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Att: CDM Executive Board

Your ref.:  
CDM Ref 0085

Our ref.:  
MLEH/GOMU

Date:  
12 May 2010

## Response to request for review

Request for issuance of CERs for the “Hapugastenne and Hulu Ganga Small Hydropower Projects” in Sri Lanka. (0085)

Dear Members of the CDM Executive Board,

We refer to the issues raised by the requests for review by three Board members regarding our request of issuance of CERs for project activity 0085 “Hapugastenne and Hulu Ganga Small Hydropower Projects” in Sri Lanka, and we would like to provide below initial response.

### *Comment 1:*

*The DOE is requested to clarify why it did not notify and request for approval of the changes in the PDD (as per Annex 66 to EB 48) prior to requesting the issuance of CERs given that the project has increased the installed capacity from 13.15 MW (as described in the PDD) to 13.578 MW.*

### **DNV Response:**

DNV acknowledges the fact the installed capacity of the project is 13.578 MW instead of 13.15 MW as indicated in the registered Project Design Document. DNV would like to state that this increase in the installed capacity of the project activity has already been reported right from the first verification of the project activity.

The project was registered on 30 October 2005 and the site visit for the first verification of the project was carried out on 9 - 10 March 2006. In the verification report the increase in installed capacity was reported. A request for review was raised by the Executive Board on the increased generation from the project activity after considering the increase in capacity. However, after satisfactory responses being provided by DNV, CERs were issued in November 2006. The increase in the capacity has been reported in our verification report in all the subsequent issuance requests.

DNV would like to state that the increased capacity of the project activity by 0.428 MW does not have any impact on a) additionality of the project which is based on barrier analysis, b) scale of the project activity and c) applicability and application of the approved baseline methodology adopted for the project activity.

Nonetheless, in order to further formalise the change and in order to update the PDD with the correct installed capacity, a notification may be submitted prior to the next request for issuance.

**Comment 2:**

**Other Issues:**

*Further clarification is required by the DOE on: 1) how it verified the monitoring of the electricity generated by hydropower plants Hulu Ganga I and II as per the monitoring plan which requires that the electricity generated for each hydropower plant should be individually monitored and reported*

**DNV Response:**

As per the registered PDD, the Hulu Ganga phase I was expected to be commissioned during January 2006 and the monitoring of the electricity exported to the grid from the Hulu Ganga Phase I & II was to be done through individual energy meters. This in practice is being done by a single energy meter, which has been reported in our second verification report.

DNV would like to state that the meters at the grid interconnection points used to measure the electricity output from the project activity are covered under the standard energy purchase agreements and the meters are installed, owned and maintained by the Ceylon Electricity Board (CEB). At the time of project commissioning, CEB decided that the Phase I and II plants being located next to each other can be considered as a single plant complex, and hence only one meter was installed. This decision is entirely outside the control of the project proponent. The details of the metering arrangement has been indicated in the Monitoring report and the Verification report covering the monitoring period 1 January 2006 to 31 December 2006 by DNV. Since the meter is installed and maintained by CEB and covers both the phases of the project activity and has no impact on the monitoring methodology and materiality of the emission reductions from the project activity, this was accepted.

**2) how it verified the electricity consumed by the project activity from the grid for the Hulu Ganga I and II projects**

**DNV Response:**

As per the registered Project Design Document of the project, the primary recording of the electricity exported to the grid is the meter located at the point of interconnection to the grid. This meter is installed and maintained by the Ceylon Electricity Board (CEB). The measurement is recorded monthly by CEB and, as mentioned in the monitoring plan of the registered PDD, forms the basis for the calculation of the emission reductions. At the time of the site visit (12-13 May 2009), CEB had provided only the monthly energy export figures of Hulu Ganga project to the project proponent. In spite of various representations from the project proponent (EPL) office, CEB had not provided the energy import figures.

The non-inclusion of the electricity figure in the emission reduction calculations had been raised as a CAR and the CAR was closed after verifying the above mentioned documents and the revised CER calculations.

On 26 June 2009, CEB has provided the working on the quantity of electricity imported by the Hulu Ganga project for the period February 2007 till March 2009 by equally apportioning the import meter readings for all the months. The same was verified during the site visit for the subsequent verification (monitoring period covering 1 October 2009 to 31 December 2009) conducted on February 2010, for which an issuance request has not yet been submitted. Import of electricity for the period of February 2007 to 30 September 2008 amounts to 14485 kWh and the equivalent emission reductions is 12 tCO<sub>2</sub>.

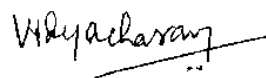
DNV acknowledges that the electricity import values for the Hulu Ganga Phases I and II have not been factored into the emission reductions calculation as the same were not available with the project proponent at the time of site visit. A revised monitoring report and the verification report will be submitted factoring in the above mentioned values in the emission reduction calculations, upon acceptance of the above mentioned responses.

We sincerely hope that the Board find our elaboration on the above satisfactory.

Yours faithfully  
for DET NORSKE VERITAS CERTIFICATION AS



Michael Lehmann  
Technical Director  
International Climate Change Services



Astakala Vidayacharan  
CDM Verifier.

Annexure 1: Letter from Ceylon Electricity Board dated 26 June 2009 indicating the meter readings for the months of February 2007 and April 2009 and the apportioned value applicable for each month during this period.

Annexure 2: English Translation of the letter dated 26 June 2009.