



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

May 23rd 2007

Re: Request for review of the request for registration for the CDM project activity "8.0 MW Biomass Based Power Project at Mahasamund, India" (Ref. no. 0934)

Dear Mr. Stehr

SGS has been informed that the request for registration for the CDM project activity "8.0 MW Biomass Based Power Project at Mahasamund, India" (Ref. no. 0934) 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 same reason outlined below. SGS would like to provide an initial response to the issues raised by the request for review:

Request 1

The complete IRR calculations have not been transparently presented in the PDD, in particular the incorporation of the operating and maintenance expenditures and the calculation of CER revenues.

SGS Response to the Comments:

IRR excel spreadsheet for the project activity is now provided (Annex 1) with a detailed calculations regarding the O&M expenditures and CER revenues. Also certificate from CA who was involved in preparation of Financial Analysis spreadsheet for the project activity is attached herewith (Annex 3). The assumptions used while preparing the IRR excel spreadsheet are now mentioned in the excel sheet. This confirms the transparency in the calculations.

Request 2

The monitoring plan does not include the annual evaluation of whether there is a surplus of biomass in the region and any leakage that may need to be estimated and deducted from the emission reductions in accordance with the SSCWG "General guidance on leakage in biomass project activities (Version 2)"

SGS Response to the Comments:

The PDD uses a conservative approach in calculating the leakage and project emissions. The availability of surplus biomass more than 25% in the region was ensured as per EB25/Annex 33. The same was verified with the biomass assessment report. However, the annually monitoring of surplus biomass in the region according to EB28/Annex 35 was not taken in account and has been incorporated in monitoring plan of the corrected version 06 of the PDD attached with this response (Annex 2).

Request 3

SGS United Kingdom Ltd | SGS House, 217-221 London Road, Camberley, Surrey GU15 3EY Tel +44 (0)1276 697877 Fax +44 (0)1276 691155
Registered in England No. 1193985 Rossmore Business Park, Ellesmere Port, Cheshire CH65 3EN www.sgs.com

Member of SGS Group (Société Générale de Surveillance)



The PDD does not specify the exact location of the project activity and the map is not in English.

SGS Response to the Comments:

Rephrased PDD includes the Longitude and Latitude of the nearest place Mahasamund with more information on the address. Also the map in English showing the project activity area is included in the corrected version 06 of the PDD. The revised PDD is attached herewith (Annex 2).

We feel that the clarification requirement has been taken into account. We do however apologize if this was not sufficiently clear from the validation report and previous response.

Sanjeev Kumar (+91 9871794628) 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

Irma Lubrecht
Technical Reviewer
Irma.lubrecht@sgs.com
T: +31 181 693293
M: +31 651 851777

Shivananda Shetty
Lead Auditor
Shivananda.shetty@sgs.com
T: +91 124 2399990-98
M: +91 987 17194706

Annexes:

1. IRR excel spreadsheet
2. PDD version 06
3. CA certificate regarding IRR calculations