



## **Validation Report**

# **USJ Açúcar e Álcool S/A – Usina São Francisco Cogeneration Project**

**CDM.Val0392**

**July 18th, 2006**

**SGS Climate Change Programme**

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# ANNEX 1

## REPORT ON COMMENTS BY PARTIES, STAKEHOLDERS AND NGOS

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### USJ Açúcar e Álcool S/A – Usina São Francisco Cogeneration Project

**Project No.** CDM.Val0392

**Date:** 18/07/2006

## **1 INTRODUCTION**

In accordance with sub-paragraphs 40 (b) and (c) of the CDM modalities and procedures, the project design document of a proposed CDM project activity shall be made publicly available and the DOE shall make invite comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available. This report describes this process for this particular project.

## **2 PROJECT DETAILS**

### **2.1 Project title**

USJ Açúcar e Álcool S/A – Usina São Francisco Cogeneration Project

### **2.2 Description of how and when the PDD was made publicly available**

The Project Design Documents and its annexes were made publicly available from 08 February 2006 until 09 March 2006 on the website <http://cdm.unfccc.int/Projects/Validation/DB/1UBO9CZM5QMS7BNWTEE1LM216ADH7N/view.html> and comments were invited through the UNFCCC CDM homepage.

## **3 COMMENTS RECEIVED**

### **3.1 Description of how comments were received and made publicly available**

Comments could be submitted through a web interface or by email or fax.

As per procedures on public availability of the CDM project design documents and for receiving comments as referred to in paragraphs 40b and 40c of the CDM modalities and procedures, any received comments are displayed from the end of the 30 days commenting period, at the website listed in section 2.2.

### **3.2 Compilation of all comments received**

No comments received to the DOE during the 30 days commenting period.

## **4 EXPLANATION OF HOW COMMENTS HAVE BEEN TAKEN INTO ACCOUNT**

No comments received.



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## ANNEX 2

# LIST OF DOCUMENTS ATTACHED

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### USJ Açúcar e Álcool S/A – Usina São Francisco Cogeneration Project

**Project No.** CDM.Val0392

**Date:** 18/07/2006

- /1/ Annex 1: Report on Comments by Parties, Stakeholders and NGOs
- /2/ Annex 2: Comprehensive list of documents attached
- /3/ Annex 2: List of persons interviewed
- /4/ Annex 4: Validation Protocol (UK.AU4.CDM.VAL0392)
- /5/ Annex 5: Overview of findings (UK.Findings.CDM.VAL0392)
- /6/ Annex 6: Answers from local assessor
- /7/ Annex 7: Validation Report (UK.AR6.CDM.VAL0392)
- /8/ Annex 8: Modalities of communication
- /9/ Letter of Approval from the Government of Brazil



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## ANNEX 3

Overview of documentation that has  
been reviewed and list of persons  
interviewed

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USJ AÇÚCAR E ÁLCOOL S/A – USINA  
SÃO FRANCISCO COGENERATION  
PROJECT

**Project No.** CDM.Val0392

**Date:** 18/07/2006

This document is an Annex to the validation report for CDM project activity registration. It gives overview of documentation that has been reviewed and names of persons that have been an interviewed as part of the validation.

#### List of documents reviewed

- /1/ Project Design Document, USJ Açúcar e Alcool S/A – Usina São Francisco Cogeneration Project, version 1 (03/02/2006); version 2 (07/03/2006); version 3 (13/03/2006); version 4 (18/07/2006).
- /2/ Letter of Approval Government of Brazil.
- /3/ Consolidated baseline and monitoring methodology for grid-connected electricity generation from biomass residues – ACM0006, version 03, 19 May 2006.

#### List of persons interviewed

	Name and position	Company name	Date interviewed
/1/	Narciso Fernando Bertholdi/ Business Development Manager	USJ narciso@usj.com.br	02/03/2006
/2/	João Batista Saccomano /Project Manager	USJ jbsaccomano@usj.com.br	02/03/2006
/3/	José Ieda Neto /Industrial Manager	USJ jjedaneto@usj.com.br	02/03/2006
/4/	Mauricio F. de Oliveira /Production Manager	USJ mauricio@usj.com.br	02/03/2006
/5/	Ricardo Besen/Consultant	Ecoinvest rbesen@ecoinvestcarbon.com	02/03/2006

## Annex 5 - FINDINGS OVERVIEW

### FINDINGS FROM VALIDATION OF *USJ AÇÚCAR E ÁLCOOL S/A – USINA SÃO FRANCISCO, CDM.VAL0392*

Each Table below represents a finding from the validation assessment. The findings are numbered consecutively, approximately in the order that they have been identified.

Description of table:

Type	Findings are either New Information Requests (NIR) or Corrective Action Requests (CAR). CARs are items that must be addressed before a project can receive a recommendation for registration. NIRs may lead to the raising of CARs. Observations are included at the end and may or may not be addressed. They are primarily to act as signposts for the verifying DOE.
Issue	Details the content of the finding
Ref	refers to the item number in the Validation Protocol
Response	Please insert response to finding, starting with the date of entry.

Rows for comments and further response will be appended to the table until the Findings has been addressed to the satisfaction of the Lead Assessor.

Please note that this is an open list and more findings may be added as validation progresses.

Date:17/02/2006

Raised by: Fabian Gonçalves

No.	Type	Issue	Ref
1	CAR	No monitoring of sustainable development indicators are presented in Annex 4 of the PDD. Section F mentions that the project is required to control some environmental aspect to obtain the environmental license.	5.1
<p>Date: 07/03/2006</p> <p>The monitoring of project environmental impacts is made according to the requirements of the State Environmental Agency, <i>Agência Ambiental de Goiás</i>.</p> <p>Usina São Francisco will monitor the emission of SO<sub>x</sub>, NO<sub>x</sub> and CO and the production of solid residues at the combustion of bagasse in the boilers, following the CONAMA resolutions 005/89, 003/90 and 008/90.</p> <p>Usina São Francisco will also monitor environmental aspects, such as water quality, erosion and noise level. Project “Margem Verde”, a reforestation programme, has already planted 70,000 trees, and its maintenance will be monitored.</p> <p>There will be also monitoring of Social Programmes, like the “Usina do Saber” project, which selects children and offers transportation to the schools with headquarters in the residential area of the company. The health of their workers will also be monitored periodically.</p> <p>All these actions are stated in Annex 4 (revised PDD).</p>			
<p>Date: 09/03/2006</p> <p>[Acceptance and close out] Annex 4 of the PDD was updated to include the information mentioned above. CAR 1 was closed out.</p>			



Date: 17/02/2006

Raised by: Fabian Gonçalves

No.	Type	Issue	Ref
2	NIR	There is no information regarding training of monitoring personnel.	5.2.3
<p>Date: 07/03/2006</p> <p>Since the project is part of the regular activities of Usina São Francisco, there will be no specific training procedure, as included in Annex 4 (revised PDD). It can be mentioned that personnel will be trained on the monitoring of the emission of SOx and NOx and the production of solid residues at the combustion of bagasse in the boilers.</p> <p>Date: 09/03/2006</p> <p>[Acceptance and close out] Annex 4 was verified; the audit team accepted that no specific training will be required, as monitoring is part of operational activities of the mill. NIR 2 was closed out.</p>			

Date: 17/02/2006

Raised by: Fabian Gonçalves

No.	Type	Issue	Ref
3	CAR	There are not procedures identified for emergency preparedness for cases where emergencies can cause unintended emissions.	5.2.4
<p>Date: 07/03/2006</p> <p>The only possible unintended emissions from the project would be due to biomass left to decay. Sugar mills, generally, store a small amount of bagasse for the next season in order to start plant operations when the new crop season/ harvest begins. In Usina São Francisco, this volume is foreseen to be insignificant, approximately 3%, so there will be no unintended emissions.</p> <p>Date: 09/03/2006</p> <p>[Acceptance and close out] Verified that is not expected unintended emissions from the project, the bagasse will be stored for less than 1 year (as defined by ACM0006). CAR 3 was closed out.</p>			

Date: 17/02/2006

Raised by: Fabian Gonçalves

No.	Type	Issue	Ref
4	CAR	Procedures for calibration of monitoring equipment are not presented or mentioned in the PDD and Monitoring plan.	5.2.5
<p>Date: 07/03/2006</p> <p>The calibration of meters will be done according to the internal procedures of Usina São Francisco and the regulations of CCEE (<i>Câmara de Comercialização de Energia Elétrica</i> - Electric Energy Wholesale Market), as stated in Annex 4.</p> <p>Date: 09/03/2006</p> <p>[Acceptance and close out] Verified that Annex 4 was updated. CAR 4 was closed out.</p>			

Date: 17/02/2006

Raised by: Fabian Gonçalves

No.	Type	Issue	Ref
5	CAR	Procedures for maintenance of monitoring equipment and installations are not mentioned in the PDD and Monitoring Plan.	5.2.6
<p>Date: 07/03/2006</p> <p>The maintenance and installation of monitoring equipment will be done according to the internal procedures of Usina São Francisco, as stated in Annex 4. There is no specific procedure for this project.</p> <p>Date: 09/03/2006</p> <p>[Acceptance and close out] Annex 4 was updated. CAR 5 was closed out.</p>			

Date: 02/03/2006

Raised by: Fabian Gonçalves

No.	Type	Issue	Ref
6	NIR	Clarify the information about PROINFA and about PPA (Power Purchase Agreement) in section B.3 of the PDD.	1.11 / 3.2
Date: 07/03/2006 Usina São Francisco did not apply for Proinfa, because there was not enough time to fulfil all the application requirements in the most recent energy auction.			
Date: 09/03/2006 [Acceptance and close out] Investment barrier in section B.3 of the PDD was updated to clarify this information. NIR 6 was closed out.			

Observations:



## Annex 6 Local assessment checklist

### USJ Açúcar e Álcool S/A – Usina São Francisco Cogeneration Project. CDM.Val0392

This checklist is designed to provide confirmation of in-country data and information provided in the Project Design Document. It serves as a “reality check” on the project. It is to be completed by SGS Brazil

Issue	Findings	Source /Means of Verification	Further action / clarification / information required?
Verify ANEEL (Brazilian Electricity Regulatory Agency) license.	Verified “Aviso de Adjudicação” n° 002/2005-ANEEL, December 2005. Contracting energy for new projects with posterior concession and authorization.	Site visit/DR	No
Verify project like described in the PDD.	Verified that the project is in construction. Verified some equipment and the site plant. Verified the turbine (45 MW).	Site visit/DR	No
Verify document to sell energy.	“Leilão de Energia Nova”, 16/12/2005. The project will commercialize the generated energy in the CCEE – Câmara de Comercialização de Energia Elétrica (Brazilian Electric Energy Market Chamber).	Site visit/DR	No