19 May 2008

The Executive Board of the Clean Development Mechanism

Submitted through DNV

Re: Request for review of the request for issuance for the CDM project activity 'No.2 HFC23 Decomposition Project of Zhejiang Juhua Co., Ltd, P. R. China' (Ref. No. 0868)

Dear Sirs:

Zhejiang Juhua Co., Ltd has been informed that the request for issuance for the CDM project activity 'No.2 HFC23 Decomposition Project of Zhejiang Juhua Co., Ltd, P. R. China' (UNFCCC Ref. No.0868) is under consideration for review because three requests for review have been received from three members of EB.

To address the reasons for the requests for review, project participant would like to make response and clarification through this letter.

Reason

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.

PP response:

In the principle of conservativeness, in Version 02 of the monitoring report, the project owner revised three values of HFC23 purity, consequently, the quantity of HFC23 stored in HFC23 storage tank and the quantity of HFC23 destroyed has been changed, which led to the difference of the total HFC23 generated between Version 01 and Version 02 of monitoring report.

The project owner would like to clarify the difference of the total quantity of HFC23 stored in HFC23 storage tank and the quantity of HFC23 destroyed.

1. In this monitoring period, the quantity of HFC23 destroyed (*Q_HFC23_y) has been changed. In the Version 01 of the monitoring report, the quantity of HFC23 destroyed is 184.03203t, in Version 02 of the monitoring report, the quantity of HFC23 destroyed is 184.02199t, decrease 0.01004t.

The quantity of HFC23 destroyed in this monitoring period (*Q_HFC23_y) =the quantity of HFC23 supplied to the destruction process in this monitoring period (*q_HFC23_y)*the purity of HFC23 supplied to the destruction process in this monitoring period (p_HFC23_y)

$*Q\_HFC23_y = *q\_HFC23_y * p\_HFC23_y$

In Version 01 of the monitoring report:
$*Q\_HFC23_y = *q\_HFC23_y * p\_HFC23_y$
=185.96796*98.959%
=184.03203t (page 3 and 15)

In Version 02 of the monitoring report:
$*Q\_HFC23_y = *q\_HFC23_y * p\_HFC23_y$
=185.96796*98.954%
=184.02199t (page 3 and 15)

There are two reasons for the change in p_HFC23_y

①Change in the purity of HFC23 supplied to destruction process in July（p_HFC23_{July}）

In Version 01 of the monitoring report: p_HFC23_{July}=98.820% (page 23)

In Version 02 of the monitoring report: p_HFC23_{July}=98.734% (page 22)

In July 2007, due to the test operation of facility, the project owner conducted two analyses for the purity of HFC23 supplied to the destruction process, the results of these analyses are 98.734% and 98.905% respectively.

In Version 01 of the monitoring report, the project owner adopts the average value of these two values as 98.820%, in Version 02 of the monitoring report, the project owner adopts the smaller value of 98.734%, we think it is more conservative by using smaller value of these two values，and it also meets the requirement of AM0001.

②The method of calculating the purity of HFC23 supplied to the destruction process in this monitoring period has been changed

In Version 01 of the monitoring report, the arithmetical average method is adopted:
p_HFC23_y=98.959% (page 23)

In Version 02 of the monitoring report, the weighted average method is adopted:
p_HFC23_y=98.954% (page 22)

We think the method of weighted average is more appropriate, meanwhile, in this monitoring period, the value obtained through the method of weighted average is smaller than that through arithmetical average method, so adopting weighted average method is in line with the principle of conservativeness.

It is obvious that the change in *Q_HFC23 is caused by the change in the purity of HFC23 (p_HFC23_y) supplied to the destruction process in this monitoring period. This change directly leads to the decrease of 0.01004t of HFC23 destroyed in Version 02 of the monitoring report, this calculation method is more conservative, it also meets the requirement of AM0001.

2. The quantity of HFC23 stored in the HFC23 storage tank has been changed, in Version 01 of the monitoring report, the quantity of HFC23 stored is 133.89613t, in Version 02 of the monitoring report, that quantity is 135.81658t, increase 1.92045t.

In Version 01 of the monitoring report:

The quantity of HFC23 stored in the HFC23 storage tank=the quantity of HFC23 supplied to the HFC23 storage tank*the purity of HFC23 supplied to the HFC23 storage tank

=135.81658*98.586%

=133.89613t (page 3)

In Version 02 of the monitoring report:

The quantity of HFC23 stored in the HFC23 storage tank=the quantity of HFC23 supplied to the HFC23 storage tank*100%

=135.81658*100%

=135.81658t (page 3)

During this monitoring period (from April 6 2007 to October 31 2007), the reason of the change of HFC23 stored in the HFC23 storage tank is the difference of the purity of HFC23 supplied to the HFC23 storage tank between the two versions of the monitoring report. When 100% was adopted as purity in calculation, there is no change in the quantity of HFC23 destroyed which is used to calculate emission reductions. Before the HFC23 stored in the storage tank and the HFC23 generated in HCFC22 production lines are sent to the destruction process, the quantity and purity of these HFC23 is measured i.e. the quantity and purity of HFC23 supplied to the destruction process is measured. These values are used to calculate the emission reductions. In reality, the purity of HFC23 supplied to the HFC23 storage tank is not directly used to calculate the emission reductions. In project 0549 and 0550, the same approach is adopted and approved by EB, the emission reductions achieved by these projects also approved by EB, which illuminate the accountability of this method to meet the requirement of AM0001, so the project owner adopt this method, which was reflected in Version 02.

Due to the changes in the issue 1 and 2, when setting the CAP quantity for the

eligible HFC23 in this monitoring period (from April 6 2007 to October 31 2007), in Version 02 of the monitoring report, 11.24137t of HFC23 has been deducted from the HFC23 remained in the HFC23 storage tank (page 19, version 02 of the monitoring report), while in version 01 of the monitoring report there are 9.33096t of HFC23 has been deducted from the HFC23 remained in the HFC23 storage tank (page 20, version 01 of the monitoring report). There are 1.91041t more of HFC23 is deducted in Version 02 of the monitoring report than in version 01 of the monitoring report. （it can been seen from issue 1 and 2,1.92045t－0.01004t=1.91041t）.

To sum up, due to the changes of the quantity of HFC23 destroyed (*Q_HFC23$_y$) and the quantity of HFC23 stored in the HFC23 storage tank, the total quantity of HFC23 generated in this monitoring period has increased 1.91041t, the change we made is for conservative reason, it also meet the requirement of AM0001.

We hope that this letter address and clarify the relevant questions. If further information is required, Zhang Xueliang will be the contact person for the review process and is available to address questions from EB during the consideration of the review in case the Executive Board wishes.

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