



ANNEX 1

REPORT ON COMMENTS BY PARTIES, STAKEHOLDERS AND NGOS

Braço Norte IV Small Hydro Plant

Project No. CDM.Val0350

Date: 08/07/2006

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

Braço Norte IV Small Hydro Plant.

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 21 Dec 2005 until 20 Jan 2006 on the website

<http://cdm.unfccc.int/Projects/Validation/DB/OTZ9K9NN8O95AUF67JY92DGCSLT5PE/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

Comment 1: The PDDs for "Braco Note III" and "Braco Norte IV" are not accessible.

4 EXPLANATION OF HOW COMMENTS HAVE BEEN TAKEN INTO ACCOUNT

The problem with website was resolved to make the PDD accessible.



ANNEX 2

LIST OF DOCUMENTS ATTACHED

Braço Norte IV Small Hydro Plant

Project No. CDM.Val0350

Date: 08/07/2006

- /1/ Annex 1: Report on Comments by Parties, Stakeholders and NGOs
- /2/ Annex 2: Comprehensive list of documents attached
- /3/ Annex 3: List of persons interviewed
- /4/ Annex 4: Validation Protocol (UK.AU4.CDM.Val0350)
- /5/ Annex 5: Overview of findings (UK.Findings.CDM.VAL0350)
- /6/ Annex 6: Answers from local assessor
- /7/ Annex 7: Validation Report (UK.AR6.CDM.VAL0350)
- /8/ Annex 8: Modalities of communication
- /9/ Letter of Approval from the Government of Brazil



ANNEX 3

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

BRAÇO NORTE IV SMALL HYDRO PLANT

Project No. CDM.Val0350

Date: 08/07/2006

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, Braço Norte IV Small Hydro Plant. Version 1 (08/11/2005) and Version 2 (02/05/2006).
- /2/ AMS-I.D: - Grid connected renewable electricity generation (Simplified baseline and monitoring methodologies for selected small scale CDM project activity - Type I – Renewable Energy Projects/ I.D. Grid connected renewable electricity generation), Version 08 (03/03/2006).

List of persons interviewed

	Name and position	Company name	Date interviewed
/1/	Edno Negrini / Executive Director	Novo Mundo Energética	March 9 th , 2006
/2/	Pedro Geraldo / Energy Coordinator	Novo Mundo Energética	March 9 th , 2006
/3/	Clóvis Badaró/ Director	Lumina Engenharia e Consultoria	March 9 th and 10 th , 2006
/4/	Luis Battaini / Engineer	Eletram – Eletricidade da Amazônia	March 9 th and 10 th , 2006

ANNEX 4 - Validation Protocol

This validation protocol is designed to ensure that the project meets the requirements for CDM projects that are detailed in paragraph 37 of the CDM modalities and procedures. Each requirement is covered in a separate table. The following requirements are discussed in this protocol:

Requirement	Description	
Participation requirements	The participation requirements as set out in Decision 17/CP7 need to be satisfied	Covered in table 1
Baseline and monitoring methodology	The baseline and monitoring methodology complies with the requirements pertaining to a methodology previously approved by the Executive Board	Baseline methodology is covered in table 2 Monitoring methodology is covered in table 4
Additionality	The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity	Covered in table 9
Monitoring plan	Provisions for monitoring, verification and reporting are in accordance with relevant decisions of the COP/MOP	Covered in table 9
Environmental impacts	Project participants have submitted to the designated operational entity documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party;	Covered in table 9
Comments by local stakeholders	Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated	Covered in Table 7

operational entity on how due account was taken of any comments has been received;

Other requirements The project activity conforms to all other requirements for CDM project activities in relevant decisions by the COP/MOP and the Executive Board. Covered in Table 8

Small sale projects and AR projects have specific requirements which are covered in Table 9-11. Small scale SSC projects have special requirements which might deviate from the requirements of other CDM projects. These requirements are tested in table 9. Please note that some questions in table 9 overlap with questions in the other tables. Where the questions in table 9 contradict or overlap questions elsewhere in the checklist, the questions in table 9 shall prevail. For the validation of small scale projects, assessor is required to address the questions in table 9 first before starting with the questions in the other tables.

Further remarks on the use of this document:

- text in *italic blue* is meant as guidance for the assessor
- MoV = Means of Verification, DR= Document Review, I= Interview

This protocol should be adapted as required. For example, if the project is not a small scale project or an AR project, some tables can be deleted.

Table 1 Participation Requirements for Clean Development Mechanism (CDM) Project Activities (Ref PDD, Letters of Approval and UNFCCC website) All CDM project activities

REQUIREMENT	MoV	Ref	Comment	Draft finding	Concl
1.1 The project shall assist Parties included in Annex I in achieving compliance with part of their emission reduction commitment under Art. 3 and be entered into voluntarily.	DR	PDD	No annex I in this project.	Ok	Ok

REQUIREMENT	MoV	Ref	Comment	Draft finding	Concl
1.2 The project shall assist non-Annex I Parties in achieving sustainable development and shall have obtained confirmation by the host country thereof, and be entered into voluntarily	DR	PDD	No Letter of approval by host country (Brazil) has been submitted to the validator.	The LoA depends on the analysis of the draft validation report by the DNA.	
1.3 All Parties (listed in Section A3 of the PDD) have ratified the Kyoto protocol and are allowed to participate in CDM projects	DR	PDD	Yes, Brazil. Ratification date: 23 Aug 02	Ok	Ok
1.4 The project results in reductions of GHG emissions or increases in sequestration when compared to the baseline; and the project can be reasonably shown to be different from the baseline scenario	DR	PDD	Yes. The project improves the supply of electricity with clean, renewable hydroelectric power. It reduces emissions of greenhouse gas (GHG) by avoiding electricity generation by fossil fuel sources (and CO ₂ emissions), which would be emitted in the absence of the project. The PDD discuss the barriers that would prevent the project implementation. The most likely alternative presented would have been not to build the SHP Braço Norte IV.	Ok	Ok
1.5 Parties, stakeholders and UNFCCC accredited NGOs shall have been invited to comment on the validation requirements for minimum 30 days (45 days for AR projects), and the project design document and comments have been made publicly available	DR	UNF CCC site	Global stakeholder: 17 Dec 05 – 15 Jan 06 http://cdm.unfccc.int/Projects/Validation/view.html?ProjectId=VT315XF8A12G8BWP9D3BQJVFAF5J3P&OE=SGS-UKL One comment received, see annex 1.	Ok	Ok

REQUIREMENT	MoV	Ref	Comment	Draft finding	Concl
1.6 The project has correctly completed a Project Design Document, using the current version and exactly following the guidance	DR	PDD	Yes, CDM SSC-PDD (version 2).	Ok	Ok
1.7 The project shall not make use of Official Development Assistance (ODA), nor result in the diversion of such ODA	DR site visit	PDD	To be confirmed by local assessor. Verified by the local assessor from interviews wit the project sponsors that the project does not made use of ODA.	Verify	Ok
1.8 For AR projects, the host country shall have issued a communication providing a single definition of minimum tree cover, minimum land area value and minimum tree height. Has such a letter been issued and are the definitions consistently applied throughout the PDD?			N/A	N/A	N/A
1.9 Does the project meet the additional requirements detailed in: Table 9 for SSC projects Table 10 for AR projects Table 11 for AR SSC projects	DR	PDD	Yes (see table 9)	Ok	Ok
1.10 Is the current version of the PDD complete and does it clearly reflect all the information presented during the validation assessment.	DR	PDD	Yes. Detailed information was confirmed on site by the local assessor.	Ok	Ok
1.11 Does the PDD use accurate and reliable information that can be verified in an objective manner?	DR	PDD	It is not clear the information in Section B.3 of the PDD where Proinfa is mentioned, as the project did not apply for that programme. Section E.1.2.4 of the PDD mentioned a non-registered PDD (other project) as reference for	NIR 6	Ok

REQUIREMENT	MoV	Ref	Comment	Draft finding	Concl
			<p>Emission factor calculation. This information is not clear in the PDD. NIR 6 was raised.</p> <p>To address NIR 6, the PDD was revised and the dubious information was clarified. Regarding the emission factor calculation, the reference was changed and new information about EF calculation was provided (see also NIR 4).</p> <p>The other data presented in the PDD related to location, specification and capacity of the SHP and sources of external data were accurate and reliable, as verified in field by the local assessor.</p>		

Table 2 Baseline methodology(ies) (Ref: PDD Section B and E and Annex 3 and AM) Normal CDM projects only – N/A

Table 3 Additionality (Ref: PDD Section B3 and AM) Normal CDM projects only – N/A

Table 4 Monitoring methodology (PDD Section D and AM) Normal CDM Projects only – N/A

Table 5 Monitoring plan (PDD Annex 4) Normal CDM Project activities only – N/A

Table 6 Environmental Impacts (Ref PDD Section F and relevant local legislation) Normal CDM Project Activities only – N/A

Table 7 Comments by local stakeholders (Ref PDD Section G) All CDM Project Activities

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
7.1 Have relevant stakeholders been consulted?	PDD	DR	<p>Yes.</p> <p>The following organizations were invited:</p> <ul style="list-style-type: none"> • SEMA – Secretaria de Estado do Meio Ambiente de Mato Grosso (Environment Secretary of the State of Mato Grosso); • Secretaria da Agricultura e Meio Ambiente do Município de Novo Mundo (Environment and Agriculture Secretary of Novo Mundo); • Fórum Brasileiro de ONGs e Movimentos Sociais para o Meio Ambiente e Desenvolvimento (NGOs' Brazilian fórum) • Fórum Brasileiro de Mudanças Climáticas (Climate change Brazilian Forum); • Mayor and President of the County Hall of the county of Novo Mundo; 	Ok	Ok
7.2 Have appropriate media been used to invite comments by local stakeholders?	PDD	DR	<p>Verify letters sent to stakeholders.</p> <p>It was verified during the site visit that letters were sent on 30 January 2006.</p> <p>The documents are in Portuguese and contain clear information about the project and stakeholder consultation process.</p>	Verify	Ok
7.3 If a stakeholder consultation process is required by regulations/laws in the host country, has the stakeholder consultation process been carried out in accordance with such	PDD	DR	<p>Verify if the consultation was carried out in compliance with Resolução N° 1.</p> <p>See comments in items 7.1 and 7.2 above.</p> <p>The regulation defines a list of stakeholders that at least</p>	Verify CAR 7	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
regulations/laws?			shall be invited in the consultation process. It was verified that representatives of the local communities or local NGOs and the Public Attorney were not invited for comments. CAR 7 was raised. To address CAR 7, documented evidences were provided that a letter was sent to the Public Attorney (on 22/05/2006) and to local community representative (on 9/06/2006). CAR 7 was closed out.		
7.4 Is a summary of the stakeholder comments received provided?	PDD	DR	No comments were received.	Verify	Ok
7.5 Has due account been taken of any stakeholder comments received?	PDD	DR	No comments were received.	OK	Ok

Table 8 Other requirements All CDM project activities

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
8.1 Project Design Document					
8.1.1 Editorial issues: does the project correctly apply the PDD template and has the document been completed without modifying/adding headings or logo, format or font.	PDD	DR	Yes.	Ok	Ok
8.1.2 Substantive issues: does the PDD address all the specific	PDD	DR	Yes.	Ok	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
requirements under each header. If requirements are not applicable / not relevant, this must be stated and justified					
8.2 Technology to be employed					
8.2.1 Does the project design engineering reflect current good practices?	PDD	DR	Yes.	Ok	Ok
8.2.2 Does the project use state of the art technology or would the technology result in a significantly better performance than any commonly used technologies in the host country?	PDD	DR	As described in the PDD and verified by the local assessor, SHP Braço Norte IV is not in operation yet. This is a new run-of-river SHP (14 MW installed capacity) with a small reservoir (3Km ²). The equipment used in the project was verified during the site visit and by checking the contracts with suppliers. The project use state of the art technology (two sets of turbine-generators; (turbines type Kaplan S elbow).	Ok	Ok
8.3 Is the project technology likely to be substituted by other or more efficient technologies within the project period?	PDD	DR	It is not expected.	Ok	Ok
8.2.4 Does the project require extensive initial training and maintenance efforts in order to work as presumed during the project period?	PDD	DR	The project is not in operation yet; it is not expected that extensive initial training will be required. Electricity generation is the core business of SHP Braço Norte IV. No additional management structure and specific training will be required. Operation, maintenance, monitoring and reporting will be elements of the routine of the plant.	OK	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
8.3 Duration of the Project/ Crediting Period					
8.3.1 Are the project's starting date and operational lifetime clearly defined and reasonable?	PDD	DR	<p>Section C.1.1 – starting date April 01, 2007.</p> <p>Section C.1.2 – lifetime 30 years.</p> <p>A mistake was identified in the starting date of crediting period: it was presented as 01/10/2003, before the starting date of the project (1 April 2007), which is not possible or acceptable. A CAR 1 was raised.</p> <p>To close out CAR 1, the PDD was revised. Starting date of the project was defined as 01/04/2007.</p>	CAR 1	Ok
8.3.2 Is the assumed crediting time clearly defined and reasonable (renewable crediting period of max. two x 7 years or fixed crediting period of max. 10 years)?	PDD	DR	<p>Section C.2.1.2 – crediting period 7 years.</p> <p>In section A.4.3.1 (PDD) it was presented a period of 21 years; the data presented did not considered the correct number of months in the first and the last year of each period.</p> <p>The table in the PDD was revised. CAR 5 was closed out.</p>	CAR 5	Ok
8.3.3 Does the project's operational lifetime exceed the crediting period	PDD	DR	<p>Yes.</p> <p>Crediting period – 7 years (X 3 =21)</p> <p>Operational lifetime: 30 years</p>	Ok	Ok

Table 9 Additional requirements for SSC project activities only

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
SSC projects use the SSC PDD and simplified baseline and monitoring methodologies as detailed in Appendix B (to the Modalities and Procedures for Small scale CDM projects, Annex II to Decision 21/CP.8) Indicative simplified baseline and monitoring methodologies for selected small scale CDM					

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CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
project activity categories					
9.1 Does the project qualify as a small scale CDM project activity as defined in paragraph 6 (c) of decision 17/CP.7 on the modalities and procedures for the CDM?	PDD	DR	Yes, renewable energy generation for a grid with 14MW. (less than 15MW - the limit for small scale projects)	Ok	Ok
9.2 The project conforms to one of the categories listed in Appendix B to Annex II to Decision 21/CP8	PDD	DR	Yes, ID – Grid connected renewable electricity generation.	Ok	Ok
9.3 The small scale project activity is not a debundled component of a larger project activity?	PDD	DR	<p>To be confirmed by local assessor.</p> <p>Verified during site visit that the project activity is not a debundled of a larger activity. The project is located in the Braço Norte river, close to three other plants (Braço Norte, Braço Norte II and Braço Norte III).</p> <p>Braço Norte and Braço Norte II started their operation before year 2000 (they are not CDM projects).</p> <p>Braço Norte III is a CDM project, operational since 2003. This plant is located in the same river of Braço Norte IV, but not in the same place.</p> <p>Braço Norte IV will start its operation only in April 2007.</p>	Verify	Ok
9.4 PDD has been prepared in accordance with appendix A of Annex II to Decision 21/CP8	PDD	DR	Yes, they use the version 02.	Ok	Ok
9.5 The project uses a simplified baseline and monitoring methodology specified in Appendix B. If not, they may propose changes to the methods or a new SSC project	PDD	DR	Yes. AMS type I, renewable energy projects. Category I.D – grid connected renewable electricity generation, version 08, 03 March 2006 (version 07 was used in the first version of PDD).	CAR 2	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
category			<p>For the discussion of additionality, it was used the “Tool for the demonstration and assessment of additionality”, (SSC projects can use simplified procedures - Attachment A to Appendix B. The project has done more than necessary to demonstrate additionality, but it is acceptable).</p> <p>It was verified that PDD presented a discussion on Step 0 of the additionality, which is not applied to the project since it will be start to generate credits in 2007. A CAR was raised.</p> <p>The PDD was revised and the information in the step 0 was excluded. CAR 2 was closed out.</p>		
9.6 Are the emission reductions determined in accordance with the methodology described	PDD	DR	<p>Yes. It is calculated using the total of electricity generated * baseline Emission factor.</p> <p>NIR 4 was raised requesting additional information about EF calculation.</p> <p>Data were checked by the local assessor during onsite visit. The PDD was revised to include additional information; the emission factor (0.5364 t CO₂ e/MWh) is calculated according to the most recent data available from ONS. NIR 4 was closed out.</p>	NIR 4	Ok
9.7 Is there any bundling of SSC activities into one PDD? If so, does the monitoring plan consider sampling of activities? Refer to para 19 of Annex II. Also, note bundling provisions in SSC Briefing Note and SSC meths I C / I D and III D and	PDD	DR	No.	Ok	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
Para 22e of Appendix B					
9.8 Is EIA required by host party? If not, none is required irrespective of SSC. If yes, has one been performed consistent with local requirements?	PDD	DR	<p>Verify environmental license and check if state environmental agency requires an EIA.</p> <p>During on site visit it was verified that no EIA was required by environmental agency and that the environmental licenses are valid: The following documents were checked:</p> <ul style="list-style-type: none"> - environmental study “Diagnóstico Ambiental Prévio da PCH – Braço Norte IV”, December 2001, issued by TD Engenharia Ltda. - Previous license number 063/2002, 18/03/2002 issued by FEMA. - Installation license number 207/2005, 01/04/2005 issued by FEMA. 	Verify	Ok
<p>9.9 The project results in emission reductions that area additional in accordance with the following requirements:</p> <p>(para 26) The project is additional if emissions are reduced below those in the absence of the project</p> <p>(Para 27) Simplified baseline can be used; if not, baseline proposed shall cover all gases, sectors and sources listed in Annex A to the KP</p> <p>Para 28) One or more barriers as detailed in attachment A to Appendix B to Annex II will be used to demonstrate</p>	PDD	DR	<p>The emissions are reduced below in the absence of the project.</p> <p>For the discussion of additionality, it was used the “Tool for the demonstration and assessment of additionality”.</p> <p>The project participant provided the following explanation about the project additionality:</p> <ul style="list-style-type: none"> - The investment barrier: the investment analysis showed that without CER revenues, the project would reach lower rates of return than the benchmark rate. - Barrier due to prevailing practice: considering the “Commom practices analysis”, it was discussed that the projects such as SHS Braço Norte IV are not widely observed and commonly carried out in the country. <p>The most likely alternative would have been not to build</p>	Ok	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
that the project would not proceed without the CDM			Braço Norte IV since the region could have been supplied from the electricity generation in the rest of the country. It was discussed with the local assessor that the project had financial problems and almost stop. Low return rates and high costs are significant barriers. CDM was considered by the project sponsors as an important factor for the project's feasibility.		
9.10 Leakage is calculated according to the provisions of the SSC methodologies in Appendix B (http://cdm.unfccc.int/Projects/pac/ssclistmeth.pdf)	PDD	DR	Leakage is not applicable.	Ok	Ok
9.11 The project boundary shall be constructed in accordance with the requirements of the SSC meths in Appendix B	PDD	DR	The boundary of project activities encompasses the Braço Norte IV plant and the South-Southeast-Midwest national system.	Ok	Ok
9.12 The Monitoring plan shall be consistent with the requirements of the SSC methodology in Appendix B and shall provide for the collection and archiving of data needed to determine project emissions, baseline emissions and leakage.	PDD	DR	Yes. No additional structure will be needed to monitor emission reductions. Electricity generation is the core business of Braço Norte IV. All data generated will be recorded in the supervisor system (electronically). The details are presented in section D of the PDD.	Ok	Ok
9.13 The monitoring plan shall present good monitoring practice appropriate to the circumstances of the project activity (para 33)	PDD	DR	Yes. The monitoring plan is not implemented yet as the SHP is not in operation. The information provided in the PDD (Section D.5) presents good practice but did not inform about calibration of meters. A NIR 3 was raised. It was informed that the calibration procedures will comply	NIR 3	Observation: clear procedures and evidence of calibration of the meter should be available when the

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			with national regulatory specifications by ONS. It should be implemented during the crediting period.		project start to generate credits.
9.14 If project activities are bundled, separate monitoring plan shall be prepared for each of the activities or an overall plan reflecting good monitoring practice will be prepared, consistent with the above requirements	PDD	DR	The project is not bundled.	Ok	Ok

Table 10 Additional requirements for AR projects

Table 11 Additional requirements for SSC AR projects

Table 12 Additional information to be verified by local assessors / site visit

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
Check the starting date of the project activity: verify documents that evidence the start date of construction (the plant is not in operation yet).	Site visit	DR	Verified the contract between Novo Mundo Energética S.A and Denge Engenharia e Consultoria, 01/08/2005. (contract for purchasing and installation of equipment, see Ref.1) Verified the contract between Novo Mundo Energética S.A and Weg Indústria, 08/07/2005 (contract for purchasing and installation of generators, see Ref.2)	Ok	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			Verified the contract between Novo Mundo Energética S.A and Alstom Brasil Ltda, 12/07/2005. (contract for purchasing and installation of turbines, see ref.3)		
Verify if the project is licensed by the national agencies; Verify operation licence issued by ANEEL	Site visit	DR	Verified Resolution number 627, 12/11/2002 issued by ANEEL. Verified Despacho number 133, 21/03/2003 issued by ANEEL.	Ok	Ok
Verify the analysis of IRR and discuss with the client the premises adopted, cash flow etc. Ask copy of the spreadsheet used for calculations.	Site visit	DR	The spreadsheet was provided (Excel file) and analysed (see Ref.11).	Ok	Ok
Confirm reservoir area informed in the PDD; (map).	Site visit	DR	Verified map of the reservoir (3 Km2).	Ok	Ok
Verify evidences about the baseline emission factor (data sources and calculation).	Site visit	DR	It was discussed with the client (see also NIR 6). The PDD was revised and the emission factor is calculated according to the most recent data available from ONS. NIR 6 was closed out.	NIR 6	OK
Verify PPA – Power Purchase Agreement.	Site visit	DR	Verified the power purchase agreement signed between Novo Mundo energética and CEMAT, 10/03/2003. (Ref.10)	Ok	Ok
Verify if the project is in compliance with environmental requirements (local and national).			See Ref.7, 8 and 9. See comments on the ANNEX 4 - Validation Protocol (item 9.8)	OK	Ok

References consulted during Ground Truthing and brief summary of content / significance [please try to obtain a hard copy where ever possible]:

Ref no.	Title (full bibliographic reference if possible)	Brief note on content / significance	Hard copy (Y/n)
1	Contract between Novo Mundo Energética S.A and Denge Engenharia e Consultoria, 01/08/2005.	Equipment purchasing contract	Y
2	Contract between Novo Mundo Energética S.A and Weg Indústria, 08/07/2005.	Generator purchasing contract	Y
3	Contract between Novo Mundo Energética S.A and Alstom Brasil Ltda, 12/07/2005.	Turbines purchasing contract	Y
4	Resolution number 627, 12/11/2002 issued by ANEEL.	Authorization to produce energy, small hydro power Braço Nore IV.	Y
5	Despacho number 133, 21/03/2003 issued by ANEEL.	Authorization to produce energy, small hydro power Braço Nore IV.	Y
6	Módulo 12 – Medição para Faturamento (ONS).	ONS procedures for installation, measuring, calibration, maintenance, certification. (ONS – Operator of the Electricity National System)	Y
7	Diagnóstico Ambiental Prévio da PCH – Braço Norte IV, December 2001, issued by TD Engenharia Ltda.	Environmental study.	Y
8	Previous license number 063/2002, 18/03/2002 issued by FEMA.	Environmental license	Y
9	Installation license number 207/2005, 01/04/2005 issued by FEMA.	Environmental license	Y
10	PPA signed between Novo Mundo energética and CEMAT,	Power Purchase Agreement.	Y

	10/03/2003		
11	DCP BN4 version 1 – Financial analysis.		

Individuals interviewed during Validation and Ground Truthing [name, position and contact details, plus a brief summary of points discussed

Date met	Name	Position	Contact details	Brief note on subject of interview
9 th and 10 th March 2006	Edno Negrini	Executive Director	Novo Mundo.Energética S/A enegrini@grupoamper.com.br	Technical information, procedures, contracts, licenses.
9 th and 10 th March 2006	Clóvis Badaró	Director	Lumina Energia. Clovis.badaro@luminaenergia.com.br	Baseline, PDD, monitoring plan.
9 th and 10 th March 2006	Pedro Geraldo	Energy Coordinator	Novo Mundo.Energética S/A	Contracts and licenses.
9 th and 10 th March 2006	Luis Battaini	Engineer	Eletram. 55 66 552-1127	Technical information, site visit, installation and construction.

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ANNEX 5 - FINDINGS OVERVIEW

FINDINGS FROM VALIDATION OF BRAÇO NORTE IV SMALL HYDRO PLANT – VAL 0350

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: 23/12/2005

Raised by: Fabian/Aurea

No.	Type	Issue	Ref
1	CAR	A mistake was identified in the starting date of crediting period: it was presented as 01/10/2003, before the starting date of the project (the plant will be in operation from 1 April 2007), which is not possible or acceptable.	8.3.1
Date: [Comments]: PDD will be revised.			
Date: 05/06/2006 . [Acceptance and close out] : The PDD was revised (see version 2). Starting date of the project was defined as 01/04/2007.			

Date: 23/12/2005

Raised by: Fabian/Aurea

No.	Type	Issue	Ref
2	CAR	For the discussion of additionality, it was used the “Tool for the demonstration and assessment of additionality”, (SSC projects can use simplified procedures - Attachment A to Appendix B. The project has done more than necessary to demonstrate additionality, but it is acceptable). It was verified that PDD presented a discussion on Step 0 of the additionality, which is not applied to the project since it will be start to generate credits in 2007.	9.5
Date: [Comments]: PDD will be revised.			
Date: 05/06/2006 [Acceptance and close out] The PDD was revised and the information in the step 0 was excluded. CAR 2 was closed out.			

Date: 09/03/2006

Raised by: Fabian/Aurea

No.	Type	Issue	Ref
3	NIR	The monitoring plan is not implemented yet as the SHP is not in operation. The information provided in the PDD (Section D.5) presents good practice but did not inform about calibration of meters. A NIR 3 was raised.	9.13

Date:

[Comments]: Information will be included in the revised PDD.

Date: 05/06/2006

[Acceptance and close out]: It was informed that the calibration procedures will comply with national regulatory specifications by ONS. The PDD was updated. NIR 3 was closed out. See observation (1) raised.

Date: 09/03/2006

Raised by: Fabian/Aurea

No.	Type	Issue	Ref
4	NIR	It is not clear how the EF was calculated.	9.6

Date:

[Comments]: Information will be provided.

Date: 05/06/2006

[Acceptance and close out] : Data were checked by the local assessor during onsite visit. The PDD was revised to include additional information; the emission factor (0.5364 t CO₂ e/MWh) is calculated according to the most recent data available from ONS. NIR 4 was closed out.

Date: 09/03/2006

Raised by: Fabian/Aurea

No.	Type	Issue	Ref
5	CAR	In section A.4.3.1 (PDD) it was presented a period of 21 years; the data presented did not considered the correct number of months in the first and the last year of each period.	8.3.2

Date:

[Comments]: PDD will be revised.

Date: 05/06/2006.

[Acceptance and close out] The PDD was revised and table in section A.4.3.1 was corrected. CAR 5 was closed out.

Date: 09/03/2006

Raised by: Fabian/Aurea

No.	Type	Issue	Ref
6	NIR	It is not clear the information in Section B.3 of the PDD where Proinfa is mentioned, as the project did not apply for that programme. Section E.1.2.4 of the PDD mentioned a non-registered PDD (other project) as reference for Emission factor calculation. This information is not clear in the PDD.	1.11

Date:

[Comments]: PDD will be revised.

Date: 05/06/2006

[Acceptance and close out]: The PDD was revised (see version 2) and the dubious information was clarified. Regarding the emission factor calculation, the reference was changed and new information about EF calculation was provided (see also NIR 4).

Date: 22/03/2006

Raised by: Fabian/Aurea

No.	Type	Issue	Ref
7	CAR	The regulation (Resolução nº 1) defines a list of stakeholders that at least shall be invited in the consultation process. It was verified that representatives of the local communities or local NGOs and the Public Attorney were not invited for comments.	7.3

Date:

[Comments]: The invitation will be sent.

Date: 26/06/2006 .

[Acceptance and close out]: Documented evidences were provided that a letter was sent to the Public Attorney (on 22/05/2006) and to local community representative (on 9/06/2006).

Observation:

1) Clear procedures and evidence of calibration of the meter should be available when the project start to generate credits.



Annex 6 - Local assessment checklist

Braço Norte IV Small Hydro Plant - CDM.VAL0350

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 a local assessor of SGS do Brasil

Issue	Findings	Source /Means of Verification	Further action / clarification / information required?
Check the starting date of the project activity: verify documents that evidence the start date of construction (the plant is not in operation yet).	Verified the contract between Novo Mundo Energética S.A and Denge Engenharia e Consultoria, 01/08/2005. (contract for purchasing and installation of equipment, see Ref.1) Verified the contract between Novo Mundo Energética S.A and Weg Indústria, 08/07/2005 (contract for purchasing and installation of generators, see Ref.2) Verified the contract between Novo Mundo Energética S.A and Alstom Brasil Ltda, 12/07/2005. (contract for purchasing and installation of turbines, see ref.3)	Site visit/DR	Ok

Issue	Findings	Source /Means of Verification	Further action / clarification / information required?
Verify if the project is licensed by the national agencies; Verify operation licence issued by ANEEL	Verified Resolution number 627, issued by ANEEL on 12/11/2002 (Ref.4) Verified Despacho number 133, issued by ANEEL on 21/03/2003 (Ref.5)	Site visit/DR	Ok
Verify the analysis of IRR and discuss with the client the premises adopted, cash flow etc. Ask copy of the spreadsheet used for calculations.	The spreadsheet was provided (Excel file) and analysed (see Ref.11).	Site visit/DR	
Confirm reservoir area informed in the PDD; (map).	Verified map of the reservoir and the area is confirmed (3 Km ²).	Site visit/DR	Ok
Verify evidences about the baseline emission factor (data sources and calculation).	It was discussed with the client. The PDD was revised and the emission factor is calculated according to the most recent data available from ONS.	DR	Ok
Verify PPA – Power Purchase Agreement.	Verified the power purchase agreement signed between Novo Mundo energética and CEMAT, 10/03/2003. (Ref.10)	Site visit/DR	Ok
Verify if the project is in compliance with environmental requirements (local and national).	See Ref.7, 8 and 9. See comments on the ANNEX 4 - VALIDATION PROTOCOL (ITEM 9.8)	Site visit/DR	Ok