



Mr. Hans Jürgen Stehr
Chair, CDM Executive Board
UNFCCC Secretariat
CDMinfo@unfccc.int

August 24, 2007

Re: Review requested for request for issuance for “Água Doce Wind Power Generation Project” (Ref. no. 0575) for the monitoring period from 30 Sep 2006 to 30 Apr 2007

Dear Mr. Stehr,

SGS has been informed that the request for issuance for the CDM project activity “Água Doce Wind Power Generation Project” (Ref. no. 0575) for the monitoring period from 30 Sep 2006 to 30 Apr 2007 is under consideration for review because three requests for review have been received from members of the Board.

The requests for review are based on the reasons outlined below. SGS would like to provide an initial response to the issues raised by the request for review:

Request for review 1:

The DOE verified power generation data from two sources, however, the verification report does not mention how the two data were compared and which data was confirmed for the purpose of calculating emission reductions. Further, the DOE mentioned that, “the invoices are not used for the purpose of CER calculation because there was agreed a fixed monthly energy value.” This is not in line with the monitoring plan, which requires the amount of electricity supplied to the grid should be confirmed with the invoices issues by CENAEEL. Further clarification is required.

SGS Response:

It's important to explain the following information:

CENAEEL – Central Nacional de Energia Eólica S.A., one of the project participants.
ELETROBRÁS – Centrais Elétricas Brasileiras S.A, governmental entity and the energy buyer.

The electricity generated and delivered to the grid by the Água Doce project is controlled and monitored by CENAEEL and ELETROBRÁS.

As mentioned clearly in the PDD page 18/19, the electricity supplied to the grid needs to be measured and recorded monthly which is subjected to be checked again with the receipt of sales. In the event of inconsistency, sales invoice would be the data to use. This needs to be noted that there was no inconsistency observed during verification and the electricity supplied to the grid was in line with the registered PDD.

The invoices are prepared as per power purchase agreement (PPA) signed between CENAEEL and ELETROBRÁS. The invoices are not used for the purpose of CER calculation because there was agreed fixed monthly energy value in the PPA. At the end of the year the excess or missing energy is revised for



financial purpose. The same was clearly mentioned in the verification report (page 6). This was the only reason why invoices were used for references only and not for emission reduction calculations.

All data is generated automatically. The meter collects data continuously and sends the information to Copel (concessionary) and to CENAEEL. The internal data is registered in "SCADA" internal operational system.

Besides the information that the invoice should be used for double checking, the applicable procedure for PROINFA projects in Brazil is defined in the PPA. The energy data provided by ELETROBRÁS is official and was cross checked with internal data.

Request for review 2:

If the generation data is being used instead of the net electricity supplied to the grid, clarification is required of how the transmission losses and the power consumption for the wind farm have been accounted.

SGS Response:

Electricity exported to the grid is measured directly, continuously, using an energy meter. Data is transmitted electronically to ELETROBRÁS (energy buyer). This information is recorded in a monthly report (prepared by CENAEEL) and daily report (prepared by Wobben/CENAEEL) and the total verified is registered in the monthly report issued by CENAEEL to Eletrobras.

According to the request, our verification report is not clear about the energy data used. Both ELETROBRÁS and CENAEEL data represents the net electricity delivered to grid (data obtained from the calibrated energy meter). It's important to explain that ELETROBRÁS as the energy buyer has access only to the electricity delivered to the grid. Hence, the transmission loss and the power consumption for the wind farm are already accounted for.

With the above explanation, we hope that the concerns of the EB have been addressed. We do however apologize if this was not sufficiently clear from the verification report.

Fabian Goncalves (+55 11 5504-8887) 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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