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GUJARAT
FLUORO CHEMICALS
LIMITED



ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 007, Gujarat, India

27th September, 2007.

The Executive Board of the Clean Development Mechanism
c/o Clean Development Mechanism Secretariat
United Nations Framework Convention on Climate Change
Bonn, Germany

by email and fax

Submitted through

DNV Certification
International Climate Change Services

Dear Sirs

We have been informed, vide email dated 17th September, 2007, that the request for issuance in respect of the CDM Project Activity "Project for GHG emission reduction by thermal oxidation of HFC23 in Gujarat, India" (Ref. no. 0001) is under consideration for review, because three requests for review have been received from Members of the CDM Executive Board.

In this connection, we append herewith a submission titled "Response to the Requests for Review", which provides the requested clarifications. We understand that DNV Certification, International Climate Change Services, the Designated Operational Entity (DOE) that has undertaken the verification in respect of this Project Activity, shall also be furnishing a submission, and a revised Verification Report. We request that these submissions be considered by the CDM Executive Board during its deliberations at its 35th Meeting, when the consideration of a review relating to the request for issuance is to be taken up.

I would also like to take the opportunity to be present at the 35th Meeting of the CDM Executive Board, as an Observer, to be able to provide any further clarifications the CDM Executive Board may require, if any, during its consideration.

We trust that these submissions shall clarify the points raised in the Requests for Review, and confirm that all the requirements of the Approved Methodology AM0001 Version 2, based on which the Project Activity has been registered, are complied with.

Thanking you in anticipation

With best regards
For **Gujarat Fluorochemicals Limited**

Deepak Asher
Group Head (Corporate Finance)



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RESPONSE TO THE REQUESTS FOR REVIEW

Comment 1

The ratio of HFC23 generated to HCFC22 produced, w, was calculated based on cumulative HCFC22 and HFC23 production, which results in 2.76%, less than the allowed maximum of 2.90% in the PDD. However, if calculated for this monitoring period only, the w is 3%, higher than the maximum allowable value.

Clarification 1

As per the Approved Methodology, the quantity of HFC23 waste "is limited to a fraction (w) of the actual HCFC production during the year at the originating plant." Hence, the Approved Methodology requires that it be verified that the HFC23 generated quantity does not exceed the actual HCFC22 production multiplied by the waste generation rate, on an annual basis.

However, to be conservative, this check has been applied, at the end of every monitoring period, by cumulating the data for the "monitoring year". Since the Project began operations on the 13th February, 2006, this check has been applied, at the end of every monitoring period, for the "monitoring year" beginning 13th February each year and ending with the relevant monitoring period.

For the present monitoring period (6th May, 2007 to 31st July, 2007), this check has therefore been applied for the period 13th February, 2007 to 31st July 2007. This has been mentioned in para 2.3 of the Monitoring Report which states that "The waste generation rate for the year to date, was less than 2.90% cut-off rate defined in the Project Design Document, as shown below." This has also been verified by the DOE. Reference is kindly invited to the first parameter at para 3.1.1 (page 7) of the Verification Report, which states that "The verification team has assessed the reported "w" factor and compared this to the production numbers of HCFC22 and HFC23 found in SCADA data sheets, as well as HFC23 storage records. The cumulative reported ratio of 2.76% is correct and does not exceed the 2.9% threshold applied by the project for this factor."

Even if calculated for this Monitoring Period only, the waste generation rate "w" is 2.87%, lower than 2.90%, as shown below, and is not 3%, as stated.

The computation of "w" for each Monitoring Period during the year is provided below:

Period From	Period To	HCFC22 production	HFC23 generation	Waste generation rate "w" % for the Monitoring Period	Cumulative Waste generation rate "w" %
13 th February 2007	31 st March 2007	2792.670	70.891	2.54%	2.54%
1 st April 2007	5 th May 2007	1536.140	43.094	2.81%	2.63%
6 th May 2007	31 st July 2007	5428.420	155.593	2.87%	2.76% *

* as reported in the Monitoring Report

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It may be recalled that a similar issue has already been dealt with in response to the Requests for Review in respect of the last (10th) Request for Issuance for this Project, and, after the explanations provided by the Project Proponent and the DOE were found to be satisfactory, CERs have been issued, on 10th August, 2007.

Comment 2

Additionally, the CERs generated during the first six months of the second monitoring year (Feb - July 2007) amounts to 3,257,641 tCO₂, while the registered PDD estimates an annual reduction of 3,000,000 tCO₂. Further explanation is required.

Clarification 2

The "estimate" of emission reductions provided in the validated and registered Project Design Document was based on a **purely illustrative production figure** of 10,000 MT of HCFC22 per year. The table providing the calculations of emission reductions under paragraph E.6 in the registered Project Design Document, at page 50, clearly states that this is an "**Illustration**" for 10,000 MT of production of HCFC22".

Further, paragraph E.6 of the validated and registered Project Design Document also states that "The amount of HFC23 decomposed in a year would depend upon HCFC 22 production in a particular year." The registered Project Design Document further states, at paragraph A.3.2.2(f) at page 14, that "The production in calendar years 2004 and 2005, as per GFL's business plan, would be 15,000 TPA and 18,500 TPA respectively."

The daily production capacity as per the validated and registered Project Design Document is up to 75 MT per day of HCFC22. This is referred to at Para A.3.2.2 (f) of the registered Project Design Document at page 14, which states that "The plant has instantaneous installed capacity in excess of 60 TPD HCFC22 (up to 75 TPD)."

The Monitoring Report states at para 2.3 at page 10, that "The daily HCFC22 production does not exceed the maximum daily HCFC22 production capacity of 75 MT per day, as per the validated and registered Project Design Document."

The DOE has verified that the daily HCFC22 production is within the installed capacity of the HCFC22 plant, as per the validated and registered Project Design Document. Item 7 of paragraph 3.1.4 at page 9 of the Verification Report reads "DNV has verified that the daily HCFC22 production does not exceed the maximum daily HCFC22 production capacity of 75 TPD, as per the validated and registered Project Design Document."

It is respectfully submitted that this Request for Issuance is in compliance with Version 2 of the Approved Methodology AM0001, under which this Project has been registered, which does not require the HCFC22 production to be limited to the maximum historical annual production level at the plant. This has also been mentioned, at paragraph 2.3 at page 10 of the Monitoring Report. We confirm, as we did in response to the Requests for Review in respect of the last Request for Issuance, that no CERs will be claimed in respect of HCFC22 production in excess of the daily production capacity of 75 TPD, as per the validated and registered Project Design Document.

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It may be recalled that a similar issue has already been dealt with in response to the Requests for Review in respect of the last (10th) Request for Issuance for this Project, and, after the explanations provided by the Project Proponent and the Designated Operational Entity were found to be satisfactory, CERs have been issued, on 10th August, 2007.

Comment 3

According to the monitoring plan from the PDD there are parameters which have "recording frequency" of one month. Hence in the Monitoring Report at least monthly values of such parameters (Q CO₂-HFC 23, Q Fuel, Q CO₂-Fuel, Q HCFC 22, Q HFC 23, Composition of HFC 23, Q Power, Q Steam, Q Ca (OH) 2, Q NaOH, Q Solid Waste) should be recorded, while for the Monitoring Report submitted only final cumulative values are presented.

Clarification 3

The Approved Methodology stipulates the **recording** frequency of the specified monitoring parameters to be monthly. It is submitted that data in respect of most of the monitored parameters is automatically archived in the computerized SCADA system **on an on-line basis** (at a time interval of 500 milliseconds), and from this data, the daily values are electronically computed, and are verified by the DOE during verification. The aggregate of these daily values for the monitoring period are presented in the Monitoring Report. This data, as well as monthly totals, can be provided to the Executive Board, if required.

The Approved Methodology does not require the monthly totals of the monitored parameters to be **reported**. Hence, the Monitoring Report does not report the monthly totals of the monitored parameters. Accordingly, the Monitoring Report is in compliance with the requirements of the Approved Methodology in this regard.

However, as stated, the monthly totals for each data parameter can be provided to the Executive Board, if required.

It may be recalled that a similar issue has already been dealt with in response to the Requests for Review in respect of the last (10th) Request for Issuance for this Project, and, after the explanations provided by the Project Proponent and the Designated Operational Entity were found to be satisfactory, CERs have been issued, on 10th August, 2007.

Comment 4

The verification report indicates that a carbon emission factor of natural gas used by the thermal oxidizer is 2.95×10^{-3} tonnes CO₂/m³, while the unit of the factor in the spreadsheet was in tonnes CO₂/kg. Clarification is required.

Clarification 4

The carbon emission factor for natural gas used in the Monitoring Report and the Confidential Monitoring Workbook (Appendix 1) is 2.95×10^{-3} tonnes CO₂/kg.

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It appears that the DOE, in the Verification Report, has erroneously referred to this as 2.95×10^{-3} tonnes CO_2/m^3 , instead of 2.95×10^{-3} tonnes CO_2/kg . We are informed that this is a typographical error by the DOE, which is being corrected, and a revised Verification Report is being submitted.

This does not, however, in any manner, impact the calculations of the emission reductions, since all calculations have been correctly done on the basis of 2.95×10^{-3} tonnes CO_2/kg .

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