



Industrie Service

**Choose certainty.
Add value.**

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

CDM Team



DAP-PL-2885.99
DAP-IS-2886.00
DAP-PL-3089.00
DAP-PL-2722
DAP-IS-3516.01
DPT-ZE-3510.02
ZLS-ZE-219/99
ZLS-ZE-246/99

Your reference/letter of	Our reference/name	Tel. extension/E-mail	Fax extension	Date/Document	Page
	IS-CMS-MUC/Bb Werner Betzenbichler	+49 89 5791-2170 Werner.Betzenbichler@tuev-sued.de	+49 89 5791-2756	2008-01-11	1 of 3

Request for Review

Dear Sirs,

Please find below the response to the request for review formulated for the CDM project with the registration number 1367. In case you have any further inquiries please let us know as we kindly assist you.

Yours sincerely,

Werner Betzenbichler
Carbon Management Service

Headquarters: Munich
Trade Register: Munich HRB 96 869

Supervisory Board:
Dr. Axel Stepken (Chairman)
Board of Management:
Dr. Manfred Bayerlein (Spokesman)
Dr. Udo Heisel

Telefon: +49 89 5791-
Telefax: +49 89 5791-
www.tuev-sued.de
TÜV®

TÜV SÜD Industrie Service GmbH
Niederlassung München
Umwelt Service
Westendstraße 199
Westendstrasse 199
80686 Munich
Germany

Response to the CDM Executive Board

Issue 1:

Further clarification is required on how the DOE has validated that the investment analysis reflects the actual economic situation of the underlying project activity.

Response by TÜV SÜD

1. Referring to the “actual economic situation”: In line with the additionality tool, the economic situation at CDM decision-making context needs to be validated.
2. Referring to “How the DOE has validated the investment analysis”: Chapters 2.2 to 2.5 of the validation report clarify that both a desk review and follow up interviews were performed to validate that all validation requirements, amongst them the economic situation at CDM decision-making context, were fulfilled. We have confirmed in chapter 3, part B.5 and CAR 11 of our validation report and protocol and would like to reconfirm at this point one more time that TÜV SÜD
 - a. Validated the appropriate analysis method (as required by sub-step 2.a),
 - b. Validated the appropriateness of the selected benchmark (as required by sub-step 2.b),
 - c. Reviewed all documents mentioned in the PDD under sub-step 2.c of the additionality tool as well as in the IRR calculation spreadsheet and confirmed their completeness and relevance for evidencing the economic situation at CDM decision-making context. The assessment is based on official sources and further verification of these sources is considered being outside the scope of the CDM validation,
 - d. Confirmed that the sensitivity analysis has been performed appropriately varying key parameters and that the resulting IRR is still below the benchmark (as required by sub-step 2.d).

The reviewed official documents mentioned in the PDD under sub-step 2.c of the additionality tool as well as in the IRR calculation spreadsheet are presented as No. 6, 7, 8, 9, 10 and No. 23, 27, 30 in the IRL in the revised validation report.

Issue 2

The DOE is requested to provide further details and evidence to support its validation of the common practice analysis. In doing so the DOE is requested to recall the requirements of sub-step 4b of the Tool for the demonstration and assessment of additionality.

Response by TÜV SÜD

1. Additionality tool sub-step 4b of the additionality tool is described in the PDD and has been confirmed in the validation protocol B.5.
2. Table 6 in the PDD, and the corresponding source of the IRRs was carefully checked by the DOE and found to be complete in regard to the requirements laid out in the addi-

tionality tool. We like to explicitly mention that the IRRs of the other projects are listed in the respective source.

3. It is demonstrated in the PDD and has been verified that the financial barrier faced by the project was not faced by the other projects of the list.

Thus, all details and evidence to support the validation are contained in the PDD and TÜV SÜD has sufficiently confirmed in the validation report, chapter 2, 3 and the protocol part B that these details and documentary evidence are complete and relevant to confirm the requirements of sub-step 4.b of the additionality tool; namely that the projects in table 6 are similar but have “essential distinctions” i.e. the increase in costs is “fundamental and verifiable”.

The relevant evidences reviewed and verified by the assessment team are presented as No. 32, 33, 34, 35 in the revised IRL.

In general on issues 1 and 2

May we at this point refer to articles 13 and 15 b, d and e of COP/MOP’s decision “Further guidance relating to the clean development mechanism” taken in Bali: We are confident to have performed the validation in line with existing criteria and guidelines by the COP/MOP and the EB, and as outlined in chapter 2 of our validation report. We hope the Executive Board can substantiate possible further requests for clarification on how we have performed our validation in the validation and verification manual rather than at this late stage of registration.

Issue 3

The validation report indicates that the power will be supplied to the southern grid, while the PDD indicates the central grid. This issue should be clarified.

Response by TÜV SÜD

This was remaining from the report template and not adjusted appropriately. We regret any inconvenience caused by that. The project activity is connected to the Central China Power Grid as stated by the PDD. The issue has been revised in the validation report.