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### **Response for Request for Review of *Jiangxi Pinggang Group 20MW Waste Gas and Surplus Steam based Captive Power Plant (2499)***

Dear Sirs,

Please find below the response for the request for review formulated for the project *Jiangxi Pinggang Group 20MW Waste Gas and Surplus Steam based Captive Power Plant* with registration number 2499.

In case you have any further inquiries please let us know as we kindly assist you.

Yours sincerely,

Thomas Kleiser  
Carbon Management Service

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Reply to Request for Review:CDMP00002499

*Jiangxi Pinggang Group 20MW Waste Gas and Surplus Steam based Captive Power Plant*

- 1. The DOE shall further substantiate the existence of: (i) investment barrier, in particular, rejection of the loan application seems to be due to submission of incorrect economic analysis to the bank, and (ii) technological barriers, in accordance with the Sub-step 3a of Tool for the demonstration and assessment of additionality, v05.2.**
- 2. The PP/DOE shall further clarify criteria of selecting similar projects and difference between the project activity and similar projects in line with the step 4 of Tool for the demonstration and assessment of additionality, v05.2.**
- 3. The DOE shall further substantiate elimination of alternative; waste gas/heat is sold as an energy source as waste gas is sold in the pre-project scenario.**
- 4. The PP/DOE shall further substantiate:**
  - (i) that the waste gas/steam utilized in the project activity was released into the atmosphere in the absence of the project activity at existing facility with detailed information in line with the applicability criteria of the ACM0012 v2.;**
  - (ii) validation of the BFG supplied to the other companies with credible evidence;**
  - (iii) how the consumption of BFG and LDG for club production and steel rolling respectively have decreased in 2006 compared to 2005 when steel production was increased in 2006 compared to 2005; and**
  - (iv) amount of electricity imported from the Central China Power Grid in the pre-project scenario.**
- 5. The DOE shall further substantiate the suitability of quantity of waste BFG assumed in calculating the emission reduction in compliance with paragraph 90 of VVM as it appears only 84% of the waste BFG assumed is available when the steel plant is running close to full capacity.**
- 6. The means of calculation of fcap for waste steam is not in accordance with ACM0012 version 2. The DOE shall clarify why it suggested that the PP can use the ACM0012 v3 to calculate the fcap for waste steam, while the applied methodology for the project activity is ACM0012 v2.**
- 7. The PP/DOE should provide the spreadsheet of the emission reduction calculation.**
- 8. The monitoring plan shall include monitoring of: (i) quantity of waste gases used for energy generation per hour (QBFG,h, QLDG,h), (ii) amount of individual fuel consumed at the energy generation per hour (Qi,h) , and (iii) net calorific values of the waste gases (NCVBFG, NCVLDG) and fossil fuel (NCVi) in line with the methodology.**
- 9. The PP/DOE shall clarify how the PP makes sure there is no reduction of BFG supplied to the existing two thirdparty companies with the implementation of the project activity.**

### Response by TÜV SÜD (DOE)

Based on the PP specific response letter, DOE decided to issue a negative validation report for the project activity. The PP was not able to substantiate the request No. 3 and the other requests that refer to this request, especially request No. 4, 5 and 9. In lack of credible evidence, it is still not clear for the DOE why the baseline alternative of BFG sold to internal or external users can be excluded.

Both this DOE answer letter and the PP answer letter will be uploaded separately in the context of this response.