



### CDM Project Activity Registration and Validation Report Form

*(By submitting this form, designated operational entity confirms that the proposed CDM project activity meets all validation and registration requirements and thereby requests its registration)*

#### Section 1: Request for registration

Name of the designated operational entity (DOE) submitting this form	BVQI HOLDING S. A.
Title of the proposed CDM project activity (Section A.2 of the attached CDM-PDD) submitted for registration	6.6 MW Sheshadri Iyer Mini Hydel Power project of Atria Hydel Power Limited at Malavalli Taluk, Mandya District, Karnataka
Project participants (Name(s))	Atria Hydel Power Ltd.
Sector in which project activity falls	Sector 1 : Energy industries (renewable / non-renewable sources)
Is the proposed project activity a small-scale activity?	<u>Yes</u> / No (underline as applicable)

#### Section 2: Validation report

List of documents to be attached to this validation report (please check mark):	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> The CDM-PDD of the project activity</li> <li><input checked="" type="checkbox"/> An explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations;</li> <li><input checked="" type="checkbox"/> The written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development: <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Approval for the project by DNA of host country, India.</li> </ul> </li> <li><input type="checkbox"/> Other documents, including any validation protocol used in the validation <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Validation report including validation protocol, list of persons interviewed.</li> </ul> </li> <li><input checked="" type="checkbox"/> Information on when and how the above validation report is made publicly available.</li> <li><input type="checkbox"/> Banking information on the payment of the non-reimbursable registration fee</li> <li><input checked="" type="checkbox"/> A statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat in particular with regard to instructions regarding allocations of CERs at issuance</li> </ul>	

**Executive Summary and Introduction, including**

- **Description of the proposed CDM project activity**
- **Scope of validation process (include all documentation that has been reviewed and name persons that have been interviewed as part of the validation, as applicable)**
- **DOE Validation team (list of all persons involved in the validation, describing functions assumed in the validation)**

- **Description of the proposed CDM project activity**

The project activity involves operation and maintenance of grid connected electricity generation facility at Belakavalli village Malavalli Taluk, Mandya District Karnataka State India. The project activity comprises of supply, erection, commissioning and operation of a 6.6 MW (2 X 3.3 MW ) Small Hydroelectric grid connected renewable energy project on the canal emanating from the Shiva Balancing reservoir and receiving water from Cauvery river. The planned annual output of the hydroelectric project is 156.2 million units over 7 year period till year 2009. The generated electricity is being supplied to state electricity board of Karnataka.

The project participant is Atria Hydel Power Limited.

The project start date is 21/10/2001 and has opted for 7 year crediting period and the starting date of the first 7 year crediting period is 01/01/2002. The total emission reductions over the 7 years crediting period are estimated to be about 129,618 t CO<sub>2</sub>e

- **Scope of validation process**

The scope of the validation is to assess the aspects of GHG reduction involved in the project. The validation scope is defined as an independent and objective review of the project design document, the project baseline study and monitoring plan and other relevant documents related to the project activity as described above and implemented at Belakavalli village Malavalli Taluk on the canal emanating from the Shiva Balancing reservoir on the banks of Cauvery river in the district Mandya of the state of Karnataka, India. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. BVQI has, based on the recommendations in the Validation and Verification Manual (IETA/PCF, version 3.3, March 2004), employed a risk-based approach in the validation, focusing on the identification of significant risks for the project implementation and the generation of CERs.

The validation is not meant to provide any consulting towards the Client. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.

- **Documents reviewed**

A number of documents and records were reviewed during the validation process. The key documents are listed below :

- CDM Project Design Document [PDD] submitted on 13/10/2005 to BVQI India Private Limited, final version no 3.0 dated May 10 2006
- Letter of approval dated 15/06/2006 from Designated National Authority of host country, India
- Power Purchase Agreement dt 25<sup>th</sup> April 2003. between Atria Hydel Power Limited and Karnataka State Electricity Board.
- Minutes of meeting of the Public Consultation Meeting dated 16.07.2001.
- Board Resolution dated 19.03.2000.
- Record of Power generation.
- Calibration reports by KPTCL dated 13.07.2001 and 18.11.2005 for Main and Check meters.
- Consent for operation from Karnataka State Pollution Control Board vide letter Ref. No.68KSPCB/RO-MND/APC/2002-2003/1648 dated 24.01.2003..

- **Persons Interviewed**

**Atria Hydel Power Limited.**

- |                 |                   |
|-----------------|-------------------|
| Mr. Sunder Raju | - Director.       |
| Mr. K Nagaraju  | - Director.       |
| Mr. D Nagaraju  | - Chief Engineer. |

Mr. Sridhar Bhat - Finance Manager.

**Bunge India Private Limited.**

Mr. Navin Mathur - Sr. Manager (FSG)

**Local Stake holders.**

Mr. Kalidas - Local Villager.

Mr. Srikanth V - Employee (Atria Mini Hydel Plant.)

• **DOE Validation team**

B.G.BHAT -Team leader, performed the document review and site visit

H.B.MURALIDHAR -Team member, supported the team leader in document review, site visit and provided the necessary expertise in electricity generation

ASHOK MAMMEN -Performed the technical review of the validation report

**Description of methodology for carrying out validation**

- Review of CDM-PDD and additional documentation attached to it
- Assessment against CDM requirements (e.g. by use of a validation protocol)
- Report of findings by the DOE, e.g. by use of type of findings (e.g. corrective action requests, clarifications or observations). Please explain the way findings are "labelled" during validation.
- Include statements or assessments in the section "Conclusions, final comments and validation opinion" below.

The overall validation, from Contract Review to Validation Report & Opinion, was conducted using internal procedures (BVQI Management System [BMS], September 2003) which were audited by the CDM Accreditation Team in December 2004.

In order to ensure transparency, a validation protocol was customised for the project, according to the Validation and Verification Manual (IETA/PCF, v. 3.3, 2004). The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria. The validation protocol serves the following purposes:

- It organises, details and clarifies the requirements a CDM project is expected to meet
- It ensures a transparent validation process where the validator will document how a particular requirement has been validated and the result of the validation.

The validation of the project consists of the following 3 phases :

- i) A desk review of the project design document and the baseline and monitoring plan [January 2006]
- ii) Follow-up interviews with the project stakeholders [February 2006]
- iii) The resolution of outstanding issues and the issuance of the final validation report and opinion [June 2006]

The validation involved a combination of desk review and site visit to the project site. The desk review consisted of an assessment of PDD against the CDM and other relevant criteria. This was followed by a site visit. The corrective and clarification requests were submitted to the client after the completion of site visit. The validation opinion and the final report were made subsequently.

The overall approach was risk based assessment.

- **Review of CDM-PDD and additional documentation attached to it**

The PDD submitted by the client was reviewed against the CDM and other relevant criteria and approved methodology [initial version of July 2005 and the final version of May 2006]. All other documents submitted to BVQI for detailed calculations of baseline determination were also reviewed [February 2006 – March 2006].

- **Assessment against CDM requirements**

A validation protocol as per the procedures established by BVQI was used. This protocol was customised with additional checkpoints to address the requirements of the applicable approved methodology. [February 2006]

The protocol provides for a transparent mechanism and information on how the CDM and other relevant criteria and methodology requirements were assessed by the validation team.

During the period from 23<sup>rd</sup> February to 24<sup>th</sup> February 2006, BVQI performed site visit and interviewed the project proponents and local stakeholders to confirm the information and resolve issues identified in the document review.

- **Report of findings by the DOE**

The desk review and site visit of the validation activity has resulted in five corrective action requests [CAR] and five clarification requests [CL].

A corrective action request is issued where the project information does not conform to the CDM and other relevant criteria. A clarification request is made where the project information is not sufficiently described and/or clarified.

These are reported to the client through a draft validation report.

The draft validation report including CARs and CLs were issued to Atria Hydel Power Ltd. after the site visit [February 2006].

**Explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations;**

- Description of how and when the PDD was made publicly available
- Description of how comments were received and made publicly available
- Explanation of how due account has been taken of comments received

<ul style="list-style-type: none"> <li>• <b>Compilation of all comments received (Identify the submitter)</b></li> <li>• <b>Description of how and when the PDD was made publicly available</b> According to the modalities for the validation of CDM projects, the validator shall make publicly available the project design document; receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available. BVQI published the project design document on the UNFCCC website (<a href="http://cdm.unfccc.int">http://cdm.unfccc.int</a>) from 29/12/2005 and invited comments within 27/01/2006.</li> <li>• <b>Description of how comments were received and made publicly available</b> No comments were received from the global stakeholders during the above period. <b>Explanation of how due account has been taken of comments received.</b> Not Applicable since no comments were received.</li> <li>• <b>Compilation of all comments received</b> Not Applicable since no comments were received.</li> </ul>
<p><b>Conclusions, final comments and validation opinion</b></p> <ul style="list-style-type: none"> <li>• <b>Provide conclusions on each requirement under paragraph 37 of the CDM modalities and procedures, describing how these requirements have been met. This shall include assessments and findings (e.g. corrective action requests, clarifications or observations) in relation to each requirement, including a confirmation that all issues raised have been addressed to the satisfaction of the DOE.</b></li> <li>• <b>Final comments and validation opinion</b></li> </ul> <p>BVQI has performed a validation of Atria Hydel Power Limited Grid-connected electricity generation from renewable sources at Belakavalli village Manavalli Taluk, District Mandya in the state of Karnataka India. The validation was performed on the basis of UNFCCC criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.</p> <p>The validation consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan (January 2006); ii) follow-up interviews with project stakeholders (February 2006); iii) the resolution of outstanding issues and the issuance of the final validation report and opinion (June 2006).</p> <p>The review of the project design documentation (May 2006, version 3.0) and the subsequent follow-up interviews have provided BVQI with sufficient evidence to determine the fulfillment of stated criteria. In our opinion, the project correctly applies and meets the relevant UNFCCC requirements for the CDM and the relevant host country criteria.</p> <p>The project activity generated electricity by using the renewable hydel sources to meet the ever increasing demand for energy in the region. The development of the project activity is reducing and will reduce the green house gas [GHG] emissions produced by the Southern regional grid generation mix, which is mainly dominated by fossil fuel based power plants. Apart from the generation of electrical power, the project is also contributing to sustainable development through contribution towards meeting the electricity supply deficit in the State of Karnataka, conserving natural resources and rural and infrastructure development.</p> <ul style="list-style-type: none"> <li>• <b>Will the project result in emission reductions that are additional</b></li> </ul> <p>By generating electricity from hydel project is likely to result in reductions of GHG emissions partially displacing electricity that would have otherwise been purchased from the grid. An analysis of the investment and technological barriers demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented and maintained as designed, the project is likely to achieve the estimated amount of emission reductions.</p>

- **Local stakeholder comments and actions taken**

The project participants are Atria Hydel Power Ltd. India. The host Party – India meets all relevant participation requirements. The DNA of host party, Ministry of Environment & Forest (MoEF), has confirmed that the Government of India has ratified the Kyoto Protocol in August 2002, has provided approval of voluntary participation and has confirmed that the project contributes to Sustainable Development in India.

Local stakeholders have been taken into confidence regarding the project activity. Invitation for stakeholder consultation has been done in a transparent manner. Stakeholders consultation meetings have been conducted on regular basis and a formal one on January 2001. The stakeholders expressed positive views. Due account was taken for all the comments received during the consultation process.

- **Environmental impacts including transboundary impacts and impact assessment if applicable**

The host country (India) legislation does not require an analysis of the environmental impacts of the project activity since this is not applicable to small scale projects. The Environmental Impact are considered to be negligible being run of river project. Overall environmental impacts are not significant.

The projects have obtained the necessary approvals and permits from the Karnataka State Government. The project does not expect to create any negative social or environmental impacts.

- **Appropriateness of the methodology**

The approved methodology as per Appendix B of the simplified baseline and monitoring methodologies for selected small scale CDM project activity categories has been used. The project conforms to the applicability conditions of the baseline and monitoring methodologies very well.

It is demonstrated that the project activity itself is not a likely baseline scenario due to the existence of one or more of the following barriers: investment barriers, technology barriers, barriers due to prevailing practice and other barriers. Various arguments are put forward regarding the investment barriers and technological barriers. It is demonstrated that the project activity depends on the carbon finance through sale of carbon credits.

The GHG emissions calculations are documented in a complete and transparent manner using the provisions of the methodology. The calculated annual average of 18517 tCO<sub>2</sub>e over the seven-year crediting period of emission reduction represents a reasonable estimation using the assumptions given by the project documents.

- **Are the provisions for monitoring, verification and reporting in accordance with decision 17/CP.7**

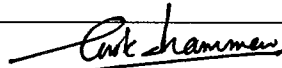
The authority and responsibility of project management and monitoring measurement are clearly described. All indicators of importance for controlling and reporting of project performance are incorporated in the Monitoring Plan.

- **Conformance to all CDM requirements as per decision 17/CP.7**

In summary, it is the validation team's opinion that the "Grid-connected electricity generation from renewable sources at Belakavalli village Manavalli Taluk, in India" as described in the project design documentation of May 2006 meets all relevant UNFCCC requirements for the CDM and correctly applies the approved consolidated baseline and monitoring methodology. The approved methodology as per Appendix B of the simplified baseline and monitoring methodologies for selected small scale CDM project activity categories has been used at the time the PDD was submitted to BVQI for validation. Hence BVQI requests the registration of the "Grid-connected electricity generation from renewable sources at Belakavalli village Manavalli Taluk Mandya District Karnataka in India" as a CDM project activity.

Further details can be obtained from the "Validation Findings" Section and Table 1 of the Validation Protocol in Appendix A of BVQI's Validation report (BVQI report no. BVQI/IND/28.49 rev04).

The validation is based on the information made available to us and the engagement conditions detailed in this report.

The DOE declares herewith that in undertaking the validation of this proposed CDM project activity it has no financial interest related to the proposed CDM project activity and that undertaking such a validation does not constitute a conflict of interest which is incompatible with the role of a DOE under the CDM.		
By submitting this validation report, the DOE confirms that all validation requirements are met.	Ashok Mammen	
Name of authorized officer signing for the DOE		
Date and signature for the DOE	12-08-2006 	
<b>Section below to be filled by UNFCCC secretariat</b>		
Date when the form is received at UNFCCC secretariat		
Date at which the registration fee has been received		
Date at which registration shall be deemed final		
Date of request for review, if applicable		
Date and number of registration	Date	Number