



Chair, CDM Executive Board
UNFCCC Secretariat
CDMinfo@unfccc.int

August 13th 2007

Re: Request for review of the request for registration for the CDM project activity “Priyata Intercontinental Wind Power Project, India” (Ref. no. 1142)

Dear Sir,

SGS has been informed that the request for registration for the CDM project activity “Priyata Intercontinental Wind Power Project, India” (Ref. no. 1142) 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 reasons outlined below. Our initial response to the issues raised by the requests for review is as below:

Request 1, 2 and 3:

1. Further evidences regarding the assumed plant load factor and the sensitivity analysis of the investment analysis based on this parameter are required.

2. The parameters of the monitoring plan should be amended to contain a more complete description of how it is assured that the exported electricity has been cross checked with the actual output of the project activity.

SGS Response to the Comments:

1. The project activity is having 3 wind turbines 1.25 MW each. The turbine installed at Sangli is S.66 having lesser guaranteed generation (2.75 million kWh per year) in comparison to other two turbine having 2.8 million kWh per year generation. During the validation of the project activity, the guaranteed generation was verified from the purchase order (PO) of individual WEGs. The calculation of Plant load factor (PLF) is explained as below;

Table 1: Electricity generated based on the Purchase Order Copy

| Sl. No. | Item | Capacity of wind turbine | Guaranteed generations (Million kWh) | Guaranteed generations (Million kWh per MW) |
|---------------------------|---------------|--------------------------|--------------------------------------|---|
| 1. | S.66 (Sangli) | 1.25 | 2.75 | 2.2 |
| 2. | S.70 (Dhule) | 1.25 | 2.8 | 2.24 |
| 3 | S.70 (Dhule) | 1.25 | 2.8 | 2.24 |
| Average generation per MW | | | | 2.22667 |

PLF = (Quantity of electricity generated per MW/no of hrs in a year)

$$\begin{aligned}
 &= (2.22667) * 10^3 / (8760) \\
 &= 0.25419 \\
 &= 25.419\%
 \end{aligned}$$

Further to the PO, the prognosis report for S.70 & S.66 machines provided by the technology supplier providing the guaranteed generation submitted as Annex 2 to this document and same can be treated as evidence to support the assumed plant load factor (PLF) value for the financial analysis. The prognosis report has been prepared based on the site assessment study conducted by technology supplier Suzlon Energy Ltd.

The sensitivity analysis has been done with varying the plant load factor (PLF) value. The PLF considered for the sensitivity analysis is 25.419%. Table 2 given below provides the extract of the sensitivity analysis:

Table 2: Sensitivity Analysis Results

| Sl.No | Variation in PLF | PLF | IRR without CDM Funds |
|-------|----------------------|---------|-----------------------|
| 1 | -1 percent variation | 25.16% | 13.53% |
| 2 | -2 percent variation | 24.91% | 13.20% |
| 3 | -3 percent variation | 24.66% | 12.87% |
| 4 | -4 percent variation | 24.40% | 12.54% |
| 5 | -5 percent variation | 24.15% | 12.21% |
| 6 | No Variation | 25.419% | 13.86% |
| 7 | +1 percent variation | 25.67% | 14.19% |
| 8 | +2 percent variation | 25.93% | 14.52% |
| 9 | +3 percent variation | 26.18% | 14.85% |
| 10 | +4 percent variation | 26.44% | 15.18% |
| 11 | +5 percent variation | 26.69% | 15.51% |

Thus the sensitivity analysis study concludes that even after considering (+) 5 percent variation in the PLF, the IRR of the project activity comes out to be 15.5 % which is still below the benchmark returns of 16%. This was also noted that the wind machines are performing below the guaranteed generation (25.419% PLF) in present scenario. And hence while estimating the amount of emissions generated from the project activity project proponent has taken a conservative estimate of PLF of 22% which was verified during site visit.

The sensitivity analysis study has been incorporated in the IRR sheet which has been attached herewith as Annex 3.

2. Table provided in Section D.3 of the revised PDD now mentions that the net electricity supplied to grid value obtained from the Maharashtra State Electricity Distribution Company Limited (MSEDCL) will be cross checked by the generation report submitted by Suzlon Energy Ltd and ensure that the units considered are matching with the rated capacity of the WEGs. In case of any discrepancy in readings the lowest (conservative) values will be used for emission reduction calculations.

Other than these, two new monitoring parameters are also included in monitoring plan *i.e.* gross electricity generated from each wind mill and internal consumption (import from electricity grid). The net electricity exported to the grid will be taken from bills raised by MSEDCL (electricity purchaser). This value will be cross checked with the difference between gross generation and internal consumption. The conservative value out of both will be used for emission reduction calculations.



The section D of the PDD has also been revised accordingly. The revised PDD is attached as Annex 1 to this document.

Therefore, with the above correction, explanation and evidence enclosed, we feel that the decision by the EB has been taken into account. We do however apologize if this was not sufficiently clear from the validation report.

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

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Encl.:

Annex 1: Revised PDD version 05 dated 10th August 2007

Annex 2: Prognosis report for 3 wind turbines provided by technology supplier

Annex 3: Revised IRR sheet with sensitivity analysis for the project activity