

Mr. R K Sethi Chair, CDM Executive Board UNFCCC Secretariat CDMinfo@unfccc.int

27th August 2008

Dear Mr. Sethi,

RE: Request for review of the request for issuance for the CDM project activity "Fuel switch from fossil fuel to renewable biomass for thermal energy applications in Rajasthan" (Ref. no. 0949)

SGS has been informed that the request for issuance for the CDM project activity "Fuel switch from fossil fuel to renewable biomass for thermal energy applications in Rajasthan" (Ref. no. 0949) for the monitoring period 8th April 2007 to 31st December 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 same reasons outlined below. SGS would like to provide a response to the issue raised by the requests for review:

Request for Review 1-3, Issue 1:

1. The entire quantity of biomass measured by the weigh bridge installed at the main entry of manufacturing plant was consumed in the project boiler only

SGS' Response to Issue 1:

As mentioned in verification report section 3.2 page 8, the biomass coming into the industry is being consumed in the boiler for power generation (steam) as observed during the verification. This fact was established based on the observation discussed hereafter. The each incoming biomass lot to the industry is weighed by the calibrated weighbridge installed at the entrance of the mill. The guantity of weighed biomass is recorded in the form of 'Weighment Slip' (Annex 1) and these slips are archived as plant records in the store department. The 'Weighment Slip' indicates the quantity of biomass received by the 'store department'. The quantity of biomass is also simultaneously recorded in the soft copies in the store department as plant records. The biomass required (quantity to be issued) by the boiler unit for combustion is issued by the store department against the 'Store Requisition cum Issue Slip' (Annex 1). The biomass prior to such issuance is weighed and the issued quantity is subtracted from the available stock. The 'Store Requisition cum Issue Slips' are archived after countersigned by the competent authority. At any given time the total quantity of biomass available at store and consumed in the boiler can be matched with the 'Weighment Slips' i.e. biomass intake to the store. During the verification site visit, the stocks of biomass at store and biomass consumed at boiler were cross checked from the 'Weightment Slip' and found in order. There was no other thermal generating equipment observed in the industry. The issued quantity of biomass from the store is completely consumed in the boiler only. The issued quantity of biomass from the store was used for the emission reduction calculation and not the entire quantity of biomass coming to the industry.

Request for Review 1-3, Issue 2:

2. The same quantity of energy input in the boiler is required in the baseline as in the project, for calculations of equivalent coal replaced without taking into account the efficiency of boiler in different scenarios

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SGS' Response to Issue 2:

The project activity is registered on the approved methodology AMS IC version 08, which doesn't talk about efficiency of energy generating equipment (boiler in this case). Further, referring to the AMS IC, version 08 para. 6 which clearly says *"For renewable energy technologies that displace technologies using fossil fuels, the simplified baseline is the fuel consumption of the technologies that would have been used in the absence of the project activity times an emission coefficient for the fossil fuel displaced"*. The same approach, as suggested by approved methodology, was followed at the time of validation and the project was successfully registered by CDM EB. Considering the fact, that it is a registered project activity wherein the PDD monitoring plan is in line with the approved methodology AMS.IC version 08, the DOE has carried out the verification. The registered monitoring plan is being followed up on the site. The selected method of emission reduction calculations in this verification followed the registered PDD and the approved monitoring methodology AMS.IC, version 08

While responding to this request for review by CDM EB, these validation issues have been looked into now considering the efficiency of boiler in the baseline and project activity scenarios. While applying the approved methodology and formula provided in the registered PDD, the boiler efficiency of baseline and project scenarios were not considered the requirement of the verification.

The latest version available of applied methodology i.e. AMS.IC version 13 was used to address the issue raised in request of review, since this version of methodology para13 suggest three options to calculate the efficiency of baseline unit. Option b i.e. highest of the efficiency values provided by two or more manufacturers for units with similar specifications has been used for estimating the efficiency of boiler in baseline. A letter (Annex 2) dated 03/12/2001 issued by Thermax Limited, India reported 75% efficiency of the coal based boiler with same specifications. Similarly, one more technology provider Indcon Boiler Limited dated 12/05/2001 reported the 72% (±2) efficiency of the coal fired boiler with similar specifications as attached in Annex 3. So, 75% efficiency of the boiler was accepted for baseline unit as highest efficiency out of two manufacturer letter. For the project activity unit, 74.99 % boiler efficiency was estimated in September, 2007 by Thermax Limited and it was verified from the Efficiency Trail Report 21st August, 2008 issued to the project proponent (Annex 4). So it is evident from the above discussed fact that the efficiency of the baseline unit and project activity unit is same and the emission reduction calculations was carried out right in order even after following the latest version of applied methodology AMS.IC.

Pankaj Mohan (0091 9871794671) 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,

Sanjeev Kumar

Technical Reviewer,

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Encl:

Annex 1: Weighment Slip and Store Requisition cum Issue Slip Annex 2: Letter of Thermax Limited for coal fired boiler efficiency Annex 3: Letter of Indcon Boiler Limited for coal fired boiler efficiency Annex 4: Letter of Thermax Limited for project activity boiler efficiency