



Mr. Rajesh Kumar Sethi
Chair, CDM Executive Board
UNFCCC Secretariat
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24th September 2008

Dear Mr. Sethi,

RE: Request for review of the request for registration for the CDM project activity 'Chuanhua N2O Abatement Project' (Ref. No. 1781)

SGS has been informed that the request for registration for the proposed CDM project activity 'Chuanhua N2O Abatement Project' (UNFCCC Ref. No. 1781) is under consideration for review because three requests for review forms have been received from members of the Board.

The reasons for the requests are copied (exactly) from the CDM Project Activity Request for Review Form F-CDM- RR. Through this letter, we would like to provide a response to the requests for review.

Requests for Review 1, Issue 1:

As RIT pointed out clearly, the monitoring plan is too generic and PDD said it should be verify during the verifying stage???? Is this normal for those projects which apply this methodology? I don't think so. Therefore, I would like to suppor the opinion of RIT as request for review.

Requests for Review 2, Issue 2:

As RIT pointed out, the monitoring plan should be verified by the DOE during the verification process and it is pending.

Requests for Review 3, Issue 3:

No content.

SGS Response to Issue 1-2:

It is unclear exactly what the reasons for review are but the two mentioned issues of the monitoring plan being generic and the plan being reviewed during verification will be addressed below.

Monitoring Plan

The monitoring plan for project 1781 is described in three different sections of the PDD:

- B.6.2 (data and parameters that are available at validation), pages 25-34
- B.7.1 (data and parameters monitored), pages 37-46
- Annex 4 (monitoring information), pages 57-60.

For sections B.6.2 and B.7.1, information on the parameters is provided regarding data sources, monitoring equipment, values used, and measurement methods and monitoring procedures applied. Annex 4 contains detailed information about operational procedures and quality assurance responsibilities, as well as the operational management structure. Section B.7.2 (description of the monitoring plan) refers to Annex 4 which contains detailed information. Altogether, there are 24 pages of the monitoring plan for the project activity throughout the PDD. This plan provides detailed information, preventing the plan from being generic.



Determination of the Permitted Operating Conditions during Verification

SGS' opinion is that the monitoring plan is in line with EB's guidance when applying AM0034 Version 02; operating conditions will be reviewed during verification. This appears to also be confirmed by the second reason for the request for review. Please see below for further details.

Page 25/60 of the PDD states:

"According to the EB 31 report paragraph 28: The Board clarified that either validating or verifying DOE could undertake the task of determination of the permitted operating conditions for project activities using approved methodology AM0034. The determination of the permitted operating conditions, if done at verification, should be as per the approved methodology. This decision was the endorsement of a recommendation from MP26 report paragraph 13: The Meth Panel, in response to the request by the Board, considered the role of the validating DOE and verifying DOE with respect to determination of permitted operating conditions according to AM0034. The Meth Panel was of the view that establishing a baseline through a campaign can be validated by a DOE. As this is conducted through monitoring, it therefore can also be undertaken by the verifying DOE. The Meth Panel recommended that either validating or verifying DOE could undertake the task of determination of the permitted operating conditions. Also from a personal communication 11 May 2007, the UNFCCC Secretariat further clarified EB decision above: Just to clarify, the permitted operating conditions in the approved methodology AM0034 pertain to both baseline and the project scenario, which means the operating range and baseline can be signed off by the validating or verifying DOE. For this project the monitoring of the baseline will be verified by the verifying DOE during the first periodic verification."

Furthermore, the validation report on page 9/33 and 10/33 clarifies:

"In accordance with decision from EB31 Paragraph 28 "either validating or verifying DOE could undertake the task of determination of the permitted operating conditions for project activities using approved methodology AM0034 Version 02", SGS and the project Participants agree that this part of work is not in the scope of this validation. Hence AFR, AIFR, OTnormal, OPnormal, CLnormal, NCSGBC, VSGBC, NAPBC and related baseline parameters that listed in PDD section B.6.2 are not reviewed during this validation process. UNC of the monitoring system derived from EN14181 QAL2 is not within the scope of validation as well."

Therefore, SGS concludes that the project participant has correctly applied AM0034, version 02 and that the operating conditions will be reviewed during verification, in accordance with the methodology.

We hope that this letter address the concerns of the members of the Board. If further information is required, Julian Zhou (Julian.Zhou@sgs.com; +86 13621818083) will be the contact person for the review process and is available to address questions from the Board in case the Executive Board wishes.

Yours sincerely,

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