

UNFCCC Secretariat
Martin-Luther-King-Strasse 8
D-53153 Bonn
Germany
Att: CDM Executive Board

Your ref.:
CDM Ref 0649

Date:
13 July 2011

Response to request for review "Trojes Hydropower Project" (0649)

Dear Members of the CDM Executive Board,

We refer to the issue raised by the requests for review by three Board members regarding our request of issuance for project activity 0649 "Trojes Hydropower Project" and would like to provide our response to the issue raised.

Comments:

The PDD in Page 3 states "The power plant has a nominal capacity of 8 MW". However, the monitoring report (Page 4) states "The Trojes Hydropower Project is therefore characterized by (...) a nominal capacity of 8.3 MW". Paragraph 196 of VVM (v1.2) requires that a notification or request for approval of changes from the project activity as described in the registered PDD shall be submitted prior to the conclusion of the verification/certification. No such a notification or request for approval was submitted in compliance with the VVM. Clarification is required.

Although TÜV SÜD, the DOE verifying this monitoring period has prepared an answer to address your comments, we would like to provide a wider explanation on this matter and include further actions to be taken to solve this situation.

Trojes Hydropower Project operates with the following equipment:

- 1 turbine with name plate capacity of 10.5 MW
- 1 generator with name plate capacity of 8.7 kVA

As a consequence of the installed configuration and due to the bottle neck of the generator, the nominal gross capacity of Trojes Project is therefore 8.3 MW.

The Project was registered as an 8 MW hydro plant. The registered PDD and validation report, refer to a "power" of 8 MW for the Project. The 8 MW value was obtained while the project was under construction, in line with the generation permit granted by the Comisión Reguladora de Energía. According to this permit, the installed capacity is defined as 8 MW, which is the maximum amount allowed to be delivered to the national grid.

Due to an unclear definition of "capacity" and "power", we considered this number best reflected the real generation during the monitoring period as defined by the Union of Electricity Industry (EUROELECTRIC, before UNIPEDE)¹:

Available Capacity, which relate to the functioning of the equipment in conjunction with other plant on which that equipment depends under specified conditions which may be either assumed or real.

Nominal capacity (kW or kVA), is the maximum capacity obtainable under continuous operation which is usually determined by the manufacturer's specification and often appears on the "nameplate" of the equipment. It need not relate to any operational reality.

It is a gross capacity which relates not necessarily to the optimal rating but, to specified conditions of use under specified nominal climatic conditions. "Nominal capacity" is a characteristic of a particular class of equipment considered in isolation.

Trojes Project is therefore characterized by an authorized capacity of 8 MW and a nominal capacity of 8.3 MW.

We would like to point out that the amount of CERs calculated during the monitoring period is not affected in any way by the kind of definition used for "capacity" or "power" of the project, because the CERs are calculated according to the approved baseline and monitoring methodology AMS I.D., using the amount of electricity supplied by the project to the national grid, and measured by Comisión Federal de Electricidad.

The operation of the project during the monitoring period has been done in full compliance with the permits and licenses granted to the project. The DOE has verified that the project was implemented and operated in accordance with the descriptions in the registered PDD, by verifying the generation permit of Comisión Reguladora de Energía and the available capacity observed in the monitoring period.

Additionally, it is important to mention that currently we are working on the 4th periodic verification with a different DOE and as a result of this request for review; we are already preparing an NOC to update the nominal capacity of the equipment in the PDD, applicable to the following periodic verifications and avoid further misinterpretations. This NOC will be submitted for your consideration as soon as the DOE technical review finishes.

We hope this provides a satisfactory explanation with regards to the issues raised.

With best regards,



Nicola Melchiotti
Legal representative

¹ Source: Statistical Terminology Employed In The Electricity Supply Industry, UNIPEDE – Terminology 1991.