

Final Ruling Regarding the Request for Registration of “Monjolinho Energética S.A.’s CDM Project” (3261)

In line with “*Procedures for review of requests for registration*”, version 1.1, EB 55 Annex 40, paragraph 20, the CDM-Executive Board decided to reject the above proposed project activity on 9th November 2010.

In accordance with paragraphs 26 and 28 of the above mentioned procedures, the CDM-Executive Board concluded that it could not register the proposed project activity because:

- the project participant and DOE have failed to substantiate the suitability of the input values, in particular: (a) the investment cost, as the DOE has not substantiated whether the input value was valid and applicable at the time of the investment decision in line with EB51 Annex 58; and (b) the assured electricity, as the value still corresponds to the initial capacity.

The request for registration is rejected because the project documentation (PDD and validation report) is not in compliance with the requirements of paragraph 109 of the “Validation and Verification Manual”, version 1 and paragraph 6 of the latest “Guidelines on the assessment of investment analysis”, version 3, EB 51, Annex 58, which states that: ‘Input values used in all investment analysis should be valid and applicable at the time of the investment decision taken by the project participant. The DOE is therefore expected to validate the timing of the investment decision and the consistency and appropriateness of the input values with this timing. The DOE should also validate that the listed input values have been consistently applied in all calculations.’ The DOE has not justified the suitability of:

- a) the investment cost at the time of the investment decision, as the DOE has not validated whether the investment cost estimated by the project participant’s company specialist was applicable at the time of the investment decision; and
- b) the assured electricity, as the value still corresponds to the initial capacity (of 67 MW) and the DOE explains that the calculation of the assured electricity corresponding to the new capacity (74MW) is still being conducted. It is likely that, since the increase of capacity was proposed by the PP, the PP was expecting additional electricity that can be sold.

Please note, however, that, with appropriate revisions, this project activity may be resubmitted for validation and registration provided it meets the requirements for validation and registration, in accordance with paragraph 42 of the CDM Modalities and Procedures (Decision 3/CMP.1).

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History of the document

Project 3261	Related to EB 55 Annex 40 Paragraphs 20, 26, 28	Decision Class: Ruling Document Type: Information Note Business Function: Registration
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