



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

August 24th 2007

Re: Request for review of the request for registration for the CDM project activity “Renewable biomass residue based steam generation at Arvind Mills, Santej” (Ref. no. 1217)

Dear Mr. Stehr,

SGS has been informed that the request for registration for the CDM project activity “Renewable biomass residue based steam generation at Arvind Mills, Santej” (Ref. no. 1217) is under consideration for review because four 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, 2, 3 and 4:

1. Further clarification should be provided regarding the assumptions on which the calculation of the levelized cost of generation is based, as it depends significantly on the fuel costs assumed. In addition, it should be more clearly explained from where the assumptions have been derived and how they have been validated.

SGS's Response on the Comments

The excel spreadsheet for levelized cost analysis; submitted to UNFCCC during the request for registration provides source of assumption/data used therein. The respective data source was checked during the validation site visit for the assumption and thus found accepted. The excel spreadsheet with more information on the source of assumptions is attached as Annex 1 to this letter. Also Annex 2 provides the referred documents which were used as a source for assumptions in the Annex 1. Validation report was rephrased and it was explained in section 3.2 that how the assumptions mentioned in the levelized cost analysis was validated. The revised validation report is attached as Annex 3 to this letter.

Therefore, we feel that the clarification sought by board members has been taken into account. We do however apologize if this was not sufficiently clear from the earlier 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.

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Yours sincerely

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Annex 1: Levelized Cost Analysis
Annex 2: Documents used as a source for assumptions
Annex 3: Revised Validation Report