

## **Neria Hydro Project**

### **Delay in submission of PDD for validation**

The chronology of events on commencement of civil works and initiation for CDM process is furnished below :

1	Management decision by way of a board resolution to consider CDM Revenues	15/09/2003
2	Appointment of CDM consultant	16/12/2003
3	Letter of acceptance issued to civil contractor GDC	19/08/2004
4	Notice to proceed with the civil works	06/09/2004
5	Work order issued to Boving Fouress Limited for Turbine and Generator	20/09/2004
6	Cancellation of contract with the CDM consultant	14/07/2004
7	Work contract was placed on Zenith for CDM consultancy	02/12/2005
8	Appointment of validator	15/07/2006
9	Receipt of host country approval	07/02/2007

The Bhoruka Group is implementing two hydro projects simultaneously in Karnataka. One is 24MW Chayadevi hydro project registered with CDM executive board on 30<sup>th</sup> March, 2007 and the other one is the present 9 MW Neria small hydro project.

The decision to consider CDM benefit for both the projects was made much earlier to the commencement of tendering process for the respective projects. The decision was taken at the same time by virtue of resolution passed by the board of directors for both Chayadevi as well as Neria. Copy of the resolution is furnished as attachment. A consultant by name Mr.V.N.Nutreja was appointed to take up the PDD work of Neria project. It was ultimately found that this consultant doesn't have necessary experience to take up CDM assignment therefore his contract had to be terminated.

Shortly after the termination, Zenith Energy was retained as CDM consultants for the Chayadevi project.

Given the negative experience with the first consultant, a decision was taken to start CDM works for Chayadevi only and see how these works progress. Chayadevi was selected because of its higher annual generation potential. This way the risk of expenditures for unsuccessful consultant was minimized.

We have placed an order on Zenith for CDM works for Neria soon after obtaining the host country approval for Chayadevi i.e., as soon as significant progress towards registration of Chayadevi had been achieved.

Thus it could be demonstrated that there was genuine concern with the project developer regarding the success of the CDM process due to bad experience and subsequently took necessary steps to proceed with CDM validation. Thus the delay to proceed with validation is genuine and the project proponent is not claiming any retroactive credits until the registration of the project with CDM EB.

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