

**Final Ruling Regarding the Request for Registration of  
“Energy Efficient Power Generation by Nabha Power Limited” (4807)**

The CDM-Executive Board decided to reject the above proposed project activity on the 25<sup>th</sup> November 2011, during its 65<sup>th</sup> meeting, in accordance with “*Procedures for review of requests for registration*”, version 1.2, EB 55, Annex 40, paragraphs 23, 24 and 28 (the procedures). In accordance with paragraph 27 of the procedures, the rulings shall contain an explanation of the reasons and rationale for the final decision, which are as follows:

- The DOE (DNV) has failed to substantiate the additionality of the project activity. In particular, the DNV has failed to meet the validation requirements for the demonstration of additionality, specifically the identification of realistic and credible alternatives to the proposed CDM project activity, including the alternative of the proposed project activity undertaken without being registered as a CDM project activity in accordance with the “Tool for the demonstration and assessment of additionality” version 5.2. Step 1, Sub-step 1(a).
- The Additionality Tool, page 4 Step 1, Sub-step 1(a) states that: “*Identify realistic and credible alternative(s) available to the project participants or similar project developers that provide outputs or services comparable with the proposed CDM project activity. These alternatives are to include: (a) The proposed project activity undertaken without being registered as a CDM project activity;.*”
- The DOE has confirmed that the tariff applied (INR2.89/kWh) in the investment analysis undertaken to demonstrate additionality was based on the tariff submitted in a bidding for the project. The DOE has also confirmed that it was determined considering CDM revenues and that it was below the level (INR 3.02 INR/kWh) that would enable the IRR to cross the benchmark without considering CDM benefits. Therefore, the issue on the suitability of the tariff assumed in the PDD is not addressed as the DOE has confirmed that it was based on a tariff that considered CDM revenues and therefore the baseline alternative with the project activity undertaken without the CDM could not be assessed.

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**

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| <b>Project</b><br>4807 | Related to EB 65<br>Meeting Report<br>Paragraph 64<br>25 November 2011 | <b>Decision Class:</b> Ruling<br><b>Document Type:</b> Information Note<br><b>Business Function:</b> Registration |
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