



CDM project activity registration review form (F-CDM-RR)
(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)

Designated national authority/Executive Board member submitting this form	
Title of the proposed CDM project activity submitted for registration	Shandong Wudi Biomass Generation Project; Project activity 1263

Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures, which validation requirement(s) may require review. A list of requirements is provided below. Please provide reasons in support of the request for review, including any supporting documentation.

☐ *The following are requirements derived from paragraph 37 of the CDM modalities and procedures:*

- ☐ The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied;
- ☐ Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity (DOE) on how due account was taken of any comments has been received;
- ☐ Project participants have submitted to the DOE documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party;
- ☒ The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM modalities and procedures;
- ☒ The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board;
- ☐ Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP;
- ☐ The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the CDM modalities and procedures and relevant decisions by the COP/MOP and the Executive Board.

☐ *The following are requirements derived from paragraph 40 of the CDM modalities and procedures:*

- ☐ The DOE shall, prior to the submission of the validation report to the Executive Board, have received from the project participants written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development;
- ☐ In accordance with provisions on confidentiality contained in paragraph 27 (h) of the CDM modalities and procedures, the DOE shall make publicly available the project design document;
- ☐ The DOE shall receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available;
- ☐ After the deadline for receipt of comments, the DOE shall make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated;
- ☐ The DOE shall inform project participants of its determination on the validation of the project activity. Notification to the project participants will include confirmation of validation and the date of submission of the validation report to the Executive Board;
- ☐ The DOE shall submit to the Executive Board, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received.

☐ There are only minor issues which should be addressed by the DOE / project participants prior to the registration of the project.

Section below to be filled in by UNFCCC secretariat

Date received at UNFCCC secretariat	26/10/2007
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Reasons for request:

1. The PP shall clarify their understanding in the PDD that "The estimated emission reduction will be 117,520 CERs per year".
2. Further substantiation of additionality is required.

3. Further clarification is required regarding the benchmark analysis applied. The DOE shall further clarify how they have assessed and validated the values of the parameters utilized and the IRR calculation, including detailed explanation of, inter alia, the following issues:
 - a. Reduction of 42% in the Power Price in year 18 of the financial projections.
 - b. Whether the IRR calculation is before or after taxes. The calculation seems to be after taxes while the Excel sheet indicates differently.
 - c. Treatment of depreciation and amortization, as non tax charges.
 - d. Income tax calculation, Education Tax' rates and 'Public Welfare Fund rate, and the treatment of past losses (in China it is accepted to include the five last years in the consolidation of losses).
 - e. Projected energy prices which are considered fixed, while the Chinese economy shows an inter-annual increase in producer prices of approximately 3%.
4. The DOE shall further clarify how they have assessed and validated the sensitivity analysis and the range of fluctuations for the key parameters, in particular those related to tariffs, inputs and investment costs. All the cost variables in the sensitivity analysis as practiced are tied to the same projection basis, precluding an analysis of the whole set of cost items and their individual trends.
5. The DOE shall clarify how they have validated the financial benchmark adopted by project proponents.
6. The PP/DOE shall further demonstrate the conclusions of the barrier analysis. The investment barriers should be further substantiated as they are generic; i.e. the statement in the PDD that "Despite the fact that China possesses rich biomass residues and is facing high demand for electricity, biomass generation power is not considered to be an attractive power generation technology in China comparing to dominated coal fired power generation".
7. The PP shall further clarify the reference to technology risks in investment barriers that seems to be contradictory to the statement in the PDD that "The boiler is the key part project adopts the biomass technology of Taishan Group Co. Ltd, which is advanced domestically manufacturer" ... and "Taishan Group Co. Ltd. has experiences in manufacturing traditional fossil fuel combustion boilers and could well control the risk of safety issues".
8. The technology risks referred to should be further substantiated. Technology development of the boiler is not part of the project and biomass collection is a management issue rather than technology related.
9. Further clarification is required regarding the calculation of the baseline emission factor for the biomass, in particular whether the values used in table B.6.3.1 have been validated in accordance with the approved methodology.