



Chair, CDM Executive Board  
UNFCCC Secretariat  
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11<sup>th</sup> January 2013

**Re: Request for review for the request for issuance for CDM project activity "Energas Varadero Conversion from Open Cycle to Combined Cycle Project" (Ref. no. 0918) monitoring period 01/07/2008 to 31/12/2010**

Dear CDM Executive Board Members,

SGS has been informed that the request for issuance for the CDM project activity Energas Varadero Conversion from Open Cycle to Combined Cycle Project" (Ref. no. 918) for the monitoring period 01/07/2008 – 31/12/2010 is under consideration for review because three requests for review have been received from members of the Board .

It is understood that the request for review is based on the reasons outlined below. SGS would like to take this opportunity to provide a response to the issue raised by the review team:

**Request for Review:**

*"The DOE is requested further explain how the calculation of the ER is correct, in particular that it discounts the ER for this MP due to a mistake in the previous MP, considering that neither the MP nor the methodology has such provisions. Please refer to VVM version 1.2 para 208c."*

**SGS' and PP' Response:**

The following paragraphs from the Validation and Verification Manual, version 1.2., have been applied:

- VVM para 208c: *"Calculations of baseline emissions, proposed CDM project activity emissions and leakage, as appropriate, have been carried out in accordance with the formulae and methods described in the monitoring plan and the applied methodology document"*.

The calculation of baseline emissions and project emissions were correctly done in MP3 (01/07/2008 – 31/12/2010). The deduction of the excess of 5,180 CERs issued in MP2 does not contravene para 208c.

- VVM para 208d: *"Any assumptions used in emission calculations have been justified;"*.

Following this paragraph it was included in MR and verification report the detailed explanation to justify the deduction done, which was duly reviewed by SGS team. This verification followed the "Transparency" principle (VVM para 17) and the "Conservative" and "Completeness" criterion (VVM para 8 & 12).



We would like to highlight the fact that similar approach was adopted on previous occasion for CER issuance (e.g. CDM PA 959, second monitoring period).

SGS considers compensation of excess CERs is essential for the sake of maintaining environmental integrity. SGS's verification report submitted on 30/10/2012 with the request for issuance stated (page 10) *"It is important to note that neither the VVM nor any other UN guidance state any provisions for discounting the emission reductions in the current monitoring period due to the issues in the previous monitoring periods. This discounting of the CERs in MP3 due to issues in MP2 is a voluntary action by the PP & SGS."*

Therefore, we feel that the Request for Review requested by the Board Members has been duly taken into account.

Alicia Fernández will be the contact person (Mobile: + 56 9 81493492) during the review process and is available to address questions from the Board during the consideration of the review, in case the Executive Board wishes.

Yours sincerely,

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