
UNFCCC Secretariat
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Att: CDM Executive Board

*Shenzhen CTI
International Certification
Co., Ltd (CTI)*

CDM Ref.: 6796

Date: 15 Feb. 2018

Response to request for review on request for issuance of the project “Lanzhou Bus Rapid Transit (BRT) Project” (6796)

Dear Members of the CDM Executive Board,

We refer to the issue raised by the requests for review by four Board members regarding request for issuance of project activity “Lanzhou Bus Rapid Transit (BRT) Project” (UNFCCC reference number: 6796) and would like to provide following responses to the issues raised.

Comment:

1) The DOE is requested to justify how the monitoring has been carried out in accordance with the monitoring plan or the temporary deviation from the registered monitoring plan has been appropriately applied, in particular for the period of temporary deviation (01/01/2013 - 26/04/2014):

(a) How the approach to claim zero emission reduction is in accordance with the referred paragraph by the DOE, i.e. paragraph 232(b)(i) of the project standard (version 01.0, for the project activities), which is applicable for baseline emissions;

(b) Furthermore, as the project activity generates project emissions and the temporary deviation is requested under issuance track, why provision of paragraph 232(b)(ii) (version 01.0, for the project activities) is not applied;

(c) As the monitoring report and verification and certification report described this period as temporary deviation, why post-registration change (PRC) was not requested;

(d) As the paragraphs of the project standard referred by the DOE are from the version 01.0 of the project standard for project activity, the DOE is requested to clarify whether the verification process was conducted with, and issuance request was submitted under version 09.0 of the VVS or version 01.0 of the VVS for project activities. Please refer to paragraphs 389 and 298 of the VVS version 09.0, and paragraphs 2 and 3 of appendix 1 of CDM project standard version 09.0 (or paragraphs 232 (b) (i) and (ii) of CDM project standard for project activities version 01.0).

CTI Response:

Responses to comment (a) and (b):

The reason that “Lanzhou Bus Rapid Transit (BRT) Project” (hereafter called “Lanzhou BRT project”) did not conduct monitoring activities over the period of 01/01/2013 to 26/04/2014 has been explained in Section E.4.1 of the latest verification report submitted in September 2017.

We hereby would like to provide further details to justify the reasonableness of applying zero (0) to the emission reductions for this period. Fundamental to understanding this issue is the fact that all baseline emission factors across all baseline transport modes are higher than the project emission factor. Specifically, as shown in the submitted calculation sheet, baseline emission factors are 288 gCO₂e/passenger for bus, 1,008 gCO₂e/passenger for taxi, 718 gCO₂e/passenger for car, and 160 gCO₂e/passenger for motorcycle respectively, whereas the project emission factor is in the range of 136 to 150 gCO₂e/passenger for Lanzhou BRT project. Whilst this data applies directly to the monitoring period of May to Oct. 2014, it has been derived from a series of default parameters that remain unchanged during the first few years of the crediting period. Moreover, considering the continuity and stability of Lanzhou BRT project operation and the general city-wide urban transport situation in general, it can be argued with strong confidence that the baseline emission factors in year 2014 can well serve to represent the situation in year 2013 and early year 2014. In addition, as detailed in the registered PDD and also the submitted MR, leakage emissions were determined on ex-ante basis and remain fixed for the first 3 years of the crediting period. This means that the leakage emissions for the unmonitored period (01/01/2013 to 26/04/2014) were taken as zero (0), the same as those for the monitored period in year 2014. Hence, for the unmonitored period of 01/01/2013 to 26/04/2014, the baseline emissions were bound to have been higher than the project emissions. This inference holds true even in the unrealistic extreme scenario that all passengers transported by Lanzhou BRT project (emission factor 136-150 gCO₂e/passenger) over this period would have taken motorcycles (emission factor 160 gCO₂e/passenger).

As far as paragraph 232(b)(i) of the Project Standard (version 01.0, for project activities) is concerned, it is our understanding that it is not applicable to the specific context of Lanzhou BRT project. Applying zero (0) to baseline emissions implies that, in the absence of BRT, none of the BRT passengers (over 0.1 million people per day, over 30 million people per year) would have taken conventional bus, taxi, car, or motorcycles. Apparently, this is against the common sense. As for paragraph 232(b)(ii), the relatively special methodological approach of Lanzhou BRT Project makes it unsuitable to be subjected to the treatment described in paragraph 232(b)(ii). That being said, fundamentally, the purpose of both 232(b)(i) and 232(b)(ii) is to ensure reasonable conservativeness. To this end, the proposed approach of taking emission reduction as zero (0), as rationalized by the above explanation on baseline emissions, is believed to be fully compliant with such a fundamental principle.

Responses to comment (c):

It is clear that in this particular case the deviation from the registered monitoring plan was temporary, rather than permanent. Otherwise the monitoring activities for the period of May to Dec. 2014 would not have been conducted strictly according to the registered monitoring plan. The temporary deviation was caused by the practical constraints of available financial resources to make possible the resource-consuming monitoring activities during the period concerned. And the approach of taking the emission reduction as zero (0) for the concerned non-conforming monitoring period is reasonably conservative. Therefore, it is our understanding that the nature of the temporary deviation from registered monitoring plan in the context of Lanzhou BRT Project is well aligned with the Paragraph 232 (b) of the Project Standard and

Paragraph 1(b) of Appendix "Indicative list of post-registration changes that may be suitable for approval under the issuance track" of the Project Standard (version 01.0, for project activities):

Paragraph 232(b): Apply the following most conservative values approach when alternative monitoring arrangements are not proposed. This does not require approval by the Board.

Paragraph 1(b) of Appendix: Temporary deviations from the registered monitoring plan for which alternative monitoring arrangements are proposed, if the proposed alternative monitoring arrangements product a conservative estimate of greenhouse gas (GHG) emission reductions or net anthropogenic GHG removals.

Responses to comment (d):

We conducted the on-site assessment on request for issuance of Lanzhou BRT project on 20 Jan. 2015, by applying version 08.0 of the CDM VVS and CDM Project Standard. Further, the project was submitted for issuance request by applying version 09.0 of the CDM VVS and CDM Project Standard, including the first round of incompleteness received. When the project received the second round of incompleteness in Jun. 2017, version 09.0 of the CDM VVS and CDM Project Standard have been replaced by version 01.0 of the CDM VVS for project activities and CDM Project Standard for project activities. The documents for issuance request finally was updated by applying version 01.0 of the CDM VVS for project activities and CDM Project Standard for project activities to the second round of incompleteness. Hence, we confirm that version 01.0 of the CDM VVS for project activities and CDM Project Standard for project activities were applied in the final issuance request, and the words of "version 09.0" of CDM VVS and CDM project standard were typo error in the verification report. Further, by comparing contents of following paragraphs from different version of CDM VVS and CDM project standard, and found they are same or there are not any essential difference:

- (1) paragraphs 389 and 298 of the CDM VVS version 09.0, paragraph 2 and 3 of Appendix 1 of CDM project standard version 09.0
- (2) paragraphs 363 and 282 of the CDM VVS for project activities version 01.0, paragraph 232(b)(i) and (ii) of CDM Project Standard for project activities version 01.0 and paragraph 1(b) of Appendix of CDM Project Standard for project activities version 01.0

We sincerely hope that the Board find our elaboration on the above satisfactory.

Yours faithfully

Wu Lin

Mr. Lin Wu
Project Manager

Zhou Lu

Zhou Lu
General Manager