



3<sup>rd</sup> July 2006

**Kind Attn : Mr. Jose Domingos Miguez**  
**Chairman , Executive Board,**  
**UNFCCC.**

**Sub : Clarifications on the request for review for "Use of Waste Gas Use for Electricity Generation at JSW Energy Ltd." (0350)**


Dear Sir,

This is with reference to the request for review for "Use of Waste Gas Use for Electricity Generation at JSW Energy Ltd." (0350)

We are enclosing herewith our clarifications to the comments raised in the request for review for your consideration. Please note the contact person for the review process would be Dr. P. Rambabu of M/s Price Waterhouse Coopers Pvt. Ltd., India (who are the consultants for the project) and his contact number is 0091 9820135929 and his e-mail ID is ram.babu@in.pwc.com.

Thanking you,

Yours faithfully,  
**For JSW Energy Limited**

  
**Raaj Kumar**  
Jt. Managing Director & CEO

**JSW Energy answers to “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)”**

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

**Ans: Evidence on investment analysis**

Spreadsheets giving the detailed IRR calculations at 70%, 85% and 90% PLF are attached as Annex A1, A2, and A3 respectively.

**Evidence on Barrier Analysis**

**Barrier due to prevailing practice**

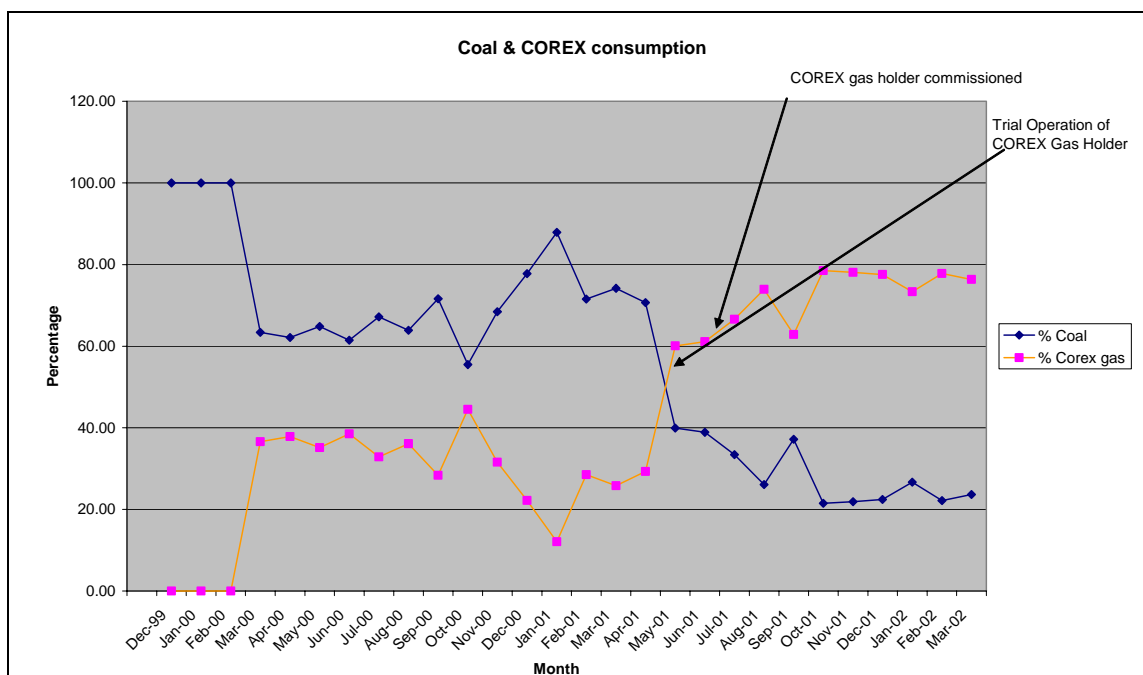
A copy of the certificate from the M/S **Siemens VAI** the supplier of the COREX technology, certifying that JSW Energy is the only power plant generating power using only COREX gas, is attached as Annex B.

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.

**Ans:** During the start of the power plant coal was being fired for power generation. Subsequently, COREX gas and coal were being used as fuel for power generation. Please see the statement in the PDD section A.2 paragraph 3. The data on the use of coal and corex gas from the commencement of the power plant operation upto the trial operation of the corex gas holder and for a further period of one year is as follows:

Month	% Coal	% Corex gas	Remarks
Dec-99	100.0	0.0	<p>Trial runs for use of COREX resulted in frequent tripping (The tripping frequency per month is 1-12 trips with a 13 month operating average of 8 trips in comparison with 0.5 trips in a coal based power plant.</p> <p>Board decision to consider investment in gas holder (keeping in mind CDM benefits) if technical performance is proven, otherwise shift to the use of coal.</p>
Jan-00	100.0	0.0	
Feb-00	100.0	0.0	
Mar-00	63.4	36.6	
Apr-00	62.1	37.9	
May-00	64.9	35.1	
Jun-00	61.5	38.5	
Jul-00	67.2	32.8	
Aug-00	63.9	36.1	

Sep-00	71.6	28.4	
Oct-00	55.5	44.5	
Nov-00	68.4	31.6	
Dec-00	77.8	22.2	
Jan-01	87.9	12.1	
Feb-01	71.5	28.5	
Mar-01	74.2	25.8	<b>Investment decision on Gas Holder was finalised by General manager (TS)</b>
Apr-01	70.7	29.3	<b>Trial operation of Corex gas holder started on 21st April '01</b>
May-01	39.9	60.1	
Jun-01	38.9	61.1	
Jul-01	33.4	66.6	<b>Corex gas holder commissioned on 24th July ,2001</b>
Aug-01	26.1	73.9	
Sep-01	37.2	62.8	
Oct-01	21.5	78.5	
Nov-01	21.9	78.1	
Dec-01	22.4	77.6	
Jan-02	26.7	73.3	
Feb-02	22.2	77.8	
Mar-02	23.7	76.3	



The above data and information demonstrates that in the absence of commissioning of the corex gas holder in July 2001 i.e the project activity, the power plant would have used coal only- considering 30% of the fuel as COREX Gas resulting in occurrence of very frequent trippings.

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

**Ans:** The following is the extract from the EB 23 which clearly states that the request for registration can be sent using the earlier version of the methodology within 8 weeks of the revision. Hence in our opinion as per the below extracts the earlier version of the methodology is applicable to our project document.

18. The Board further agreed to revise the procedures for revision of approved methodologies in order to extend the grace periods for a revision of approved methodologies as follows:

*"16. The revision shall not affect (a) registered CDM project activities during their crediting period; and (b) project activities that use the previously approved methodology for which requests for registration are submitted before or within eight (8) weeks after the methodology was revised."* and

The above decision is taken in the 23<sup>rd</sup> EB meeting held during 22-24<sup>th</sup> February 2006. The revision in the consolidated methodology ACM 0004/version 02 is approved in the 23<sup>rd</sup> EB meeting held during 22<sup>nd</sup> -24<sup>th</sup> February 2004 and it is effective from 3<sup>rd</sup> March 2006.

4. The DOE did not reproduce the stakeholder's comments but only the DOE's response to it.
<b>Ans:</b> The DOE may kindly look into this matter and answer accordingly.
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.
<b>Ans:</b> To our knowledge there is no other operating power plant using COREX gas and we stand by our statement that the project is first of its kind. A copy of the certificate from the M/S <b>Siemens VAI</b> the supplier of the COREX technology, certifying that JSW Energy is the only power plant generating power using only COREX gas, is attached as Annex B.