

 <p>CDM project activity registration review form (F-CDM-RR) <i>(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)</i></p>	
Designated national authority/Executive Board member submitting this form	
Title of the proposed CDM project activity submitted for registration	Yunnan Dali Yang'er 49.8MW Hydropower Project; Project activity 1388
<p>Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures, which validation requirement(s) may require review. A list of requirements is provided below. Please provide reasons in support of the request for review, including any supporting documentation.</p>	
<p><input type="checkbox"/> <i>The following are requirements derived from paragraph 37 of the CDM modalities and procedures:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied; <input type="checkbox"/> Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity (DOE) on how due account was taken of any comments has been received; <input type="checkbox"/> Project participants have submitted to the DOE documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party; <input checked="" type="checkbox"/> The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM modalities and procedures; <input type="checkbox"/> The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board; <input type="checkbox"/> Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP; <input type="checkbox"/> The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the CDM modalities and procedures and relevant decisions by the COP/MOP and the Executive Board. <p><input type="checkbox"/> <i>The following are requirements derived from paragraph 40 of the CDM modalities and procedures:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> The DOE shall, prior to the submission of the validation report to the Executive Board, have received from the project participants written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development; <input type="checkbox"/> In accordance with provisions on confidentiality contained in paragraph 27 (h) of the CDM modalities and procedures, the DOE shall make publicly available the project design document; <input type="checkbox"/> The DOE shall receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available; <input type="checkbox"/> After the deadline for receipt of comments, the DOE shall make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated; <input type="checkbox"/> The DOE shall inform project participants of its determination on the validation of the project activity. Notification to the project participants will include confirmation of validation and the date of submission of the validation report to the Executive Board; <input type="checkbox"/> The DOE shall submit to the Executive Board, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received. <p><input type="checkbox"/> There are only minor issues which should be addressed by the DOE / project participants prior to the registration of the project.</p>	
Section below to be filled in by UNFCCC secretariat	
Date received at UNFCCC secretariat	29/01/2008

Reasons for request:

The project activity is a 49.8 MW hydroelectric power plant located on the Heihuijiang River in YangbiYi Nationality Autonomous County, China.

1. The PP in the PDD states that "According to Economic Evaluation Code for Small Hydropower Projects issued by the Ministry of Water Resources (Document No. SL16-95), the benchmark IRR of small hydropower project is 10%. Accordingly, if the IRR of total investment of the Project is lower than 10%, the project is not an economically attractive course of action and fulfils the requirement of additionality." However, the PDD also confirms that "During



construction, the restricted lowest water level of Erhai Lake, one of the main water resources of the Project, increased 1.5m, and it resulted that the Project cannot operate normally in dry seasons⁹. And so the Project owner had to adjust the generation units to 3 smaller one (2 \times 24.9MW to 3 \times 16.6MW). Calculated with electricity tariff 0.215 RMB/kWh¹⁰ and new electricity output, the IRR reduced to 6.09%. Accordingly, the IRR with Cers revenues reduced to 9.46%, a slight lower than benchmark IRR 10%. It's not possible to give up a constructing project with an acceptable IRR, and so the construction continued." Further clarification is required regarding the astringency of the application of the benchmark.

2. Further details are required regarding how the DOE has undertaken an independent assessment of the input values used in the investment analysis.
3. Further details are required regarding how the DOE has undertaken an independent assessment of the range of fluctuations in the sensitivity analysis.
4. Further clarifications are required regarding the essential distinctions between this and the 24 similar project activities in Yunnan Province.