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SECOND MONITORING REPORT

DATED 4th MAY, 2007

FOR THE PERIOD

01ST APRIL 2006 TO 30TH APRIL 2007

"Babanpur, Killa and Sahoke Mini Hydroelectric Projects"

Kotla Hydro Power Private Limited

Reference No.UNFCCC00000329 - CDMP

Project Location:

Kotla Branch Canal, District Sangrur,

Punjab, India"

Kotla Hydro Power Private Limited

B-37, Sector-1, Noida – 201301

Uttar Pradesh, India

Fax No. 91-0120-2443723

Kotla Hydro Power Private Limited

Current Status of the Project

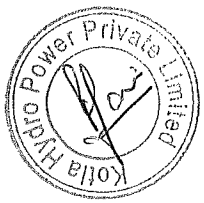
There Mini Hydroelectric Power projects aggregating to 3.75 MW at Babanpur, Killa and Sahoke on the Kotla Branch canal, District Sangrur, Punjab, India have been commissioned and operating successfully. Mini Hydroelectric Project at Babanpur (1MW) was commissioned in July 2004, Killa (1.75MW) was commissioned in November 2005 and Sahoke (1MW) was commissioned in November 2006.

The projects were completed with major equipment supplied as follows:

S.No.	MHP	Equipment	Qty	Supplier
1	Babanpur	Turbine & its accessories	2	HPP Energy India Private Limited, New Delhi
		Induction Generator	2	
2	Killa	Turbine & its accessories	2	Boving Fouress Limited, Bangalore
		Induction Generator	2	
3	Sahoke	Turbine & its accessories	1	Boving Fouress Limited, Bangalore
		Induction Generator	1	

The Company provided the entire equity and loan was taken from Indian Renewable Energy Development Agency Limited (IREDA).

The name of the Company has been changed from "Kotla Hydro Power Limited" to "Kotla Hydro Power Private Limited". The fresh certificate of incorporation and Host Country approval for the same has been received by the project activity. The request for updating the records at CDM Registry with the revised modalities of communication signed by all Project Participants has been sent.



During the present monitoring period i.e. 01st April 2006 to 30th April 2007, all the three (3) Plants achieved net energy generation of 20.44 Million kWh.

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Statement to What Extent the Project has been Implemented as Planned

The projects were completed as planned and described in the Project Design Document (PDD)

All the three schemes are in operation continuously (with outages – forced & planned) since commissioning. Commercial Operation for Babanpur was declared on 1st July 2004, Killa on 1st November 2005 and Sahoke on 1st November 2006.

The purpose of the projects is to generate electricity by utilizing water flowing through the existing canal system.

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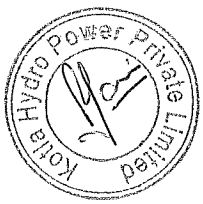
Monitoring Period

This is the second monitoring report associated with the project activity. The previous monitoring report covered the period from 1/07/2004 to 31/3/2006 (Both days included) and the CERs for the same have already been issued.

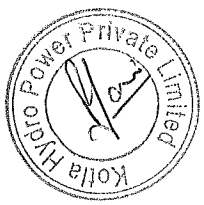
The period covered in this monitoring report is from 01/04/2006 to 30/04/2007 (Both days included). This monitoring report does not cover any period of time covered by the previous monitoring report.



Sustainability – Economic and Social Well-being

The project activity has resulted in sustainable development in the region as follows:

1. Generating clean power by utilizing water has helped in eliminating an equivalent carbon dioxide, sulphur dioxide, nitrogen oxides, SPM *etc.* which would have been otherwise generated to produce electricity.
2. Power generation from a renewable source like water has helped to substitute & conserve considerable amount of finite, non-renewable energy resource (coal & natural gas).
3. Project activity has resulted in creation of direct and in-direct employment in the vicinity.
4. Additional economic benefits have accrued by creation of business opportunity for local stakeholders such as villagers, local shop owners, small contractors, schools, hospitals, etc.
5. Project Area has been lighted with road reflectors and flash lights 24 hours a day which has provided security for the local people commuting in odd hours.
6. Project activity has contributed its share in reducing the demand-supply gap in the power deficit state of Punjab.
7. Helped in Up-gradation of old rural grids and strengthening of country's rural electrification coverage.
8. Helped in strengthening of existing irrigation canals, bridges, roads by up-gradation of these structures.
9. Mechanical Trash racks and trash cleaning machines helped remove trash in the canal resulting in flow of clean water in the canal for irrigation and drinking purposes.
10. Project activity serves a small demonstrative project for clean renewable energy generation in the state. (As these projects are being the first private sector small hydropower projects in the state)
11. Project activity would also contribute to the state exchequer.

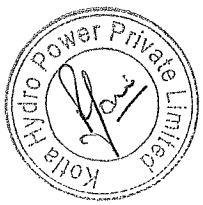


Obtained Parameters According to Monitoring Plan

For the project, following parameters were monitored on a continuous basis.

Energy:

i. Electronic energy meters installed for measuring the gross power generation (export) as well as auxiliary power consumption (import) at the grid interconnection point for all 3 schemes.
ii. Hourly data recording of the relevant parameters and also the recording of total energy generated for every 8 (eight) hours shift.
iii. Daily readings were aggregated to monthly readings.
iv. Monthly reports stating the gross auxiliary and net energy exported were prepared by shift-in-charge and verified by plant managers.
v. Monthly joint meter readings are taken at interconnection point and certified by representatives of Kotla Hydro Power Private Limited (KHPPL) and the purchaser i.e. Punjab State Electricity Board (PSEB).
vi. The joint meter readings are used to raise invoice for sale of net energy to PSEB.
vii. The finance department cross checks the data provided by plant managers.



Power Generation:

Month-wise data on Net Power Exported and Net Emission Reductions is given below for the monitoring period:

As mentioned in the Project Design Document, Emission reductions are calculated based on the power exported to the grid minus power imported from the grid during shut-down and start-ups by the power plant.

Billing Month	Year	Net Power Exported (kwh)				Baseline Emission Factor (tCO_2/MWh)	Baseline Emissions (tCO_2)
		Babanpur	Killa	Sahoke	Total		
April	2006	272450	448910	0	**721360**	0.942	679.52
May	2006	652140	1076030	0	**1728170**	0.942	1627.94
June	2006	677710	1137170	0	**1814880**	0.942	1709.62
July	2006	715020	1268020	0	**1983040**	0.942	1868.02
August	2006	730910	1309430	0	**2040340**	0.942	1922.00
September	2006	458150	742690	0	**1200840**	0.942	1131.19
October	2006	310500	524890	3660	**839050**	0.942	790.39
November	2006	615410	1060860	403960	**2080230**	0.942	1959.58
December	2006	600740	994300	590220	**2185260**	0.942	2058.51
January	2007	481920	798060	426680	**1706660**	0.942	1607.67
February	2007	193440	354010	232160	**779610**	0.942	734.39
March	2007	386320	664360	457760	**1508440**	0.942	1420.95
April	2007	465260	810020	576180	**1851460**	0.942	1744.08
TOTAL		**6559970**	**11188750**	**2690620**	**20439340**		**19253.86**

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Emission Reductions

Baseline Emissions:

Carbon Emission Factor as per the baseline adopted (kg CO_2/kWh) – 0.942

Net energy exported (kWh) – 20439340

Baseline emissions (ton CO_2) – 19253.86

Project Emissions: NIL

Emission Reductions:

Baseline emissions – Project emissions

= 19253.86 - NIL

= 19253 tCO_2

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Measures to Ensure the Results/Uncertainty Analysis

As per the Power Purchase Agreement (PPA), the energy exported to Punjab State Electricity Board (PSEB) is recorded from two independent set of meters – Main Meters and Check Meters. Reading of Main Meter is used for arriving at the figures of power exported after deducting auxiliary power.

In the event, the Main Meter is not in operation, then reading from Check Meter installed at the grid substation of PSEB is used for billing. Till date the main meter only has been used for billing purposes.

The calibration of monitoring equipment is being maintained as per the requirement of PSEB and the same us being done regularly. Power Generation, Export & Auxiliary Consumption are being recorded daily and the same is being verified by Plant Incharge. Since the hourly data logging is carried out along with daily reporting, the uncertainty level of the monitored data used for calculating emission reductions is low. The accuracy of the meters gets further automatically checked at the time of joint meter reading which is being taken every month by PSEB.

The following table indicates the details of Main Meter including their accuracy levels and calibration dates for all three plants:

Description	**Babanpur**	**Killa**	**Sahoke**
Type	Electronic Bidirectional Trivector Meter	Electronic Bidirectional Trivector Meter	Electronic Bidirectional Trivector Meter
S.No.	5271088	4223074	4223078
Capacity; C.T. Ratio	100/5 A; 100/5 A; M.F - 1	200/5 A; 200/5 A; M.F - 1	100/5 A; 200/5 A; M.F - 2
Accuracy level	(±) 0.50%	(±) 0.50%	(±) 0.50%

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Make	L&T	L&T	L&T
Date of Calibration	01/07/2006	18/07/2006	10/2006
Calibration Authority	ME Lab Patiala (PSEB) / L&T	PSEB Meter Mobile Testing Squad (MMTS), Patiala	ME Lab Patiala (PSEB) / L&T
Accuracy Level observed during calibration	Within permissible limits	(+) 0.16%	Within permissible limits

Installation of Meters:

These meters have been installed in a temper proof strong steel compartment sealed at every open end. These compartments are again being kept under a completely closed & locked Meter Room made of RCC. The area where the meter room is located is completely fenced and protected by a barbed wire.

Calibration of Meters:

At the time of installation of the meters, the accuracy and other parameters are checked thoroughly by the manufacturer i.e. L&T and a test report is issued by L&T. The Meters are also checked for accuracy by PSEB Metering Equipment (ME) Laboratory, Patiala before installation at the site. The Meters which are within the permissible accuracy limits are jointly sealed by 2 officers of the rank of Sr. XEN (One from Sr. Ex. Engr., ME Division, Patiala and second from Sr. Ex. Engr., MMTS, Patiala).

Calibration of the Meters already in operation is carried out at site by PSEB Meter Mobile Testing Squad (MMTS), Patiala. The MMTS officer visits the site and issue a challan in respect to the confirmation of the accuracy of the meters. The date of calibration and signature of officer is indicated on the challan. These challans are laminated by a cellophane material and pasted as a seal on to the Meter Box itself.

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In the event, the officer observes any fault in the meter, then the same is being replaced by the officer and a spare tested meter is installed. The faulty meter is then sent to the PSEB Metering Equipment (ME) Laboratory, Patiala wherein the same is tested and a test report is generated. The meter is again reinstalled by the engineer at the site.

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Roles and Responsibilities

KHPPL was the sole agency responsible for implementation and monitoring plan given above.