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TÜV SÜD Industrie Service GmbH · 80684 München · Germany

CDM Executive Board

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Request for review

Dear Sirs,

Please find below the response to the request for review formulated for the CDM project with the registration number 414. In case you have any further inquiries please let us know as we kindly assist you.

Yours sincerely,

Signed Werner Betzenbichler

Werner Betzenbichler
Carbon Management Service

Signed Thomas Kleiser

Thomas Kleiser

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Response to the CDM Executive Board

Requests No. 1 and 2:

Issue No. 1:

It is unclear from the PDD why it is assumed that diesel is the baseline fuel. How is this assured? Cooking may also be based on renewable or non-renewable biomass for which the methodology used would not apply.

Response by TUV SÜD:

- The utilisation of diesel at the different locations was the selection criteria for locations to be included in the final PDD.
- The original project bundle (developed in June 2005) using version 5 of the methodology AMS-I.C (valid from February 25th, 2005 until October 11th, 2005) contained two projects where the baseline fuel was non-renewable biomass. At this stage of the project the selection criteria for locations to be included in the PDD have been "Utilisation of diesel" and/or "Utilisation of non-renewable harvested biomass". After the change in the methodology (annotation: version 7 valid since November 28th, 2005 excluded non-renewable harvested biomass under this methodology) these two sites have been excluded from the bundle. With this change of the methodology the selection criteria for locations to be included in the PDD changed to „Utilisation of diesel“exclusively.
- As the fuel consumption of the back-up steam generator (to be used in periods of missing or less isolation corresponding with the baseline situation) is monitored (see parameter with ID-number X_3 in table of „data to be monitored“ (chapter D.3)) it would appear at the latest in the verification stage of the project if contrary to the selection criteria for the locations and contrary to the information given by the PP non-renewable harvested biomass would be used at one of the locations.

Thus it can be excluded trusted that renewable or non-renewable biomass is used at one of the locations.

Issue No.2

It is unclear how potentially new locations in the bundle will be treated as these would not have been validated (according to the PDD page 3 the bundling organisation reserves the right to replace projects being part of a bundle, while at the same time this replacement is based on the assumption that the overall emission reductions of the bundle will not be increased by replacing a project being part of the bundle).

Response by TUV SÜD:

It is correct that this information in the final PDD is mistakable.



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The validation is clearly acted on the assumption that only the 18 sites listed in annex 7 of the final PDD are part of the project and that it is definitely excluded that sites can be removed from the PDD and new sites can be included (which anyway is excluded according to the decisions of EB meeting No.21). This corresponds with all the information received during the on-site audits and in all further communication with the project developer and the project owner.

It is totally clear that if the provided equipment for one of the 18 sites listed in annex 7 of the final PDD is removed (this is in the free decision of the project owner) to another site the site listed in annex 7 would create zero emission reductions and the new site could not be included in the project.

Only locations listed in annex 7 of the PDD can be part of the project locations bundle.

Request No. 3:

The project activity seems to anticipate the proposed new methodology for non-renewable biomass which has not yet been approved by EB; there is no substantiation that diesel is really used in the baseline.'

There is a clear decision by EB 21 that the composition of a bundle must not change over time; in the PDD there is an explicit reference to possible changes in the bundle which contradicts this decision.

According to EB 21 decision, it has to be demonstrated that the bundle will remain below the limit in every year of the crediting period; in the PDD I did not find any proof that the project activity is below the 15 MW, it is simply stated as a fact without any calculations to show that this is the case.

There is a special form for submission of bundles, which has not been used by the PP.

Responses by TÜV SÜD:

Concerning the first two issues see TÜV SÜD's comments above on Request No. 1 and 2 (issue 1 and 2):

Issue No. 3:

According to EB 21 decision, it has to be demonstrated that the bundle will remain below the limit in every year of the crediting period; in the PDD I did not find any proof that the project activity is below the 15 MW, it is simply stated as a fact without any calculations to show that this is the case.

Responses by TÜV SÜD:



The objection is correct but the validator considered the compliance with the 15 MW limit (45 MW_{thermal}) as self-evident considering the utilised equipment and looking on the demonstrated low amount of emission-reductions in the PDD.

An ex-post calculation confirms the compliance with the limit for small scale projects:

- Total number of installed Schefferl units (all projects): 354
- Capacity per Schefferl unit: 2.5 kW
- Total capacity of the project bundle: 0.885 MW

This is definitely below the limits for small-scale projects (15 MW_{electrical} and 45 MW_{thermal}).

Issue No. 4

There is a special form for the submission of bundles, which has not been used by the PP.

Responses by TÜV SÜD:

The decision that further information concerning bundling has to be included in the PDD was made in EB meeting No. 21 (see annex 21 „Principles for bundling“), but the specific bundling form was decided in EB meeting No. 23.

The results of EB meeting No. 23 have been published on March 3rd, 2006. Old projects which started the validation long before this EB decision could be submitted for registration without using this new submission form for bundling until 8 weeks after the publishing of the results of EB meeting No. 23..

The existing project was submitted for registration on April 28th, 2006, this is still in the 8 weeks period for submission of old projects using the former valid criteria for submission of projects for registration.

Thus the submission of the bundle form was not required for this project.

The information concerning bundled sites given in annex 7 of the final PDD is seen as sufficient according to the requirements for bundling as described in the decision of EB 21. All bundled sites can be clearly identified.

Request No. 4:

1. It is unclear from the PDD why it is assumed that diesel is the baseline fuel. Cooking may also be based on renewable or non-renewable biomass for which the methodology used would not apply.
2. It is unclear how potentially new locations in the bundle will be treated as these would not have been validated. According to the PDD the bundling organisation reserves the



- right to replace projects being part of a bundle, while at the same time this replacement is based on the assumption that the overall emission reductions of the bundle will not be increased by replacing a project being part of the bundle. There is a clear decision by EB 21 that the composition of a bundle must not change over time.
3. According to a EB 21 decision, it has to be demonstrated that the bundle will remain below the limit in every year of the crediting period; there is no proof in the PDD that the project activity is below the 15MW -- it is simply stated as a fact without any calculation to show that this is the case.
 4. There is a special form for submission of bundles, which has not been used by the PPs.
 5. The project activity started as of March 1st, 2005. The starting date of the crediting period is June 1st, 2006 while the earliest date for registration is the day after the period for requesting a review. i.e. June 11nd, 2006.

Responses by TÜV SÜD:

Concerning the points 1-4 see responses by TÜV SÜD concerning requests No. 1 -3.

Issue No. 5:

The project activity started as of March 1st, 2005. The starting date of the crediting period is June 1st, 2006 while the earliest date for registration is the day after the period for requesting a review. i.e. June 11nd, 2006.

Response by TÜV SÜD:

The project was uploaded for registration April 28th, 2006. Thus a registration before June 1st, 2006 was still possible (4 weeks period for SSC-projects). At the date of starting the registration process it was not clear that there would be a request for review.

The project developer and owner know that they will lose the emission reductions achieved in the period between June 1st, 2006 and the concrete day of the real registration of the project.