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February 4, 2011

Chair and Members of the CDM Executive Board

c/o UNFCCC Secretariat
P.O. Box 260124
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Germany

Response to clarifications requested for the request for revision of the monitoring plan for project activity "Jincheng Sihe Coal Mine CMM Generation Project" (Ref. No. 1896)

Dear Chair and Honorable Members of the CDM Executive Board,

Please find below our responses to the questions raised regarding the request for revision of the monitoring plan for this project.

Questions: For the proposed change 5: the methodology requires the parameter MMi-methane sent to different consumers to be monitored. How has the DOE validated that the monitoring is complete given that 1) the methane sent to the on-site heating and cooking is not monitored (thus MM_{total} cannot be balanced), and 2) the parameters for monitoring of the existing power plant are not included in section B.7.1 of the monitoring plan even, and 3) the pre-project consumption of methane by the plant and annual generation are not included in the list of parameters available at the validation stage (section B.6.2) for the post-project monitoring of changes.

1. Answer to Question 1)

As per the registered project design document (PDD), the project utilizes the coal mine methane (CMM) that was originally vented to the atmosphere for the purpose of grid-connected power generation.

In section A.2 of the PDD (pg.2), the situation prior to the project activity is described as follows: "In accordance with relevant Chinese laws and regulations, the Shanxi Jincheng Anthracite Mining Group Co. Ltd. (JMC) has installed a gas collection system in Sihe Coal Mine to capture a certain portion of the methane, with the aim of ensuring safe production. The captured gas is vented directly to the atmosphere except that a very small part is currently used for residential purpose and power generation test purpose." Validation Report Page 2 confirms that "In the baseline scenario, a small part of CMM was being utilized for a) heat purpose in the mine complex (cooking and hot water) and b) experimental power generation of 15 MW (since 2002)."

It is therefore clear that the use of the gas for on-site heating and cooking existed prior to the project activity and thus has been accounted for in the baseline scenario.

From the applied methodology ACM0008 / Version 03, the parameter MM_i is defined as: "Methane measured sent to use i (tCH4)" under Project Emissions from Un-combusted Methane. In this project context, MM_i refers to the methane measured sent to the project 120MW power plant, namely MM_{ELEC} in the PDD.

MM_i therefore doesn't apply to the methane sent to the 15MW power plant or the methane used for heating and cooking as they existed prior to the project and are not originated by the project activity, thus they are not part of the Project Emissions.

Therefore, monitoring of the methane used for heating and cooking is not required under the methodology's requirement for monitoring of MM_i.

Furthermore, no leakage or overlapping between residential gas usage (through cooking and heating) and power generation gas use (project activity) was demonstrated at the validation stage with the validation of CMM availability under the project activity.

In this context, the validator DOE's response to the request for review raised at registration, which was accepted by the CDM EB and resulted in the registration of the project, explained the validation of the baseline scenario and confirmed that "In summary, the availability of CMM is projected to be 250 million m^3 per year by 2018. The CMM demand from the 120 MW power plant and the baseline CMM utilization for boiler, cooking and existing power plant will total about 215 million m^3 per year. Thus, DNV finds it justified that the CMM available will be sufficient for the consumption of CMM by the project at its full capacity, in addition to the baseline." (Response document Page 5, Validation Report Page 10). Thus, it has been validated that there is no expected overlap between residential gas usage and power generation in the project, and therefore baseline emissions from methane destroyed in the baseline are considered as zero, $BE_{MD,y} = 0$. Please see registered PDD page 24, validation report page 10, and DOEs response to request for review page 5 for complete details.

Further, the Validation Report (page 2) provides that "It has been demonstrated that the utilized CMM was negligible when compared to the vented CMM".

It is noted that as part of the monitoring plan, $MM_{release,y}$ is monitored and the ongoing verifications will prove that there is still significant amount of methane released to the air ($MM_{release,y} >> 0$). This will assure that there is no ER leakage and the project 120MW power plant does not impose any limitations on the availability of CMM gas for heating and cooking.

2. Answer to Question 2) and 3)

The response to request for review at registration clarified that monitoring of the volume of CMM supplied to the 15MW power plant and annual generation were included in the monitoring plan "to ensure that no CERs will be claimed for power generated in the existing 15 MW power plant.", as can be seen in the response document (page 6) and PDD (page 38). These two parameters however had not been included in sections B.6.2 or B.7.1, as they are

for cross checking only and not related to the calculations of the emission reductions. For clarity, we have now explicitly included them in both sections B.6.2 or B.7.1. in the revised version of the monitoring plan attached to this submission.

For conservativeness, the ex-ante values in section B.6.2 for both parameters are taken from the maximum of the four years period prior to project implementation (year 2005-2008) and will be used for post-project monitoring to ensure that the 15MW power plant remains to be in normal operation as part of the baseline gas usage and that no CERs are claimed for the power generated by the 15MW power plant."

Sincerely,

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