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Att: CDM Executive Board

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Your ref.:	Our ref.:	Date:
CDM Ref 0550	HTKUO/	29 September 2008

Response to request for review "Project for HFC23 Decomposition at Limin Chemical Co., Ltd. Linhai, Zhejiang Province, China" (0550)

Dear Members of the CDM Executive Board,

We refer to the requests for review raised by three Board members concerning DNV's request for issuance for project activity 0550 "Project for HFC23 Decomposition at Limin Chemical Co., Ltd. Linhai, Zhejiang Province, China" and would like to provide the below initial response to these requests for review.

Comment 1: *Electricity consumption for the HFC23 storage activity was calculated. Further clarification is required how the DOE verified the calculation in accordance with the PDD and the approved methodology.*

DNV Response:
The project was registered under methodology AM0001/Version 04. It is DNV's understanding that the methodology only requires monitoring of electricity consumption by HFC23 destruction process and there is no specific requirement for the electricity consumption by HFC23 storage process described in the methodology. DNV believes that it is also the reason why in the registered PDD, electricity consumption by HFC23 storage process was not described. However, during the project implementation, the PP has been taking account of the electricity consumption by HFC23 storage process into project leakage in section 7.4 in the monitoring report of the captioned project as required by DNV.

In the captioned project, cooling media for HFC23 storage is produced by a refrigerator located in a cold chamber as described in the section 5.1 in the monitoring report. The cooling media produced by the refrigerator serves mainly CFC-13 production and Plant No.3, not only HFC23 storage. Although a separate electricity meter was installed to monitor the electricity consumption by the refrigerator, it can only monitor the total electricity consumption used by the refrigerator to produce cooling media for CFC-13 production and Plant No. 3 and HFC storage. It is impossible to distinguish how much electricity is used to produce cooling media for HFC23 storage separately. The total electricity consumption monitored by the electricity meter is several times that consumed by HFC23 storage process. It should be over conservative and may not be suitable if the PP takes it as the electricity consumption by HFC23 storage process. Hence, the PP adopted a general calculation method to calculate the electricity consumption by HFC23 storage process. The calculation method, also as attached, shown in the section 5.1 in the monitoring report is regarded as a conservative method internationally and deemed to be acceptable by DNV. The

method can be found in many textbooks of chemical engineering principles, such as Chemical Engineering Principle, 2006, which was published by Chinese Chemical Publishing House. During the verification process, the actual amount of HFC23 storage within the monitoring period and the calculation process of the electricity consumed had been assessed by DNV and found to be correct as stated in the verification report.

Although DNV believes that the project has adopted the appropriate and conservative calculation method to calculate the electricity consumption by HFC23 storage process in the monitoring report, however, due to this request for review, the PP has no objection to adopt the total electricity consumption of the refrigerator, which they have been monitoring with the electricity meter, as the electricity consumption by HFC23 storage process in the monitoring report, if the Board think that it is not suitable to calculate the electricity consumption by HFC23 storage process. It should be noted that during the project implementation, the PP have been recalibrating the electricity meter and recording the monitored data of the electricity meter based on the methodology.

Comment 2: Further clarification is required on the HFC23 generation of 131.7124 MT for this monitoring period which is used in the calculation of the eligible HFC23.

DNV Response:

DNV refer to the answer provided by the PP, by checking with the production logs and the figures/calculations stated in the monitoring report, including the quantity of HFC23 decomposed in this monitoring period (Q_HFC23y), HFC23 flow into storage containers (q_HFC23in), quantity of HFC23 flow out of the storage containers (q_HFC23out) and HFC23 sold/own consumption, DNV is able to confirm that the HFC23 generated in this monitoring period (Aug 1, 2007 to Oct 31, 2007) is 131.7124MT.

We sincerely hope that the Board accepts our aforementioned explanations.

Yours faithfully
for DET NORSKE VERITAS CERTIFICATION AS

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International Climate Change Services