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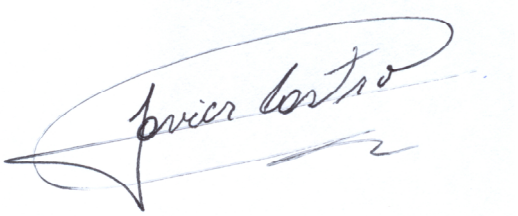
	Javier Castro	Javier.castro@tuev-sued.de			

Request for Review

Dear Sirs,

Please find below the response to the review formulated for the CDM project with the registration number 1774. In case you have any further inquiries please let us know how we can kindly assist you.

Yours sincerely,



Javier Castro
Carbon Management Service

Industrie Service

Response to the CDM Executive Board

Question 1

The DOE is requested to clarify how they have validated that:
(a) the project faces barrier due to the prevailing practice; and
(b) the barrier prevents the implementation of the project, considering that there are three similar projects in the region.

Response by PP

a) The project faces barriers due to the prevailing practice

The project submitted for registration was initially to be developed in parallel with the registered project "Biomass in Rajasthan - Electricity generation from mustard crop residues" UNFCCC CDM project reference number 0058 ('the Ganganagar project'). In 2002 the project was as such submitted to the Dutch government CERUPT programme. Following the technical/technological risk associated with the first time usage of Mustard Crop Residues on this scale for power generation. It was decided not to develop them in parallel, but to make a decision on the development of the Tonk project after more certainty on the successful registration at the UNFCCC of the Ganganagar project was obtained. The minutes from this meeting are attached as separate document. Due to various delays the project participants were not able to complete the validation until March 2008.

A detailed time-line for the development of the project can be found in Table 1.

Table 1: Timeline part

Date	Action	Reference
Jan-02	Submission of Ganganagar and Tonk project to SenterNovem	Contract Senter 20031119 Article 2.1
Jul-03	Start of operation Ganganagar	Rajasthan Renewable Energy Corporation (RREC) 20080206
Nov-03	Contract with Senter for Ganganagar and Tonk	Contract Senter 20031119
Jan-05	Investment Decision Tonk	Minutes of Board Meeting kalpataru 20050107
May-05	Registration Ganganagar	UNFCCC website
Jun-05	Letter of approval Tonk	UNFCCC website
Sep-05	Validation start (GSP)	UNFCCC website
Nov-05	Discussion on contract for Tonk with SenterNovem	Letter SenterNovem 20051124
Nov-06	Start of operation Tonk	RREC - 20080206
Jul-07	Re-GSP	UNFCCC website
Mar-08	Final Validation Report Tonk	UNFCCC website
Apr-08	Submit for Registration Tonk	UNFCCC website

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Prevailing practice for power generation in Rajasthan is still using coal (81%) as fuel for power generation. The installed generation capacity in the state of Rajasthan can be found in Table 2.

Table 2: Installed generation capacity in Rajasthan[1].

Type	Installed Capacity MW
Hydro	256.86
Thermal	2545.00
Gas Turbine	223.80
Total	3125.66

The total biomass generation capacity is 46.3 MW[2]. This could not be derived from the above statistics, but was obtained from the Rajasthan Renewable energy company (see separate document).

The project participants further want to highlight that the project faces technical barriers, as described in the PDD which are related to:

- The storage and management of the biomass;
- The operational difficulties of the combustion of Mustard Crop Residues (MCR); and
- The uncertainty related to the expect amount of available MCR.

b) The barrier prevents the implementation of the project, considering that there are three similar projects in the region.

Three similar projects (projects that use Mustard Husk for energy generation) can be identified in the same region where the project is located, which is the state of Rajasthan[3]. In Table 3 below all other operational biomass based generation projects are included. In the table is shown that the similar projects were developed as a CDM projects. The other operational biomass generation plant developed by the Birla Corporation has is generating electricity for captive use[4] this is therefore a different type of project.

Table 3: Power generation projects based on Mustard Husk Residues in Rajasthan[5]

Name of the Power producer	Cap. in MW	District	Start date	Fuel	UNFCCC CDM ref. no.	UNFCCC Reg. Date
KalpaTaru Power Transmission Ltd.	7.8	Sri Ganganagar	15 July 2003	Mustard Husk, Cotton Stalk	0058	23 May 2005
Alwar Power Ltd.	7.5	Alwar	not operational	Mustard Husk	0082	24 October 2005

[1] http://www.nreb.nic.in/Reports/ar06-07/Chapter2/Annex2.4.pdf
[2] Of which 23.5MW Mustard Crop Residues only.
[3] Rajastan Rajasthan covers an area of 342,239 km² (about the size of Germany). Source: http://en.wikipedia.org/wiki/Rajasthan
[4] http://www.investrajasthan.com/lib/bpulse/022006/bio.html
[5] For a full list of biomass based power generation plants which operational or under construction, please see document biomass based power generation in Rajasthan.

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Surya Chambal Power Ltd.	7.5	Kota	31 March 2006	Mustard Husk	0347	8 May 2006
Amrit. Envi. Tech Ltd.	8	Jaipur	1 October 2006	Mustard Husk	0372	29 Sept. 2006
S.M. Env. Tech. Ltd.	8	Bharatpur	Not operational	Mustard Husk and Wood Chips	0375	15 June 2006
Birla Corporation	15	Chittorgarh	24 December 2005	Rice Husk, Mustard Husk, Soyabin Residue	N.A.	N.A.

The Tonk and Ganganagar projects are among the first of its kind in terms of technology, geography, sector, type of investment and investor, market and the project uses CDM to overcome this barrier. That the use of Mustard Husk as fuel can be considered as difficult is also demonstrated by the registered CDM projects 0082 and 0375 which are still not operational.

Response by DOE

(a) The prevailing practice barrier has been validated based on the following:

1. As per the guidance provided by EB-35, Annex 34, "Non-binding best practice examples to demonstrate additionality for SSC project activities", for prevailing practice barrier, best practice examples include but are not limited to, the demonstration that project is among the first of its kind in terms of technology, geography, sector, type of investment and investor, market etc.

    - The Ganganagar (0058) and Tonk (1774) project are by the same Project Proponent (Annexure-1);

    - The Ganganagar and Tonk project were conceived during the same time as validated from the contract with SenterNovem, dated January 2002 (Annexure-2);

    - During the investment decision for project activity in January 2005, the project owner was still awaiting the registration of project 0058 and only started to implement the project in June 2006 after registration of project 0058 in May 2005.

    - Thus both the Ganganagar and Tonk project are considered to be "among the first of its kind".

2. Subsequent to the Ganganagar project (0058) four other projects (0082, 0347, 0372 and 0375) using MCR were registered under CDM, of which two (0082 and 0375) are still not implemented as per available information from the Government Body, Rajasthan Renewable Energy Corporation Limited (RRECL), indicating the existence of barriers associated with such kind of projects.

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Dates à		As per PDD		Commissioning date
UNFCCC ref No.	**Location**	**Section C.1**	**Section C.2**	**RRECL Letter (Annexure-3)**
0058	Ganganagar	01/08/2003	01/08/2003	15/07/2003
0082	Alwar	Nov - 2004	Sep - 2005	Not yet implemented
0347	Kota	01/03/2004	01/03/2006	31/03/2006
0372	Jaipur	01/03/2005	01/08/2006	01/10/2006
0375	Bharatpur	01/06/2005	01/10/2006	Not yet implemented
1774	Tonk	01/06/2005	15/05/2008	10/11/2006

(b) The validation of the prevailing practice barrier preventing the implementation of the project considering that there are three similar projects in the region has been done as follows:

1. There was only one operational project (by the same project proponent) at the start of the project activity (01-06-2005);
2. All these three operating projects (0052, 0347 and 0372) are registered CDM projects;
3. As indicated earlier, the investor (project proponent) for project 0052 and 1774 are the same.
4. The commissioning period of the projects 0347, 0372 and 1774 is nearly the same (year 2006), as indicated in the letter by Rajasthan Renewable Energy Corporation Limited (Annexure-3).

In light of the above, the prevailing practice barrier has been found to be applicable to the project as it is “among the first of its kind” in the region.