



VALIDATION OPINION

VALIDATION OF POST REGISTRATION CHANGES OF THE 5X0.8 MW WIND POWER PROJECT BY TEXMO INDUSTRIES

BUREAU VERITAS CERTIFICATION

REPORT NO.INDIA-PRC/630.49/2014
REVISION NO.01

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VALIDATION OPINION

Date of first issue: 20.06.2014		Organizational unit: Bureau Veritas Certification Holding SAS	
Client: Texmo Industries		Client ref.: Mrs. Damayanti Ramachandran	
Project reference No.: 8150	Date of registration: 16.11.2012	Registered PDD version and date Version 02, 14/06/2012	Revised PDD version and date Version 04, 14/08/2014
Monitoring period to which the request applies.: Date of registration: From 16/11/2012 to 15/11/2013		PRC tracks <input type="checkbox"/> Prior approval track <input checked="" type="checkbox"/> Issuance track	
The DOE conducted validation of the changes: <input type="checkbox"/> Prior to commencement of a verification for the project activity or PoA. <input checked="" type="checkbox"/> When performing a verification for the project activity or PoA.			
Types of Changes <input type="checkbox"/> A. Temporary deviations from the monitoring plan as described in the registered PDD, PoA-DD or generic CPA-DD, or the monitoring methodology <input type="checkbox"/> B. Corrections that do not affect project/ programme design <input type="checkbox"/> C. Change to the start date of the crediting period <input type="checkbox"/> D. Permanent changes from the monitoring plan as described in the registered PDD or the monitoring methodology <input checked="" type="checkbox"/> E. Changes to the project or programme design of a registered project activity or PoA <input type="checkbox"/> F. Changes specific to afforestation or reforestation project activities			

Report No.: India-PRC/630.49/2014	Subject Group: CDM
Project title: 5X0.8 MW Wind Power Project by Texmo Industries	
Work carried out by: Mr. Srinivasan Selvaraj- Team Leader Ms. Sapana Pednekar- Team Member	
Internal Technical Review carried out by: Mr. Sanjay Patankar	
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Indexing terms

Work approved by:

Anna Kalacheva

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Abbreviations

CAR	Corrective Action Request
CDM	Clean Development Mechanism
CER	Certified Emission Reductions
CL	Clarification Request
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalent
DOE	Designated Operational Entity
FAR	Forward Action Request
GHG	Green House Gas(es)
MoV	Means of Verification
MP	Monitoring Plan
PDD	Project Design Document
PLF	Plant Load Factor
PP	Project Participant
PPA	Power Purchase Agreement
PRC	Post-Registration Changes
UNFCCC	United Nations Framework Convention on Climate Change
VVS	Validation and Verification Standard

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1. INTRODUCTION

Texmo Industries has commissioned Bureau Veritas Certification to validate the post-registration changes of CDM project “**5X0.8 MW Wind Power Project by Texmo Industries**”(hereafter called “the Project”) at Tirupur District and Dindgul district.

This report summarizes the findings of the validation of the post-registration changes, performed on the basis of UNFCCC criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

1.1. Objective

The objective of a validation is to provide a through and independent third party assessment of the post-registration changes. In particular, the changes’ compliance with relevant UNFCCC and host country criteria are validated in order to confirm that the changes meet the applicable CDM requirements and the identified criteria.

1.2. Scope

The validation scope is defined as an independent and objective review of the revised project design document and other relevant documents. The information in these documents is reviewed against the requirements of paragraph 37 of the CDM M&Ps, the applicability conditions of the selected methodology and guidance issued by the Board.

The validation is not meant to provide any consulting towards the project participants. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.

1.3. Validation Team

The assessment team and internal technical reviewer team consist of the following personnel:

FUNCTION	NAME	TA 1.2	TASK PERFORMED*
Team Leader	Mr. Srinivasan Selvaraj	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> DR <input checked="" type="checkbox"/> SV <input type="checkbox"/> RI <input type="checkbox"/> TR
Team Member	Ms. Sapana Pednekar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> DR <input type="checkbox"/> SV <input type="checkbox"/> RI <input type="checkbox"/> TR
Internal Technical Reviewer (ITR)	Mr. Sanjay Patankar	<input checked="" type="checkbox"/>	<input type="checkbox"/> DR <input type="checkbox"/> SV <input type="checkbox"/> RI <input checked="" type="checkbox"/> TR
Report Issuance	Anna Kalacheva	<input type="checkbox"/>	<input type="checkbox"/> DR <input type="checkbox"/> SV <input checked="" type="checkbox"/> RI <input type="checkbox"/> TR

*DR = Document Review; SV = Site Visit; RI = Report issuance; TR = Internal Technical Review

2. METHODOLOGY

The overall validation, from Contract Review to Validation Opinion, was conducted using Bureau Veritas Certification internal procedures.



In order to ensure transparency, a validation protocol was customized for the project, according to the version 02.0 of the Clean Development Mechanism Validation and Verification Standard, issued by CDM Executive Board at its 65th meeting on 25/11/2011 (/8/). The protocol shows, in a transparent manner, criteria (requirements), means of validation and the results from validating the identified criteria. The validation protocol serves the following purposes:

- It organizes, details and clarifies the requirements the post-registration changes are expected to meet;
- It ensures a transparent validation process where the validator will document how a particular requirement has been validated and the result of the validation.

The completed validation protocol is enclosed in Appendix A to this report.

2.1. Review of Documents

The Revised Project Design Document (PDD) submitted by Abi Energy and additional background documents related to the project design and monitoring plan were reviewed.

Furthermore, cross checks were made between information provided in the revised PDD and information from sources other than those used.

To address Bureau Veritas Certification corrective action and clarification requests, Abi Energy revised the PDD and resubmitted it on 14/08/2014.

The validation conclusions presented in this report relate to the project as described in the revised PDD version 04.

2.2. Follow-up Interviews

On 07/03/2014, Bureau Veritas Certification performed a site visit and interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of Texmo Industries and Abi Energy were interviewed (see References).

2.3. Resolution of Clarification, Corrective and Forward Action Requests

The objective of this phase of the validation is to resolve issues that require further elaboration, research or expansion prior to Bureau Veritas Certification's positive conclusion on the post-registration changes.

A Corrective Action Request (CAR) is raised, if one of the following situations occurs:

- (a) The project participants have made mistakes that will influence the ability of the project activity to achieve real, measurable, verifiable and additional emission reductions;
- (b) The applicable CDM requirements have not been met;
- (c) There is a risk that emission reductions cannot be monitored or calculated.



A Clarification Request (CL) is raised, if information is insufficient or not clear enough to determine whether the applicable CDM requirements have been met.

A Forward Action Request (FAR) may also be raised during validation, to identify issues related to project implementation that require review during the first verification of the project activity.

To guarantee the transparency of the validation process, the issues raised, the responses provided by the project participants, the means of validation of such responses and references to any resulting changes in the PDD or supporting annexes are documented in the Validation Protocol in Appendix A.

2.4. Internal Technical Review

The validation opinion underwent an Internal Technical Review (ITR) before requesting approval of the post-registration changes.

The ITR is an independent process performed to examine thoroughly that the process of validation has been carried out in conformance with the requirements of the validation scheme as well as internal Bureau Veritas Certification procedures.

The Team Leader provides a copy of the validation opinion to the reviewer, including any necessary validation documentation. The reviewer reviews the submitted documentation for conformance with the validation scheme. This will be a comprehensive review of all documentation generated during the validation process.

When performing an Internal Technical Review, the reviewer ensures that:

- The validation activity has been performed by the team by exercising utmost diligence and complete adherence to the CDM rules and requirements.
- The review encompasses all aspects related to the project which includes project design, baseline, additionality, monitoring plans and emission reduction calculations, internal quality assurance systems of the project participant as well as the project activity, closure of CARs and CLs during the validation exercise, review of sample documents.

The reviewer may raise Clarification Requests to the validation team and will discuss these matters with the Team Leader.

After the agreement of the responses to the Clarification Requests from the validation team as well as the PP(s), the finalized validation opinion is accepted for further processing such as uploading via the UNFCCC interface.

3. VALIDATION CONCLUSIONS

In the following sections, the conclusions of the validation are stated.

The findings from the desk review of the revised project design documents and the findings from interviews during the follow up visit are described in the Validation Protocol in Appendix A.



The Clarification, Corrective and Forward Action Requests are stated, where applicable, in the following sections and are further documented in the Validation Protocol in Appendix A. The validation of the Project resulted in 00CAR(s), **01CL(s)** and 00FAR(s).

The CARs and CLs were closed out based on adequate responses from the Project Participant(s) which meet the applicable requirements. They have been reassessed before their formal acceptance and closure.

The number between brackets at the end of each section corresponds to the VVS paragraph.

3.1. Temporary deviations from the registered monitoring plan and/or monitoring methodology (255-256)

There are no temporary deviations from the registered monitoring plan.

3.2. Corrections (259)

There are no corrections to the registered PDD.

3.3. Changes to the start date of the crediting period (261)

No changes to the start date of the crediting period are involved.

3.4. Permanent changes from the registered monitoring plan or monitoring methodology (267-268)

There are no permanent changes from the registered monitoring plan or monitoring methodology.

3.5. Changes to the project design of a registered project activity (277-282)

Description of the Changes:

In the registered PDD, it is stated that the generated electricity would be sold to the grid. However, during site visit and document review, the verification team noted that the generated electricity from two HTSCs (HTSC 1689 and 1707) are being wheeled through the grid and adjusted against the electricity consumption of the manufacturing plant of the project participant. The verification team requested Project participant to clarify how the implementation of the project activity continues to be in accordance with the description in the registered PDD.

It was observed by the team that this arrangement existed from the time of the validation of the project activity; however, it was not reported in the registered PDD of the project activity. This could be assessed from the electricity sale records like monthly energy statement issued by TANGEDCO erstwhile known as TNEB of the project activity.

Assessment of the changes:

a) When the changes occurred

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The changes are evident due to the fact that the project activity as described in the registered PDD does not mention that three WTGs connected to two HTSC nos U 1689 and U1707 of the project activity would supply their power generated through a wheeling arrangement with the Project participant's manufacturing facility; whereas, this was found to be the case during the verification carried out by the BVCH team. As such, this arrangement, which now appears as a change in the project description, has existed right from the time of the validation of the project activity. However, it was not accurately reported in the registered PDD.

(b) Reasons for these changes taking place

The change is only in the description of the project activity as reported in the registered PDD. The power sale arrangements reported in the registered PDD only mention that the two WTGs namely HTSC 1689 and 1707 would export power directly to the grid. However, it was observed that the power generated by these two WTGs is actually wheeled through the grid to the project participant's own manufacturing facility and adjusted against the consumption of this manufacturing facility. This could be seen from the power sale records of the project activity.

(c) Whether the changes would have been known prior to registration of the project activity

The changes are an inadequacy in the project description in the registered PDD. The project description in the registered PDD has not accurately reported the power sale arrangements.

(d) How the changes would impact the overall operation/ability of the project activity to deliver emission reductions as stated in the PDD

There is no impact on the ability of the project activity to deliver the emission reductions as stated in the registered PDD. The capacities of all the WTGs of the project activity remain unchanged and they continue to generate the same amount of power which is transmitted through the grid; only to the Project participant's manufacturing facility and not to the grid directly. This arrangement exists for only two out of the 03 number of WTGs of the project activity. The remaining 02 WTGs generate and export power to the grid as stated in the registered PDD.

The verification team has assessed this by referring to the power generation energy statement issued by TANGEDCO and sale records (Ref/4/)

Impact to the validation conclusions in the registered PDD:(a) Additionality of the project activity

The verification team noted that from the IRR sheet that only the tariff parameter will undergo change because of this revised scenario (Wheeling of electricity to the manufacturing plant of the PP, through TNEB grid).

The value of tariff under the revised scenario is Rs 3.50 which was validated from HT Bill available at the time of decision making and TNERC Order. Hence this value is incorporated into the IRR sheet (instead of Rs. 3.39, assumed during validation). The verification team noted that this HT Tariff rate is available at the time of decision making is considered for IRR calculation i.e., 25/03/2009. The results of the calculations are as follows:



IRR– 9.20%, which is still less than the Bench Mark value of 14.67%.

Hence the validation team noted that the change in the end use of the generated electricity does not affect the additionality of the project activity. The revised IRR Sheet, Wheeling agreement with TANGEDCO and HT Bill available at the time of decision making time have been reviewed and found to be appropriate.

(b) Scale of the project activity

The change observed is only in the sale arrangement of power generated by two of the WTGs in the project activity. The scale of the project activity remains the same, viz., 4 MW as there is no addition or reduction in the capacity or number of the WTGs.

(c) Applicability and application of approved baseline methodology

The applicability and application of the approved baseline methodology is unchanged as a result of the observed change, which is only related to the sale of power from two of the WTGs in the project activity.

(d) Compliance of the monitoring plan with applied monitoring methodology

The monitoring of parameters essential to the calculation of the emission reductions from the project activity is unchanged. The same parameters continue to be monitored at the same locations that have been described in the registered PDD. Hence, the monitoring plan continues to be in compliance with the applied monitoring methodology AMS I.D version 17.

(e) Level of accuracy of the monitoring compared with the requirements contained in the registered monitoring plan.

The observed change during verification is described above and is related to sale of power from two of the WTGs in the project activity. The change does not impact the level of accuracy of the monitoring of any of the parameters incorporated in the monitoring plan.

4. VALIDATION OPINION

Bureau Veritas Certification has performed a validation of post-registration changes of the “5X0.8 MW Wind Power Project by Texmo Industries”, which is located in Tirupur and Dindigul districts of Tamil Nadu state in India. The validation was performed on the basis of UNFCCC criteria for the CDM, and host country criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

The validation consisted of the following three phases: i) desk review of the project design document and additional background documents; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final validation report and opinion.

The review of the revised project design document, relevant additional information and the subsequent follow-up interviews have provided Bureau Veritas Certification with sufficient evidence to determine the fulfillment of stated criteria. In our opinion, the post-registration changes meet all relevant UNFCCC requirements for the CDM and the relevant host country



criteria. Bureau Veritas Certification thus requests the approval of post-registration changes of the project activity.

Mr. Sanjay Patankar

Internal Technical Reviewer

12/08/2014

Mr. Srinivasan Selvaraj

Team Leader

14.08.2014



5. REFERENCES

Category 1 Documents:

Documents provided by project participants that relate directly to the GHG components of the project.

- /1/ Registered PDD, version 02 dated 14/06/2012
- /2/ Revised PDD, Version 04 dated 14/08/2014
- /3/ Monthly Energy Statement, indicating the net electricity exported by the project activity issued by the TANGEDCO for the current monitoring period.
- /4/ Invoices raised by the project participant on TANGEDCO for payment of electricity sale to TANGEDCO and energy adjustment statement issued by TANGEDCO, for the current monitoring period.
- /5/ Wheeling Agreements dated 06/12/2010 for HTSC no 1689 and 1707 between Project participant and TANGEDCO
- /6/ Revised IRR sheet for Tirupur Site
- /7/ Commissioning Certificates for all the 5WEGs

Category 2 Documents:

Background documents related to the design and/or methodologies employed in the design or other reference documents used for cross-check.

- /8/ CDM Validation and Verification Standard Version 07.0 (EB79 Annex 4)
- /9/ CDM Validation Project Standard Version 07.0 (EB79 Annex 3)
- /10/ CDM Project Cycle Procedure Version 07.0 (EB79 Annex 5)

Persons interviewed:

Persons interviewed during the validation or persons that contributed with other information that are not included in the documents listed above.

- /1/ Mr.N. Boopathi, TSL – Wind World India Limited
- /2/ Mr.H. Rajesh, Wind Mechanic - Wind World India Limited
- /3/ Mr.Vijayarajan, Director, Abi Energy – Consultant



6. CURRICULA VITAE OF THE DOE'S VALIDATION TEAM MEMBERS

Mr. Srinivasan Selvaraj	Bureau Veritas Certification, India	<p>Team Leader, Climate Change Lead Verifier, Bureau Veritas Certification, Lead Verifier – Climate Change</p> <p>Education: B.TECH - Chemical Engineering, M.E (Environmental Management) and PGDBM (Finance). He has over 8 years of experience in the field of Environment and Energy services. He is a certified energy auditor from Bureau of Energy efficiency from Ministry of Power and has successfully completed the IRCA approved Lead Auditor course for ISO 14001. He has been in the validation and verification of CDM/VCS/Gold standard projects since June 2008. He is also a Lead Auditor for ISO 9001 and 14001.</p>
Ms. Sapana Pednekar	Bureau Veritas Certification, India	<p>Team Member, Climate Change Verifier.</p> <p>She is a Post Graduate in Environmental Science from University of Pune, India and holds a PGDBA in Financial Management from Welingkars School of Management. She has total Industrial work experience of 8 years in the field of environmental studies of which more than 4 years' experience is in the field of CDM and VCS. She is working in Bureau Veritas Certification (India) Pvt. Ltd. for last more than 3 years and has undergone training related to Clean Development Mechanism and is currently involved in validation and verification of more than 35 CDM/ VCS project activities. She has undergone and successfully completed ISO 14001:2004 standard, ISO 50001:2011 standard Lead Auditor Courses and ISO 14064:2006 Standard Lead verifier course.</p>
Mr. Sanjay Patankar	Bureau Veritas Certification, India	<p>Technical Reviewer, Climate Change Lead Verifier.</p> <p>Educational qualifications: B.E. (Mech.) M.E. (Mech.)</p> <p>He has over 20 years of experience in engineering manufacturing industry covering</p>



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		various functions like enterprise management, product design, engineering, tool & die design, improvements in the production shop, quality assurance & control and systems planning and implementation, including ISO 9001 based quality management systems. Working for the last 3 years in Bureau Veritas Certification (India) Pvt. Ltd. as Lead Auditor for ISO 9001, 14001 and OHSAS 18001 standards/specifications.
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APPENDIX A: VALIDATION PROTOCOL FOR POST REGISTRATION CHANGES

Table 1 Validation requirements based on VVS section IX.E (EB65 Annex4) and PS section XII.H (EB65 Annex5)

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
1. Temporary deviations from the registered monitoring plan or applied methodology					
a. Are there deviations from the registered monitoring plan or methodology?	VVS	251	Not applicable, as there are no temporary deviations from the registered monitoring plan.	OK	OK
b. Do the provisions of appendix 1 of the Project standard apply to the identified deviations?	VVS	252	Not applicable, as there are no temporary deviations from the registered monitoring plan.	OK	OK
c. If the provisions of appendix 1 of the Project standard do not apply, is prior approval from the Board with respect to the acceptability of the deviations sought?	VVS	252	Not applicable, as there are no temporary deviations from the registered monitoring plan.	OK	OK
d. If the deviation will lead to a reduction in the accuracy of the calculation of ERs, are conservative assumptions or discount factors applied to the calculations to the extent required to ensure that ERs will not be over-estimated as a result	VVS	253	Not applicable, as there are no temporary deviations from the registered monitoring plan	OK	OK



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CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
of the deviation?					
e. For cases where a deviation from the monitoring plan may be applicable to the monitoring period under verification, and part of the subsequent monitoring period, is the exact period to which the deviation applies verified?	VVS	254	Not applicable, as there are no temporary deviations from the registered monitoring plan	OK	OK
2. Corrections					
a. Are the corrections to project information or parameters fixed at validation, as described in the registered PDD, made by PPs in a revised PDD comply with the requirements of the Project standard?	VVS	257	No corrections to the project information in the PDD are involved ; hence, this section is not applicable.	OK	OK
b. Is the corrected information an accurate reflection of actual project information?	VVS	258 (a)	No corrections to the project information in the PDD are involved ; hence, this section is not applicable.	OK	OK
c. Are the corrected parameters in accordance with the applied methodology and/or selected monitoring plan?	VVS	258 (b)	No corrections to the project information in the PDD are involved ; hence, this section is not applicable.	OK	OK



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CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
3. Changes to the start date of the crediting period					
a. Is it ensured that the start date of the crediting period in the registered PDD was not prior to the date of registration?	PS	211	There are no changes to the start date of the crediting period; hence this section is not applicable	OK	OK
b. Is it ensured that PPs do not request any changes to the start date of the crediting period of more than two years - not more than four years for project activities hosted by a Least Developed Country?	PS	212	There are no changes to the start date of the crediting period; hence this section is not applicable	OK	OK
c. If the change of the start date of the crediting period constitutes a difference of more than one year but less than two years - more than two years but less than four years for project activities hosted by a Least Developed Country, do PPs demonstrate that no changes have occurred to the project activity that would result in a less conservative baseline, and that substantive progress has been made by the PPs to start the project activity?	PS	214	There are no changes to the start date of the crediting period; hence this section is not applicable	OK	OK



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CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
4. Permanent changes from the registered monitoring plan or monitoring methodology					
a. Is it ensured that the changes to the monitoring plan contained in the registered PDD are in compliance with the applied methodology and do not reduce the level of accuracy of the monitoring compared with the requirements contained in the registered monitoring plan?	VVS	263	There are no permanent changes to the registered monitoring plan; hence this section is not applicable	OK	OK
b. If the proposed changes refer to a later version of the applied methodology in the registered PDD, does the application of any later version of the applied methodology and tools impact the conservativeness of the monitoring and verification process, including the related emission reduction calculation?	VVS	264	There are no permanent changes to the registered monitoring plan; hence this section is not applicable	OK	OK
c. If the PPs are unable to implement the registered monitoring plan and it will not be possible to monitor the registered CDM project activity in accordance with a monitoring plan	VVS	265	There are no permanent changes to the registered monitoring plan; hence this section is not applicable	OK	OK



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CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
that would comply with the applied methodology and any applicable tools or the relevant provisions of appendix 1 of the Project standard, is any guidance (prior approval) requested from the Board concerning the acceptability of the permanent changes?					
d. If the permanent changes will lead to a reduction in the accuracy of the calculation of ERs, are conservative assumptions or discount factors to the calculations applied to the extent required to ensure that ERs will not be over-estimated as a result of the permanent change?	VVS	266	There are no permanent changes to the registered monitoring plan; hence this section is not applicable	OK	OK
5. Changes to the project design of a registered project activity					
a. If the project design in the implementation or operation of the project activity does not conform with the description contained in the registered PDD or the relevant provisions of appendix 1 of the Project standard, is any guidance (prior approval) requested from the	VVS	270	<p>The registered PDD has stated that all the windmills in the project activity would export power to the grid. However, it was found by the verification team that power generated by two of the WTGs (HTSC 1689 and 1707) was wheeled to the manufacturing plant of the Project participant.</p> <p>The changes in project description that were observed were assessed by the team as per the Appendix 1 guidelines of the Project Standard EB 70 Annex 02 Paragraph 4 and also</p>	CL 1	OK



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Board concerning the acceptability of the proposed or actual changes?			<p>the paragraph 9.5.5 of VVS EB 70 Annex 03. As a result of the assessment, it was determined by the team that the actual changes do not adversely affect the</p> <ul style="list-style-type: none"> a) The applicability and application of the applied methodology under which the project activity has been registered ; b) The additionality of the project activity c) The scale of the project activity <p>Hence, as per Appendix 1 of the Project Standard, no prior approval by the Board is sought by BVCH</p>		
b. Was an on-site visit conducted in case of actual changes?	VVS	271	Yes, an on-site visit was conducted on 07/03/2014.	OK	OK
c. Does the revised PDD describe the nature and extent of the proposed or actual changes, including	PS	218			
i. Changes in the effective output capacity due to increased installed capacity or increased number of units, or installation of units with lower capacity or units with a technology which is less advanced than that described in the PDD?	PS	218 (a)	There is no change in the effective output capacity of the windmills in the project activity.	OK	OK
ii. Addition of component or extension	PS	218 (b)	There is no addition or extension of technology involved in the change that is identified	OK	OK



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CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
of technology?					
iii. Removal or addition of one site (or more) of a project activity registered with multiple-sites?	PS	218 (c)	There is no removal or addition of site involved	OK	OK
iv. Actual operational parameters which are within the control of PPs differing from the expected parameters?	PS	218 (d)	The operational change involved is referred to in 5 a above, viz., that two of the WTGs in the project activity are exporting their generated power by means of a wheeling arrangement with the Project participant's own manufacturing facility.	CL 1	OK
v. Any consequential changes to the baseline methodology, including changing or adding another baseline methodology or applying a baseline scenario that is more appropriate as a result of the proposed or actual modifications to the project activity?	PS	218 (e)	There is no change to the baseline methodology nor the baseline scenario.	OK	OK
d. Are the impacts of the proposed or actual changes to the registered CDM project activity reported in the revised PDD, including	PS	219			
i. The applicability and application of the applied methodology under which the project activity has been registered?	PS	219 (a)	The operational change, viz., wheeling of power to the Project participant's manufacturing plant in lieu of grid export of that power has no impact on the applicability and application of the methodology AMS I.D version 17 under which the project activity is registered	OK	OK



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CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
ii. Compliance of the monitoring plan with the applied methodology?	PS	219 (b)	The change identified has no impact on the compliance of the monitoring plan of the project activity with the applied methodology	OK	OK
iii. The level of accuracy and completeness in the monitoring of the project activity?	PS	219 (c)	The level of accuracy and completeness of the monitoring in the project activity is unaffected as a result of the change referred to in 5 a above	OK	OK
iv. The additionality of the project activity?	PS	219 (d)	<p>The verification team noted that from the IRR sheet that only tariff parameter will undergo change because of this revised scenario (Wheeling of electricity to the manufacturing plant of the PP, through TNEB grid).</p> <p>The revised tariff accruing from the sale of power from the two WTGs HTSC 1689 and 1707 would be INR 3.50 in lieu of INR 3.39 if the same power had been exported directly to the grid. It was assessed that the resulting IRR value in the investment analysis for the project activity would increase only marginally to 9.20% which is still far below the benchmark of 14.67%. Hence the team has concluded that the change in section 5 a would have no impact on the additionality of the project activity.</p> <p>This is reported in the revised PDD.</p>	OK	OK
v. The scale of the project activity?	PS	219 (e)	The scale of the project activity remains as before since there is no addition or decrement to the capacity (ies) of the WTGs.	OK	OK
e. Are the proposed or actual changes would adversely affect the conclusions of the validation report of	VVS	273			



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CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
the registered PDD with regard to:					
i. Additionality of the project activity?	VVS	273 (a)	It has been assessed by the verification team (by changing the value of the tariff in the investment analysis) that the resulting IRR value (9.20%) is still well below the benchmark (14.67%). Hence, there is no impact on the additionality of the project activity	OK	OK
ii. Scale of the project activity?	VVS	273 (b)	The scale of the project activity remains as before since there is no addition or decrement to the capacity (ies) of the WTGs.	OK	OK
iii. Applicability and application of approved baseline methodology under which the project activity has been registered?	VVS	273 (c)	The applicability and application of the approved baseline methodology under which the project activity has been registered is not affected due to the change	OK	OK
iv. The compliance of the monitoring plan with the applied monitoring methodology?	VVS	273 (d)	The change identified has no impact on the compliance of the monitoring plan of the project activity with the applied methodology	OK	OK
f. If the proposed or actual changes affect the additionality of the project activity:	VVS	274			
i. In the case of investment analysis, have PPs only modified the key parameters in the original spreadsheet calculations affected by the proposed or actual changes to the project activity?	VVS	274 (a)	The parameter modified in the investment analysis is the tariff (from INR 3.39 to INR 3.50). Only this parameter undergoes a variation due to the change in power export arrangements from the two WTGs	OK	OK



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CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
ii. In the case where only barriers have been claimed to demonstrate additionality, have PPs demonstrated that the barriers are still valid under the new circumstances?	VVS	274 (b)	There are no barriers claimed for the additionality of the project activity	OK	OK
g. If the PP applies a later version of the methodology or another methodology that is applicable to the project activity, is it confirmed that the applied methodology and tools do not impact the conservativeness of the monitoring and verification process and the related emission reduction calculations?	VVS	275	Not applicable as there is no change in the version of the methodology applied	OK	OK
h. Does the revised PDD comply with the applied monitoring methodology and tools or any later version of the methodology or the requirements of another methodology that is applicable to the project activity?	VVS	276	The revised PDD complies with the applied monitoring methodology	OK	OK



Table 2 Resolution of Corrective Action /Clarification /Forward Action Requests

Draft report clarifications and corrective action requests by verification team	Ref. to checklist question in table 1	Summary of project participant response	Verification team conclusion
CL 1 <p>The registered PDD has stated that all the windmills in the project activity would export power to the grid. However, it was found by the verification team that power generated by two of the WTGs (HTSC 1689 and 1707) was wheeled to the manufacturing plant of the Project participant.</p>	5 a	<p>The HTSC no 1689 with 2 no of WTG of enercon make capacity of 800 KW each installed at SFNo514/2(P), 3(P) & 520/B1 (P) of Gathelrev Village in Dharapuram Taluk in Tirupur District commissioned on 12/09/2009 is wheeling the generated electricity from 06/12/2010 to the Texmo manufacturing plant.</p> <p>The HTSC no 1707 with 1 no of WTG of enercon make capacity of 800 KW installed at SFNo 303(P) of Chinnaputhur Village in Dharapuram Taluk in Tirupur District commissioned on 25/09/2009 is wheeling the generated electricity from 06/12/2010 to the Texmo manufacturing plant.</p> <p><u>As per the Registered Documents (Generated electricity was supplied to the Grid)</u></p> <p>Tarif Assumed- Rs 3.39 (As per the TNERC Order dated 20/03/09)</p> <p>IRR (HTSC No 1689 and 1707) - 8.45%</p> <p>Bench Mark- 14.67%</p>	<p>The validation team noted that as per the Registered PDD, the generated electricity would be supplied to the Grid. However, during the site visit, it was observed that the electricity had been wheeled through the grid and utilized at the manufacturing plant of the PP, since commissioning, for two HTSC-Nos 1689 and 1707. Hence the PP has determined the additionality of these two specific HTSCs with the revised input parameters. Additionality is determined separately for each HTSC at the time of validation.</p> <p>The verification team noted that from the IRR sheet that only tariff parameter will undergo change because of this revised scenario</p>



Draft report clarifications and corrective action requests by verification team	Ref. to checklist question in table 1	Summary of project participant response	Verification team conclusion
		<p><u>Actual Scenario (Generated electricity wheeled to the TexmoPlant)</u></p> <p>Tarif - Rs 3.50 (As per the HT Bill available at the time of decision making and TNERC Order)</p> <p>HT Tariff rate available at the time of decision making is considered for IRR calculation. 25/03/2009 was the decision making date for this project activity. HT Bill available at the time of decision making and TNERC Order was Rs 3.50/Unit.</p>	<p>(Wheeling of electricity to the manufacturing plant of the PP, through TNEB grid).</p> <p>The value of tariff under the revised scenario is Rs 3.50 which was validated from HT Bill available at the time of decision making and TNERC Order. Hence this value is incorporated into the IRR sheet (instead of Rs. 3.39, assumed during validation). The verification team noted that this HT Tariff rate is available at the time of decision making is considered for IRR calculation i.e., 25/03/2009. The results of the calculations are as follows: IRR– 9.20%, which is still less than the Bench Mark value of 14.67%.</p> <p>Hence the validation team noted that the change in the end use of</p>



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Draft report clarifications and corrective action requests by verification team	Ref. to checklist question in table 1	Summary of project participant response	Verification team conclusion
			the generated electricity does not affect the additionality of the project activity. The revised IRR Sheet, Wheeling agreement with TANGEDCO and HT Bill available at the time of decision making time have been reviewed and found to be appropriate. Hence this CL 1 was closed.



 VALIDATION OPINION

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Contract No.	630.49/2014
Project title	5X0.8 MW Wind Power Project by Texmo Industries
UN Ref. No	8150
Revised PDD version	04
Revised PDD date	14/08/2014
Methodology A and version	AMS I D version 17
Methodology B and version	
Crediting period	16/11/2012 to 15/11/2022
Site visit date	07/03/2014
FVR Sign-off date	12/08/2014
Project owner	Texmo Industries
Project buyer	
Consultant	Abi Energy
Client	Texmo Industries
Project location	Tirupur District and Dindgul district
Team Leader	Mr. Srinivasan Selvaraj
Team Member	Ms. Sapana Pednekar
Technical Reviewer	Mr. Sanjay Patankar

BUREAU VERITAS CERTIFICATION

Report No: BVC/India-PRC/630.49rev. 01

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