August 11, 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 third periodic verification for No.2 HFC23 Decomposition Project of Zhejiang Juhua Co., Ltd, P. R. China 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

Clarification is required on how the DOE verified the quantity of HFC23 stored eligible for destruction and HFC23 destruction for this monitoring period in accordance with the Annex 8of EB39.

PP response:

1、This monitoring period covers the project activity from January 01, 2008 to April 5, 2008, and on site verification is conducted by DNV on April 15-16, 2008, EB39 meeting is hold from May 14-16, 2008, so the relevant requirements of EB39 annex 8 were not described in monitoring report of this monitoring period.

2、This project began to store HFC23 on April 6, 2007, stop to store HFC23 on July 11, 2007. Under the supervision of DNV, the line for HFC23 to the storage tank was disconnected on July 16, 2007. In the monitoring report for the first monitoring period, the quantity of HFC23 stored was identified as 135.81658 tonne. For this project, the method for calculating the quantity of HFC23 destruction credited in this monitoring period is essentially consistent with the calculation method represented in EB39 annex 8.

3、For conservation reason and convenience to read and check, we calculated the quantity of HFC23 destruction credited in this monitoring period ($Q_{HFC23.cr.i.y}$) according to the method represented in EB39 annex 8 and found that $Q_{HFC23.cr.i.y}$ is 112.47889 MT, which is equivalent to the data reported in Ver.01 of the Monitoring Report. Detail as below:

This project activity have been registered according to the approved methodology AM0001 Version 04, the following formulate is used to estimate the quantity of HFC23

destruction credited in this monitoring period.

$$Q_{HFC,cr,i,y} = MIN \left\{ \begin{array}{c} MIN\left(QHCFC\ \ 22_{HIST}; \sum_{n=1}^{i} Q_{HCFC\ 22,n,y} \right) \times MIN\left(w; \frac{\sum_{n=1}^{i} Q_{HFC\ 23,g,n,y}}{\sum_{n=1}^{i} Q_{HCFC\ 22,n,y}} \right) + Q_{HFC\ 23,co,i,y} \\ \sum_{n=1}^{i} Q_{HFC\ 23,d,n,y} \end{array} \right\} - \sum_{m=1}^{i-1} Q_{HFC\ 23,cr,m,y}$$

Where:

$Q_{HFC23, cr, i, y}$: Quantity of HFC23 destruction credited in the monitoring period *i* of year *y*

Q_HCFCe_{HIST}: The maximum annual HCFC-22 production that is eligible for crediting as determined and fixed in the registered CDM-PDD

$Q_{HCFC22g, n, y}$: Quantity of HCFC22 produced in the monitoring period *n* of year *y, i.e.* Q_HCFC_y

w : The waste generation rate (HFC23)/(HCFC22) for the originating production line as determined and fixed in the registered CDM-PDD

$Q_{HFC23, co, y}$: Quantity of HFC23 stored by the end of year *y-1* and eligible for destruction in year *y*

$Q_{HFC23, g, n, y}$: Quantity of HFC23 generated in the monitoring period *n* of year *y*

$Q_{HFC23, d, n, y}$: Quantity of HFC23 destroyed in the monitoring period *n* of year *y*

$Q_{HFC23, cr, m, y}$: Quantity of HFC23 destruction credited in the monitoring period *m* of year *y*

i : Monitoring period for which issuance of CER is requested

n : Monitoring periods from the start of the year up to the monitoring period i

m : Monitoring periods of year y that preceded the monitoring period i

$$Q_{HFC,cr,i,y} = MIN \left\{ \begin{array}{c} MIN\left(QHCFC\ \ 22_{HIST}; \sum_{n=1}^{i} Q_{HCFC\ 22,n,y} \right) \times MIN\left(w; \frac{\sum_{n=1}^{i} Q_{HFC\ 23,g,n,y}}{\sum_{n=1}^{i} Q_{HCFC\ 22,n,y}} \right) + Q_{HFC\ 23,co,i,y} \\ \sum_{n=1}^{i} Q_{HFC\ 23,d,n,y} \end{array} \right\} - \sum_{m=1}^{i-1} Q_{HFC\ 23,cr,m,y}$$

$$Q_{HFC,cr,i,y} = MIN \left\{ \begin{array}{c} MIN\left(13708.9; 14342.68\right) \times MIN\left(3\%; 3.13\%\right) + 0 \\ 447.91204 \end{array} \right\} - 298.78811$$

$$Q_{HFC,cr,i,y} = MIN \left\{ \begin{array}{c} 13708.9 \times 3\% + 0 \\ 447.91204 \end{array} \right\} - 298.78811$$

$$Q_{HFC,cr,i,y} = MIN \left\{ \begin{array}{c} 411.26700 \\ 447.91204 \end{array} \right\} - 298.78811$$

$$Q_{HFC,cr,i,y} = 112.47889$$

Detail as below：

Period	Period of 1st project year	$QHCFC22_{HIST}$ MT (A)	$\sum_{n=1}^{i} Q_{HCFC22,n.y}$ MT (B)	w (C)	$\sum_{n=1}^{i} Q_{HFC23,g,n.y}$ MT (D)	$\frac{\sum_{n=1}^{i} Q_{HFC23,g,n.y}}{\sum_{n=1}^{i} Q_{HCFC22,n,y}}$ (E)=(D)/(B)	$Q_{HFC,co,y}$ MT (F)	$\sum_{m=1}^{i-1} Q_{HFC23,cr,m.}$ (G)	$\sum_{n=1}^{i} Q_{HFC23,d,n.y}$ (H)
Apr 06,2007 to Oct 31,2007	1st	13708.9	8634.24	3%	270.26857	3.13%	0	0	184.02199
Nov 01,2007 to Dec 31,2007	2nd	13708.9	10811.46	3%	338.2871	3.13%	0	184.02199	298.78811
Jan 01,2008 to Apr 05,2008	3rd	13708.9	14342.68	3%	449.43443	3.13%	0	298.78811	447.91204

In this project, the start dating of the crediting period is April 6, 2007 and this monitoring period is the 3rd as well as the last monitoring period of the 1st project year.

(A)$QHCFC22_{HIST}$

This value is fixed in the registered CDM-PDD as 13708.9MT.

(B) $\sum_{n=1}^{i} Q_{HCFC22,n.y}$

Period of 1st project year	$Q_{HCFC22,n,y}$	$\sum_{n=1}^{i} Q_{HCFC22,n.y}$
1st	8634.24	8634.24
2nd	2177.22	10811.46
3rd	3531.22 Refer to MR Appendix 5 Q_HCFC$_y$	14342.68

(C) w

This value is fixed in the registered CDM-PDD as 3%.

(D) $\sum_{n=1}^{i} Q_{HFC23,g,n.y}$

Period of 1st project year	$Q_{HFC23,g,n,y}$	$\sum_{n=1}^{i} Q_{HFC23,g,n.y}$
1st	270.26857	270.26857
2nd	68.01853	338.2871
3rd	111.14733	449.43443

(E) $\frac{\sum_{n=1}^{i} Q_{HFC23,g,n,y}}{\sum_{n=1}^{i} Q_{HCFC22,n,y}}$

Period of 1st project year	$\frac{\sum_{n=1}^{i} Q_{HFC23,g,n,y}}{\sum_{n=1}^{i} Q_{HCFC22,n,y}}$	$\frac{\sum_{n=1}^{i} Q_{HFC23,g,n,y}}{\sum_{n=1}^{i} Q_{HCFC22,n,y}}$
1st	270.26857/ 8634.24	3.13%
2nd	338.2871/10811.46	3.13%
3rd	449.43443/14342.68	3.13%

(F) $Q_{HFC23,\ CO,\ y}$

The quantity of HFC23 that has been stored by the end of last year and eligible for destruction in this project year ($Q_{HFC23,co,y}$) is zero.

The quantity of HFC23 destruction credited in this project year (411.26700 MT) is equal to maximum amount of HFC23 that is eligible for crediting.

Therefore the quantity of HFC-23 stored by the end of this project year and eligible for destruction in next project year is zero.

(G) $\sum_{m=1}^{i-1} Q_{HFC23,cr,m.y}$

Period of 1st project year	$Q_{HFC23,cr,m,y}$	$\sum_{m=1}^{i-1} Q_{HFC23,cr,m.y}$
1st	184.02199	0
2nd	114.76612	184.02199
3rd		298.78811

(H) $\sum_{n=1}^{i} Q_{HFC23,d,n.y}$

Period of 1st project year	$Q_{HFC23,d,n,y}$	$\sum_{n=1}^{i} Q_{HFC23,d,n.y}$
1st	184.02199	184.02199
2nd	114.76612	298.78811
3rd	149.12393	447.91204

The quantity of HFC23 destroyed ($Q_{HFC23,d,n,y}$)is calculated as the product of quantity of waste HFC23 supplied to the destruction process (q_HFC23_y) measured in metric tonnes and the purity of the waste HFC23 (p_HFC23_y) supplied to the destruction process that is determined and expressed as the fraction of HFC23 in the waste.

$Q_{HFC23,d,n,y}$**= q_HFC23$_y$* p_HFC23$_y$**

$Q_{HFC23,d,n,y}$**=151.20857*98.62135%**

$Q_{HFC23,d,n,y}$**=149.12393MT**

q_HFC23$_y$: Refer to Appendix 1 of MR

p_HFC23$_y$: Refer to Appendix 2 of MR

It can be seen that the quantity of HFC23 destruction credited in this monitoring period calculated using the method represented in EB39 annex 8 is 112.47889 MT, which is equivalent to the amount reported in Ver.02 of the monitoring report

Reason

The monitoring report (page 4) stated that"HFC23 waste gas generated in …is sent to these three HFC23 buffer tanks, after measured by HFC23 flow meters, and then those HFC23 enter into the incinerator to be decomposed." Further clarification is required on how the quantity of HFC23 supplied to the destruction process was measured.

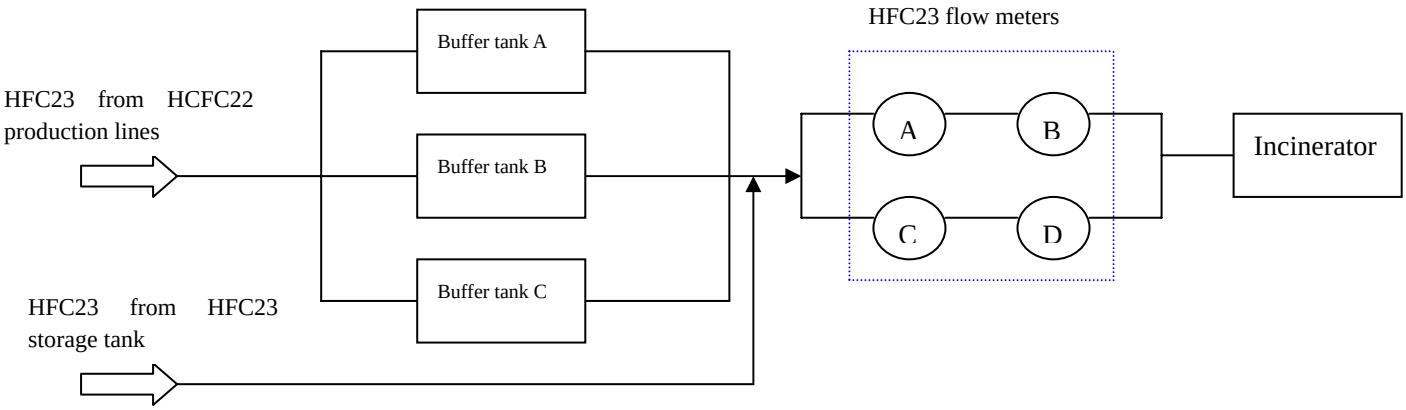
PP response:

In monitoring report（page 4）stated that *"In this project, there are three HFC23 buffer tanks. HFC23 waste gas generated in No.703 and No.4-703 HCFC22 production lines is sent to these three HFC23 buffer tanks, after measured by HFC23 flow meters, and then those HFC23 enter into the incinerator to be decomposed. " T*he above description is not very clear, the correct one should be "In this project, there are three HFC23 buffer tanks. The HFC23 waste gas generated in No.703 and No.4-703 HCFC22 production lines is sent to these three HFC23 buffer tanks first, then HFC23 waste gas will be measured by HFC23 flow meters and finally send to the destruction process.".

The following is the more detailed description:

In this project, there are three buffer tanks (gas phase tank) .The purpose of buffer tanks is to buffer against the HFC23 generated from No.703 and No.4-703 HCFC22 product lines. When the incinerator shutting down, the HFC23 generated from these HCFC22 product lines would be stored temporarily in these buffer tanks, and be destructed after incinerator is put into operation again. In normal circumstance, those buffer tanks are not used to store HFC23 generated from No.703 and No.4-703 HCFC22 production lines, their function is only to buffer against the HFC23. These three buffer tanks (gas phase tank) were installed before HFC23 flow meters (i.e. flow meters measuring the quantity of HFC23 supplied to the destruction process).

The location relationship between those buffer tanks and the flow meters used to measure the quantity of HFC23 supplied to the destruction process is shown below:



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.

Zhang Xueliang
Zhejiang Juhua Co., Ltd.
Address: Quzhou, Zhejiang Province, P.R.China
E-mail: fhzxl@juhua.com.cn
Tel: +86-570-3614382
Fax: +86-570-3098687
P.C. 324004