

Dña. Gloria Bernal Viera
Gerente de Administración y Finanzas
Cooperativa Rural de Electrificación, Ltda.
C/ Honduras esq. Av. Busch
Casilla 1310. Santa Cruz
Bolivia

Nuestra ref.: 2005-CO2-36
Su ref: GAF/787/2005
Asunto: Financial Offer
Fecha: 2005-12-21

Dear Mrs. Gloria Bernal Viera,

In reply to your request to validate the project "Small-Scale windmill project", received in AENOR CLIMATE CHANGE UNIT, it is a pleasure to send you the attached offer.

To proceed with the acceptance of the mentioned offer, we request you to send us, to the fax number **+34 91 319 53 85**, by e-mail to javiervallejo@aenor.es, or by ordinary mail to the address: c/ Génova, 6 28004 MADRID - Spain, the following documents duly filled in and signed:

- The annex 1 (**Acceptance of the offer**).
- The application for validation and verification of CDM project activities (R-DCS-279) with the number offer, in this case the certification process will commence.

If you need further information or clarification of this offer, please do not hesitate to contact us in the telephone number **+ 34 91 432 60 04**.

I would like to thank you for your confidence in our organization and we remain entirely at your service for any clarification you may require.

Yours faithfully,

AENOR

José Luis TEJERA OLIVER
Climate Change Unit Director

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1. OBJECT AND SCOPE OF THE OFFER

This offer describes the technical and financial conditions for the accomplishment of the validation in conformity with decision 17/CP.7 "Modalities and procedures for a clean development mechanism as defined in article 12 of the Kyoto protocol", with the Annex II of the decision 21/CP.8 Modalities and procedures simplify for project activities of small scale of the clean development mechanism of the Kyoto protocol" and relevant decisions of the EB of the CDM, of the Joint Implementation project of San Ramón in Bolivia.

2. CONFIDENTIALITY

AENOR adopt the commitment to keep confidentiality of all data and information received during the validation process, in accordance with provisions on confidentiality contained in paragraph 27(h) of decision 17/CP.7 "Modalities and procedures for a clean development mechanism as defined in article 12 of the Kyoto protocol".

3. VALIDATION PROCESS

See "General Rules for Validation, Verification and Certification of a CDM Project Activity against the requirements of UNFCCC", and the applicable specific Particular Rules.

AENOR is designated by COP/MOP 1 as a Designated Operational Entity (DOE) to validate projects in sectoral scopes 1, 2 & 3, related with the energy sector.

4. RESULTS AND SERVICES OBTAINED WITH AENOR**During the Validation process**

- Initial documentation review in order to inform applicants about its completeness.
- Permanent Information on the situation of the validation process, by the assignment of a chief validator, qualified in the sectoral scope of the project activity and who takes charge of tackling any question relative to dossier during the validation process.
- Identification of the risks associated with assumptions/claims made and data sources used.
- Assessment whether the monitoring plan provides for the monitoring of the relevant projects and baseline GHG emission indicators and whether it addresses all other factors that should be monitored over the project lifetime, including social and environmental sustainability indicators.
- Validation opinion including a statement of the likelihood of the project activity to achieve the anticipated emission reductions stated in the documentation.
- Issue of the validation report and application for register of the project activity validated.

5. WORK PLAN

Validation Works will begin once AENOR has been designated to conduct the validation and request to registration of the Project activity.

The length and timetable of the foreseen activities will be:

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Date	Activity	Company
December 2005	Validation awarded	CRE Ltda.
December 2005	Contract signature	CRE Ltda.
January 2006	Multidisciplinary validation team assignment PDD study and associated documentation Validation protocol On site visit organization	AENOR
February 2006	On site visit in Bolivia	AENOR
February 2006	Validation preliminary report	AENOR
March 2006	Review of the report by the applicant and introduction of changes in the PDD Revisión del Informe por el solicitante e introducción de cambios en el PDD	CRE Ltda.
March-April 2006	Final report of validation	AENOR
March-April 2006	Request of registration	AENOR

Dates are an estimation based on previous experiences of validation of projects

6. FINANCIAL CONDITIONS

This quotation has been elaborated considering the following aspects in relation to the validation of the project activities entitled:

- Number of days for desk review and interviews: 8
- 15% discount

VALIDATION ITEMS	
CONCEPT	FEE IN EUR
APPLICATION FORM Includes the file opening and the first documentation analysis and contract revision.	
VALIDATION (8 man-days)	
ACTIVITY PROJECT REGISTRATION APPLICATION	
Travel expenses and accommodation	
TOTAL	

- The period of validity of this quotation is of 9 months from the date it has been issued.

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7. INVOICING AND FORM OF PAYMENT

The work will be invoiced as the work is being developed.

8. PREVIOUS EXPERIENCES AND REFERENCES

AENOR is the first and the only Spanish entity accredited by United Nations to act as Designated Operational Entity and in this way, can validate CDM projects in the sectoral scopes 1,2, and 3 because of:

- Assignment of a multidisciplinary validation team with knowledge and experience of the Flexibility Mechanism of the Kyoto Protocol, international finance projects and the project technology.
- Knowledge of the development of UNFCCC regulations and the methodologies for the baseline calculation and project additionality.
- An international network of permanent offices in Latin America, Europe and Asia that enhance the cost and deadlines of the development of our activities.

AENOR has validated almost the total of the CDM project of the Climate Change Spanish office, being the Operational Entity of reference in Spain.

The following chart has the last six validated projects:

Project	Technology	Country	Company
Las Vacas (Already built and working)	Hydroelectric project 45 MW	Guatemala	IBERDROLA
Los Algarrobos	Small scale-hydroelectric project 10 MW	Panamá	UNIÓN FENOSA
La Ventosa	Wind farm project 200 MW	México	GAMESA
Matanzas	Small scale-hydroelectric project	Guatemala	ENEL Latinoamérica
San Isidro	Small scale-hydroelectric project	Guatemala	ENEL Latinoamérica
Agua del Cajón	Project of switch to combined cycle gas	Argentina	CAPEX, S.A

Moreover, AENOR has proven and wide experience in the verification of environmental statements according to the European sketch EMAS and the CO₂ verification of emissions, under the European

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sketch of emission trade of allowances, in combustion plants, oil refining, iron and steel industry, cement, slates, bricks, tiles, floor tiles, baked ceramics and paper pulp.

9. WORK TEAM

The validation team is formed for at least the following people of AENOR's Climate Change Unit and involved in the validation of AENOR mentioned projects, and the Chilean personnel of our office involved in the validation of CDM projects.

Team	Qualifications	Experience - Knowledge
Antonio Carretero Peña	Industrial engineer Environmental management master's Degree	Energy industries Environment
Javier Vallejo Drehs	Forestry engineering MBA (IE Madrid)	Kyoto Protocol Renewable energies
Miguel Carrasco García	Mining Engineer (Esp. Energy and fuels) Course "International Project Finance"	Renewable energies Financing projects

10. IDENTIFICACIÓN DE LA FIRMA Y SU REPRESENTANTE

Signature data: AENOR, Asociación Española de Normalización y Certificación

Address AENOR España: C/ Génova 6, 28004, Madrid, España.

Address AENOR CHILE: Edif. Torre de la Costanera 2711, Piso 24 Of.2402. Las Condes-Santiago de Chile.

Bureau: España, Italia, México, El Salvador, Chile. (Brasil y Portugal shortly)

Representatives: Bulgaria y China.

Director of the Climate Change Unit: José Luis Tejera Oliver.

General Manager and legal representative: Ramón Naz Pajares.

Web-site: www.aenor.es

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ANNEX 1

ACCEPTANCE OF THE OFFER

Joint Implementation Project San Ramón

The company **CRELtda.**, hereby accepts the offer in its entirety and declares to know and to accept the provisions specified in the "General Rules for Validation, Verification and Certification of a CDM Project Activity against the requirements of UNFCCC".

Name of the Signatory:

Position:

Date:

Signature.....

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