Krubong Melaka LFG Collection & Energy Recovery CDM Project KAJIMA CORPORATION

Architects, Engineers, Contractors & Developers

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26th June, 2006

CDM Executive Board

Attention to: Kai-Uwe Barani Schmidt Manager, CDM Section

Subject: Project Participants' Comments on Issues Raised in Requests for Review for Registration Number 0323

Dear Sirs:

The project participants would like to make comments on the requests for review, all of which are regarding the use of two methodologies. DOE also indicated during the validation process that revision of the PDD with the use of ACM0001 only be better in terms of its accountability and transparency. However, the project participants decided to maintain the original PDD.

When the project participants wrote the PDD and submitted it to the DOE, ACM0001 was only very close to an approved methodology. Then, the project participants believed that the use of AM0003 with reference to ACM0001 could be justified for the following reasons.

- ACM0001 was not developed from scratch but based on the four approved methodologies (formerly, AM0002, AM0003, NM0010rev and NM0021) as documented in "Internal Report of the Tenth Meeting of the Methodologies Panel". This implies a guarantee on full consistency between AM0003 and ACM0001. Consistency is an indispensable element to apply AM0003 with reference to ACM0001.
- 2. ACM0001 is referred to only regarding CER claim to the displaced electricity. If AM0003 is examined carefully with close attention to its applicability, it is obvious that the essence of the baseline methodology by AM0003 is not affected at all by exercising an option that CER is claimed for displacing electricity. Only additions to be made to complete the baseline methodology in this case are rigorous

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methodologies to estimate and monitor the quantity of methane gas to be destroyed by electricity generation that would displace the existing grid electricity. ACM0001 is referred to only for this additional information.

As discussed above, the project participants believed that combinational use of two general methodologies was not requested, but chose one approved methodology supplemented with the credible and consistent methodology, ACM0001, only to claim the credit that is not taken care of by AM0003, without affecting its assumptions, logicality or conclusions.

However, the DOE judged, after studying the comments in the requests for review, that the PDD for this project should employ ACM0001 to avoid the application of AM0003 with reference to ACM0001. In response to the DOE's view on the comments, the project participants now decides that the PDD should be revised by applying ACM0001.

Truly yours.

Kozo Bando, Ph.D.

General Manager

CDM/JI Group

Environmental Engineering Division