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Att: CDM Executive Board

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Your ref.: Our ref.: Date:

CDM Ref 0491 MELH/DENGCP 11 August 2008

Response to request for review of the project "Rudong County Wind Farm Project – China" (0491)

Dear Members of the CDM Executive Board,

We refer to the issue raised by the requests for review by four Board members regarding the request of issuance for project activity 0491 "Rudong County Wind Farm Project – China", and we would like to provide following initial responses to the issue raised.

Comment 1: The DOE is requested to clarify how it has verified that the baseline emission factor was calculated yearly as mentioned in section D.2.2 of the PDD.

DNV Response:

We acknowledge that the monitoring plan contained in the registered PDD states that the operating and build margin emission coefficient and the resulting combined margin emission coefficient will be calculated yearly. However, as demonstrated below the PDD is ambiguous with regard to whether the operating and build margin shall be determined annually *ex-post* as indicated by the monitoring plan or is determined *ex-ante* for the first 7 year crediting period.

On page 13 of the PDD it is mentioned that "the build margin will be determined ex ante". On page 9 on the PDD, the project participants chose the Simple OM method Option A to calculate the operating margin, meaning that the operating margin is also determined ex ante. This is in agreement with the approved methodology ACM0002 v6.

In addition, the DOE TUV SUD, also supported this approach in the validation report:

- In section 4.3 and D.1.5 of the validation report, it was mentioned that "the ex ante determination of the grid factor has been chosen in PDD".
- In section 4.4.1 and E.3.6 of the validation report, it was claimed that "the grid factor is determined ex ante and will not be changed during the first crediting period".
- The CAR stated that "referring to the approved monitoring methodology, $F_{i,y}$, COEF_i and $GEN_{j/k/n,y}$ shall be calculated and not measured".

Therefore, DNV has during the verification process accepted that the baseline emission factor was not calculated yearly and was determined *ex-ante* for the first crediting period. Nonetheless, we acknowledge that DNV should have requested a revision of the monitoring plan to clarify this issue prior to requesting issuance and we will request the project participants to revise the monitoring plan prior to future requests for issuance.

It must be noted that if the yearly calculated emission factor (0.92255 tCO₂e/MWh) for this monitoring period was to be used, instead for the ex ante value (0.910 tCO₂e/MWh), this would result in higher emission reduction. From this aspect, the request for issuance of emission reduction in this monitoring period is therefore more conservative.

Comment 2: The DOE is requested to clarify how it has verified that the requirement of the monitoring plan for conducting the calibration of electricity meters every six months was met.

DNV Response:

During on-site verification on 10 January 2008, DNV has verified all activities related to the emission reductions. The management of power meters is one of the key issues to be verified and calibration for the main meter and back-up meter has been addressed also.

According to the PDD and validation report requirements, the meters will be examined, tested, debugged and calibrated every six months. In addition, according to China's regulation for testing to power meters, the power meters should be verified after installation, calibrated before operation and periodically calibrated during operation.

As for this project, the calibration management of power meters is as follows:

- The monitoring period for this verification is 6 November 2006 to 31 December 2007
- Jiangsu Metering Testing Center (JMTC) was contracted by the grid company and Jiangsu Unipower to carry out the calibration of the electricity meter for the project. The contract was reviewed by DNV.
- JMTC carried out the first calibration on 18 Jan 2007. This was verified by DNV through the review of the calibration report (No. JL-GK-2007-1008) issued by JMTC.
- The second calibration was carried out on 4 July 2007 also by JMTC. This was verified by DNV through the review of the calibration record (No. JL-GK-2007-3008) issued by JMTC. The calibration report the second calibration was issued by JMTC four months after. This calibration report indicated the correct calibration series number No. JL-GK-2007-1008 but was dated 9 November 2007. To clarify this JMTC then provided to DNV a clarification letter stated that the second calibration did happen on 4 July 2007.
- JMTC carried out a third calibration on 1 January 2008. Although this calibration is not part of this monitoring period, DNV has anyway reviewed the corresponding calibration report (No. JL-GK-2007-1065) which was provided by PP as additional evidence.

Therefore, DNV was able to confirm that the calibration management in this project is conformity with the monitoring plan in PDD.

We sincerely hope that the Board find our elaboration on the above satisfactory

Yours faithfully

for Det Norske Veritas Certification AS

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