



ANNEX 1

REPORT ON COMMENTS BY PARTIES, STAKEHOLDERS AND NGOS

ALTO BENEDITO NOVO SMALL HYDROELECTRIC PROJECT – SMALL SCALE CDM PROJECT

Project No. CDM.Val0576

Date: 31/08/2006

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

Alto Benedito Novo Small Hydroelectric Project – Small Scale CDM 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 28-06-2006 until 27-07-2006 on the website

<http://cdm.unfccc.int/Projects/Validation/DB/IE60DOUYRS0370DJKEFMDIA1H31NP7/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.



ANNEX 2

LIST OF DOCUMENTS ATTACHED

**ALTO BENEDITO NOVO SMALL HYDROELECTRIC
PROJECT – SMALL SCALE CDM PROJECT.**

Project No. CDM.Val0576

Date: 31/08/2006

- /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.Val0576)
- /5/ Annex 5: Overview of findings (UK.Findings.CDM.VAL0576)
- /6/ Annex 6: Answers from local assessor
- /7/ Annex 7: Validation Report (UK.AR6.CDM.VAL0576)
- /8/ Annex 8: Modalities of communication



ANNEX 2

LIST OF DOCUMENTS ATTACHED

**ALTO BENEDITO NOVO SMALL HYDROELECTRIC
PROJECT – SMALL SCALE CDM PROJECT.**

Project No. CDM.Val0576

Date: 31/08/2006

- /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.Val0576)
- /5/ Annex 5: Overview of findings (UK.Findings.CDM.VAL0576)
- /6/ Annex 6: Answers from local assessor
- /7/ Annex 7: Validation Report (UK.AR6.CDM.VAL0576)
- /8/ Annex 8: Modalities of communication



ANNEX 3

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

**Alto Benedito Novo Small
Hydroelectric Project – Small
Scale CDM Project.**

Project No. CDM.Val00576

Date: 31/08/2006

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 interviewed as part of the validation.

List of documents reviewed

- /1/ Project Design Document, Alto Benedito Novo Small Hydroelectric Project – Small Scale CDM Project, version 1 (22th May 2006); version 2 (21th August 2006); version 3 (28th August 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).
- /3/ Appendix B of the Simplified modalities and procedures for small-scale CDM project activities: Indicative simplified baseline and monitoring methodologies for selected small scale CDM project activity categories, version 7, 28 November 2005.
- /4/ Power Purchase Agreement between CEESAM Geradora S/A and METISA Metalúrgica S/A, Nº001/2005, 03/10/2005.
- /5/ Power Purchase Agreement between CEESAM Geradora S/A and BN Papel Catarinense, Nº 31030-00, 30/06/2005.
- /6/ Contract of the financial between CEESAM Geradora S/A and BNDES/ BRDE (Banco Regional de Desenvolvimento do Extremo Sul), 19/08/2005.
- /7/ Social Contract of the CEESAM Geradora S/A, 09/07/2004.
- /8/ Resolution ANEEL Nº 704, 17/12/2002, issued by ANEEL.
- /9/ ANEEL license, Nº 285, 01/08/2005, issued by ANEEL.
- /10/ Installation license number 016/05 – CER/VI – FI 01-03, 19/04/2005, issued by FATMA.
- /11/ Environmental Control Plan, PCH Alto Benedito Novo I – Otimiozação do Projeto Básico, rev. 0, November 2004; rev1 April 2005 and rev2 April 2006.

List of persons interviewed

	Name and position	Company name	Date interviewed
/1/	Osner Bom/Manager	CEESAM	18 th August 2006.
/2/	Thiago Viana/ Consultant	Ecosecurities	18 th August 2006.
/3/	Luis Felipe Kopp/ Consultant	Ecosecurities	18 th August 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/CP.7 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 3
Monitoring plan	Provisions for monitoring, verification and reporting are in accordance with relevant decisions of the COP/MOP	Covered in table 5
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 6
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 operational entity on how due account was taken of any comments has been received;	Covered in Table 7
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)

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 letter of approval from Annex I country, Kingdom was provided to the validator.	CAR1	
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 letter will be issued after the report is analysed and approved by Brazilian DNA.	The report will be sent to the DNA for analysis.	
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 UNFCCC site	Yes, Brazil Ratification date: 23 August 02 UK Ratification date : 31 May 2002.	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. 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	Ok	Ok

REQUIREMENT	MoV	Ref	Comment	Draft finding	Concl
			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 Alto Benedito.		
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	UNFCCC site	Stakeholders Global: 28 June – 27 July 2006. http://cdm.unfccc.int/Projects/Validation/DB/IE60DOUYRS0370DJKEFMDIA1H31NP7/view.html No comments were received.	Ok	Ok
1.6 The project has correctly completed a Project Design Document, using the current version and exactly following the guidance	DR	PDD UNFCCC site	Yes, CDM SSC-PDD (version 2, 8 July 2005).	Ok	Ok
1.7 The project shall not make use of Official Development Assistance (ODA), nor result in the diversion of such ODA	DR	PDD	To be confirmed by local assessor. The project doesn't make use of ODA. The project use own resource (CEESAM) and bank financing.	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		
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	DR	PDD	Yes.	Verify	Ok

REQUIREMENT	MoV	Ref	Comment	Draft finding	Concl
complete and does it clearly reflect all the information presented during the validation assessment.			They use the current version and all information was clearly presented.		
1.11 Does the PDD use accurate and reliable information that can be verified in an objective manner?	PDD	DR	To be confirmed by local assessor. They use the current version and all information was clearly presented.	Verify	Ok

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

Table 3 Additionality (Ref: PDD Section B3 and AM)-N/A

Table 4 Monitoring methodology (PDD Section D and AM)-N/A

Table 5 Monitoring plan (PDD Annex 4)-N/A

Table 6 Environmental Impacts (Ref PDD Section F and relevant local legislation)-N/A

Table 7 Comments by local stakeholders (Ref PDD Section G)

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
7.1 Have relevant stakeholders been consulted?	PDD	DR	Yes.	Verify	Ok
7.2 Have appropriate media been used to invite comments by local stakeholders?	PDD	DR	Verify letters sent to stakeholders. The letters were sent in local language, dated on 05 July 2006 to stakeholders.	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 regulations/laws?	PDD	DR Res oluti on Nº1	Verify if the process complied with Resolution nº1. Verified the delivery receipt dated on 13/07/2006 to letters sent to local stakeholders: - City Hall of Benedito Novo; - Chamber of Deputy of all municipality of Benedito Novo; - Environment Secretary of the State of Benedito Novo;	Verify	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			- Environmental state agency: Fundação Estadual do Meio Ambiente (FATMA - SC); - NGOs' Brazilian forum: Fórum Brasileiro de ONGs e Movimentos Sociais para o Meio Ambiente e Desenvolvimento; - District Attorney; - Local community associations (Associação dos Moradores de Benedito Novo).		
7.4 Is a summary of the stakeholder comments received provided?	PDD	DR	Yes, no comments received.	Verify	Ok
7.5 Has due account been taken of any stakeholder comments received?	PDD	DR	No comments received.	OK	Ok

Table 8 Other requirements

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	CAR 5: There is no information under item A.4 in the PDD. The PDD was completed (version 3). CAR 5 was closed out.	CAR 5	Ok
8.1.2 Substantive issues: does the PDD address all the specific requirements under each header. If requirements are not applicable / not relevant, this must be stated and justified	PDD	DR	Yes.	Ok	Ok
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	PDD	DR	To be confirmed by local	Verify	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
art technology or would the technology result in a significantly better performance than any commonly used technologies in the host country?			<p>assessor.</p> <p>As described in the PDD and verified by the local assessor, Alto Benedito Novo is a small run of river hydro plant with 15 MW installed capacity (confirmed with environmental and ANNEL licenses). This run-of-river project does not have any dam or water storage, and therefore makes complete use of the water flow. The water's gravitational power is used to move turbine and by doing so generates electric power.</p> <p>The equipment that will be used in the project was developed and manufactured in Brazil.</p> <p>The plant consists of two sets of turbine-generators. The turbines are Francis type turbines with 7.500KW,</p> <p>Generator: ASALDO – SIG11N14; serial number 8005158; 6592, 5 kVA; 1981.</p> <p>Generator: WEG, 10.000kVA (will be installed).</p>		
8.3 Is the project technology likely to be substituted by other or more efficient technologies within the project period?	PDD	DR	No.	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	No training is required because no additional structure is necessary to monitor emissions reductions. Monitoring the electricity generation is part of normal activities.	Verify	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	The starting date of the project activity: 01/08/2005. Operational lifetime: 21 years.	Verify	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	CAR 2: The starting date of the first crediting period (C.2.1.1) it is not in according to section A.4.3.1 of the PDD. To correct section C.2. "Crediting period", it is not according to first crediting period. The starting date of the crediting period: April 2007. The PDD was revised. CAR 2 was closed out.	CAR2	Ok
8.3.3 Does the project's operational lifetime exceed the crediting period	PDD	DR	No.	OK	Ok

Table 9 Additional requirements for SSC projects

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 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 installed capacity of 15MW (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

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
9.3 The small scale project activity is not a debundled component of a larger project activity?	PDD	DR	To be confirmed by local assessor. Verified during site visit that the project activity is not a debundled of a larger activity.	Ok	Ok
9.4 PDD has been prepared in accordance with appendix A of Annex II to Decision 21/CP8	PDD	DR	Yes, the version 02 is correctly applied.	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 meths or a new SSC project category	PDD	DR	The project applied 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).	Verify	Ok
9.6 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 Para 22e of Appendix B	PDD	DR	No.	Ok	Ok
9.7 Is EIA required by host party? If not, none is required irrespective of SHC. If yes, has one been performed consistent with local requirements?	PDD	DR	Verify environmental license and check if state environmental agency requires an EIA. During site visited it was verified Simplified Environmental Report to obtain environmental licenses by FATMA (State Environmental Agency). Verified environmental licenses. (See table 12 below).	Verify	Ok
9.8 The project results in emission reductions that area additional in accordance with the following requirements: (para 26) The project is additional if emissions are reduced below those in the absence of the project	PDD	DR	NIR 3: It is not clear like additionality results in emission reduction. Provide more information that proof of additionality. - worksheet with financial	NIR 3	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
<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 that the project would not proceed without the CDM</p>			<p>and economic;</p> <p>- worksheet with additional costs for third party technical expertise and certificate of the training from farmers ;</p> <p>- Contract of the CEESAN that evidences it is not prevalence practice in Brazil.</p> <p>The emissions are reduced below in the absence of the project.</p> <p>Simplified baseline was used.</p> <p>During site visited was presented worksheet with cost of small-hydro building and additional costs for third party.</p> <p>It was verified the social contract of CEESAM where demonstrates that cooperative was created by a group of small farmers that gather capital from all members to require approval by ANEEL.</p> <p>It was verified that has not technological knowledge, it was necessary meet technical expertise. Other barrier have been met is hydrological fluctuations, this it was verified in Simplified Environmental Report. NIR 3 was closed out.</p>		
9.9 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
9.10 The project boundary shall be constructed in accordance with the requirements of the SSC meths in	PDD	DR	The boundary of project activities encompasses the Alto Benedito plant	Ok	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
Appendix B			and the South-Southeast-Midwest national system.		
9.11 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	To be confirmed by local assessor. No additional structure will be needed to monitor emission reductions. Electricity generation is the core business of CEESAM. All data generated will be recorded in the supervisor system electronically.	Verify	Ok
9.12 The monitoring plan shall present good monitoring practice appropriate to the circumstances of the project activity (para 33)	PDD	DR	NIR 4: No information about procedure for calibration of meter and internal procedures to collect and archive data were provided. No documented procedure was available during validation assessment, only the information provided in section D of the PDD (because the project is under construction, the operation will start on April 2007). As described in the PDD procedures to operate, calibration, billings system needs to be implemented before the project starts operation and need to be available in the verification assessment. NIR 4 was closed out.	NIR4	Ok
9.13 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	To be confirmed by local assessor. The project is not bundled.	Verify	Ok

Table 10 Additional requirements for AR projects – N/A
Table 11 Additional requirements for SSC AR projects – N/A
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 and operation start up.	Site Visit	DR	The starting date of the project activity: 01/08/2005, according to ANEEL license 285.	Ok	Ok
Verify if the project is licensed by the national agencies (Energy): Verify operation licence issued by ANEEL.	Site visit	DR	It was verified ANEEL licenses: ANEEL license, Nº 285, 01/08/2005. Resolution ANEEL, Nº704, 17/12/2002.	Ok	Ok
Verify calibration procedure for the electricity meter.	Site visit	DR/I	There is no electricity meter installed. Before crediting period starts CEESAM Geradora will elaborate calibration procedure.	Ok	Ok
Verify evidences about the baseline emission factor (data sources and calculation).	Site visit	DR	It was sent worksheet with sources and calculation the baseline. ONS-Emission factors SSECO 2002-2004-2005.11.29	Ok	Ok
Verify environmental requirements (local and national). Verify environmental licenses issued by the state agency.	Site visit	DR	Simplified Environmental Report – “PCH Alto Benedito Novo I – Otimização do projeto básico”, rev. 1, April 2005 and rev. 2 April 2006. Installation license, LAI Nº 016/05 CER/VI-FI 01-03, 1904/2005, issued by FATMA (Fundação do Meio Ambiente).	Ok	Ok
Verify PPA	Site visit	DR	CEESAM has two power purchase agreement. Power Purchase Agreement signed	Ok	Ok

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			<p>between CEESAM Geradora S/A and METISA Metalúrgica Timboense S/A, N° 001/2005, 03/10/2005.</p> <p>Power Purchase Agreement signed between CEESAM Geradora S/A and BN Papel Catarinense, N° 31030/00, 30/05/2005.</p>		

- o0o -

Annex 5 - FINDINGS OVERVIEW

FINDINGS FROM VALIDATION OF CDM.VAL.0576/ ALTO BENEDITO NOVO SMALL HYDROELECTRIC PROJECT.

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: 11/08/2006

Raised by: Geisa Principe

No.	Type	Issue	Ref
1	CAR	No letter of approval from Annex I country, United Kingdom was provided to the validator.	1.1
Date: 11 August 2006 The letter of approval from United Kingdom is emitted only after letter of approval from non-Annex I being emitted. This letter will be provided before registration request.			
Date: [Acceptance and close out]			

Date: 11/08/2006

Raised by: Geisa Principe

No.	Type	Issue	Ref
2	CAR	The starting date of the first crediting period (C.2.1.1) it is not in according to section A.4.3.1 of the PDD. To correct section C.2. "crediting period", it is not according to first crediting period.	8.3.2
Date: 11 August 2006 The PDD was corrected considering the starting date of the first crediting period on April 1 st , 2007.			
Date: 30/08/2006 – Geisa Principe [Acceptance and close out] The starting date of the crediting period: April 2007. The PDD was revised. CAR 2 was close out.			

Date: 11/08/2006

Raised by: Geisa Principe

No.	Type	Issue	Ref
-----	------	-------	-----

3	NIR	<p>It is not clear like additionality results in emission reduction.</p> <p>Provide more information that proof of additionality.</p> <ul style="list-style-type: none"> • worksheet with financial and economic; • worksheet with additional costs for third party technical expertise and certificate of the training from farmers ; • Contract of the CEESAM that evidence it is not prevalence practice in Brazil. 	9.8
---	-----	---	-----

Date: 11 August 2006

The Project Activity is not a common practice in Brazil since it was necessary to establish a cooperative between small farmers as to collect the necessary investments to build the small-hydro. The social contract of CEESAM proving that they are organized in cooperative will be provided during the site visit and a worksheet with costs of small-hydro building is attached.

Date: 30/08/2006 – Geisa Principe.

[Acceptance and close out] During site visited was presented worksheet with cost of small-hydro building and additional costs for third party.

It was verified the social contract of CEESAM where demonstrates that cooperative was created by a group of small farmers that gather capital from all members to require approval by ANEEL.

It was verified that has not technological knowledge, it was necessary meet technical expertise. Other barrier have been met is the hydrological fluctuations, this it was verified in the Simplified Environmental Report. NIR 3 was closed out.

Date: 11/08/2006

Raised by: Geisa Principe

No.	Type	Issue	Ref
4	NIR	No information about procedure for calibration of meters and internal procedures to collect and archive data were provided.	9.12

Date: 11 August 2006

The main objective of the Project Activity is to generate electricity. As it is the only variable that must be monitored it will be calibrated according to national regulations and double-checked by the concessionaire in Timbó.

Date: 30/08/2006 – Fabian Gonçalves.

[Acceptance and close out] No documented procedure was available during validation assessment, only the information provided in section D of the PDD (because the project is under construction, the operation will start on April 2007). As described in the PDD procedures to operate, calibration, billings system needs to be implemented before the project starts operation and need to be available in the verification assessment. NIR 4 was closed out.

Date: 28/08/2006

Raised by: Geisa Principe

No.	Type	Issue	Ref
5	CAR	There is no information under item A.4 in the PDD.	8.1.1

Date: 28 August 2006

The PDD was revised and the item A.4 was completed.

Date: 30/08/2006 – Geisa Principe.

[Acceptance and close out] The PDD was revised (version 3). CAR 5 was closed out.

Observation 1: according to NIR 4 the procedures needs to be implemented at the beginning of project operation and to be available in the verification assessment.



Annex 6 - Local assessment checklist

Alto Benedito Novo Small hydroelectric Project – Small Scale CDM Project. CDM.Val0576

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 from SGS Brazil

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 and operation start up.	The starting date of the project activity: 01/08/2005, according to ANEEL license 285.	Site visit/DR	Ok
Verify if the project is licensed by the national agencies (Energy). Verify operation licence issued by ANEEL.	It was verified ANEEL licenses: ANEEL license, Nº 285, 01/08/2005. Resolution ANEEL, Nº704, 17/12/2002.	Site visit/DR	Ok
Verify calibration procedure for the electricity meter.	There is no electricity meter installed. Before crediting period starts CEESAM Geradora will elaborate calibration procedure.	Site visit/DR/I	Ok
Verify evidences about the baseline emission factor (data sources and calculation).	It was sent worksheet with sources and calculation the baseline. ONS-Emission factors SSECO 2002-2004-2005.11.29	Site visit/DR	Ok
Verify environmental requirements (local and national). Verify	Simplified Environmental Report – “PCH Alto Benedito Novo I – Otimização do projeto básico”, rev. 1, April	Site visited/DR	Ok



Issue	Findings	Source /Means of Verification	Further action / clarification / information required?
environmental licenses issued by the state agency.	2005 and rev. 2 April 2006. Installation license, LAI Nº 016/05 CER/VI-FI 01-03, 1904/2005, issued by FATMA (Fundação do Meio Ambiente).		
Verify PPA	CEESAM has two power purchase agreement. Power Purchase Agreement signed between CEESAM Geradora S/A and METISA Metalúrgica Timboense S/A, Nº 001/2005, 03/10/2005. Power Purchase Agreement signed between CEESAM Geradora S/A and BN Papel Catarinense, Nº 31030/00, 30/05/2005.	Site visit/DR	Ok