



UNFCCC Secretariat
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Germany

Att: Registration and Issuance Team

Your ref.:
CDM Ref: 0268

Our ref.:
BRINKS/LFAT

Date:
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CERTIFICATION AS
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Response to request for review of issuance request for project activity 0268 Lages Methane Avoidance Project

Dear Members of the CDM Executive Board,

We refer to the clarifications requested by the Board members in the requests for review of DNV's request for issuance of the project activity 0268 "Lages Methane Avoidance Project", and would like to provide the following responses to the issues raised in the requests for review:

Comment: *Further clarification is required on how the DOE has verified the baseline emissions considering that the share of purchased wood waste from the spot market has significantly increased throughout this monitoring period and it is unclear how these wood waste would have been treated in the absence of the project, since there have been a number of new suppliers.*

DNV Response:

The main suppliers of wood waste to Lages identified during the validation were neighbour wood mills (Batistela and Sofia) which had the industrial activities reduced due the exportation restrictions (Brazil currency). Consequently these neighbour suppliers reduced the amount of wood waste available, and Lages had to search wood waste at the spot market. DNV evidenced during the site visit that the waste wood biomass used by the project consisted mainly of bark, saw dust and small wood pieces. This kind of wood waste does not have any applicability on wood industry except for being used as energy source, and in absence of project, it would be dumped to decay.

The monitoring report of 23 July 2008 identifies a list of potential supplier of biomass around the Lages facilities within 420 km distance ever since project was implemented. There are 114 potential suppliers in total. 38 suppliers were responsible by 95% of total demand, 36 responsible by the 5% and 40 with no supplying.

In addition, DNV also verified that the average price of biomass, including the transport cost (bark and sawdust R\$36.30/ton) is significantly lower than tree branches (torete R\$51.60/ton). Tree branches (torete) were used in order to adjust the quality of biomass mix used by Lages facilities due to the change of Batistela and Sofia biomass suppliers by the spot biomass

suppliers. Tree branches (torete) were considered to be used since it is compensation of waste wood suppliers from far distance.

As verified in Monitoring Report and confirmed in Verification Report, the tree branches (torete) have been excluded from the CERs calculation as this biomass is not common practice to dispose for decay.

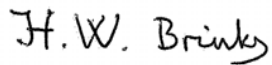
This price difference could clearly evidence the low demand of bark and saw dust in the region and could support the baseline that in absence of the project, the biomass would have been disposed to decay in anaerobic condition.

Furthermore, the project was registered 23 April 2006, i.e. before the requirement from EB28 in December 2006 to annually monitor competing use of biomass and establish a 25% excess of biomass. Hence there was no requirement to do this.


We sincerely hope that the Board accepts our aforementioned explanations.

Yours faithfully

for DET NORSKE VERITAS CERTIFICATION AS



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