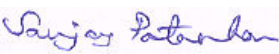
 <p align="center">CDM: Form for submission of queries from DOEs to the Methodologies Panel regarding the application of approved methodologies (version 01) <i>(To be used by DOEs for presenting questions / proposals / amendments related to the applicability of approved methodology)</i></p>	
<i>Name of the entity (DOE) submitting this form</i>	Bureau Veritas Certification India Pvt. Ltd
<i>Reference number and title of the approved methodologies</i>	ACM0002, Version 12.1.0 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”
<i>Title/Subject (give a short title or specify the subject of your submission, maximum 200 characters):</i>	Clarification regarding the demonstration of Additionality in case of transfer of assets
<i>Attach CDM-PDD example of project activity where applicability raises problem:</i>	✓ Yes, is attached.
<i>Date and signature for the DOE</i>	 12/10/2011
<p><u>Submitted queries</u></p> <p>The submitted query is being raised by the project participant through the validating DOE.</p> <p>The proposed project activity under discussion is a grid connected renewable energy generation project activity located in India. It is a bundled CDM project involving four investors. The project activity has applied ACM0002, Version 12.1.0 and is presently undergoing validation.</p> <p>Earlier Scenario:</p> <p>Each of the 4 investors took an individual investment decision for their respective capacities considering CDM benefits. The project activity was commissioned partly in the years 2006 and 2007. After commissioning, the investors operated their respective wind mill capacities up to the year 2010. During this period, the entire energy generated from the project activity was sold to the regional grid through Power Purchase Agreement (PPA) at a tariff rate defined by State Electricity Regulatory Commission.</p> <p>Present Scenario:</p> <p>In year 2010, out of 4 investors, 3 investors sold their respective wind turbines to another company who is engaged in the power business and is a separate legal entity (The company is referred as “X”). While selling out the assets to this power company (“X”), the 3 investors gave discount in the capital price but however retained CDM rights through an agreement. This agreement has enabled the power company (“X”) to own rights on the assets and to claim the revenue generated from the sale of energy to the regional grid (except the CDM revenue). Thus through the arrangements made in this agreement, the 3 investors still</p>	

remain the Project Participant while power company ("X") only acts as Project Owner and its Operator. The project participant understands that as per the investment analysis guidance, the Additionality is required to be proven at the time of investment decision by the project implementer under whom the investment decision for the project activity has come up. . Thus, project participant is of the view that any changes in the asset ownership later on do not affect emission reductions/Additionality of the project.

In future, this power company ("X") will sell the energy generated from the transferred assets to third parties through grid network (at higher tariff rate than sale to regional grid). While the one investor who still owns and operates its assets will continue operation with the same plan as at the investment decision, viz., sale of generated power to the regional grid through the PPA in force.

Given the above scenarios, Project Participant would request clarification on the following:

- In case of investors who have sold their assets to power company ("X"), who should demonstrate the Additionality? Whether (a) investors who have implemented the project activity and have retained the CDM benefits even after transfer of assets or (b) the power company "X"?
- At what point of time should the Additionality be demonstrated? Is it (a) only at the time of the initial investment decision (viz; conceptualization of the project activity) or (b) only at the time of transfer of assets or (c) at both?
- Whether the change in the arrangement of energy sale will make any change in the project boundary and Additionality? And whether this has to be considered for demonstrating Additionality as the revenue from the change in the arrangement will be claimed by power company ("X") only (Who is only the project owner but not the project participant).

If you have a question relating to the application of an approved methodology, please specify and provide reference to the exact project activity to which it applies.

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If you propose an amendment to an approved methodology, please provide reasons.

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In case you propose the amendment to the approved methodologies, please provide your draft below, if not included in an annex:

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Date of submission of contribution:

12/10/2011

Information to be completed by the secretariat

Date when the form was received at UNFCCC secretariat

Date of transmission to the Meth Panel and Executive Board