



Mr. José Domingos Miguez
Chair, CDM Executive Board
UNFCCC Secretariat
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Re Request for review of the request for registration for the CDM project activity "Use of waste use for electricity generation at JSW Energy Limited (0350)"

Dear Mr. Miguez,

SGS has been informed that the request for registration for the CDM project activity "Use of waste gas use for electricity generation at JSW Energy Limited (0350)" is under consideration for review.

Through this letter we would like to comment on the reasons for review and provide additional information, Information has also been provided by JSW Energy Ltd, which we send as attachment to our letter as requested by the UNFCCC Secretariat.

For a better understanding of the project activity and its interaction with JSW Energy Ltd we refer to the schematic diagram in Annex I.

Ad 1) "Evidence regarding the additionality of the project was not presented in a transparent way. "

The barrier analysis in the PDD focuses on "barriers due to prevailing practice", "technology barriers" and "investment analysis". SGS sees the "barriers due to prevailing practice" and the "technology barriers", given by the fact that this project is a first of its kind in India, as sufficient support of the additionality of the project. JSW Energy has provided a certificate from M/S Siemens VAI, the supplier of the COREX technology, certifying that JSW Energy was the only power plant generating power using only COREX gas in India and one out of three plants globally (Annex B). Evidence for technological problems that had arisen from COREX gas use was comprehensively demonstrated during the local assessment. JSW Energy also provided spreadsheets supporting the investment analysis (Annexes A1, A2, A3). All these documents had been reviewed by SGS in the validation process.

Ad 2) "The baseline of the proposed project activity is not very clear. It is not clear if the use of waste gas is only under the project activity or if was being used before the start of the project activity. There are no figures supporting any of these statements in terms of proportion of each of the referred gases or coal consumption."

A spreadsheet with details on the monthly share of coal and Corex gas in the energy production was compiled by JSW and is provided in Annex 2. Waste gas was used before the project activity but technical problems were encountered. The JSW Board decided to shift to the use of coal instead of



gas, unless a gas holder (as CDM Activity) would alleviate the problems. SGS validated all statements and documents mentioned under remarks in JSW Energy's reply to this question.

Ad 3) "The project activity is applying Methodology ACM0004 /version 01, which is valid for project activities which request registration from 8th July 2005 to 2nd March 2006. Nevertheless the registration requested form dated 31st march 2006, after the deadline for request for registration using this methodology. The PDD has to be adjusted to version 2, valid from 3rd march 2006."

SGS accepted the use of ACM0004/version 01 in line with the decision at EB 23 during 22-24th February 2006 stating that project activities that use the previously approved methodology and request registration within eight weeks after the methodology was revised shall not be affected.

Ad 4) "The DOE did not reproduce the stakeholder's comments but only the DOE's response to it."

We have taken into account all comments received in the time period for comments as indicated on the UNFCCC website from 23rd September 2005 to 22nd October 2005. Only one comment from Prof. Axel Michaelowa was received which was comprehensively answered by SGS. Comment and answer to it were given as annex 1 to validation report "Report on how comments received on validation requirements have been taken into account".

Ad 5) "In the PDD and validation report it is said that this is only and first project in India using this new technology. It is not forbidden to have similar projects but the information about the uniqueness is not correct."

Please see the arguments provided under Ad 2) and Annex B showing copy of certificate from the M/S Siemens VAI the supplier of the COREX technology.

We apologize if the initial validation report has been unclear and hope that this information and the information provided by JSW Energy attached to this letter address the concerns of the members of the Board.

If you require further information, Martin Beckmann (+49 (381) 67303 – 21) will be the contact person for the review process and is available to address questions from the Board during the consideration of the review in case the Executive Board wishes.

Yours sincerely

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Annex 1: JSW cover letter

Annex 2: JSW reply to request for review

Annex A1: JSW Energy attachment of investment analysis (70%)

Annex A2: JSW Energy attachment of investment analysis (85%)

Annex A3: JSW Energy attachment of investment analysis (90%)

Annex B: JSW Attachment on uniqueness of the technology used by JSW Energy confirmed by Siemens VAI