



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

18th August 2008

Dear Mr. Sethi,

Re: Request for review of the issuance request of “Alto Alegre Bagasse Cogeneration Project (AABCP)” (UNFCCC Ref. no. 0207).

SGS has been informed that the request for issuance of the CDM project activity “Alto Alegre Bagasse Cogeneration Project (AABCP)” (UNFCCC Ref. no. 0207) is under consideration for review because one request for review (raised by three EB members) have been received from members of the Board.

The requests for review are based on the reason outlined below. SGS would like to provide an initial response to the issues raised by the request for review:

Request for Review 1-3, Issue 1:

The approved monitoring methodology AM0015 requires that “The implementation of the project shall not increase the bagasse production in the facility and the bagasse at the project facility should not be stored for more than one year.” Clarification is required on how this requirement has been met.

SGS’ Response to Issue 1:

The verification report presents the conclusion of verification assessment, and section 1.3 presents some information to clarify that project does not increased the bagasse production in order to generate electricity and the bagasse is not stored for more than one year.

More details is presented below:

- The project shall not increase the bagasse production in the facility

It is important to explain that bagasse is obtained as a by-product from sugar cane processing for alcohol and sugar production. Any increase in the bagasse would be due to the increase in the demand of alcohol and sugar production.

Alto Alegre produces internal report (Boletim Diário Geral) with accumulated data from each year. During the year of 2006, 1,743,717.63 kg of sugar cane was processed in the mill, from this total, 24.89% represents bagasse, 434,011.32 kg of bagasse was produced during 2006. For 2007, 1,757,941.71 kg of sugar cane was processed in the mill, from this total, 24.98% represents bagasse, 439,133.88 kg of bagasse was produced during 2007.

Comparing the electricity generated through the monitoring periods:

Description	First Monitoring Period			Second Monitoring Period		
	04/05/2004 to 31/12/2004	01/01/2005 to 31/12/2005	TOTAL	01/01/2006 to 31/12/2006	01/01/2007 to 31/12/2007	TOTAL
Metered Electricity Supplied MWh	28,115.291	30,876.081	58,991.372	31,215.365	34,345.622	65.560,987
Baseline Emission Factor tCO ₂ e/MWh	0.2677	0.2677	-	0.2798	0.2628	-
Emission Reductions (ERs) tCO ₂ e	7,526.463	8,265.527	15,791.990	8,734.059	9,026.029	17,760.089
Emission Reductions (ERs) tCO ₂ e per month	836.274	688.794	751.199	727.838	752.169	740.004

The annual average over the crediting period of estimated reductions (tonnes of CO₂e) in the PDD is 9,674.000 tCO₂e, that is 806.167 tCO₂e per month. More specifically for 2006 it was estimated a reduction of 9,370.000 tCO₂e and for 2007, 10,708.000 tCO₂e. Some increase, comparing the years 2006 and 2007, was forecast in the PDD. The emission reductions for the monitoring periods are lower than the estimated in the PDD. Analysing the information presented above, SGS concluded that the project did not increase the bagasse production in the facility.

- The bagasse at the project facility should not be stored for more than one year

The bagasse produced in the facility is used to generate electricity. A small amount of bagasse is stored from one crop season to another, to start up the boilers. It was confirmed on-site by production records that the inter-cropping period covered approximately 4 months/year (December, January, February, March) and no electricity was generated. The bagasse stored during this period is consumed when the plant re-start its activities.

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