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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 0530. In case you have any further inquiries please let us know as we kindly assist you.

Yours sincerely,

Werner Betzenbichler
Carbon Management Service

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Response to the CDM Executive Board

Issue 1:

1. The methodology is not properly applied – the following information on electricity generation calculations is missing:

- 1.1 The PDD does not include electricity generation calculations.
- 1.2 The PDD even does not include data of the electricity generation of the project.
- 1.3 It is not clear how many turbines there are in each project.

The DOE failed to calculate the emissions reduction potential. Emissions reduction potential is a function of the Renewable Energy electricity export, but this parameter is not calculated in the PDD and as the result, not checked by the DOE.

Response by TÜV SÜD:

In renewable energy project electricity generation is not calculated but monitored. For the purpose of estimating emission reductions ex-ante calculations are necessary based e.g. on wind profiles (wind projects) or information on hydraulic situation (hydro power projects). Such calculations are based on extensive data sets, simply by the volume not presentable within a PDD. Any such presentation would not enhance the transparency, because the calculation cannot be reproduced without the required expertise. This is one of the reasons for selecting our auditor Klaus Nürnberger for performing the on-site visit, as he has the required expertise from energy certification of hundreds of hydropower plants in the Alps (see validation report page 5, presentation of the assessment team). We confirmed the verification of underlying data explicitly within our validation protocol (see validation protocol, page A-21, item E 3.1). Furthermore the project is asking for retroactive registration; hence the first years are already based on actual generation data.

The concern that no electricity data is included in the PDD is considered as not being really relevant. The PDD provides data for estimated baseline emissions and the applied baseline emission factor. Without any requirement on academic skills it should be possible to recalculate the estimated (actual) energy generation which is directly proportional to the baseline emissions (Energy generation = Emissions / Emission factor). Hence a parallel indication of these figures does not really lead to a gain of information.

The issue above states that no indication of the amount on turbines is available. For us this statement raises questions on the completeness of the review by the RIT member. When reviewing the PDD carefully it can be seen that this information is available at pages 11 and 12 where technical details on all sites are presented in a proper and transparent manner.

The statement that we failed to calculate the emission reductions (*remark: in this context the DOE's scope is to assess the correctness and appropriateness of presented data and not to provide additional own calculations*) is obviously not based on substantial arguments, but rather on an incomplete review of the documents as provided with the submission for registration.

Issue 2:

2. Economic evaluations do not include information that will allow to follow the calculations, and the DOE did not check it.

Response by TÜV SÜD:

The PDD uses the “tool for the demonstration and assessment of additionality” and applies a barrier test referring to an investment barrier, a barrier due to a lack of infrastructure at the remote sites and an institutional barrier. The “step 3 –test” is presented on pages 17 to 25 of the PDD, and provides economical data concerning the business environment (energy sector) and the project specific situation (for the hydro power installations) and does also include an assessment on the sensitivity, which is required for step 2 but not mandatory for step 3. The cash flow calculations on page 24 are tracing back to the book-keeping system of the project participant, which can obviously not be copied into a PDD. At a specific level it must be accepted by the reviewer to have only access to (verified) input data. All data sources are clearly referenced and have been assessed during our validation (see annex 2 of the validation report, “Information Reference List”). We confirmed the conduction of this assessment within our validation report at chapter 3.2.1. Hence, from our point of view, the impression by the reviewer that we did not check the figures is unfortunate but not reflecting the actual situation.