CDM Executive Board

UNFCCC Secretariat

CDMinfo@unfccc.int

5th May 2009

Dear CDM Executive Board,

Re: Request for review of the issuance request of "Santa Lúcia II Small Hydro Plant" (UNFCCC Ref. no. 0663)

SGS has been informed that the request for issuance of the CDM project activity "Santa Lúcia II Small Hydro Plant" (UNFCCC Ref. no. 0663) is under consideration for review because one request for review (raised by three EB members) has been received from members of the Board.

The requests for review are based on the reason outlined below. SGS would like to provide an initial response to the issues raised by the request for review:

Request for Review, Issue 1:

The PP/DOE shall further clarify the reason for a considerably low estimation of electricity generation in the PDD in comparison to the actual electricity generation during the verification period.

SGS' Response to Issue 1:

The reason for the low estimation of electricity generation in the PDD in comparison to the actual electricity generation during verification is because; at the time of the validation the project was connected to the isolated system.

This can be confirmed by the registered PDD:

year	Estimated Energy generation MWh	Verified generation MWh	Emission factor tCO_2/MWh	Estimated CER tCO_2e	Verified CER tCO_2e
2004	39,701	38,168.09	0.8	31,761	30,534.47
2005	37,238	32,965.89	0.8	29,791	26,372.71
2006	37,238	58,679.45	0.5364	19,975	31,475.66
2007	37,238	59,411.32	0.5364	19,975	31,868.23
2008	37,238	58,668.03	0.5364	19,975	31,469

The same electricity generation in the isolated system was used for the estimate of the first 7 years crediting period. The hydrological data available included only short period that did not supply the necessary information to estimate the electricity generation in the future. It was not possible to propose the increase of plant load factor based on available information at validation. The prediction of electricity generation was conservative considering the data available at validation.

After interconnection in 2006 the project was able to generate more energy because it is not limited to the isolated system.

As stated in the verification report, besides the higher electricity generation, it is still inside the installed capacity. With a 7.6MW installed capacity the project can generate 66,576MWh/year. The verified electricity generation in the monitored period (year 2008) was 58,668.030MWh.

We hope that all concerns of the EB have been satisfactorily addressed through the explanations provided above. We do however apologize if this was not sufficiently clear from the verification and certification report.

Fabian Goncalves (+55 11 9486 8083) will be the contact person for the review process and is available to address questions from the Board during the consideration of the review in case the Executive Board wishes.

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