

CDM-PA8870-RULE01

Ruling note

Request for registration for “Market Coke Waste Heat Recovery Project”

Version 01.0



United Nations
Framework Convention on
Climate Change

1. The CDM-Executive Board decided to reject the above proposed project activity on 4 October 2013, during its 75th meeting (paragraph 30), in accordance with the “Clean development mechanism project cycle procedure” (PCP), version 5.0, paragraphs 85, 86 and 88 (the procedures). In accordance with paragraph 89 of the procedures, the rulings shall contain an explanation of the reasons and rationale for the final decision, which are as follows:
 - (a) The DOE (DNV) failed to substantiate suitability of the input values (in particular, the investment costs and the operational costs) to the investment analysis in accordance with validation and verification standard (VVS), version 2, paragraph 120 (b).
 - (b) VVS, version 2, paragraph 120 (b) states that “To verify the accuracy of financial calculations carried out for any investment analysis, the DOE shall: (b) Cross-check the parameters against third-party or publicly available sources, such as invoices or price indices;”
 - (c) The DOE failed to justify the different references used to cross check the suitability of investment costs and operational costs. Further, it is observed that the specific investment costs of similar projects in China are 54% lower than that of the project activity. The DOE also failed to substantiate how it has validated that the investment costs from similar projects in the US and operational costs in China are comparable with those of the project activity in South Africa.

2. 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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Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	8 November 2013	Initial publication. See also EB75 meeting report, paragraph 30. Related to CDM project cycle procedure, version 5.0 (Paragraphs 85, 86, 88 and 89).

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