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Validation Report

SINDICATUM CARBON CAPITAL LTD.
VALIDATION OF THE REVISED MONITORING PLAN OF
THE REGISTERED CDM-PROJECT N°: 1900
“Duerping Coal Mine Methane Utilization Project”

REPORT NO. 600500291

25 August, 2009

TÜV SÜD Industrie Service GmbH
Carbon Management Service
Westendstr. 199 - 80686 Munich – GERMANY

Report No.	Date of first issue	Revision No.	Date of this revision	Certificate No.
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Subject: Validation of a Monitoring Plan of a registered CDM Project			
Accredited TÜV SÜD Unit: TÜV SÜD Industrie Service GmbH Certification Body "climate and energy" Westendstr. 199 - 80686 Munich Federal Republic of Germany.		TÜV SÜD Contract Partner: TÜV SÜD Industrie Service GmbH Carbon Management Service Westendstr. 199 - 80686 Munich Federal Republic of Germany.	
Client: Sindicatum Carbon Capital Ltd. 18 Hanover Square London W1S 1HX United Kingdom		Project Site(s): Shanxi Coking Coal Group Company Ltd. Duerping Coal Mine Shanxi Province, Vanbailim District 20 km West of Taiyuan City People's Republic of China	
Project Title: Duerping Coal Mine Methane Utilization Project			
Applied Methodology / Version: ACM0008 / Version 03		Scope(s): 8, 10 Technical area(s): 8.1, 10.3	
Registered PDD Version: Registration Date: 06/03/2009 Starting Date of Crediting Period: 06/03/2009		Revised Monitoring Plan: Date of issuance: 08/06/2009	
Assessment Team Leader: Dr. Sven Kolmetz		Further Assessment Team Members: Karin Wagner Jiming Zhang	
Summary of the Validation Opinion: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> The review of the revised monitoring plan and the subsequent follow-up interviews has provided TÜV SÜD with sufficient evidence to determine the fulfilment of all stated criteria. In our opinion, the revised monitoring plan meets all relevant UNFCCC requirements for the CDM. Hence TÜV SÜD will recommend the replacement of the monitoring plan of the registered PDD by the submitted version. <input type="checkbox"/> The review of the revised monitoring plan and the subsequent follow-up interviews has not provided TÜV SÜD with sufficient evidence to determine the fulfilment of all stated criteria. Hence TÜV SÜD will not recommend the replacement of the revised monitoring plan of the registered PDD. 			



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1 INTRODUCTION

1.1 Objective

The validation objective is an independent assessment by a Third Party (Designated Operational Entity = DOE) of a proposed revision of a monitoring plan against all defined criteria set for the registration under the Clean Development Mechanism (CDM). Validation is required in the context of proposed revisions of a registered CDM activity and will finally result in a conclusion by the executing DOE whether a revised monitoring plan is valid and should be submitted for replacing the previous version. The ultimate decision on the registration of a proposed revision rests at the CDM Executive Board.

The project activity discussed by this validation report is registered as CDM activity N° 1900 with the project title:

"Duerping Coal Mine Methane Utilization Project"

1.2 Scope

The scope of any assessment is defined by the underlying legislation, regulation and guidance given by relevant entities or authorities. The core requirements on revised monitoring plans are given by annex 12 of the report of EB-31 as referred below:

15. The request for revising monitoring plan is made in cases where:

- a. the monitoring plan in the registered CDM project activity document is found not to be consistent with the approved monitoring methodology applied to the registered project activity; or
- b. the proposed revision of the monitoring plan ensures that the level of accuracy or completeness in the monitoring and verification process is not reduced as a result of the revision;

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.

2 METHODOLOGY

The project assessment aims at being a risk based approach and is based on the methodology developed in the Validation and Verification Manual, an initiative of Designated and Applicant Entities, which aims to harmonize the approach and quality of all such assessments.

2.1 Appointment of the Assessment Team

According to the technical scopes and technical areas as well as the experiences in the sectoral or national business environment TÜV SÜD has composed a project team in accordance with the appointment rules of the TÜV SÜD certification body “climate and energy”. The composition of an assessment team has to be approved by the Certification Body ensuring that the required skills are covered by the team. The Certification Body TÜV SÜD operates four qualification levels for team members that are assigned by formal appointment rules:

- Assessment Team Leader (ATL)
- Greenhouse Gas Auditor (GHG-A)
- Greenhouse Gas Auditor Trainee (T)
- Experts (E)

It is required that the sectoral scope / technical area linked to the methodology has to be covered by the assessment team.

The validation team was consisting of the following experts (the responsible Assessment Team Leader is written in bold letters):

Name	Qualification	Coverage of technical scope	Coverage of technical area	Host country experience
Dr. Sven Kolmetz	ATL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Karin Wagner	GHG-A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Jiming Zhang	GHG-A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Dr. Sven Kolmetz is physicist and head of the department “TÜV Carbon Management Service” located in the head office of TÜV SÜD Industrie Service GmbH in Munich, Germany. Furthermore he is officially authorized expert in the verification of GHG emissions in the framework of the European Emission Trading Scheme. Before entering TÜV SÜD he worked as energy consultant for industrial companies and as consultant for the German Federal Government on instruments for the reduction of GHG emissions.

Jiming Zhang is an auditor for environmental management systems (according to ISO 14001) at Jiangsu TUV Product Service Ltd. He is based in Beijing. In his position he is responsible for the implementation of validation, verification and certifications audits for management systems. He has received training in the CDM validation process and participated already in several CDM project assessments.

Karin Wagner is an auditor in the “Carbon Management Service” department of TÜV SÜD Industrie Service GmbH in Munich, Germany. She holds a M.Sc. in geological sciences and has gathered experience in environmental consulting for the mining industry before joining TÜV SÜD. Karin Wagner

specializes in the assessment of CDM / JI projects as well as voluntary standards in the sector of mining/mineral production, waste handling and disposal as well as renewable energies.

2.2 Review of Documents

The revised Monitoring Plan submitted by the client was reviewed as an initial step of this validation process. This assessment is considered as a stand-alone validation. The registered PDD is located at <http://cdm.unfccc.int/Projects/DB/TUEV-SUED1214838535.8/view>.

2.3 Follow-up Interviews

Various communications were held with the responsible people from Sindicatum discussing the revision of the Monitoring Plan and its actual implementation.

2.4 Internal Quality Control

As final step of a validation, the validation report has to undergo an internal quality control procedure by the Certification Body “climate and energy”, i.e. each report has to be approved either by the head of the certification body or his deputy. In case one of these two persons is part of the assessment team, the approval can only be given by the other one.

It rests at the decision of TÜV SÜD's Certification Body whether a project will be submitted for re-requesting registration / revision by the EB or not.

3 FINDINGS

The proposed project activity involves the utilization of the coal mine methane (CMM) from the Duerping coal mine owned by Shanxi Coking Coal Group Company Ltd. in Central China (Shanxi Province).

The extracted CMM will be partially used in gas fired engines with a total final capacity of 12 MW, which will be exported to the North China Power Grid. In addition, the waste heat of these generators will be used for seasonal warming of the intake air of the mine, thereby replacing the 4.2 MW coal-fired boilers. The project further involves the partial flaring of the sur-plus methane in enclosed flares.

The monitoring plan was revised in order to reflect the current situation regarding the monitoring of the flaring part of this project activity. There is no change in the project design but the revised monitoring plan will improve the monitoring process as some minor inconsistencies regarding data units were removed as well as the actual locations and measuring devices are specified in more detail. These revisions are in line with the applied methodology ACM0008 vers. 03.

The revised monitoring plan further includes the complete set of parameters necessary for the accurate determination of the emissions associated with the flaring as indicated by the applied methodology as well as the applied flaring tool (i.e. “Tool to determine project emissions from flaring gases containing methane”, EB28, Annex 13).

TÜV SÜD performed a thorough cross-check of the monitored parameters that are indicated in the revised monitoring plan with the applicable methodology and the flaring tool and confirms that the revised plan contains all the necessary parameters and is fully in line with the given requirements. The monitoring of these parameters is described clearly and appears to be feasible within the project design. TÜV SÜD further confirms that the described means of implementation of the revised monitoring plan such as data management, QA/QC procedures are sufficient to ensure that the emission reductions that will be achieved by this project can be reliably reported ex-post.

4 VALIDATION OPINION

TÜV SÜD has performed a validation of the revised monitoring plan of the CDM project N°: 1900; "Duerping Coal Mine Methane Utilization Project"

The review of the revised monitoring plan and the subsequent follow-up interviews has provided TÜV SÜD with sufficient evidence to determine the fulfilment of all stated criteria. In our opinion, the revised monitoring plan meets all relevant UNFCCC requirements for the CDM. Hence, TÜV SÜD recommends the replacement of the monitoring plan of the registered PDD by the submitted revision.

In line with annex 34 from EB 26, the DOE confirms that:

- (a) the proposed revision of the monitoring plan ensures that the level of accuracy or completeness in the monitoring and verification process is not reduced since the revision mainly focuses on the addition of monitoring parameters that were missing in the previous monitoring plan; and
- (b) the proposed revision of the monitoring plan is in accordance with the approved monitoring methodology and associated tools applicable to this project activity; and
- (c) as no previous verification reports are issued, no previous findings have to be taken into account.

Munich, 25/08/2009



Thomas Kleiser
Certification Body "climate and energy"
TÜV SÜD Industrie Service GmbH

Munich, 25/08/2009



Dr. Sven Kolmetz
Assessment Team Leader