



**CDM Project Activity Registration
and Validation Report Form**
*(By submitting this form, designated operational entity confirms
that the proposed CDM project activity meets all validation and
registration requirements and thereby requests its registration)*

Section 1: Request for registration

Name of the designated operational entity (DOE) submitting this form	Det Norske Veritas Certification Ltd. (DNV)
Title of the proposed CDM project activity (Section A.1 of the attached CDM-PDD) submitted for registration	Sri Balaji 6 MW Non-Conventional Renewable Sources Biomass Power Project
Project participants (Name(s))	
Sector in which project activity falls	Sectoral scope no. 01: Energy Industries (renewable – non-renewable sources)
Is the proposed project activity a small-scale activity?	<u>Yes</u> / No (underline as applicable)

Section 2: Validation report

List of documents to be attached to this validation report (please check mark):	
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The CDM-PDD of the project activity <input checked="" type="checkbox"/> An explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations; (Note: Included in Validation Report (DNV Report 2005-9013, rev.01)); <input checked="" type="checkbox"/> The written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development: <ul style="list-style-type: none"> ○ (Attach a list of all Parties involved and attach the approval (in alphabetical order)) <input checked="" type="checkbox"/> Other documents, including any validation protocol used in the Validation Report (DNV Report 2005-9013, rev. 01), <ul style="list-style-type: none"> ○ including a validation protocol and a list of persons interviewed by the validation team during the validation process <input checked="" type="checkbox"/> Information on when and how the above validation report is made publicly available. <input checked="" type="checkbox"/> Banking information on the payment of the non-reimbursable registration fee <input checked="" type="checkbox"/> A statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat in particular with regard to instructions regarding allocations of CERs at issuance. 	

Executive Summary and Introduction, including

- **Description of the proposed CDM project activity**

- **Scope of validation process (include all documentation that has been reviewed and name persons that have been interviewed as part of the validation, as applicable)**
- **DOE Validation team (list of all persons involved in the validation, describing functions assumed in the validation)**

- *Description of the proposed CDM project activity:*

The project is a 6.0 MW (gross) capacity grid-connected biomass based power project. The project utilises the available biomass in the region such as rice husk, juliflora, cotton stalks etc. for generation of electricity. The technology used in the project activity is indigenous. The project will export power to the nearest grid situated at Chennur Village, Cuddapah District of Andhra Pradesh.

The objective of the project is to reduce anthropogenic GHG emissions by displacing fossil fuel based electricity generation with environmentally sustainable resources such as rice husk and other available renewable biomass, thereby indirectly helping reducing the power deficit in the state of Andhra Pradesh and also contribute towards natural resources conservation such as coal.

While the project emissions are negligible, baseline emissions are calculated to be 0.830 kgCO₂ per kWh. The project is expected to result in emission reductions of 28 400 tonnes of CO₂ every year, during the first seven years crediting period envisaged.

- *Scope of validation process:*

The validation scope is defined as an independent and objective review of the project design document (PDD). The PDD is reviewed against the criteria stated in Article 12 of the Kyoto Protocol, the CDM modalities and procedures as agreed in the Marrakech Accords, the simplified modalities and procedures for small-scale CDM project activities and the relevant decisions by the CDM Executive Board, including the approved baseline and monitoring methodology AMS-ID. The validation team has, based on the recommendations in the Validation and Verification Manual/4/ employed a risk-based approach, focusing on the identification of significant risks for project implementation and the generation of CERs.

The validation is not meant to provide any consulting towards the project participants. However, stated requests for clarifications and/or corrective actions may have provided input for improvement of the project design.

- *Documents reviewed:*

Sri Balaji Biomass Power (P) Ltd : CDM PDD for "Sri Balaji 6MW Non-Conventional Renewable Sources Biomass Power Project" in , Chennur Village, Chennur Mandal, Cuddapah District, Andhra Pradesh "in India" Version 1 September 2005 and Version 2 February 2006

Supporting Excel Sheet Calculations for emission factor - Grid emission factor transport emission

Indian DNA Host country approval letter Dated 28th October 2005

International Emission Trading Association (IETA) & the World Bank's Prototype Carbon Fund (PCF): *Validation and Verification Manual*. <http://www.vvmanual.info>

Appendix B of the simplified modalities and procedures for small-scale CDM project activities: *Indicative simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories*. Version 07: 28 November 2005.

Revised 1996 IPCC guidelines for national green house gas inventories – Reference Manual (Volume 3)

The following persons were interviewed:

Mr. Soma Pradyumna – Director	Sri Balaji BioMass Power (P) Ltd.
Mr. B.M .K. Murthy – General Manager	Sri Balaji BioMass Power (P) Ltd.
<ul style="list-style-type: none"> The validation team consists of the following personnel: <p>Chandrasekhara Kumaraswamy, DNV India, team leader, GHG auditor Astakala Vidyacharan, DNV India, GHG auditor Einar Telnes, DNV, Norway, technical verifier, Energy sector expert</p>	
<p>For further details, please refer to the "Introduction" and "References" Section of DNV's Validation Report (DNV Repor 2005-9013, rev. 01).</p>	
<p>Description of methodology for carrying out validation</p> <ul style="list-style-type: none"> Review of CDM-PDD and additional documentation attached to it Assessment against CDM requirements (e.g. by use of a validation protocol) Report of findings by the DOE, e.g. by use of type of findings (e.g. corrective action requests, clarifications or observations). Please explain the way findings are "labelled" during validation. Include statements or assessments in the section "Conclusions, final comments and validation opinion" below. 	
<p>The validation consists of the following three phases:</p> <p>I a desk review of the project design and the baseline and monitoring methodology II follow-up interviews with project stakeholders III the resolution of outstanding issues and the issuance of the final validation report and opinion.</p> <p>During the third week of October 2005, DNV performed interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of Sri Balaji Biomass Power (P) Ltd. and local stakeholders were interviewed.</p> <p>In order to ensure transparency, a validation protocol has been customized for the project, according to the Validation and Verification Manual. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validation of the identified criteria. Findings established during the validation can either be seen as a non- fulfillment of validation criteria or where a risk to the fulfillment of project objectives is identified. Such findings are termed Corrective Action Requests (CAR). The term Clarification may be used where additional information is needed to fully clarify an issue.</p> <p>The Corrective Action Request and request for Clarification raised by DNV were resolved through communications with the project participants. To guarantee the transparency of the validation process, the concerns raised by DNV and the response provided by the project participants are documented in Table 3 of the Validation Protocol in Appendix A to the Validation Report (DNV Report 2005-9013, rev. 01).</p> <p>For further details, please refer to the "Methodology" Section of DNV's Validation Report (DNV Report 2005-9013, rev. 01) and the IETA/PCF Validation and Verification Manual (www.vvmanual.info).</p>	
<p>Explanation by the submitting designated operational entity of how it has taken due</p>	

account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations;

- **Description of how and when the PDD was made publicly available**
- **Description of how comments were received and made publicly available**
- **Explanation of how due account has been taken of comments received**
- **Compilation of all comments received (Identify the submitter)**

The PDD (Version 1 September 2005) was made publicly available on DNV's climate change website: <http://www.dnv.com/certification/climatechange/Projects/ProjectDetails.asp?ProjectId=253> and Parties, stakeholders and NGOs were through the CDM website invited to provide comments during a 30 days period from 07 Sept 2005 to 06 Oct 2005

No comments were received during this period. Please refer to the "Comments by Parties, Stakeholders and NGOs" Section of DNV's Validation Report (DNV Report 2005-9013, rev.01) and the above mentioned CDM website.

Please refer to the "Comments by Parties, Stakeholders and NGOs" Section of DNV's Validation Report (DNV Report 2005-9013, rev.01) and the above mentioned CDM website.

Conclusions, final comments and validation opinion

- **Provide conclusions on each requirement under paragraph 37 of the CDM modalities and procedures, describing how these requirements have been met. This shall include assessments and findings (e.g. corrective action requests, clarifications or observations) in relation to each requirement, including a confirmation that all issues raised have been addressed to the satisfaction of the DOE.**
- **Final comments and validation opinion**

Det Norske Veritas Certification Ltd. (DNV) has performed a validation of the "Sri Balaji 6MW Non-Conventional Renewable Sources Biomass Power Project" in Chennur Village, Chennur Mandal, Cuddapah District, Andhra Pradesh in India, on the basis of UNFCCC criteria for the CDM, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 12 of the Kyoto Protocol, the CDM modalities and procedures and the subsequent decisions by the CDM Executive Board.

The validation has confirmed that the project correctly applies the simplified baseline and monitoring methodology AMS-I.D. The determination of the baseline is well elaborated, transparent and sufficiently supported with facts. The selected baseline scenario, i.e. baseline emissions, is reasonable for the selected 7 year crediting period. Moreover, an analysis of the policy and financial barriers of the project demonstrates that project is not a likely baseline scenario.

The project will contribute to sustainable development through renewable energy generation and resource utilisation. The DNA of India has confirmed that the project assists in achieving sustainable development and has accorded the approval for the project on 28th October 2005.

The validation did not reveal any information indicating that the project can be seen as a diversion of ODA funding towards India.

The project results in the reduction of GHG emissions those are real, measurable and give long-term benefits and that are additional to what would have occurred in the absence of the project.

The monitoring plan makes sufficient provision for monitoring relevant project and baseline emission indicators. Responsibilities and authorities for project management, monitoring and reporting and

QA/QC procedures have also been addressed.

In summary, it is DNV's opinion that the project, as described in the revised project design document version 2 of February 2006, meets all relevant UNFCCC requirements for the CDM, is eligible as category I D small-scale CDM project activity and correctly applies the approved simplified baseline and monitoring methodology AMS I.D. Hence, DNV requests the registration of the "Sri Balaji 6MW Non-Conventional Renewable Sources Biomass Power Project" as a CDM project activity.

For further details, please refer to DNV's Validation Report (DNV Report 2005-2013, rev. 01).

The DOE declares herewith that in undertaking the validation of this proposed CDM project activity it has no financial interest related to the proposed CDM project activity and that undertaking such a validation does not constitute a conflict of interest which is incompatible with the role of a DOE under the CDM.

By submitting this validation report, the DOE confirms that all validation requirements are met.

Susanne Haefeli

Name of authorized officer signing for the DOE

Date and signature for the DOE

07/04/2006



1.1.1.1 Section below to be filled by UNFCCC secretariat

Date when the form is received at UNFCCC secretariat

Date at which the registration fee has been received

Date at which registration shall be deemed final

Date of request for review, if applicable

Date and number of registration

Date