

## COMMENTS BY PARTIES, STAKEHOLDERS AND NGOS

TÜV SÜD published the project documents on its website on May 4, 2005 and invited comments within 30 days, until June 3, 2005 by Parties, stakeholders and non-governmental organisations. The PDD and the received comment have been publicly available under the following link:

[http://www.netinform.de/KE/Wegweiser/Guide2E.aspx?Ebene1\\_ID=179](http://www.netinform.de/KE/Wegweiser/Guide2E.aspx?Ebene1_ID=179)

### 1.1 Content of the comments received

A comment has been submitted by Axel Michaelowa, Hamburger Welt-Wirtschafts-Archiv (HWWA). HWWA is an accredited observer organisation to the United Nations Framework Convention on Climate Change Conference of the Parties.

The comment has the following content:

- 1. The project bundle has a capacity of more than 15 MW and thus does not satisfy the criteria for bundling. Project participants would have to submit separate PDDs. While I would like the bundling threshold to be lifted by the EB, there should be a level playing field for all developers.*
- 2. With an IRR of 17%, the case for additionality is inconclusive. Given the strong incentive policies of the Brazilian government after the electricity crisis of 2001, there are no prohibitive barriers for hydropower expansion in Brazil. The small argumentation about barriers in the PDD is thus not convincing.*

### 1.2 Response by TÜV SÜD

The comment has been submitted during the 30 days stakeholder period and is submitted by an accredited observer organisation. Hence the comment had to be considered in the validation process.

The audit team came to the following conclusion:

1. The validation team can not identify any rules which do not allow bundling of sites to one CDM project. Furthermore such rules would contradict the definition of a small scale project according to the Kyoto Protocol that a small scale project can not be part of a debundled project.
2. The demonstration of additionality in the PDD was assessed by the validation team. Investment barrier is part of demonstrating additionality. Taking into consideration the investment climate in Brazil, CDM is an important incentive for the decision to implement the project. The implementation of the Brazilian PROINFA-program proves that funding of such renewable projects is also necessary by local authorities. Moreover it is accepted that projects applying for the Proinfa-program will still be eligible to use CDM. The project assessed does not go for both components, hence the statement that CDM had an important impact during the decision making process is deemed to be more reliable.