São Paulo - Brazil, January 21st, 2009.

Addressed to the Chair of the CDM Executive Board,
Mr. Rajesh Kumar Sethi

Object: Clarifications on issues associated with verification requirements for project activity which the review has been requested: Project 0206: "Southeast Caeté Mills Bagasse Cogeneration Project (SECMBCP)".

Dear Mr. Chair of the CDM Executive Board

The project participants would like to provide the following clarifications regarding the project activity entitled "Southeast Caeté Mills Bagasse Cogeneration Project (SECMBCP)", reference number 0206.

1- The DOE is requested to further clarify the reason for increase in emission reduction from 48,454 in the PDD to 60,193 during the monitoring period, in particular, on the changes in the gross electricity generation from the project, electricity supplied for consumption in the mills and net electricity supplied to the grid.

During this monitoring period, Caeté mills continued with its core business, the production of sugar and ethanol. As mentioned in the monitoring report:

"Due to the increase in the demand of ethanol and sugar production the agricultural area increased in the last seasons and the crop season of Volta Grande mill increased from 193 days in 2002, the first year of the crediting period, to 224 days in 2007, representing an increase of 31 days or 16%. For the same reason, the crop season of Delta mill increased from 189 days in 2002, to 209 days in 2007, representing an increase of 20 days or 10%, according tables below.

DELTA			
Year	Crop season (days)	Sugar cane crushed (t)	Agricultural area (ha)
2002	189	1,968,359.61	23,349.37
2003	187	2,541,181.77	26,703.49
2004	225	3,262,581.78	35,508.91
2005	205	3,422,752.88	40,779.20
2006	212	3,334,696.49	42,770.06
2007	209	3,762,516.94	48,726.98

VOLTA GRANDE			
Year	Crop season (days)	Sugar cane crushed (t)	Agricultural area (ha)
2002	193	1,250,069.54	14,871.13
2003	181	1,696,651.14	22,992.41
2004	222	2,276,289.94	28,421.60
2005	202	2,359,711.07	28,998.31
2006	210	3,211,025.60	32,805.94
2007	224	4,204,321.85	49,646.44

Further, the climate, the species and other factors, affected the percentage of fibrous in the sugar cane composition. As a consequence, more bagasse was generated per ton of crushed sugar cane. Consequently, there was more bagasse available to be fed in the project boilers.

As a consequence of the bagasse surplus, the cogeneration facility operated for a larger period, with a higher load factor. The increase of the load factor brought the generators to operate near the highest efficiency point. When considering all those factors, the generation of CERs is 24% greater than the estimated in the PDD."

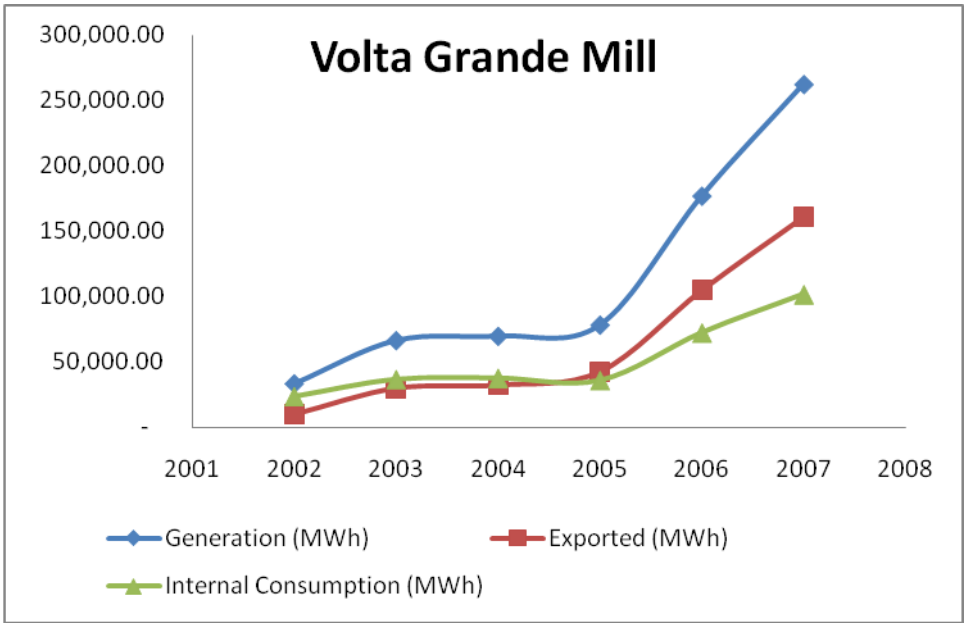
Also, as anticipated in the PDD, in 2006 a new 30MW turbo-generator and 65 kgf/cm^2 boiler started its commercial operation at Volta Grande branch. As a consequence, the electricity generation increased in Volta Grande due to this addition in capacity and also increased in both branches due to the growth in the sugar and ethanol production.

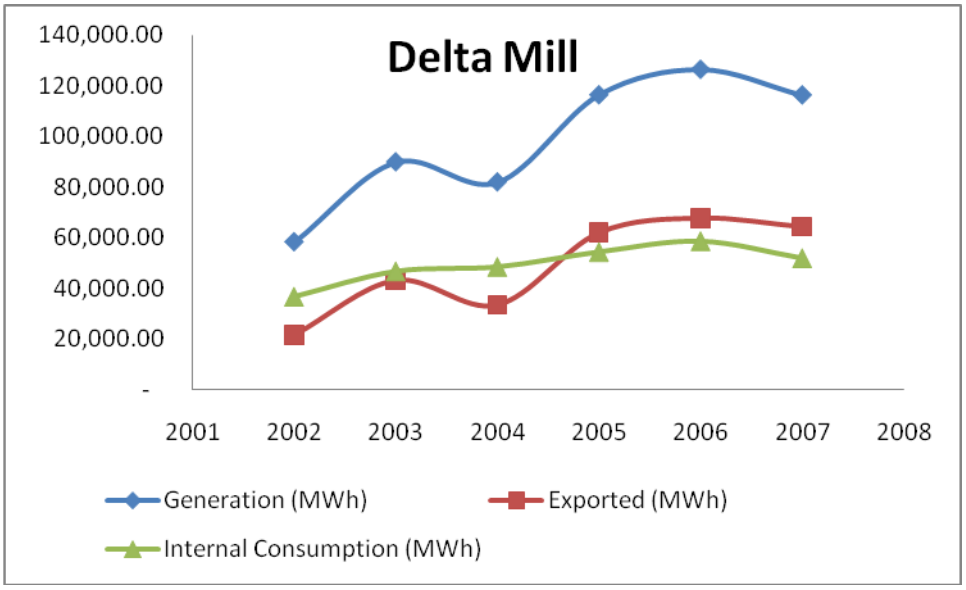
The following tables and graphs show the electricity generation, exports and internal consumption detailed:

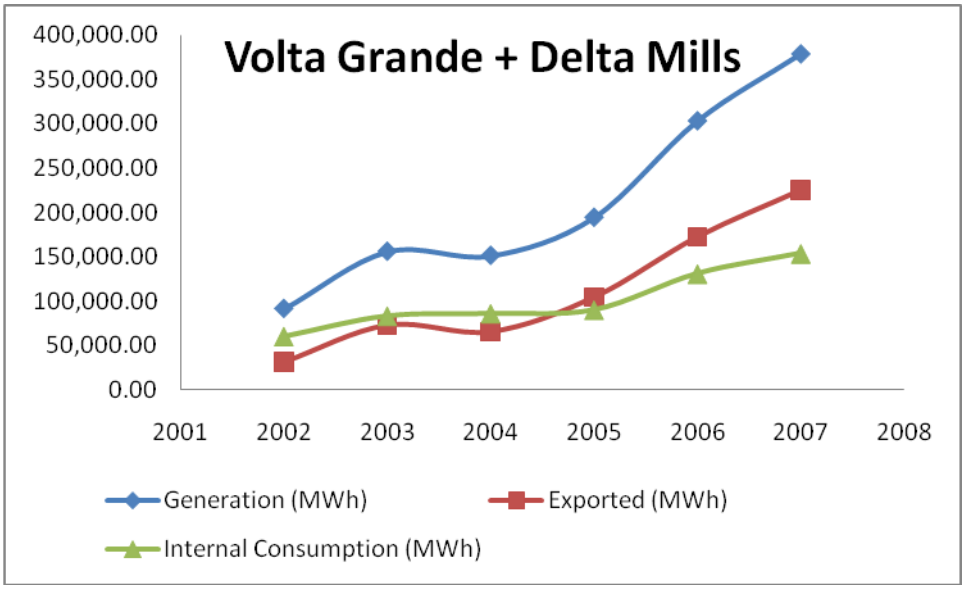
VOLTA GRANDE			
Year	Generation (MWh)	Exported (MWh)	Internal Consumption (MWh)
2002	33,048.00	9,612.00	23,436.00
2003	66,109.64	29,613.64	36,496.00
2004	69,402.43	31,932.43	37,470.00
2005	78,021.40	42,252.40	35,769.00
2006	176,819.00	104,531.37	72,287.63
2007	262,404.00	160,663.19	101,740.81

DELTA			
Year	Generation (MWh)	Exported (MWh)	Internal Consumption (MWh)
2002	58,320.00	21,384.00	36,936.00
2003	89,887.33	42,991.33	46,896.00
2004	81,941.20	33,285.19	48,656.01
2005	116,340.23	61,805.57	54,534.66
2006	126,373.69	67,622.10	58,751.58
2007	116,287.21	64,190.33	52,096.88

DELTA AND VOLTA GRANDE			
Year	Generation (MWh)	Exported (MWh)	Internal Consumption (MWh)
2002	91,368.00	30,996.00	60,372.00
2003	155,996.97	72,604.97	83,392.00
2004	151,343.63	65,217.62	86,126.01
2005	194,361.63	104,057.96	90,303.66
2006	303,192.69	172,153.48	131,039.21
2007	378,691.21	224,853.52	153,837.69







We sincerely hope that the Board accepts our above explanations.

Yours faithfully,
Maurício Bencic Rovea
Project Engineer