6 March 2007

CDM Executive Board
UNFCCC Secretariat
Martin Luther King Strasse 8
P.O.Box 260124, D-53153 Germany
Attention: Mr. Hans Jürgen Stehr, Chairperson

Comment on "Request for Review (Ref. No. 0767: HFC23 Decomposition Project at Zhonghao Chenguang Research Institute of Chemical Industry, Zigong, SiChuan Province , China)"

Dear Mr. Stehr,

First, we would like to thank the CDM Executive Board for developing an effective and efficient CDM scheme.
To result the next EB meeting in faster registration of the proposed project activity, we wish our comments could be supportive enough for the discussion.

We would like to have some comment on "Request for Review (Ref. No. 0767: HFC23 Decomposition Project at Zhonghao Chenguang Research Institute of Chemical Industry, Zigong, SiChuan Province, China) ".

Yours sincerely,

Toshio Yokomizo, Senior Executive
Japan Quality Assurance Organization

Comment on “Request for Review”

Scope 1: At the location of the project activity two units are in operation (A and B) of which only unit A is eligible for CDM. It is not clear whether installing an additional flowmeter for the HFC23 volume coming from unit A is sufficient to prevent HFC23 produced by unit B to be destroyed and subsequently claim CERs. This should be clarified by the PP/DOE.

The situation of monitoring for preventing HFC23 produced by Unit B in the project is as follows:

1. Unit B started its operation in 2004, and so Unit B is exempt from the application of AM0001. Unit B is located apart from Unit A in the factory.
2. The project has a method of preventing the entrance of HFC23 produced by Unit B into the HFC23 destruction facility through “taking a voluntary action by adding one additional flowmeter (just after) on Unit A to measure the HFC23 that generated from the production Unit” (page 15 of the PDD). The amounts of the HFC23 to be destructed in the project activity will be confirmed through checking the harmony of the values obtained by the additional flow meter located just after Unit A and the two flowmeters located near the HFC23 destruction facility.
3. The project uses a mass flowmeter to measure the HCFC22 production. Through the measurement of HCFC22 production (plus the action of adding an additional flowmeter just after Unit A as described in above point 2.), there is no entrance of HFC23 from Unit B.

Therefore, these actions including installing an additional flowmeter for monitoring the HFC23 volume coming from unit A can prevent the HFC23 produced by unit B to be destroyed and subsequently the claim for CERs.

Scope 2: Furthermore paragraph B.2.2 of the Verification Report makes reference to changes made to the value of “w” as result of the site visit. It is not clear whether “w” has been calculated correctly during the previous years and how this may affect the amount of CERs claimed.

The situation of the issue pointed out is as follows:

1. During the first Site-visit conducted on 19-20 May 2006 the amounts of HCFC22 production and the ”w” values calculated based on the mass balance were verified using the monthly data sheets of three years between 2002 and 2004. As the results it was found that the calculations themselves in those monthly and yearly data sheets were correct.
2. However, a transcription error was found in the original PDD when describing the “w” values in 2002 and 2004. The value of 2002 and the value of 2004 were carelessly filled in as the values of 2004 and 2002, respectively. The fact was pointed out at the first Site-visit, and later the PDD was revised accordingly.
3. During the second Site-visit conducted on 12 July 2006, the daily data log sheets of the three years were checked, and it was confirmed that these data were completely in accordance with the monthly data sheets of the three years between 2002 and 2004.

In other words, the amounts of HCFC22 production and the “w” values in the three years were correctly calculated, and these values were verified, based on the daily data log sheets. Although, a transcription error was found in the PDD in describing the “w” values, as shown in B.2.2 of the checklist, the error was properly corrected. The “w” values in the three years are 3.20%, 3.16%, and 3.10%, respectively in 2002, 2003 and 2004, and these exceed the default value, 3.0%. The PDD describes they will claim CER using the default value, 3.0% based on the methodology. Therefore, the amount of CERs claimed is not affected at all.