



Mr. Rajesh Kumar Sethi
Chair, CDM Executive Board

UNFCCC Secretariat
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15 February 2008

Re: Request for review of the request for issuance for the CDM project activity 'Zhongjieneng Suqian 2*12MW Biomass Direct Burning Power Plant Project' (Ref. No. 0819)

Dear Mr. Sethi,

SGS has been informed that the request for issuance for the CDM project activity 'Zhongjieneng Suqian 2*12MW Biomass Direct Burning Power Plant Project' (UNFCCC Ref. No. 0819) is under consideration for review because four requests for review have been received from members of the Board.

The request for review is based on the reasons as outlined below. Through this letter we would like to comment on the reasons for review and provide additional information.

1. The first concern in Request1 states:

A non-approved methodology was used to monitor leakage. Further clarification is required on the methodology used to monitor leakage

SGS response:

The leakage was monitored based on the ACM0006 Version03, under which the project was registered. More details are now available in the revised Monitoring Report and Verification Report attached as Annex1 and Annex2 to this letter.

2. The second concern in Request 2,3,4 states:

Regarding the monitoring of leakage, the verification report and the monitoring report only stated Statistic Yearbook of Suqian City Agriculture Volume (2007 Version) to support the surplus of all types of biomass used in this project. However, the ACM0006 ver3 requires to demonstrate that the quantity of available biomass in the region is at least 25% larger than the quantity of biomass that is utilized, including the project plant. to demonstrate an abundant surplus of the biomass. Further clarification is required.

SGS response:

The requirement to 'demonstrate that the quantity of available biomass in the region is at least 25% larger than the quantity of biomass that is utilized, including the project plant' (L2 in page36 of ACM0006 Version03) has been seriously taken into account during the verification assessment: as presented both in Section 7.3 of the Monitoring Report Version3 and in Section 3.2.9 & Section8



/13/,/14/ of the Verification Report, the 'surplus of all types of biomass used in this project' is based on the following documents: 1) Report of Resource Investigation in Suqian Area, dated September 2007; and 2) Statistic Yearbook of Suqian City – Agriculture Volume (2007 Version). The first one was established by the Blue-Sky Investment Consulting & Management Co., Ltd., which was also the resource investigator at validation stage of this project, and the second one was published by the Statistical Bureau of Suqian City. During the verification, SGS has assessed the raw data in these documents regarding the total generation, availability, and utilization of the three types of biomass in the region and confirmed that 'the quantity of available biomass in the region is at least 25% larger than the quantity of biomass that is utilized, including the project plant'. The detailed data is now presented in the following table:

Biomass type	rice straw	wheat straw	rice hull
Total biomass generation in the region (kt)	281	167	299
Biomass loss (kt)	37	32	24
Available Biomass (kt)	244	135	275
Biomass used excluding the project plant (kt)	73	27	125
Biomass used in the project plant (kt)	10	1	29
Total used biomass including project plant (kt)	83	28	154
Available Biomass/Total used biomass - 100%	193%	381%	78%
Abundant surplus? (more than 25%)	yes	yes	yes

Raw data from the aforementioned two documents is attached as Annex3 and Annex4 to this letter. A spreadsheet of biomass surplus determination is also attached as Annex5 to this letter.

We hope that this letter and attached documents address the concerns of the Board. If further information is required, Qi Yang (qi.yang@sgs.com; +86 13916512072) will be the contact person for the review process and is available to address questions from the Board during the consideration of the review in case the Executive Board wishes.

Yours sincerely,

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Annexes :

1. Revised Monitoring Report
2. Revised Verification Report
3. Wheat and rice production from the 'Statistic Yearbook of Suqian City Agriculture Volume (2007 Version)'
4. Availability, utilization of the three types of biomass used in this project (wheat straw, rice straw and rice hull), quoted from the 'Report of Resource Investigation in Suqian Area' dated September 2007 (partial translation)
5. Spreadsheet of surplus calculation