



## KOREA ENERGY MANAGEMENT CORPORATION

1157, Pungdukchun 2, Yongin, Gyeonggi-do, 449-994, Republic of Korea

Tel: +82 31 260 4883

Fax: +82 31 260 4886

shhan@kemco.or.kr

Date 28 FEB 2007

Reference

Attention UNFCCC Secretariat

Title Initial Comments about Request for Review of Project 0788

---

Dear Members of the CDM Executive Board

We are hereby submitting to the CDM Executive Board our comments about the request for review of Project 0788 [KOSEP Small Scale Hydroelectric Power Plants Project] in accordance with the clarifications to implement the review process (version 06, adopted by EB28). We sincerely hope that these comments will be fully considered by the Board.

Sincerely yours

A handwritten signature in black ink, consisting of three characters: '소', '창', and '식'.

Son, Chang-Sik  
Director  
FEB 28, 2007

Attachment: Initial Comments about Request for Review of Project 0788  
Revised PDD

---

[Attachment]

- 1) Reasons for Request 1: the small-scale methodology AMS.1.D is correctly applied, using a combined margin based on the Simple operating margin and a build margin calculated using the most recent 20% of plants constructed. However, it should be provided basic information on the electric grid that the plants are connected to, as well as a justification for using the simple operating margin, that is that low-cost, must-run are less than 50%

A. Comments from KEMCO

- i. KEMCO had checked the accuracy of the baseline emission factors for the proposed project against the formal statistics of the Korea Electric Power Corporation (KEPCO) and accordingly concluded that the Simple OM, as applied for the proposed project, was appropriate to the proposed project under project-specific situations since low-cost and must-run electricity generations account for less than half the total generations by the national grid. However, KEMCO acknowledged that these aspects were not explicitly included in the PDD. KEMCO therefore requested the project participants to revise the PDD and confirmed that what should be corrected had been properly completed. The revised PDD are also attached to this letter.
-