



Mr. Rajesh Kumar Sethi
Chair, CDM Executive Board
UNFCCC Secretariat
CDMinfo@unfccc.int

8th September 2008

Dear Mr. Sethi,

RE: Request for review of the request for registration for the CDM project activity 'ANAEROBIC DIGESTION SWINE WASTEWATER TREATMENT WITH ON-SITE POWER PROJECT (ADSW RP2002)' (Ref. No. 1846)

SGS has been informed that the request for registration for the proposed CDM project activity 'ANAEROBIC DIGESTION SWINE WASTEWATER TREATMENT WITH ON-SITE POWER PROJECT (ADSW RP2002)' (UNFCCC Ref. No. 1846) 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 as outlined below. Through this letter, we would like to provide responses to the issues raised in the requests for review and provide additional information.

Requests for Review 1-3, Issue 1:

The calculation of the grid emission factor should be included in the PDD and the DOE is requested to provide information regarding how this value has been validated to comply with the requirements of the methodology.

SGS' Response to Issue 1:

The grid emission factor was calculated in a baseline calculation spreadsheet as described under Parameter CEF_{grid} in PDD Section B.6.2 following the steps prescribed in ACM0002 Version 6 based on the most recent available data published in the Philippine Department of Energy's website. During validation process, the spreadsheet was provided and SGS has checked the determination approach and the appropriateness of the data source as follows:

According to AMS I.D version 12, the baseline emission coefficient can be calculated as a Combined Margin (CM) according to the steps prescribed in ACM0002 version 6. At the time of validation, power statistics for 2005 are the most recent available data published in the Philippine Department of Energy's website. Simple OM method was used for the Luzon grid, given the fact that the low-cost/must run resources constitute less than 50% of the total grid generation in average of the five most recent years. OM is then calculated based on the 3 year average (2003-2005) data with a result of 0.653 tCO₂e/MWh. BM was calculated based on the data of the five power plants that were built most recently with a result of 0.460 tCO₂e/MWh. The baseline emission factor (CEF_{grid}) is calculated as a combined margin consisting of the combination of operating margin and build margin with default weights of 50%, giving a result of 0.557 tCO₂e/MWh.

The aforementioned baseline spreadsheet is attached to the revised PDD (Annex 1) and the above description is amended into the revised Validation Report (Annex 2).



Request for Review 1-3, Issue 2:

Further clarification is required that the electrical output of the project activity will not be greater than the historical captive demand of the host farm.

SGS' Response to Issue 2:

As clarified in PP's response, the capacity of the generator set is designed to match the actual peak demand of the farm which may vary by years. Given the characteristics of the generator that the instantaneous output is automatically adjustable to the power demand at the same time, i.e. output is subject to the demand, the electrical output of the project activity will never be greater than the actual captive demand of the host farm.

Request for Review 1-3, Issue 3:

The pressure and temperature of the biogas should be monitored in accordance with paragraph 11 of AMS-III.D v13.

SGS' Response to Issue 3:

As clarified in PP's response, the flow meter used in this project automatically measures temperature and pressure, expressing biogas volumes in normalized cubic meters (Nm³), therefore no separate monitoring of temperature and pressure would be necessary.

Request for Review 1-3, Issue 4:

The PDD should indicate whether an open or enclosed flare will be employed.

SGS' Response to Issue 4:

As clarified in PP's response, an open flare will be employed. The PDD is revised for clarification (Annex 2) and the parameter 'Flare Efficiency' is revised also to fit the open flare.

We apologize if the initial validation report was unclear and hope that this letter and the attached documents address the concerns of the Board. If further information is required, Qi Yang (qi.yang@sgs.com; +86 13916512072) 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,

Elton Chen Wu

Lead Assessor
Elton.Chen@sgs.com
T: +86 21 61152263

Irma Lubrecht

Technical Reviewer
Irma.Lubrecht@sgs.com
T: +31 651851777

Encl:

Annex 1: Revised PDD,

Annex 2: Revised Validation Report