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	TÜV Industrie Service GmbH TÜV SÜD Group
Title of the proposed CDM project activity (Section A.2 of the attached CDM-PDD) submitted for registration	CAMIL Itaqui Biomass Electricity Generation Project
Project participants (Name(s))	Camil Alimentos S/A, PTZ BioEnergy Ltd., Bioheat International B.V.
Sector in which project activity falls	Energy generation: type I, renewable energy projects; category I.D – renewable electricity generation for a grid (1) and Methane emissions avoidance: type III, other project activities; category III.E – avoidance of methane production from biomass decay through controlled combustion (13, 15).
Is the proposed project activity a small-scale activity?	No / Yes *(underline as applicable)*

Section 2: Validation report	
List of documents to be attached to this validation report (please check mark)*:*	

X The CDM-PDD of the project activity

X 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. This explanation is included in the Validation Report No. 736043, rev 2;

q 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 assists it in achieving sustainable development:

X Other documents, including any validation protocol used in the validation

- Validation Report (Validation Report No. 736043, rev 2), including a

validation protocol, a information reference list and a list of persons interviewed by DOE 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 allocations 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 project is located in the state of Rio Grande do Sul, Brazil. The project owner, a rise mill called CAMIL Alimentos S/A, is operating a rice production facility in the municipality of Itaqui. CAMIL, PTZ Bioenergy, and BioHeat International are private entities and project participants.

The project involves the implementation of a biomass-based power generation plant using direct combustion boiler technology. The installed capacity of the plant is 4.2 MW_{el}. The fuel used is rice husk residues. The electricity generated will be sold primarily to the state grid with the balance sold to third parties (grid distributors).

The reduction of greenhouse gases shall be realised by two effects. First effect comes from the substitution of electricity being generated by fossil fuels in the grid. For determining the baseline for that effect the approved methodology type I.D. grid connected renewable electricity generation is applied. The second effect results from the avoidance of methane being generated by disposing of the rice husks. For determining the baseline of the second aspect the approved methodology type III.E. avoidance of methane production from biomass decay through controlled combustion is applied.

The project starting date is 01/04/2001. The first crediting period starts at the date and takes 7 years.

The validation scope is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. TÜV SÜD has, based on the recommendations in the Validation and Verification Manual employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of CERs.

The validation is based on the information made available to TÜV SÜD and the engagement conditions detailed in this report. TÜV SÜD can not guarantee the accuracy or correctness of this information. Hence, TÜV SÜD can not be held liable by any party for decisions made or not made based on this report.

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

The audit team has been provided with a draft PDD on 11th November 2005. Based on this documentation a document review and a fact finding mission in form of an on site audit has taken place. Afterwards the client decided to revise the PDD according to the CARs and CRs indicated in the audit process. The final PDD version submitted in December 10 2005 serves as the basis for the assessment presented herewith.

For further details, please, refer to the "Methodology" section of the validation report (Validation Report No **736043, rev 2**)

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 consists of the following three phases:

- Desk review
- Follow-up interviews
- Resolution of clarification and corrective action requests

In order to ensure transparency, a validation protocol was customised 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 validating the identified criteria. The validation protocol serves the following purposes:

- It organises, details and clarifies the requirements a CDM project is 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 validation protocol consists of three tables. The different columns in these tables are described; the completed validation protocol is enclosed in Annex 1 to the validation report.

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)**

The project was published at the webside of the UNFCC and at the DOE´s webpage for 30 days according to the Marracesh Accords. The PDD was open for comments from **November 10 to December 09**, 2005.
Link to the webpage:
http://www.netinform.de/KE/Wegweiser/Ebene1_Projekte.aspx?Ebene1_ID=26&mode=0
No comments received.

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 meet. 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**

TÜV SÜD has performed a validation of the "CAMIL Itaqui Biomass Electricity Generation Project" project in Brazil. The validation was performed on the basis of UNFCCC criteria and host country criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 12 of the Kyoto Protocol, the CDM modalities and procedures and subsequent decisions by the CDM Executive Board.

The review of the project design documentation and the subsequent follow-up interviews have provided TÜV SÜD with sufficient evidence to determine the fulfilment of stated criteria. In our opinion, the project does meet all relevant UNFCCC requirements for the CDM and all relevant host country criteria. Hence the project will be recommended by TÜV SÜD for registration with the UNFCCC under the CDM.

By displacing fossil fuel-based electricity with electricity generated from a renewable source and avoiding methane generation due to controlled combustion of biomass, the project results in reductions of CO_2 emissions that are real, measurable and give long-term benefits to the mitigation of climate change. An analysis of the investment and especially technological barriers demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented as designed, the project is likely to achieve the estimated amount of emission reductions.

Additionally the assessment team reviewed the estimation of the projected emission reductions. We can confirm that the indicated amount of emission reductions of 401,388 tonnes CO_{2e} over a crediting period of seven years, resulting in a calculated annual average of 57,341 tonnes CO_{2e}, represents a reasonable estimation using the assumptions given by the project documents.

The validation is based on the information made available to us and the engagement conditions detailed in this report. The validation has been performed using a risk based approach as described above. The only purpose of this report is its use during the registration process as part of the CDM project cycle. Hence, TÜV SÜD can not be held liable by any party for decisions made or not made based on the validation opinion, which will go beyond that purpose.

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. Name of authorized officer signing for the DOE	 Werner Betzenbichler
Date and signature for the DOE	14/12/2005
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