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Att: CDM Executive Board

Your ref.:	Our ref.:	Date:
CDM Ref 0325	MLEH/KCHA	18 June 2008

Response to request for review

"Generation of Electricity through combustion of waste gases from Blast furnace and Corex units at JSW Steel Limited (in JPL unit 1) at Torangallu in Karnataka, India" (CDM Reference No. 0325)

Dear Members of the CDM Executive Board,

We refer to the issues raised in the requests for review by three Board members concerning DNV's request for issuance for the project activity 0325 "Generation of Electricity through combustion of waste gases from Blast furnace and Corex units at JSW Steel Limited (in JPL unit 1) at Torangallu in Karnataka, India" and we would like to provide the following response to the issues raised by these requests for review.

Comment 1:
As verified by the DOE in page 6 of the Verification Report, consideration of the project activity efficiency of 33.375% for the emission factor is deemed conservative. However, 33.00% has been applied in the calculation of emission factor in the spreadsheet and this results in approximately 8,000 more CERs are being claimed for the project activity. Clarification is required on how the DOE has verified that this approach is conservative.

DNV's response:

As stated in the registered PDD, the project efficiency is 33.375%. The data source for this value is the manufacturer's nameplate data for efficiency of the existing boilers. Comparatively, the calculated project activity efficiency (and verified by DNV during the verification of emission reductions) is 32.38%. Since the actual calculated efficiency of the project activity will always be lower than the nameplate efficiency (which is a design value), assuming the project activity efficiency to be equal to 33.375% is a conservative approach. Hence, the design efficiency of 33.375 is applied for determining the project's emission reductions for the whole crediting period.

However, as stated page 13 in the registered PDD, the project participant do not used the absolute value of the project efficient, i.e. 33.375%, but instead uses the rounded down value of 33%. This value was validated and the value indicated in the registered PDD to determine emission

reductions. Hence, the rounded down value of 33% was accepted by DNV during the verification process.

Nevertheless, DNV acknowledges that rounding the design efficiency to 33% may not be conservative and this leads to a difference of 0.01 tCO_2/MWh in the emission factor for the electricity displaced, i.e.

- 1.02 tCO_2/MWh (with 33.375%) and
- 1.03 tCO_2/MWh (with 33%).

The emission factor of 1.02 t CO2/MWh is more conservative than the emission factor derived using the rounded down project efficient value. Hence, the monitoring report was revised to apply an efficiency of 33.375% and as a result the estimated emission reduction for the period 1 January 2007 to 31 December 2007 equal to 743 864 t CO_2 equivalent, i.e. about 8000 tCO_2/MWh less than reported when applying an efficiency of 33%.

A revised monitoring report worksheet and verification report are enclosed to DNV's response to this request for review.

We sincerely hope that the Board accepts our aforementioned explanations.

Yours faithfully
for DET NORSKE VERITAS CERTIFICATION AS

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