

**Final Ruling Regarding the Request for Registration of
“Zhejiang Jiaxing Ultra-supercritical Power Generation Project” (5027)**

The CDM-Executive Board decided to reject the above proposed project activity on 3 May 2012, in accordance with the “*Procedures for review of requests for registration*”, version 1.2, EB 55, Annex 40, paragraphs 20 and 28 (the procedures). In accordance with paragraph 27 of the procedures, the ruling shall contain an explanation of the reasons and rationale for the final decision which are as follows:

- The DOE (CEC) failed to substantiate the additionality of the project activity and to meet the requirements for validation of the suitability of input values to the levelized cost analysis in line with version 1.2 of the validation and verification manual (VVM), paragraph 111, in particular the electricity output of 10,000 GWh/y (or equal to PLF of 95%) for the identified baseline alternative (super-critical coal based power plant). The DOE also failed to substantiate the determination of the baseline emission factor, in particular the efficiency of selected baseline scenario and data to determine baseline emissions, in line with version 4 of ACM0013 (the methodology), page 10.
- Paragraph 111 of the VVM version 1.2 states that “*to verify the accuracy of financial calculations carried out for any investment analysis, the DOE shall: ... (a) Conduct a thorough assessment of all parameters and assumptions used in calculating the relevant financial indicator, and determine the accuracy and suitability of these parameters using the available evidence and expertise in relevant accounting practices;*”
- Page 10 of the methodology referred to above states that “*As a conservative approach, the efficiency should be determined as the efficiency at optimum load, e.g., as provided by the manufacturers.*”
- The DOE failed to substantiate the suitability of input values to the levelized cost analysis in line with the VVM, version 01.2, paragraph 111 as the electricity output for the identified baseline alternative (super-critical coal based power plant) corresponds to PLF of 95%, while the validation report confirms that operational hours of fossil-fired power plants in the host country in 2008-2009 were lower than 5000 hours (or PLF of 57%).
- The DOE has also failed to substantiate that the energy efficiency of the power generation technology that was identified as the most likely baseline scenario (38.95%) is at optimum load, as required by the provision in page 10 of the applied methodology.

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).

- - - -

History of the document



Project 5027	Related to EB 55 Annex 40 Paragraphs 20, 27 & 28 3 May 2012	Decision Class: Ruling Document Type: Ruling Note Business Function: Registration
------------------------	--	--