



MSP STEEL & POWER LIMITED

Corporate Office: 16/S, Block- A, New Alipore, Kolkata- 700053
Ph: 91-033- 4005 7777, 2457 0038 Fax: 91-033-2458 2239
Email: mspgroup@vsnl.com, contactus@mspsteel.com, Web: www.mspsteel.com

September 8, 2008

UNFCCC Secretariat
Martin-Luther-King-Strasse 8
D-53153 Bonn
Germany

Kind Attn: CDM Executive Board

Project: "MSPSPL Waste Heat Recovery Based Captive Power Project" - UNFCCC reference number 0818

Sub: Response to request for review

Dear Members of the CDM Executive Board,

We would like to provide following response to the clarification sought by EB in request for review for the above mentioned project.

UNFCCC Comment: Further clarification is required on how the DOE verified that the calculation of EG_y (Defined by the methodology as net quantity of electricity supplied to the manufacturing facility) was in line with the applied methodology ACM004 Version 2.

Response by PP :

In accordance with the monitoring plan described in the registered PDD, the following formula has been used to calculate EG_y for the monitoring period:

$$EG_y = EG_{Net, CPP} \times S_1 / (S_{WHRB} + S_{FBC})$$

Where,

EG_y = Net Electricity Generated by the Waste Heat Recovery Boilers

$EG_{Net, CPP}$ = Net electricity generated in the power plant calculated as:-

$$EG_{Net, CPP} = EG_{Gen, CPP} - EG_{Aux, CPP}$$

S_{WHRB} = Total steam produced by the WHR boilers

S_{FBC} = Total steam produced by the FBC boiler

S_1 = Effective WHR steam used to generate electricity which is calculated conservatively as:-

$$S_1 = S_{WHRB} - S_{Vent}$$

where S_{Vent} (total steam vented in the CPP) is calculated as the difference between the total steam produced (by the WHRB's and FBC boiler) and the total steam consumed (by the TG's):-

$$S_{Vent} = S_{WHR} + S_{FBC} - S_{CONS}$$

Regd. Office: 1, Crooked Lane, Kolkata-700069, Ph: 91-033-2248 3795 Fax: 91-033-2248 1720

Works: Village & P.O: Jamgaon, Dist: Raigarh-496001, Chhattisgarh

Ph: Office: (07762) 226532/33, Works: 264449/51/52/53, 240945 Fax: (07762) 264450



BOND OF TRUST

It is to be noted that the entire vented steam is attributed conservatively to the steam produced with waste heat.

The parameters S_{WHRB} , S_{FBC} and S_{CONS} are measured by steam flow meters and parameters $EG_{Gen, CPP}$ and $EG_{Aux, CPP}$ are measured by energy meters, which are duly calibrated and the records maintained as per the requirement of the monitoring plan.

The project activity was registered under ACM0004, Version 02 which provides an option to calculate electricity generated by using waste gas when it is not possible to measure it directly as other fossil fuel(s) along with waste gas are used for electricity generation. The methodology states that "The relative share of the total generation from waste gas is calculated by considering the total electricity produced, the amount and caloric values of the other fuels and of the waste gas used, and the average efficiency of the plants where the electricity is produced."

However, as the common steam header receives steam from both the WHRB and FBC boiler at the same pressure and temperature, the approach adopted for calculating the net electricity generated through WHRB in the registered PDD was by steam apportioning. The registered PDD states that "Although the pressure and temperature of the steam generated through all the boilers (WHRBs, FBC) will be monitored but since the parameters (P, T) are the same so these have not been included in the monitoring plan."

Further, the following clarification for alternative procedure of determining the net quantity of electricity supplied to the manufacturing facility is already approved.

"To revise ACM0004 taking account of fossil fuel and waste heat recovery boilers supplying one turbine generator. This has been proposed as the measurement of the calorific value of waste heat gases is not possible / AM_REV_0033."

Reference- F-CDM-AM-Rev_Resp_ver 01.1 - AM_REV_0033

"Applicability of ACM0004 methodology to the to the project activity at Bhushan Power steel ltd (BPSL)"

Reference- F-CDM-AM-Clar_Resp_ver 01.1 - AM_CLA_0067

The same approach was verified by the DOE SGS and accepted as an appropriate approach for determining the net quantity of electricity supply.

Thus, the project proponent would like to request the Executive Board to consider the above information and issue the CER for the registered project.

Mr. Saket Agrawal will be the contact person for the review process and is reachable at +91 33 40057777 Ext.- 243 or electronically through saket.agrawal@mbspsteel.com

Regards



Saket Agrawal
Director
MSP Steel and Power Limited