmental Protection Bureau in Aba Zangzu and Qiangzu Autonomous State in April 2006

⁵ Confirmation letter from China Hydropower 10th Engineering Bureau Reconnaissance Design Institute about the closest distance, dated 7 November 2008.

⁶ The turbines and generators purchase agreement between Li County Jiaying Hydropower Development Co., Ltd (project developer) and Yibin Fuyuan Power Generation Equipment Co., Ltd (equipment supplier) dated 30 September 2005.

signed between Li County Jiaying Hydropower Development Co., Ltd (project developer) and Yibin Fuyuan Power Generation Equipment Co., Ltd (equipment supplier) and by the nameplate of the generating equipments.⁷

Therefore, DNV could confirm that the capacity of the proposed project would not exceed the limit of 15 MW that is in line with the requirements of the methodology AMS-I.D “Grid Connected Renewable Energy Generation” version 12 and with the definition for small-scale CDM project activities referred to in paragraph 6 (c) of decision 17/CP.7.

(d) How it was validated that there is no usage of equipments from other projects, and hence there is no leakage.

The main equipments for the hydropower projects are turbines, generators and the electricity transformers. The equipments purchase agreements^{6,8} shows that those equipments were totally new and bought by the project developer.

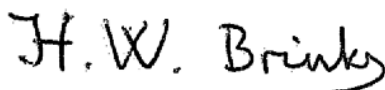
The turbines and generators were bought in September 2005, which is shown on the equipments purchase agreement signed between Li County Jiaying Hydropower Development Co., Ltd (project developer) and Yibin Fuyuan Power Generation Equipment Co., Ltd (equipment supplier) in September 2005, on which it is mentioned that the turbines and generators would be available in February 2007.

The electricity transformers were bought in July 2007, which is shown on the equipments purchase agreement⁸ signed between Li County Jiaying Hydropower Development Co., Ltd (project developer) and Chengdu Double Star Electronic Equipment Co., Ltd of Qingdao Electricity Transformer Group (equipment supplier) in July 2007, on which it said the transformers would be available in November 2007.

These documents were checked by DNV, therefore, DNV could verify that there is no usage of equipments from other projects for the proposed project, and hence there is no leakage.

We sincerely hope that the Board accepts our aforementioned explanations.

Yours faithfully
for DET NORSKE VERITAS CERTIFICATION AS



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⁷ The photos of the nameplate of the generating equipment.

⁸ The transformers purchase agreement between Li County Jiaying Hydropower Development Co., Ltd (project developer) and Chengdu Shuangxing Electrical Apparatus Co., Ltd of Qingdao Transformer Group (equipment supplier) dated 31 July 2007.