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Att: CDM Executive Board

Your ref.: CDM Ref 0868 Our ref.: MLEH/ SSY Date: 28 May 2008

Response to requests to review 'No.2 HFC-23 Decomposition Project of Zhejiang Juhua Co., Ltd, P. R. China.' (0868)

Dear Members of the CDM Executive Board,

We refer to the issue raised by the requests for review by three Board members regarding our request of issuance for project activity 0868 "No.2 HFC-23 Decomposition Project of Zhejiang Juhua Co., Ltd, P. R. China" in China and would like to herewith provide our initial response to the issue raised.

Comment:

The total HFC23 generated during this monitoring period was indicated differently between the version 01 and 02 of the monitoring reports. No clarification has been provided in either the monitoring report or the verification report. Clarification is required.

DNV Response:

DNV described this change between version 01 and 02 of the monitoring reports in its verification / certification report (please refer to first bullet point in the second paragraph in section 2.1 on page 2).

There are two factors that affect the quantity of total HFC23 generated. Those are i) the quantity of HFC23 destroyed, which is a function of the quantity of HFC23 supplied to the destruction process and the purity of the HFC23 supplied to the destruction process, and ii) the total quantity of HFC23 stored in the HFC23 storage tank.

The quantity of HFC23 destroyed was changed from monitoring report version 1 and monitoring report version 2 due to the difference in the determination method for determining the average purity of HFC23 incinerated. As described in DNV's verification report, in version 1 of the monitoring report the purity of HFC23 incinerated was calculated using an arithmetic average, whereas in version 2 a weighted average (the quantity of HFC23 destroyed) of monthly measured values was used instead. The approach selected in version 2 of the monitoring report results in a lower purity of HFC23 and thus a lower quantity of HFC23, and this is therefore the more conservative approach.

Furthermore, for the month of July 2007, the purity of HFC23 was measured twice. In the monitoring report version 1, the average purity for this month is applied in the emission reduction calculation. However, as per the methodology and monitoring plan of the registered PDD, the purity is required to be monitored only once per month. Hence, in version 2 of the monitoring

report, the lower values of the two measurements carried out in July 2007 was applied instead. This results in a lower emission reduction and is a conservative approach and in line with the methodology and monitoring plan.

The second factor which affects the quantity of total HFC23 generate is the quantity of HFC23 stored in the HFC23 storage tank. This value has been changed in version 2 due to the modification in the calculation of the measured HFC23 purity. In the report version 2, the purity of HFC23 sent to the storage tank is assumed to be 100% but not the actually measured value as in version 01 of the monitoring report. This approach results in the increase of the amount of HFC23 stored. Since the quantity of HFC23 stored in the HFC23 storage tank is not used to calculate the emission reduction (only destroyed HFC23 is used to calculate the emission reduction), an increased value results in lower HFC23 emission reductions, and is therefore conservative.

We sincerely hope that the Board find our elaboration on the above satisfactory and look forward to the issuance of CERs for this project activity.

Yours faithfully for Det Norske Veritas Certification AS

Shuyan

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