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Att: CDM Executive Board

Your ref.:
CDM Ref 3142

Our ref.:
GOMU/RAFI/MLEH

Date:
11 May 2010

**Response to requests for review of project activity 3142
“Roaring 40’s Wind Farms (Khandke) Private Limited”**

Dear Members of the CDM Executive Board,

We refer to the issues raised in the requests for review concerning DNV’s request for registration for project activity 3142 “Roaring 40’s Wind Farms (Khandke) Private Limited”, and we would like to provide the following initial responses to the issues raised.

***Question 1:** The DOE is requested to further validate the suitability of the applied tariff of 3.5 INR/kWh (including VAT) as this is based on a state order from November 2003.*

DNV’s response:

DNV would like to clarify that Maharashtra Electricity Regulation commission tariff order dated 24 November 2003, considered for electricity tariff for investment analysis for the project activity is still valid and is applicable for all wind power projects in Maharashtra that have been initiated after November 2003. DNV has cross checked the electricity tariff applicable for the project activity as INR 3.50/kWh with annual escalation of INR 0.15/kWh till 13th year of operation (VAT is not applicable for sale of electricity as can be verified from recent sales invoice raised to Maharashtra state electricity distribution company limited that no tax has been included in the invoice (see Annex-1). The same has been considered in the investment analysis sheet submitted for registration stage. This is based on the actual power purchase agreement signed for the project activity (Annex-2) and recent sales invoices (Annex-1) raised to Maharashtra state electricity distribution company limited (MSEDCL, a distribution wing of Maharashtra State Electricity Board). Inline with para 109 of VVM manual version 01, DNV confirms that the actual electricity tariff matches with the values provided in Maharashtra Electricity Regulation commission tariff order dated 24 November 2003 and energy purchase agreement.

***Question 2:** The DOE is requested to further validate how the monitoring of each of the wind farms located in the four villages will be carried out in line with VVM ver1, paragraph 121.*

DNV’s response:

As stated in the validation report, initially the project proponent intended to develop the total capacity of 50.4 MW as a single CDM project activity. Hence, the initial PDD for the project was webhosted for 50.4 MW capacity on UNFCCC website. However, the DNA of India approval is conditional upon the submission of clearances from MEDA (nodal agency for development of

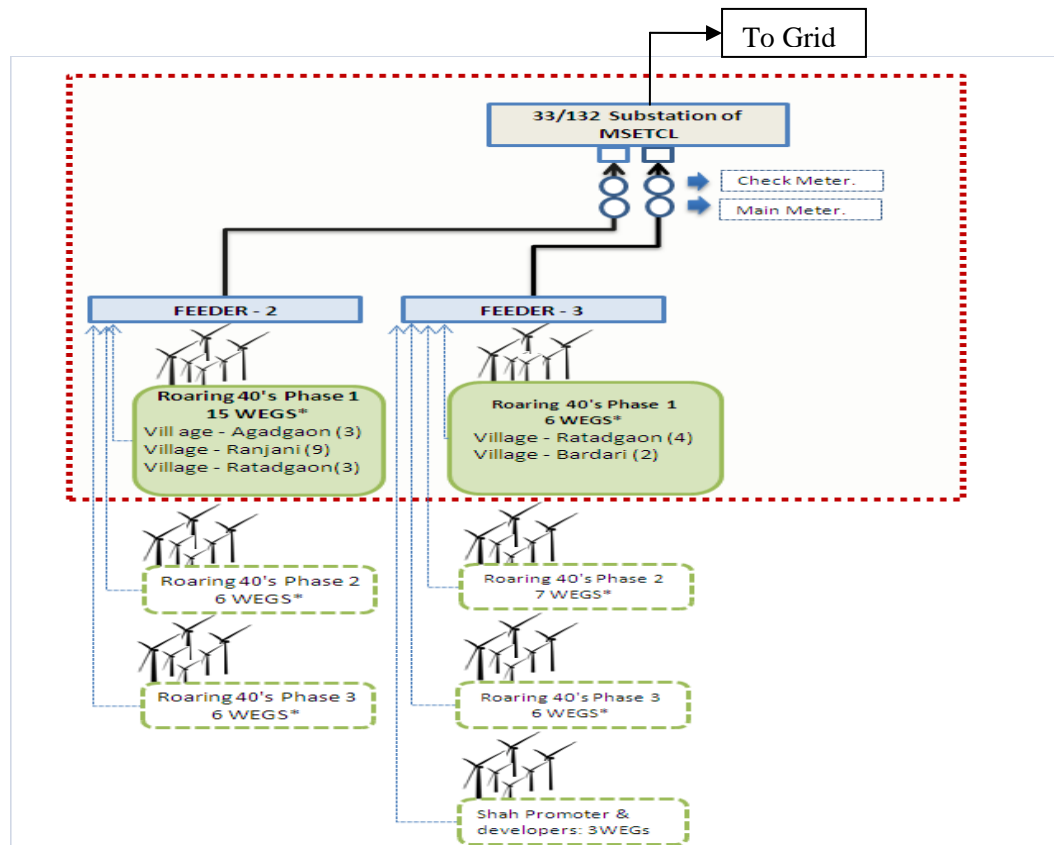
renewable energy in the state of Maharashtra), which can only be achieved once the land acquisition for all phases will be completed. Project proponent thus decided to develop all three phases as separate CDM projects: phase-I consisting of 21 machines of 800kW each, aggregating to 16.8 MW (project activity); phase-II consisting of 24 machines of 800kW each, aggregating to 19.2 MW; and Phase-III consisting of 18 machines of 800kW each, aggregating to 14.4 MW. So the DNA approval could be secured in the phases and CDM registration of project activities could be achieved in a timely manner.

At the time of validation visit was conducted by DNV (on 04-07 July 2007) only phase I machines (project activity) were commissioned (only 12 out of 21 machines). DNV confirmed from the project participant and MSEDCL representatives (a distribution wing of Maharashtra state electricity board) that each phase machines will be connected to individual meter (feeder-2 and feeder 3 meter in case of project activity). However, later in 2008 and in 2009 when the phase II and phase III machines were commissioned, these machines along with 3 machines of another investor (shah promoter) were also connected to same energy meters (feeder -2 energy meter (machines installed at Agadgaon, Ranjani & Ratadgaon villages) & feeder-3 energy meter (machines installed at Ratadgaon and Bardari villages)).

DNV confirms that the current metering arrangement for the project activity meets the requirement of the applied methodology (ACM0002 version 09) which requires electricity supplied to the grid by the project activity need to be monitored (difference of electricity exported and imported to/from grid, both measured). In case of the project activity, the total electricity exported and imported to/from grid (from the WEGs connected to feeder-2 and 3) are measured through Main Meter (04880814-feeder 2 and 04880816- feeder 3) and check meter (04880814-feeder 2 and 04880817- feeder 3). Joint meter readings of these meters (main meter 04880814 and check meter 04880814 for feeder 2 and main meter 04880816 and check meter 04880817 for feeder 3) are conducted every month by MSEDCL (distribution wing of Maharashtra state electricity board) in the presence of Enercon India Limited (O&M contractor for wind farm). The electricity export and import from the WEGs connected to the feeder 2 and feeder 3 is apportioned based on the on LCS meter readings available from the individual WEGs (provided by Enercon the O&M contractor). The procedure for apportioning has been provided under Annex 4 of this response. The electricity imported to/from grid from the WEGs connected (15 machines of feeder 2 and 6 machines of feeder 3) to the project activity is taken from the energy breakup report certified by MSEDCL, against which the project proponent raises invoice to MSEDCL. The invoices can be used for the double checking purposes as per the requirement of the methodology.

The main (04880814-feeder 2 and 04880816- feeder 3) and the check meter (04880814- feeder 2 and 04880817- feeder 3), installed at substation are of 0.2 accuracy class and will be calibrated by MSEDCL on annual basis. The QA/QC procedures for apportioning (based on individual WTGs connected to feeder 2 and 3) as described in Annex-4 of this response.

The metering arrangement at feeder 2 and feeder 3 has been provided in the schematic diagram below:



A detailed description of all necessary parameters required to be monitored, data management, quality assurance and quality control procedures and cross checking is provided in Annex-3. DNV confirms that the current monitoring arrangement as discussed in Annex-3 is feasible within the project design and data management, quality assurance and quality control procedures described in Annex-3 and 4 are sufficient to ensure that the emission reductions achieved by/resulting from the proposed CDM project activity can be reported ex post and verified, the parameters required to be monitored, apportioning procedure, data management, quality assurance and quality control procedures provided in Annex-3 and Annex-4 will be included in revised PDD (once the request for review response will be accepted by CDM EB).

We sincerely hope that the Board accepts our aforementioned explanations.

Yours faithfully
for DET NORSKE VERITAS CERTIFICATION AS

Michael Lehmann

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