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Att: CDM Executive Board

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Your ref.:
CDM Ref 0123

Our ref.:
MLEH/KCHA

Date:
09 September 2008

Response to Request for Review

Energy efficiency through installation of modified CO₂ removal system in Ammonia Plant (0123).

Dear Members of the CDM Executive Board,

We refer to the issues raised in the requests for review concerning DNV's request for issuance of the CERs for project activity 0123 "Energy efficiency through installation of modified CO₂ removal system in Ammonia Plant" in India. DNV would like to provide the following responses to the issues raised.

Comment 1: The DOE is requested to clarify how the application of the highest value of project SSCR recorded when the operation of the plant was out of normal production range of $\pm 5\%$ is in accordance with the monitoring plan and the methodology.

DNV Response:

DNV would like to state that the project activity applies the methodology AM0018 version 02, which does not clearly specify the value to be used for "project SSCR" in calculating the emission reductions when the quantity of CO₂ removed varies beyond the normal production range.

During the second verification, the same situation was experienced and DNV had sought a clarification from the EB by submitting a request for deviation on 8 August 2007 with regard to the most conservative method to adopt as the monitoring plan of the above mentioned methodology and the registered PDD did not address the situation. The request for deviation also proposed as option 3 the revision to the monitoring plan of the registered PDD. This option was accepted by the EB in its response at EB35 which stated "to accept the most conservative approach suggested and instructed the DOE to use the highest value of project SSCR recorded since the operation of the plant in the $\pm 5\%$ range to determine project SSCR for periods when production is out of normal production range." The clarification request and the EB guidance are attached as annexure to this response. The second verification adopted this approved conservative approach by the Executive Board.

Since the present verification had applied the guidance provided by the EB for the same project activity, DNV accepted the application of the highest value of project SSCR recorded when the operation of the plant was out of normal production range of $\pm 5\%$ also for the monitoring and

reporting period in question. However, we acknowledge that according to the draft Validation and Verification Manual (VVM) currently under consideration by the EB, a request for deviation that is approved by the EB applies only to the monitoring period under verification. Hence, we suggest that the monitoring plan is revised prior to the next request for issuance in order to include in the monitoring plan of the project the approach that highest value of project SSCR recorded since the operation of the plant in the $\pm 5\%$ range to determine project SSCR for periods when production is out of normal production range. We would appreciate guidance by the EB, if such a revision can be considered as revision of the monitoring plan to comply to improve accuracy and/or completeness of information, which is one of the two purposed for revision of monitoring plans indicated in the draft VVM.

Comment 2: The verification report and the spreadsheet show that the energy contribution share of natural gas and naphtha fuel in the boiler is 79.44% and 20.56%, respectively, while the monitoring report states that energy contribution share of natural gas and naphtha fuel in total energy is 82.89% and 17.11%. Further clarification is required.

DNV response:

The fuel contribution values in the initial uploaded monitoring report were reported to be 82.89% and 17.11% for natural gas and naphtha respectively. The calculated incorrect fuel contribution values were pointed out to the project participants during the verification visit which were subsequently corrected to be 79.44% and 20.56% for natural gas and naphtha respectively. This correction is only due to an averaging error and does not affect the calculated emission reduction figures as the emission reductions for the project activity are calculated on a daily basis and aggregated to monthly figures. The corrected average fuel contribution was inadvertently left out in the monitoring report by the project proponent. DNV had not raised a CAR as the change does not have an impact on the calculated CERs.

Comment 3: The verification report stated that “the guidance provided in the deviation request approved by EB in March 2008.” However, the concerned deviation has been approved at EB35. Further clarification is required.

DNV response:

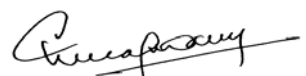
The deviation in the monitoring plan was approved by EB 35 in November 2007. However; it was erroneously mentioned in the verification report as March 2008. The same has now been corrected in the revised verification report attached with the replies. DNV regrets the error in its verification report which has now been corrected.

We sincerely hope that the Board accepts our aforementioned explanations and we look forward to the issuance of CERs for the project activity.

Yours faithfully
for DNV CERTIFICATION AS



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