



Bureau Veritas Quality International

Initial And First Periodic Verification/Certification Report

Response to Request For Clarification

BVQI had performed the verification of the CDM Project 0310 “Bundled wind power project in Jaisalmer (Rajasthan in India) managed by ENERCON (India) Limited” (“CDM Project”).

The request for issuance was made on 13 September 2006 and the period for request for issuance was from 16 September 2006 up to 30 September 2006. Subsequently, there have been three requests for review.

We thank the CDM executive board and the secretariat for giving us the opportunity to clarify about our considerations in the verification of the said CDM Project.

The issue for which clarification has been sought in the three requests for review is reproduced below:

The critical parameter identified for this project activity is the amount of electricity exported to the grid, which is being measured through calibrated meters. The State Electricity Board has the responsibility of calibration and maintenance of the meters. Even though the Verification team is of the opinion that the master instruments used for inspection of these meters has the traceability to the National / International Standards they state that these instruments “cannot be verified since this is responsibility of the RRVPNL” and classify this issue as “limited” which represents a reporting risk. (See Verification Report – Table 2, item K.2 pg. A-16).

We would like to confirm that the monitoring plan has been implemented in accordance with that set out in the registered PDD, i.e., by reference to the Power Purchase Agreement (relevant extract of the Power Purchase Agreement is enclosed as Exhibit 1). Based on the verification of associated records, we confirm that the meter reading, testing, maintenance and calibration procedures are as per the PPA and that the main meter has been operating within the tolerance limits. A copy of the calibration/inspection report is enclosed. (Exhibit No 3)

We also wish to clarify that while the PPA (and the monitoring plan) sets out the meter reading/testing/calibration procedures relating to main and back-up meters, it does not cover the testing and calibration procedures of meter testing equipment (which is used to test/calibrate the main meters). The procedures for testing/calibration of meter testing equipment are covered under the Metering Code for Rajasthan Grid (Part – III of the Grid Code) (Exhibit No 2).

The responsibility and the cost of carrying out the testing/calibration of the meter testing equipment are solely with RRVPNL [Rajasthan Rajya Vidyut Prasaran Nigam Limited]. Enercon (the CDM Project participant) or any other generator has no role to play in it.

We do not see any reporting risk in relation to electricity supplied to the grid. In a commercial arrangement like this, there are several measures to ensure that electricity supplied to the grid is measured properly:

- The main meter has the facility to record the details of any failure of meter. There are no instances of meters recording any failures or faults.
- The meter reading of main meter is compared with that of backup meter and if the two readings are not within the permissible limits, corrective actions (including calibration) would be initiated. This is done for every meter reading, i.e., every month. There have been no instances of the two readings being outside the permissible limits.
- A portable meter testing equipment checks the main meter annually. The main meter was found to be working within permissible limits.
- The portable meter testing equipment is checked against a meter-testing bench by RRVPNL. RRVPNL is a fully regulated entity under the independent state electricity regulator, Rajasthan Electricity Regulatory Commission [RERC]. RRVPNL is answerable to RERC for all matters in relation, inter alia, to electricity purchases including compliance with Metering Code. RRVPNL purchases electricity from several generators across the state and all of them have similar meter testing/calibration procedures.
- A sample copy of the calibration test report is attached as Exhibit No 3

In light of the above discussions and confirmation that the calibration has been conducted in accordance with the specified procedures, it is clear that a 'limited' rating implying that 'little or none of the system component is in place' is not justified. We therefore revise the assessment score of Item No K2 to 'Full'. On review, we also find that the 'limited' rating for item no. K.1 in the verification report is not justified. We also revise the rating for K.1 to 'Full'. The revised verification report version 01 dated 12/10/2006 is attached herewith.

We hope that the explanation given above clarifies the issue raised and request you to kindly give your consent to our request for issuance.