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Att: CDM Executive Board

Your ref.:
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Our ref.:
MLEH/ETEL

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Response to requests for review AWMS GHG Mitigation Project, MX05-B-09, Nuevo León, México (0163)

Dear Members of the CDM Executive Board,

We refer to the requests for review raised by three Board members concerning DNV's request for issuance of CERs for the "AWMS GHG Mitigation Project, MX05-B-09, Nuevo León, México" project (0163).

Please find below DNV's initial response to the three issues raised by the requests for review.

1) The monitoring report is not transparent and excel sheet-calculations are not attached.

The monitoring report includes data for all indicators specified in the monitoring plan of the registered PDD in accordance with the recording frequency stipulated by the monitoring plan. Moreover, the formula applied to determine emission reductions are clearly described.

The presentation of data in aggregated form in the monitoring report, the calculations of emission reductions, which have been verified by DNV for each farm individually, makes this report transparent, and the data provided in the monitoring report allows for verification of the emission reduction calculations.

Detailed spreadsheets for each farm have been made available to DNV and the calculations were verified by DNV. Because the project participants and farm owners consider detailed farm production data as proprietary information, detailed spreadsheets for each farm are not made available for public scrutiny and data is reported in aggregated form only in the monitoring report made publicly available.

2) Also, according to the methodology and registered PDD, the electricity consumed for calculation of leakages should be measured, however the verification report states that "electricity consumption is not metered, but is estimated based on the equipments rated electricity consumption and conservative assumptions on the equipment operating hours".

DNV acknowledges that according to AM0016 and the registered PDD the electricity used for project equipment should be measured, while in fact the electricity used for project equipment has been calculated. DNV herewith provides an explanation for accepting that the electricity used for project equipment was determined through calculations.

The power use of the equipment (blowers and electronic controls) that were installed as a consequence of the project activity is metered as an aggregate of each farm's electricity use. It was

considered comparing the farms' monthly power bills with the power bills prior to project implementation to determine leakage associated with the project's electricity use, but it became evident that the electricity used by the individual project activity equipment could not be accurately determined using this method.

No electricity meters to directly measure electricity use of project equipment are installed at any of the farms included in this project activity. This is due to the relative low electricity needs of the project equipment (a few thousand kWh per year) compared to the high costs of installing electricity meters at all farms included in the project. Actual measured electricity use data for the project equipment is thus not available.

Therefore, the electricity use of the project equipment is calculated based on the equipments rated electricity consumption and conservative assumptions on the equipments' operating hours. The power consumed by each site's blower motors, for example, was calculated assuming a 24-hours-per-day continuous operation although DNV observed that the blower motor did not function in a continuous mode.

In DNV's opinion, the calculation of the project's electricity use is thus conservative and adequate given the small size of leakage associated with the project's electricity use. The total reported leakage due to the project's electricity use at all farms is only 5 tCO₂e for the reporting period in question compared to the reported emission reductions of 2353 tCO₂e for this period.

3) In the monitoring report a power increase of 1 kWh per year is mentioned, however only as "expected" value (whereas the PDD indicates 500 kWh per year). The monitoring report should refer to monitored values. In the table on p. 17 monitoring report, this corresponds to 5 t of CO₂, which is not plausible.

The statement in the monitoring report that "the total power increase is expected to be less than one kWh/year" an error and should be the same value as indicated in the PDD. However, p. 11 of the monitoring report clearly indicates that the actual electricity consumption of the project equipments was calculated to be 10 782.8 kWh. Applying the emission factor of 0.5230 kg CO₂ per kWh given in the registered PDD, this results in 5 t CO₂.

We sincerely hope that the Board accepts our aforementioned explanations.

Yours faithfully

for DET NORSKE VERITAS CERTIFICATION LTD



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