

17 March 2008

CDM Executive Board
UNFCCC Secretariat
Martine Luther King Strasse 8
P.O. Box 260124, D-53153 Bonn Germany
Attention: Mr. Kai-Uwe Barani SCHMIDT

Comment on "Request for Review (Ref. No. 1406 "Tianjin Shuangkou Landfill Gas Recovery and Electricity Generation")"

Dear Mr. Kai-Uwe Barani SCHMIDT

To result in the faster registration of the proposed project activity by the decision of the next EB meeting, we wish our comments on "Tianjin Shuangkou Landfill Gas Recovery and Electricity Generation" could be supportive enough for the discussion.

Yours sincerely,



Tetsuya Tsukamoto, Senior Executive,
Japan Quality Assurance Organization

Initial comments by JQA for the request for review of “Tianjin Shuangkou Landfill Gas Recovery and Electricity Generation (Ref. 1406)”

(The following comments are for all three reviewers. The requests for review raised by the three Board Members are based on the same reasons.)

1. The DOE is requested to clarify why the IRR quoted in the validation report differs from that quoted in the PDD and how the input values used in this calculation have been independently validated.

(Comment by JQA)

The description of 3.4 in the validation report, "IRR without CERs is 3.2% and 17.9% with CERs" is due to our careless mistake.

It should be revised to "IRR without CERs is 5.87% and 15.23% with CERs".

The input values used in the calculation was validated through investigating the Tianjin LFG CDM-IRR Calculation Detail which is attached to the PDD as Appendix 1. Of the input values used in the IRR calculation in Table B.5.-1 of the PDD, the tariff is the most important factor to be objectively assessed. The validation team confirmed in the interview with the key person of the Tianjin Electricity Company during the site-visit that the price of the electricity produced is finally decided by the Price Bureau of Tianjin Government, based on the national policy, that the price is generally depending on the fuel used and the sizes of power plants, and that price of electricity produced by the LFG project is considered as 0.5 CNY/kWh, which is on the highest level like other renewable energies. Therefore, the validation team considers the tariff, 0.50 CNY/kWh in the IRR calculation is appropriate.

2. The DOE is requested to provide additional details regarding how the proposed adjustment factor has been validated, in particular it should be confirmed that no flaring was occurring at the project site prior to the implementation of the project activity.

(Comment by JQA)

The location and situation of the landfill project site in Shuangkou of Tianjin City was surveyed during the site-visit in May 2006. The validation team observed that a lot of vent pipes were standing without any flaring system on the project site, and confirmed that those vent pipes were only for releasing the landfill gas without flaring. This issue can be clarified through the description in the fifth term of "5. Validation Opinion" in the validation report. The Validation Opinion describes that "The approval issued on 10 April 1999 by Tianjin Urban Construction Commission (No. 834) approved the facility to release methane to the atmosphere from the landfill site". And, the landfill has been kept to release the landfill gas to the atmosphere through the vent pipes without any flaring.

Regarding this issue, Dr. Quan Hao joined the validation team as a Local Expert, who has been involved in the Chinese solid waste management, acknowledges GB 16889-1997 and other related rules issued by the government were not mandatory.

Therefore, the validation team judged it appropriate that the adjustment factor, AF is set zero in this project activity.

3. The DOE should provide details of how the comments received during the global stakeholder consultation have been taken into account in the finalization of the validation report.

(Comment by JQA)

The validation team understands the intention of the commentator. However, World Bank provided financing for constructing the landfill, considering the practices in the Chinese solid waste management, and GB 16889-1997 as not mandatory

requirement.

Considering the common practice of municipal solid waste landfilling in China and these approvals issued by the relevant authorities, the DOE judged that the situation of the Shuangkou landfill site can be accepted as the CDM project activity.

The DOE's judgment on the comment is shown not in 4.3, but in the fifth term of "5. Validation Opinion".