

2nd Monitoring Report

Version 3

Monitoring the period:
December 1, 2006 – September 30, 2007

TROJES HYDROPOWER PROJECT

Registration Number 0649

Project Site Address:
Cortina Baja Presa Trojes,
Municipality of Pihuamo,
State of Jalisco
México.

México, August 5th, 2008

Mexico City, August 5th, 2008.

Trojes Hydroelectric Project Monitoring Report

Trojes hydroelectric Project was developed by Impulsora Nacional de Electricidad S de R.L. de C.V. and Hidroelectricidad del Pacífico S. de R.L. de C.V.

Trojes Project is located at the Trojes Dam in the Barreras River, 50 Km south-east of the city of Colima within the state of Michoacán

The project started commercial operation April the 1st, 2003. The Project Crediting period is 7 years starting from this date, and can be renewed for two more 7 year periods.

The Verification Period is from December 1st, 2006 to September 30th, 2007.

The table below contains the electricity generation of the project and the estimation of CERs generated by it, taking an Emission Factor of 0.531 Ton CO₂e / MWh.

As the Methodology uses an Ex Ante Emission Factor, it is sufficient evidence to meter the electricity generated by the project.

The project participant Hidroelectricidad del Pacífico S de RL de CV, i.e. the entity in charge of the commercialization of the electricity generated by the Trojes Hydropower Project has a contract with CFE.

To measure the electricity generated in the project there are two different meters, one of them is owned, and checked by the operating company (MYOCEN S. de R.L. de C.V.) and the second one is owned and checked by Comisión Federal de Electricidad (CFE) (Main meter AR – 12A368 - 02).

The certificates of calibration are issued by CFE (Comisión Federal de Electricidad). This is the only entity authorized to perform these activities for every supplier of electricity to the Mexican Grid.

Electricity Generation metered by CFE is shown in the following table:

GENERATED ELECTRICITY (MAIN METER "CFE" METER)			
Period	2006	2007	TOTAL
January		2,755.65	2,755.65
February		2,891.93	2,891.93
March		4,241.63	4,241.63
April		4,581.41	4,581.41
May		4,218.84	4,218.84
June		2,058.09	2,058.09
July		494.22	494.22
August		995.39	995.39
September		5,203.71	5,203.71
October			
November			
December	2,038.51		2,038.51
TOTAL	2,038.51	27,440.86	29,479.37

To operate the project a special operation and maintenance company (MYOCEN S.A. de C.V.) and their personnel was trained in order to be able operate the plant according to international standards and industry practices. MYOCEN has all their Operating and Maintenance procedures well documented.

Taking in consideration the Emission Factor of 0.531 TCO₂e/MWh and the Generation indicated in the Table above, the CER's generated by the project are shown in the table below.

CER'S			
Period	2006	2007	TOTAL
January		1,463.25	1,463.25
February		1,535.62	1,535.62
March		2,252.31	2,252.31
April		2,432.73	2,432.73
May		2,240.20	2,240.20
June		1,092.85	1,092.85
July		262.43	262.43
August		528.55	528.55
September		2,763.17	2,763.17
October			
November			
December	1,082.45		1,082.45
TOTAL	1,082.45	14,571.10	15,653.55

Certificates of calibration were issued by CFE on 31 March 2005, 3 March 2006 and 5 November 2007 for the main and back up meters.

The calibration of the main meter on 5 November 2007 showed that the error of the meter was -0.2675 % and thus negative, i.e. the meter showed less electricity being delivered to the grid than actually delivered to the grid.

As the meter measured less electricity than the electricity actually delivered to the grid (negative error in the meter) the measurement is considered conservative and the Project Participant will not request issuance of the additional difference of 0.0675%.

Considering that the main meter is also the basis for the invoicing, in the CFE contract is established that only in case of a deviation of more than +/- 2.0 % (greater than the value 2) identified during the calibration of the main meter, CFE will request an adjustment of the total amount of electricity delivered to the grid for a period taken into account the date of the last calibration and the adjustment will impact the invoicing of the electricity sold to the grid. On the other hand, the manufacturer establishes an accuracy of +/- 0.20% and in case of major deviations the meter will have to be sent to the manufacturer's plant and minor adjustments like the one occurred can be fixed with a calibration on site.

Although the deviation presented in the main meter is within the acceptable range established by CFE it is not by within the acceptable range according to the manufacturer's specification (+/- 0.20%).

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The backup meter identified as (PR-0506A068-02), for which the Certificate of Calibration of 5 November 2007 confirmed that the measuring accuracy of this meter is within the range required by the CFE and the manufacturer (-0.0433%).

In conclusion the measured electricity is consistent with the Monitoring plan as measurements are made in a conservative way.

Report Elaborated by:

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