



CDM Project Activity Registration and Validation Report Form

(By submitting this form, designated operational entity confirms that the proposed CDM project activity meets all validation and registration requirements and thereby requests its registration)

Section 1: Request for registration

Name of the designated operational entity (DOE) submitting this form	Det Norske Veritas Certification Ltd. (DNV)
Title of the proposed CDM project activity (Section A.2 of the attached CDM-PDD) submitted for registration	Central Energética do Rio Pardo cogeneration project (CERPA)
Project participants (Name(s))	Central Energética do Rio Pardo Ltda of Brazil.
Sector in which project activity falls	Energy Industry, renewable sources
Is the proposed project activity a small-scale activity?	No.

Section 2: Validation report

List of documents to be attached to this validation report (please check mark):

- ☒ The CDM-PDD of the Project activity
- ☒ An explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations (Note: Included in DNV's Validation Report (DNV report No. 2005-0635, rev. 01);
- ☐ The written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assist it in achieving sustainable development:
 - (Attach a list of all Parties involved and attach the approval(in alphabetic order))
- ☒ Other documents, including any validation protocol used in the validation.
 - DNV's Validation Report (DNV report 2005-0635, rev. 01), including a validation protocol and a list of person interviewed by DNV validation team during the validation process.
- ☐ Information on when and how the above validation report is made publicly available.
- ☐ Banking information on the payment of the non-reimbursable registration fee.
- ☐ A statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat in particular with regard to instructions regarding allocation of CERs at issuance.

Executive Summary and Introduction, including

- **Description of the proposed CDM project activity**
- **Scope of validation process (include all documentation that has been reviewed and name persons that have been interviewed as part of the validation, as applicable)**
- **DOE Validation team (list of all persons involved in the validation, describing functions assumed in the validation)**

The Central Energética do Rio Pardo cogeneration project (CERPA), located in the municipality of Serrana, State of São Paulo, Brazil, is a grid-connected renewable energy project activity, displacing grid electricity with electricity generated from renewable sources (bagasse) and thus resulting in the reduction of emissions of greenhouse gases in the energy sector. The project increased the efficiency and capacity of the previous bagasse based energy generation, by the installation of a high-pressure boiler and a multiple stage backpressure turbine coupled with two new 15 MW generators that provide an additional 30MW generation capacity to the previously installed capacity of 10 MW. This will allow for excess electricity to be dispatched to the regional grid.

The validation scope is an independent and objective review of the Project Design Document (PDD). The PDD was reviewed against Kyoto Protocol criteria for the CDM, the CDM modalities and procedures as agreed in the Marrakesh Accords and relevant decision by the CDM Executive Board. The validation team has, based on the recommendation in the IETA/PCF Validation and Verification Manual, employed a risk-based approach, focusing on the identification of significant risks for the project implementation and the generation of CERs.

The following documents were reviewed:

Central Energética do Rio Pardo Ltda and Ecoinvest: Project Design Document for the “Central Energética do Rio Pardo Cogeneration Project (CERPA)”, submitted on 25 April 2005.

Central Energética do Rio Pardo Ltda and Ecoinvest: Project Design Document for the “Central Energética do Rio Pardo Cogeneration Project (CERPA)”. Version 4 of 31 October 2005.

Spreadsheet of Calculation of Combined Margin Emission Coefficient (ONS-Emission factors SSECO 2002-2004-2005.09.23.xls).

ERM BRASIL LTDA CDM consulting quotation (P012296.01 Usina da Pedra.doc - January 2002).

Environmental Installation License No.00251 (25/09/2002) and Precarious Operating License – SD No.04003797 (23/10/2003).

Evidences of letters sent to Stakeholders (Lista ARs (Coper 3).xls - 23/07/2005).

International Emission Trading Association (IETA) & the World Bank's Prototype Carbon Fund (PCF): Validation and Verification Manual. <http://www.vvmanual.info>

Approved Baseline and Monitoring Methodology AM0015: “Bagasse-based cogeneration connected to an electricity grid”. Version 01 of 22 September 2004.

Bosi, M., A. Laurence, P. Maldonado, R. Schaeffer, A. F. Simoes, H. Winkler and J.-M. Lukamba: Road testing baselines for greenhouse gas mitigation projects in the electric power sector. OECD and IEA information paper, October 2002.

CDM-EB, “Tool for the demonstration and assessment of additionality”, Annex 1 of the report of the EB's 16th meeting.

The following person was interviewed:

Fernando Souza Machado – Ecoinvest

The validation team consisted of the following personnel:

Mr. Luis Filipe Tavares	DNV Rio de Janeiro	Team leader,
Ms. Cintia Dias	DNV Rio de Janeiro	CDM auditor
Mr. Vicente San Valero	DNV Rio de Janeiro	CDM auditor
Mr. Michael Lehmann	DNV Oslo	Energy sector expert/Technical reviewer

For further details, please refer to the "Introduction" and "References" Sections of DNV's Validation Report (DNV Report No. 2005-0635, rev. 01).

Description of methodology for carrying out validation

- **Review of CDM-PDD and additional documentation attached to it**
- **Assessment against CDM requirements (e.g. by use of a validation protocol)**
- **Report of findings by the DOE, e.g. by use of type of findings (e.g. corrective action requests, clarifications or observations). Please explain the way findings are "labelled" during validation.**
- **Include statements or assessments in the section "Conclusions, final comments and validation opinion" below.**

The validation of the project started in June 2005. The Validation consists of the following three phases:

- i) a desk review of the project design documents;
- ii) follow-up interview with project stakeholders;
- iii) the resolution of outstanding issues and the issuance of the preliminary validation report and opinion.

The original and revised versions of the project design document (PDD) submitted by the project participants were reviewed. Additional background documents related to the project design and the baseline were also consulted.

On 28 June 2005 and 28 June 2005, DNV performed interviews with a representative of Ecoinvest, to confirm and to resolve issues identified in the document review.

In order to ensure transparency, a validation protocol has been customized for the project, according to the Validation and Verification Manual. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validation the identified criteria.

Findings established during the validation can either be seen as a non- fulfilment of validation criteria or where a risk to the fulfilment of project objectives is identified. Such findings are termed Corrective Action Requests (CAR). The term Clarification may be used where additional information is needed to fully clarify an issue. The Corrective Action Requests and requests for Clarification raised by the validation team were resolved through communications with the project participants. To guarantee the transparency of the validation process, the concerns raised by DNV and the response provided by the project participants are documented in Table 3 of the Validation Protocol in Appendix A of DNV's Validation Report. (DNV Report No. 2005-0635, rev. 01).

For further details, please refer to the "Methodology" Section of DNV's Validation Report (DNV Report No. 2005-0635, rev. 01) and the IETA/PCF Validation and Verification Manual (www.vvmanual.info)

Explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations;

- **Description of how and when the PDD was made publicly available**
- **Description of how comments were received and made publicly available**
- **Explanation of how due account has been taken of comments received**
- **Compilation of all comments received (Identify the submitter)**

DNV Certification published the PDD of the "Central Energética do Rio Pardo cogeneration project (CERPA)" dated 25 April 2005 on the DNV Climate Change web site (<http://www.dnv.com/certification/ClimateChange>) and Parties, stakeholders and NGOs were, through

the UNFCCC CDM web site, invited to provide comments during the period from 01 May 2005 to 31 May 2005. No comments were received in this period.

Conclusions, final comments and validation opinion

- **Provide conclusions on each requirement under paragraph 37 of the CDM modalities and procedures, describing how these requirements have been met. This shall include assessments and findings (e.g. corrective action requests, clarifications or observations) in relation to each requirement, including a confirmation that all issues raised have been addressed to the satisfaction of the DOE.**
- **Final comments and validation opinion**

Det Norske Veritas Certification Ltd. (DNV) has performed a validation of the “Central Energética do Rio Pardo cogeneration project (CERPA)” located in the municipality of Serrana, State of São Paulo, Brazil. The validation was performed on the basis of UNFCCC criteria for CDM project activities and relevant Brazilian criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

The project participants are Central Energética do Rio Pardo Ltda of Brazil. The host Party Brazil meets all relevant participation requirements.

The project is a bagasse-based cogeneration power generation activity which displaces fossil-based grid electricity. By installing a high-pressure boiler and a multiple stage backpressure turbine coupled with two new 15 MW generators at the Usina da Pedra sugarcane mill, the “Central Energética do Rio Pardo cogeneration project (CERPA)” will allow Usina da Pedra to generate excess electricity to be dispatched to the regional grid.

By promoting renewable energy, the project is in line with the current sustainable development priorities of Brazil.

The project applies the approved baseline and monitoring methodology AM0015, i.e. “Bagasse-based cogeneration connected to an electricity grid”. The baseline methodology has been correctly applied and the assumptions made for the selected baseline scenario are sound. It is sufficiently demonstrated that the project is not a likely baseline scenario and that emission reductions attributable to the project are additional to any that would occur in the absence of the project activity.

A combined margin emission coefficient of 0,2783 tCO₂e/MWh is calculated in accordance with AM0015, i.e. the average of the approximate operating margin and the build margin. The determination of this combined margin emission coefficient is based on actual electricity generation data provided by the National Electricity System Operator (ONS) for the years 2002- 2004 for the South-Southeast-Midwest grid.

The monitoring methodology is correctly applied. The monitoring plan sufficiently specifies the monitoring requirements of the main project indicators.

By displacing fossil fuel-based electricity with electricity generated from a renewable source, the project results in reductions of CO₂ emissions that are real, measurable and give long-term benefits to the mitigation of climate change. Given that the project operates as designed, the project is likely to achieve the estimated amount of emission reductions.

Local stakeholder comments were invited according to the Brazilian DNA Resolution 1. No comments were received from these stakeholders. Public stakeholder input has also been invited via the UNFCCC web-site. No comments were received.

In summary, it is DNV’s opinion that the “Central Energética do Rio Pardo cogeneration project (CERPA)” as described in the revised and resubmitted project design document of October 2005, meets all relevant UNFCCC requirements for the CDM and all relevant host country criteria and correctly applies the baseline and monitoring methodology for AM0015. Hence, DNV will request the registration of the “Central Energética do Rio Pardo cogeneration project (CERPA)” as CDM project activity.

For further details, please refer to the "Validation Findings" Section and Table 1 of the Validation Protocol in Appendix A of DNV's Validation Report (DNV Report. 2005-0635, rev. 01).

The DOE declares herewith that in undertaking the validation of this proposed CDM project activity it has no financial interest related to the proposed CDM project activity and that undertaking such a validation does not constitute a conflict of interest which is incompatible with the role of a DOE under the CDM.

By submitting this validation report, the DOE confirms that all validation requirements are met.

Prior to the submission of this validation report to the CDM Executive Board, DNV will have to receive the written approval of voluntary participation from the DNA of Brazil, including confirmation by the DNA of Brazil that the project assists it in achieving sustainable development.

Name of authorized officer signing for the DOE Michael Lehmann

Date and signature for the DOE

07 November 2005

Michael Lehmann

Section below to be filled by UNFCCC secretariat

Date when the form is received at UNFCCC secretariat

Date at which the registration fee has been received

Date at which registration shall be deemed final

Date of request for review, if applicable

Date and number of registration

Date

Number