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Att: CDM Executive Board

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Your ref.:	Our ref.:	Date:
CDM Ref 0001	KCHA/MLEH	29 June 2007

Response to request for review

Project for GHG emission reduction by thermal oxidation of HFC 23 in Gujarat, India (0001)

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 of the "Project for GHG emission reduction by thermal oxidation of HFC 23 in Gujarat, India" (0001) and would like to provide our response to the clarifications.

Comment 1: The Monitoring Report does not include the readings of the monitored parameters

The "TENTH MONITORING REPORT" dated 17/05/2007 (called further MRv1) and the confidential monitoring workbook.xls (Called further XLS file) do not include readings of the monitored parameters and the daily totals.

DNV Response

The referred monitoring report includes the readings of all the monitored parameters for the monitoring period (April 01- May 05) as a whole. The readings of these parameters are, however, not provided on a daily basis, as the Approved Methodology AM001 (version 2) does not require the values of the monitored parameters to be provided on a daily basis.

In actual practice records are maintained on a daily basis for each of the monitored parameters. The data is automatically archived in the SCADA system, and all these daily values have been verified by DNV during verification.

Comment 2: The monitoring as applied is not according to the approved methodology

The methodology applied AM001v02 p.9 requires monitoring of the following parameters that cannot be found in the MVv1+XLS:

ID7 – Q_HCFCy – "The quantity of HCFC22 produced in the plant generating the HFC23 waste". This parameter was replaced in the XLS file by "Cumulative HCFC22 production during the year – based on the actual plant figures".

ID8 – HFC23_sold – "HFC23 sold by the facility generating the HFC23 waste." This parameter was not monitored. However, this parameter was checked by the DOE, as described in

Verification Report April 01 – May 05 2007 Revision No. 1 dated 2007-05-24 (called further VR1) Section 3.1.4 item 9.

DNV Response

We would like to reiterate that the data of HCFC22 production and HFC23 generation which is available on a daily basis was verified by DNV during the verification. AM0001 (version 2), however, requires this check to be done on an annual basis ("the quantity of HFC23 waste is limited to a fraction (w) of the actual HCFC production during the year at the originating plant"). Since the verification of HFC23 destructed is carried out more frequently than annually, the figures for the year are cumulated to apply the cut-off ratio check. However, for purposes of more clarity the Project Proponent has been requested to use the same wording as used in the methodology for ID 7 –HCFCy viz., "*Quantity of HCFC22 produced in the plant generating waste*" (refer enclosed revised Appendix 1).

The parameter ID 8 (HFC 23 sold) has been monitored, as required by AM0001 and is mentioned under paragraph of Para 2.3 (Check against Baseline Requirements). This paragraph reads "No HFC23 was sold during the Monitoring Period". We would also like to reconfirm that this parameter has been verified by DNV during verification via excise statements and returns filed with statutory authorities. However, for purposes of better clarity, the parameter ID 8 (HFC 23 sold) is also included in the enclosed revised Appendix 1.

Comment 3: The Monitoring Report Appendix-1 is missing.

MRv1 Section 2.1.3: "The data being collected in order to monitor the GHG reduction is given in the table in Appendix-1 to this Monitoring Report." "Appendix -1" is mentioned in the MRv1 more seven times. However I cannot find this "Appendix-1".

DNV Response

The Appendix 1 to the monitoring report is the Confidential Monitoring Workboook.xls. We understand that receipt of this workbook is acknowledged in Para 1 of the Request for Review and perused by the relevant CDM Executive Board Member(s).

Comment 4: The amount of CERs requested is much higher than the estimation

The amount of CERs requested is 69% higher than the approved estimation of the emissions reduction.

4.1 The DOE should verify the HCFC22 production each month of the verification period and should explain the reasons for the 69% increase of CERs requested.

4.2 The DOE should verify that daily HCFC22 production does not exceed the maximum daily production capacity (60,000 kg/d)

4.3 The DOE should verify that the HFC23 destructed quantity does not exceed the maximum daily HFC22 production capacity multiplied by the waste generation rate (w=2.63%)

DNV Response

We are not clear as to how the "69%" figure has been computed. The "estimate" of emission reductions provided in the validated and registered Project Design Document has been based on a purely illustrative production figure of 10 000 MT of HCFC22 per year and that the production is expected to increase based on market conditions, until the plant capacity is reached. DNV has verified the daily production records and also confirmed in the verification report (Para 1.3) that

the HCFC22 production during the verification period is "well within the installed capacity as per the validated Project Design Document" and (Para 3.1.1) that "the cumulative reported ratio of 2.63% is correct and does not exceed the 2.9% threshold applied by the project for this factor".

The daily production capacity as per the validated and registered Project Design Document is given as up to 75 TPD of HCFC22. This is referred to at Para A.3.2.2 (f) stating that "The plant has instantaneous installed capacity in excess of 60 TPD HCFC 22 (up to 75 TPD). DNV has verified that the daily HCFC22 production is within the capacity of 75 TPD, the HCFC22 plant, as per the validated and registered Project Design Document. This is mentioned in Para 1.3 of the Verification Report.

As per AM0001 it has to be checked on an annual basis that the HFC23 quantity generated does not exceed the actual HCFC22 production multiplied by the waste generation rate,. In the case of this project, and as per the validated and registered Project Design Document, the value is 2.90% and not 2.63% as mentioned. Since the project began operations on the 13th February 2006, this check has been applied, at every monitoring period, for the "monitoring year" beginning 13th February each year and ending 12th February of the next year, thereby ensuring that there would be ten whole "years" for the crediting period of the project.

DNV has verified this cumulative reported ratio (w factor) of 2.63% is correct based on production numbers of HCFC22 and HFC23 found in SCADA data sheets, as well as HFC23 storage records. DNV also reconfirms that this value also does not exceed the 2.90% threshold applied by the project for this factor and the same has been clearly stated in Para 3.1.1 of DNV Verification Report.

We sincerely hope that the Board find our elaboration on the above satisfactory.

Yours faithfully
for DET NORSKE VERITAS CERTIFICATION AS

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