



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

5th November 2007

Re Request for review for the CDM project activity “e7 Galapagos / San Cristobal Wind Power Project” (N°. 1255)

Dear Mr. Stehr,

SGS has been informed that the request for registration of the CDM project activity “e7 Galapagos / San Cristobal Wind Power Project” (N°. 1255) 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 and read. SGS would like to provide a response to the issue raised by the review team:

Request for clarification to the DOE/PP:

1. *The PP shall further demonstrate the additionality of the project activity.*

SGS Reply:

During the site visit as part of the validation process, it was confirmed that the proposed project activity is the first wind farm project in Ecuador (Please see section “*The first Ecuadorian Wind Farm is a fact*” of the following link <http://www.galapagoswind.org/news.html>).

All assumptions associated with the barriers have been verified during the assessment and were found to be genuine and reliable.

2. *Emissions from leakage due to the project activity should be included according to paragraph 12 of AMS-I.D. v10 methodology.*

SGS Reply:

According to AMS I.D version 10: *Leakage has to be considered “If the energy generating equipment is transferred from another activity or if the existing equipment is transferred to another activity”.*

Since the project activity is a Greenfield project and all equipment associated with the project activity is new (manufactured by MADE from Spain), it has been concluded that leakage does not have to be considered.

(Please see section “*Wind Turbines Ready for Shipment in Spain*” of the following link

<http://www.galapagoswind.org/news.html>).

3. *The start date of the project activity should be revised in the PDD to the earliest of the dates at which the implementation or construction or real action of the project activity began.*

SGS Reply:

The start date of the project activity has been corrected in the PDD, following a publication in the Ecuadorian newspaper El Comercio dated September 6th, 2006, indicating that the date of construction of the project was September 1st, 2006 (please find attached copy of the newspaper and translation of the text as Annex 1 to this response).

The starting date of electricity generation was September 1st, 2007.

The revised PDD is attached to this response as Annex 2.

4. *Clarification on the crediting period renewals is required as the project activity lifetime is 20 years.*

SGS Reply:

In PDD section C.2.1.2 it is stated that the crediting period is “Seven (7) years, with the option of two renewals of further seven (7) years each”. Furthermore, it was stated in PDD section C.1.2 that project activity has an operational lifetime of a minimum of 20 years. This has been confirmed by reviewing available literature and specialized information sources. It is however important to clarify that the operational lifetime of the wind turbines do not determine the lifetime of the project activity since the concession for electricity generation outlasts the crediting period and the technology utilized by the project is subject to potential replacement prior to the end of the crediting period, should it become unusable. According to resolution 004/06 from CONELEC, the concession period for wind power generation is 25 years (please find attached translated text of the mentioned resolution as Annex 3 to this response). The project participant can then substitute a wind turbine, if necessary, to ensure the proper overall functioning and generation capacity of the project throughout the chosen renewable crediting periods.

Therefore, we feel that all queries of the board members have been answered. We do however apologize if this was not sufficiently clear from the validation report.

Emilio Doens (+507 3170828) will be the contact person for the review process and is available to address questions from the Board during EB36 in case the Executive Board wishes.

Yours sincerely,

Sanjeev Kumar
Technical Reviewer
Sanjeev.kumar@sgs.com
T: + 91 124 2399990 - 98
M: + 91 9871794628

Emilio Doens
Team Leader
emilio.doens@sgs.com
T: + 507 3170828
M: +507 67471425

Annexes:

Annex 1: Copy of newspaper El Comercio including translation of part of the text

Annex 2: Revised PDD dated 25/09/2007

Annex 3: Resolution 004/06 from CONELEC including translation of part of the text