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## Review reply query for Wires and Fabrics

1. The DOE has not provided information how it has validated the project start date for each sub-bundle/WTG in accordance with the glossary of CDM terms version 08.0.

The DOE is requested to confirm compliance of the Project with Para 185 of the VVS, Version 09. If the PP confirms that it wishes to register the project as a bundle, in regard to the project start date, the DOE is requested to validate the start date of the project in accordance with the glossary of CDM terms version 08.0.

Please refer to VVS version 09.0 paragraphs 114.

Reply: As per the glossary of CDM terms version 08, the start date of the project activity is "In the context of a CDM project activity or CPA, the earliest date at which either the implementation or construction or real action of a CDM project activity or CPA begins"

Accordingly the earliest purchase order placed for J-411 WTG i.e. dated 23/07/2007 amongst the bundle is considered as the start date of the project activity which is as per Para 114 of VVS version 09 and CDM glossary of terms version 08. The bundling form as per Para 185 of the VVS is now submitted and the details are explained in the section D.8.6 of the FVR.

2. The DOE is requested to explain how it has assessed the real and continuing actions for WTG no. J-411 and J-426, in particular:  
(a) How the DOE has validated the evidences for the contracts with CDM Consultant Asia Carbon Emission Management India Pvt Ltd and CDM Consultant "Ennavoir Consulting" in line with VVS version 09.0 paragraph 117. In doing so, for each WTG J-411 and J-426 the DOE shall also: (i) provide the evidences of the actions listed to demonstrate the real and continuing actions; (ii) explain the deliverables by each of these consultants;

(b) How the DOE validate the authenticity of the evidence for the following in line with VVS version 09.0 paragraph 117:

(i) For J-411: Email Communication with CDM Consultant Asia Carbon Emission Management India Pvt Ltd expressing interest to get CDM Project Registration (24/07/2007), confirmation from Consultant about offer acceptance (01/08/2007), appointment of CDM consultant (17/03/2008), follow up for project execution from PP to Consultant (18/12/2008 and 29/05/2009), termination of earlier appointed CDM Consultant due to no project movement (16/09/2009), appointment of new CDM Consultant "Ennavoir Consulting" (10/09/2011), follow up with Consultant for non-performance (18/12/2012), termination of appointed CDM Consultant "Ennavoir Consulting" (11/02/2013) and appointment of CDM Consultant EKI Energy Services Ltd (15/07/2013).

(ii) For J-426: Appointment of CDM Consultant "Asia Carbon Emission Management Pvt Ltd" (15/07/2008), termination of appointed CDM Consultant due to no project movement (18/05/2010), appointment of new CDM Consultant "Ennavoir Consulting" (10/09/2011), follow up with Consultant for non-performance (18/12/2012), termination of appointed CDM Consultant "Ennavoir Consulting" (11/02/2013), and appointment of CDM Consultant EKI Energy Services Ltd (15/07/2013).

Note that as per the paragraph 117 of the VVS, the DOE shall assess letters, e-mail exchanges and other documented communications submitted by the project participants to substantiate the information, and these shall be considered as evidence only after the DOE has assessed the reliability and authenticity of such communications, inter alia through cross-checking (e.g. interviews).

Please refer to VVS version 09.0 paragraphs 117.

Reply: As per Para 118 of VVS, DOE assessed the chronology of the project as stated in the PDD. For J-411 and J-426 all the contracts signed between PP and Consultant i.e. Asia Carbon Emission Management India Pvt and Ennavoir Consulting were checked by the DOE. The signed contracts (i.e. the

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agreement for CDM work between PP and individual consultants) and termination letter (i.e. contact termination between PP and consultants) were checked and confirmed by the DOE. The main reason of termination between PP and individual consultants was that the consultant was not responsive and thus there were no deliverables from there end and thus PP was forced to cancel both the contracts. The same was also confirmed by the assessment team from the emails and letters of the PP send to individual consultants.

For J411: All the emails dates as mentioned in the chronology were checked by the assessment team to confirm the authenticity of the same. The emails for (expression of interest with Asia carbon/Ennavoir Consulting, acceptance of the work order, follow up emails and termination) were checked by the assessment team. The work order and the termination letter sent by the PP to consultant were also checked to further authenticate the emails sent to individual consultants. The work order dated 15/07/2013 for the appointment of EKI energy services was also checked to confirm the authenticity of chronology.

For J426: All the emails dates as mentioned in the chronology were checked by the assessment team to confirm the authenticity of the same. The emails for (expression of interest for Asia carbon/Ennavoir Consulting, acceptance of the work order, follow up emails and termination) were checked by the assessment team. The work order and the termination letter sent by the PP to consultant were also checked to further authenticate the emails sent to individual consultants. The work order dated 15/07/2013 for the appointment of EKI energy services was also checked to confirm the authenticity of chronology.

As per Par 118 (b), DOE concludes that the gap between individual events with both the earlier consultants was less than 2 years and thus it can be considered that CDM was considered seriously for the project. Also to further cross check the authenticity of emails exchanged between earlier consultants and PP, DOE has cross checked the same via an email correspondence to the PP. In response of the same PP confirmed that the events as mentioned in the PDD is real and authentic, thus DOE confirms that continuing and real actions were taken to secure CDM status for the project activity

3. The DOE is requested to explain how it has validated the following input values to the investment analysis:  
(a) Each input value (e.g. project cost, O&M cost, PLF, tariff) being available at the time of investment decision as per the paragraph 6 of EB62 Annex 5 for TEJ-25 and AK-28 considering there is no information on the investment decision for these two wind turbines;

Reply: All the parameters assumed (e.g. project cost, O&M cost, PLF, tariff) for each of the sub-bundle is considered at the time of investment decision as per Para 6 EB 62. The investment decision dates for particular WTGs i.e. TEJ-25 and AK-28 are on 29/04/2010 and hence all the parameters considered are available to the PP at the time of investment decision and in line with Para 6 of EB 62. The details are now included in section B.5 of the revised PDD version 03.

(b) The PLF for J411 and J426 being available at the time of investment decision as per the paragraph 6 of EB62 Annex 5 since it is not clear when the PLF was made available;

Reply: All the PLF values are available to the PP at the time of investment decision. The PLF for all the WTGs are considered from the 3<sup>rd</sup> party report which is in line with Para 3 (b), Annex 11 EB 48. Thus the assumptions are correct and acceptable to the DOE. The information regarding dates of the PLF report was missing and thus now included in the revised PDD version 03.

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(c) The administrative expense and its escalation in line with VVS version 09.0 paragraph 129(b);

Reply: The Administration expenses and its escalation has been considered for establishing the additionality of each sub bundles of the project activity and further third party Charter Accountant certificate has been checked to confirm the authenticity of the same. The evidence thus is acceptable to the DOE and in line with Para 129 (b) of VVS.

(d) Each input value to determine the benchmark for TEJ-25 and AK-28 being available at the time of investment decision as per the paragraph 6 of EB62 Annex 5 in the absence of the information of the time of the investment decision;

Reply: The benchmark for TEJ- 25 and AK- 28 has been taken as the average of equity beta values of listed power companies at BSE 200 being available at the time of investment making decision. The investment decision dates were missing and thus now included for transparency and clarity. The calculation is thus acceptable to the assessment team.

(e) The risk free rate applied for J-411 and J-426 being available at the time of the investment decision (18/07/2007 and 24/05/2008) in line with paragraph 6 of EB62 Annex 5 as the spreadsheet only shows that it is for year 2007-08. Please refer to EB62 Annex 5 paragraph 6.

Reply: The risk free rates for J-411 and J-426 was available at the time of Investment Making decision and can be verified from the below mentioned web link:

For J411 - <https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/77804.pdf> investment decision was taken on 18/07/2007 and the source was available on June 2007.

For J426 - <https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/83924.pdf> investment decision was taken on 24/05/2008 and the source was available on April 2008.

IRR sheets and PDD version 03 are revised accordingly and thus acceptable to the DOE.

f) The Market Return rates applied for all sub-bundles as per Para 129 d) of the VVS since these values have been calculated inconsistently throughout the sub-bundles. For TEJ-25 and AK-28, the PP has calculated the Market Return based on the information on market return values for companies listed in Sensex (BSE-30), BSE-100, BSE-200 and BSE-500, whereas for J-411 and J-426 only the data from SBE-500 was used.

Reply: The Market Return Rates has been calculated based upon the closing index rate at all the listed Sensex in India at the time of investment making decision for all the WTGs in the bundles. Accordingly lowest of all the closing index values in listed Sensex has been considered as most appropriate being a conservative approach. For all 4 WTGs, the market return calculation was done consistently. The approach is thus acceptable to the DOE.

g) The Betas applied for determining the benchmark as per Para 129 d) of the VVS, since these have been calculated inconsistently throughout the sub-bundles. For TEJ-25 and AK-28 sub-bundles, the Beta was calculated as an average of the Beta values of the 5 leading companies in the power, minerals and infrastructure sectors. In this case is arguable, that companies producing electricity from fossil fuels or with diversified portfolios in infrastructure or the mining sector are representative for calculating the beta value of the wind energy sector in India. Furthermore, whereas for the sub-bundles J-426 and J-411, the beta applied was obtained as the

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minimum value of the betas calculated for a chosen group of companies, for the sub-bundles TEJ-25 and AK-28 the applied beta was calculated as the average value of the betas listed for a different group of companies chosen for the other sub-bundles. Therefore, in accordance to Para 129 d) of the VVS, the DOE is requested to further substantiate how it was validated the correctness of the calculation of benchmarks used for the four sub-bundles.

Reply: Beta Values in all the IRR Sheets has been considered as the average of equity beta of the listed power companies in the respective Sensex (Sensex of lower market return) which was available to the PP at the time of investment making decision. Market Return has been assumed to be the minimum of all the values of listed Sensex operating in India during the time of Investment making decision. For this purpose the Index values from the start date of the Sensex till the date of Invest making decision has been considered. The approach is thus acceptable to the DOE and it is the standard accounting principle adopted for the calculation of Beta.

4. The DOE is requested to further validate as Para 162 of the VVS, that all relevant local stakeholders were invited to send comments, since the Local Stakeholder Consultation was carried out only once in the Village of Sadiya, district of Jaisalmer in Rajasthan despite the sub-bundles are developed in three different villages.

Reply: The LSHC meeting was taken place according to the below table:

WTG Location Number	Venue	Meeting Invitation Date	Meeting Date
J-411	Project Site, Sadiya Village	10/02/2015	27/02/2015
J-426	Project Site, Sadiya Village		
AK-28	Project Site, Sirawa Village	10/05/2010	17/05/2010
TEJ-25	Project Site, Habur Village	28/12/2010	07/01/2011

The details regarding for the meeting of WTGs AK-28 and TEJ-25 is now included in the revised PDD version03. No negative comments were received during LSHC process for all the WTG. The LSHC meeting reports for all the WTGs (including Attendance sheets, Minutes of Meeting) were checked by the assessment team and found correct and thus conclude that LSHC meeting were carried out as per the requirement of Para 162 of the VVS

5. The DOE is requested to substantiate whether the monitoring plan defined in the PDD is compliant to the applied monitoring methodology, since the PDD is ambiguous in which parameter will be applied for calculating the ER. The PDD does not specify whether the calculation of ER will be based on the measurements of net electricity generated carried out at the metering point or at the delivery point.

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Reply: The monitoring plan has been mentioned as per the relevant monitoring plan being followed in the state for renewable energy generation by wind being practiced in Rajasthan State, India. Further as per standard plan being followed in the Rajasthan, the ER calculations are based upon net electricity delivered to the grid carried out at the delivery point. At delivery point, the transmission loss has been considered thus net electricity to grid is conservative at delivery point meter. The same information has been transparently mentioned in the revised PDD Version 03. The details were already mentioned in the FVR.