

TÜV SÜD Industrie Service GmbH · Westendstrasse 199 · 80686 Munich · Germany

## **CDM Executive Board**

**Choose certainty.** Add value.



Your reference/letter of

Our reference/name IS-CMS-MUC/Mu Javier Castro

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Fax extension +49 89 5791-2756 Date/Document 2007-10-24

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#### Response to request for review

Dear Sirs,

Please find below the response to the request for review formulated for the CDM project with the registration number 1234. In case you have any further inquiries please let us know as we kindly assist you.

Your sincerely,

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**Castro Javier** Certification Body Climate and Energy

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Issue1: The PP shall further demonstrate the additionality of the project activity.

## Response of TÜV SÜD:

The project activity comprises only flaring of the captured methane, and there is not regulation in Brazil that requires the project owner to collect and flare or use the methane from open lagoons. Therefore there is no economic incentive to realise the activity without CERs revenues. As thus the only incentive to realise this kind of activities in Brazil is to generate CERs and sell them it is evident that the project is additional.

**Issue 2:** The PP shall further clarify in what way their references in the PDD to technical studies related to seepage in Manitoba and Kansas are pertinent for a project in Mato Grosso and Goias.

## Response of TÜV SÜD:

In PDD mentions these scientific documents only to give a technical source regarding the seepage system and there is not any direct relation with the project activities.

**Issue 3:** The PP shall further clarify what is their understanding of the reference to regulatory impetus in this sector.

## Response of TÜV SÜD:

The understanding of this wording is: there is no regulations existing, pending or planned in this sector in Brazil and therefore there is no promotion or obligation for the producer to upgrade the current AWMS system.

**Issue 4:** The PP shall further clarify their statement that "This treatment approach is considered one of the most advanced AWMS systems in the world"

#### Response of TÜV SÜD:

Response is given by the PP.

**Issue 5:** The PP shall further explain their understanding of the current technological barriers as the argument provided is essentially economic in nature.

#### Response of TÜV SÜD:

The technological barrier is based on the lack of skilled and properly trained labour to operate and maintain the system in order to achieve a long-term operation. This barrier is affected by the financial barrier but not based on it.



**Issue 6:** The PP shall further clarify which is the fraction of producers that do not possess the capacity of investment for a new AWMS, as stated by Professor Dr. Carlos Claúdio Perdomo, a swine and poultry researcher from EMBRAPA.

# Response of TÜV SÜD:

The information given in the mentioned document does not give any fraction of producer, and taking in account the sizes of the farms it is clear that these farms are not able to do any kind of big investment in any field not related to the meat production so it is not credible that they will ever invest in a better AWMS for their farms without CERs benefits.

**Issue 7:** The PP shall further clarify the purported legal barriers.

# Response of TÜV SÜD:

The revised PDD excludes the legal barriers.

**Issue 8:** Clarification is required as to how the use of animal weights to determine values for volatile solids (VS) were considered appropriate, in accordance with the methodology, and validated by the DOE.

## Response of TÜV SÜD:

The VS is calculated based on the default value presented in the IPCC 2006, table 10A-7 page 10.80 and table 10A-8 page 10.81. The same have been weight adjusted.

The methodology requires the use of the IPCC 2006 tier 2 approach. The IPCC clearly mentions in page 10.42 the possibility to use default data: "Even when the level of detail presented in the Tier 2 method is not possible in some countries, country-specific data elements such as animal mass, VS excretion, and others can be used to improve emission estimates. If country specific data are available for only a portion of these variables, countries are encouraged to calculate country-specific emission factors, using the data in Tables 10A-4 through 10A-9 to fill gaps." (data from these tables are used by the PP). In the case of Brazil, there is no countryspecific data available additionally in order to use the formula proposed in the IPCC some parameters as GE have to be used, not all the parameters are available therefore the direct use of the formula is not possible. The PP has decided to use the approach presented above based on conservativeness approach and the unavailability of data. The conservativeness approach is demonstrated in the attached excel file, where in order to have a reference value data from "Nutrient Requirements of Swine (1998)"

(http://books.nap.edu/openbook.php?record\_id=6016&page=111) has been used. In the calculations presented is clear that the using default values from IPCC 2006 and a weight adjustment the result is more conservative than trying to use the equation 10.24.

In conclusion the approach used by the PP follows the IPCC 2006 recommendation to use default data and is conservative by using a weight adjustment.

# Furthermore this issue has been presented to other projects in Brazil and the response given was accepted by EB 35.

**Issue 9:** Clarification is required as to whether the emission factor used for electricity consumption is calculated ex-ante and how the DOE validated its appropriateness.

## Response of TÜV SÜD:

The revised PDD use the emission factor from the most recent registered project in Brazil that uses the ex-ante approach. This value is appropriate to be used in this project activity.



**Issue 10:** The monitoring plan should include the more frequent monitoring of the methane content if significant deviations from the previous observations are observed.

# Response of TÜV SÜD:

The PDD has been updated including this information.

**Issue 11:** The DOE shall further clarify how they have assessed and validated the responses to the following clarification requests:

- a. Clarification Request 5: the language of the CR is suggestive of possible resolution. Requests clarification regarding guarantees that debundling will not be taking place over time. The Project participants' response is "Site expansion can still be considered as part of the existing project activity". This response leads to uncertainty regarding the possible debundling.
- b. Clarification Request 8: While the PDD Version 3 shows all project emissions, the monitoring plan does not consider measurement of emissions from power consumed in the operation of the plant.
- c. Clarification Request 14: Too many different issues are clubbed under one CR. Answer of the project participant to the CR is not adequate, transparent and satisfactory. It does not address specific request of the DOE i.e. existence of a procedure for monitoring the use of North American and European genetics. Just saying that without the use of these genetics the business would not profitable would not be sufficient.

# **Response of TÜV SÜD:**

- a. The clarification request is presenting a hypothetical case and the answer given by the project proponent is that any site expansion or construction of further biodigester could be also considered in the actual PDD. Taking in account that some farms will have an increment of animal population this could lead to the necessity to build a new biodigester and this would be part of the actual CDM activity as far as the total emission reductions are below the limit for small scale which is totally credible as the projected emission reductions are far below the limit.
- b. The monitoring report does not include the measurement of the consumed power as the project participant has opted for the most conservative approach, which is to take the real capacity of the equipments and assume that the equipments will be used 24 hours a day and 365 days a year at the maximum capacity.
- c. All the different issues presented in the clarification request have been addressed by the project proponent and the PDD has been updated showing these changes. In relation to the genetics, it is a clear market issue that if a farmer does not use "good" genetics he does not have a possibility to stay in the market. It is internationally known that "good" genetics for the Latin-American market are the ones from North America and/or Europe.