



Voluntary Carbon Standard Version 2007

Verification Report Template

19 November 2007

Verification Report: BRAZIL-VER/01220/2009 – VERSION 03

Name of Verification company:	Date of the issue:
BUREAU VERITAS CERTIFICATION HOLDING - SAS	January 14 th , 2011
Report Title:	Approved by:
Verification Report Kitambar Switching Fuel Project	Marcelo Antoniazzi Porto – Internal Technical Reviewer
Client:	Project Title:
Sustainable Carbon – Projetos Ambientais LTDA	Kitambar Switching Fuel Project
Summary:	

BUREAU VERITAS CERTIFICATION has made the 2nd periodic verification of the Kitambar Switching Fuel Project.

This project activity was developed by Carbono Social Serviços Ambientais LTDA. (Social Carbon Company), which has recently changed its company name to Sustainable Carbon – Projetos Ambientais LTDA.

The project is applied at Kitambar Ceramic, which is a small ceramic industry that produces structural ceramic devices like roof tiles, destined for the regional market. This project consists on utilizing renewable biomasses to feed their eight “Round” kilns rather than using native wood from areas without sustainable forest management from the Caatinga biome, which is an old practice in the region. This type of wood is considered a non- renewable biomass, once it is not originated from areas without reforestation activities.

This fuel switching project reduces the greenhouse gases (GHG) emissions through the substitution of native wood without sustainable management for renewable biomasses to generate thermal energy. The project activity also indirectly helps in reducing the Brazilian deforestation rates, the main source of greenhouse gas emissions in Brazil.

As renewable biomasses, Kitambar Ceramic utilized Algaroba wood, cashew tree residues, and coconut husk.

The verification scope is defined as a periodic independent and objective review and an ex-post determination of the monitored reductions in GHG emissions during defined verification period and consisted of the following three phases: i) desk review of the project design, baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion. The overall verification, from Contract Review to verification Report & Opinion, was conducted using BUREAU VERITAS CERTIFICATION internal procedures.

The first output of the verification process is a list of Clarification and Corrective Actions Requests (CL and CAR), presented in the Verification Report. Taking into account this output, the project proponent revised its Monitoring Report Document (Version 05). In summary, it is BUREAU VERITAS CERTIFICATION'S opinion that the project correctly applies the baseline and monitoring AMS.I-E (Switch from Non – Renewable Biomass for Thermal Application by the User) Version 01 valid from February 01st, 2008 to April 08th, 2010 and meets the relevant VCS requirements and local legislation.

During the Verification, Corrective Action Requests (CAR) and Clarification Requests (CL) were raised and successfully closed.

As the result of the 2nd periodic verification, the verifier confirms that the GHG emission reductions are calculated without material misstatements in a conservative and appropriate manner. BUREAU VERITAS CERTIFICATION herewith confirms that the project has achieved emission reductions in the above mentioned reporting period as follows:

Reporting period: October 1st, 2008 to November 30th, 2009.

ER _y (October 1 st , 2008 to November 30 th , 2009)			
Period	PR _y (ceramic units)	B _y (tonnes)	ER _y (tCO ₂ e)
Total 2008	3,061,709	6,981	10,203
Total 2009	11,099,943	25,308	36,988
Total period	14,161,652	32,289	47,191

Work carried out by:	Number of pages:
Rubens Ferreira – Leader GHG Verifier Daiany M. Favarato –Specialist Marcelo Antoniazzi Porto– Internal Technical Reviewer	39

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1 INTRODUCTION

Sustainable Carbon – Projetos Ambientais LTDA has commissioned BUREAU VERITAS CERTIFICATION to verify the emission reductions of its VCS “Kitambar Switching Fuel Project”.

This report summarizes the findings of the second periodic verification of the project, performed on the basis of VCS – Voluntary Carbon Standard version 2007.1 criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

1.1 OBJECTIVE

Verification is the periodic independent review and ex-post determination of the monitored reductions in GHG emissions during defined verification period.

The objective of the periodic verification is to verify that actual monitoring systems and procedures are in compliance with the monitoring systems and procedures described in the monitoring plan; furthermore, the periodic verification evaluates the GHG emission reductions data and express a conclusion with a high, but not absolute, level of assurance about whether the reported GHG emission data is free of material misstatements; and verifies that the reported GHG emission reductions data is sufficiently supported by evidence, i.e. monitoring records.

The verification shall consider both quantitative and qualitative information on emission reductions.

Quantitative data comprises the monitoring reports submitted to the verifier by the project entity.

Qualitative data comprises information on internal management controls, calculation procedures and procedures for transfer, frequency of emissions reports, review and internal audit of calculations/data transfers.

The verification is based on criteria set by VCS – Voluntary Carbon Standard version 2007.1.

1.2 SCOPE AND CRITERIA

The verification 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 VCS – Voluntary Carbon Standard version 2007.1.

The verification is not meant to provide any consulting towards the Client. However, stated requests for forward actions and/or corrective actions may provide input for improvement of the project monitoring towards reductions in the GHG emissions.

1.3 VCS PROJECT DESCRIPTION

This project activity was developed by Carbono Social Serviços Ambientais LTDA. (Social Carbon Company), which has recently changed its company name to Sustainable Carbon – Projetos Ambientais LTDA.

The project is applied at Kitambar Ceramic, which is a small ceramic industry that produces structural ceramic devices like roof tiles, destined for the regional market. This project consists on utilizing renewable biomasses to feed their eight “Round” kilns rather than using

native wood from areas without sustainable forest management from the Caatinga biome, which is an old practice in the region. This type of wood is considered a non-renewable biomass, once it is not originated from areas without reforestation activities.

This fuel switching project reduces the greenhouse gases (GHG) emissions through the substitution of native wood without sustainable management for renewable biomasses to generate thermal energy. The project activity also indirectly helps in reducing the Brazilian deforestation rates, the main source of greenhouse gas emissions in Brazil.

As renewable biomasses, Kitambar Ceramic utilized Algaroba wood, cashew tree residues¹, and coconut husk.

The Caatinga is a biome with a strong propensity to desertification and its deforestation consequently brings forward an increase in this possibility. With the loss of natural vegetation, the exposed soil becomes more susceptible to erosion and salinization. These processes are responsible for changing the system of rivers, which makes the water supply of local communities and family farming scarce.

In developing countries like Brazil, the deforestation rate is directly proportional to the greenhouse gases concentration in the atmosphere, which intensifies global warming.

The calculations regarding the quantity of non-renewable wood required in the burning process were done according to the efficiency of the kilns on the production, which would require around 2.6 m³ or 2.28 tons to produce 1,000 ceramic devices. In the baseline scenario, according to historical experience, the ceramic utilized approximately 28,800 m³ of native wood per year from Caatinga biome in their eight "Round" kilns produce around 11,100,000 ceramic devices per year.

The fuel substitution required some period to find out the correct burning process of the new biomasses and to get the final product with the same quantity and quality than in the baseline scenario. Thus, the ceramic had to find the best procedure to handle with the new biomass, which is far different when compared with the use of wood.

As a result of the fuel switch, capacitating and training courses were required for the staff in order to clarify new measures linked to the machinery in order to sustain the quality of the final product and find a burn cycle standard.

Another arduous barrier faced by the project developer was the employees' resistance of the changes, who were very used to the standard situation.

An initial investment was performed in order to adapt the burning with the new fuel, especially for the acquisition of new equipments as thermocouples, oxygenation machines and molten iron grills. With the project implementation, the ceramic had to withstand more costs than if it had continued employing native wood from deforestation areas as fuel, namely in the form of payment for the biomass transportation, which includes driver, diesel, freight and costs with the truck maintenance. Furthermore, there is spending with electrical energy.

The total spending has increased and the income from the commercialization of the carbon credits is essential to maintain the fuel switch, as this change needs more resources than previously to maintain operations. This disparity obviously puts the ceramic in a less

¹ The cashew tree's pruning occurs due to its fructification, which happens more intensely in new branches.

competitive situation, which would make the fuel switching and the continued use of the needed machinery unfeasible without the existence of the carbon markets.

1.4 LEVEL OF ASSURANCE

With basis in the assessment of this project, a verification statement expressing a reasonable level of assurance is expressed as follows:

- is materially correct and is a fair representation of the GHG data and,
- was prepared in accordance with the related International Standard on GHG quantification, monitoring and reporting, and to relevant national standards.

The verification report is based on VCS PD v02 and documents provided by the project proponent, as well as information obtained from the on-site visit. The verification opinion is assured by the credibility of all the statements above.

2 METHODOLOGY

This second verification comprises the period from October 1st, 2008 to November 30th, 2009.

Preparations: July 06th, 2010 to July 07th, 2010

On-site visit: July 22nd, 2010

Draft Reporting: September 20th, 2010

Verification Reporting Version 01: October 13th, 2010

Project Participants – Sustainable Carbon – Projetos Ambientais LTDA:

Marcelo Haddad – Technical Analyst

Filipe Luth – Technical Analyst

Project Proponents – Kitambar Ceramic:

Mr. Antônio Marcos Tavares Barbosa – Project Developer

The verification consisted of the following steps:

- A desk review of the VCS PD v02 and supporting documents with the use of the relevant sections of a customized protocol according to the VCS 2007.1;
- A desk review of the Monitoring Report (MR) and additional supporting documents which the client submitted. The relevant sections of the above-mentioned customized protocol according to the VCS 2007.1 were used;
- On-Site assessment,
- Background investigation and follow-up interviews with personnel of the project developer;
- Verification reporting (Draft Verification Report and Final Verification Report).

The criteria of this verification include the relevant rules and steps as set out in the VCS.

3 VERIFICATION FINDINGS

3.1 REMAINING ISSUES, INCLUDING ANY MATERIAL DISCREPANCY, FROM PREVIOUS VERIFICATION

There are not remaining issues from the previous verification, all the CARs and CLs were closed, and no FAR was opened.

There are no pending CARs, CLs or FARs issued in the course of the verification that still needs to be properly addressed to get closed. Before issuance of the final verification report, these CARs and CLs were adequately answered by the project proponent, and are closed.

3.2 PROJECT IMPLEMENTATION

The implementation status of the project is as follows:

The project has a 10 years crediting period, twice renewable.

The first 10 years crediting period is from January 1st, 2007 to December 31st, 2016. The total Emission Reductions forecasted for that period are 417,800 tCO₂e.

The following verification has already been made:

- First Periodic Verification: From January 1st, 2007 to September 30th, 2008. Emission Reductions of 73,749 tCO₂e.

The second periodic verification, from October 1st, 2008 to November 30th, 2009 is covered by this report.

Kitambar Project start date: December 2006

Crediting period start date: January 01st 2007

The actual operation of the proposed project activity is the fuel switching in the ceramic facility, with the substitution of unsustainable native firewood to algaroba wood, cashew tree residues and coconut husk as renewable biomasses for energy supply.

As presented on the PD (Version 02 dated on December 17th, 2008) the surplus of renewable biomass (algaroba wood, cashew tree residues and coconut husk) is enough to the VCS Project crediting period.

The following information about the monitored parameter PR_y provided in the Monitoring Report Version 05 shows the value from this monitoring period.

Data / Parameter:	PR _y		
Data unit:	Unity of ceramic pieces		
Description:	Production of ceramic devices in the monitored period from October 1 st , 2008 to November 30 th , 2009.		
Source of data to be used:	Controlled by the project proponent.		
Value of data		Production of ceramic units (PR _y)	
		Period	Kitambar Ceramic
		October 2008	1,010,563
		November 2008	965,328
		December 2008	1,085,818
		Total 2008	3,061,709
		January 2009	991,776
		February 2009	1,051,262
		March 2009	1,057,496
		April 2009	968,732
		May 2009	860,124
		June 2009	929,098
		July 2009	1,006,095
		August 2009	1,024,000
		September 2009	1,124,690
		October 2009	1,137,390
		November 2009	949,280
		Total 2009	11,099,943
		Total in the period (October 1 st , 2008 to November 30 th , 2009)	

Description of measurement methods and procedures to be applied:	The measurement of production was done by an internal control sheet monitored by the project developer, which was fed daily.
QA/QC procedures to be applied:	The ceramic has an internal control of the quantity of pieces produced. It was rechecked according to the biomass utilized and the kiln consumption of renewable biomass.
Any comment:	Data will be kept for two years after the end of the crediting period or the last issuance of carbon credits for this project activity, whichever occurs later.

The production was slightly higher than the estimated. Although, the production was approximate to the estimate and this fact is considered normal to happened in the industry area. As this is a monitored parameter, different values are expected to appear.

The project is being operated according to the registered VCS PD and has applied the methodology (AMS-I.E: Switch from Non – Renewable Biomass for Thermal Application by the User, Version 01 valid from February 01st, 2008 to April 08th, 2010) properly.

3.3 COMPLETENESS OF MONITORING

The monitoring plan is in accordance with the approved methodology applied by the proposed CDM project activity. It is important to mention that the amount of renewable biomasses employed is being measured by the biomass providers, as described below (under $Q_{renbiomass}$), instead of by the project developer, as per the registered PD. The DOE verified the practice and confirms it is in place and in accordance with approved methodology. Therefore, this change in the monitoring plan is approved by the DOE.

The parameters required by the monitoring plan and the way the Verification Team has verified the values in the Monitoring Report Version 05 are described below:

Data Reported in the Monitoring Period

Data / Parameter:	$Q_{renbiomass}$
Data unit:	Tons
Description:	Amount of renewable biomass utilized in the monitored period from October 1 st , 2008 to November 30 th , 2009.

Source of data to be used:	Measured by the biomass providers and controlled by the ceramic owner. The registered VCS PD v.2 establishes that the project developer would measure this parameter; however, during the entire monitored period, this parameter was monitored through all the receipts and invoices of biomass received by the ceramic industry.				
Value of data	Q renbiomass (tons) October 1 st , 2008 to November 30 th , 2009				
	Biomass	<i>Algaroba Wood</i>	Cashew tree residues		Coconut husk
	Providers	<i>Leodório Pereira da Silva</i>	<i>Erivonaldo Alves</i>	<i>José Josafa Cabral dos Santos</i>	<i>Osmário de Lima</i>
	Location	<i>Rua Sérgio de Souza Padilha, 73 – Centro. Arco Verde - PE</i>	<i>Rua do Sol, 150 – Centro. Barra de Guabiraba - PE</i>	<i>Rua Juscelino Kubitschek, 13 - Barra de Guabiraba - PE</i>	<i>Rua São Fernando, 110 - Maurício Nassau. Caruaru - PE</i>
	Quantity of biomass	12,774	2,459	188	1,822

Description of measurement methods and procedures to be applied:	The amount of biomass was monitored in accordance to the weight described in the receipts or invoices from the providers. The values in the receipts are described in m³, therefore it was necessary the conversion to tons through the specific gravity of each biomass. The specific gravity values of the renewable biomass utilized in this project are:								
	<table><tr><td>Biomass</td><td><i>Algaroba</i> Wood</td><td>Cashew tree residues</td><td>Coconut Husk</td></tr><tr><td>Specific Gravity (tons/m³)</td><td>0.836</td><td>0.42</td><td>0.5</td></tr></table>	Biomass	<i>Algaroba</i> Wood	Cashew tree residues	Coconut Husk	Specific Gravity (tons/m ³)	0.836	0.42	0.5
	Biomass	<i>Algaroba</i> Wood	Cashew tree residues	Coconut Husk					
	Specific Gravity (tons/m ³)	0.836	0.42	0.5					
	The sources of these data are:								
<i>Algaroba</i> wood: PEREIRA, J. C. D.; LIMA, P. C. F. Comparação da Qualidade da Madeira de seis Espécies de Algarobeira para a Produção de Energia. Colombo: Embrapa Florestas, 2002. p. 99-107. Available at: <http://www.cnpf.embrapa.br/publica/boletim/boletarqv/bolet45/pag-99_106.pdf>. Last visit on: June 10th, 2010.									
Cashew tree residues: LORENZI, H. Árvores Brasileiras: Manual de Identificação e Cultivo de Plantas Arbóreas Nativas do Brasil, vol.1. 4.ed. Nova Odessa, SP: Instituto Plantarum, 2002. Coconut husk: PINHEIRO, G. F.; RENDEIRO, G.; PINHO J. T. Densidade Energética de Resíduos Vegetais. 2006. Available at: <www.ufpa.br/gedae/BIOMASSAEENERGIA2006.pdf>. Last visit on: June 10th, 2010.									
QA/QC procedures to be applied:	It was monitored through receipts of purchase from the biomass providers. The ceramic industry controls the quantity of biomass through an internal spreadsheet, which is fed with the measured values of all the biomass that arrive from the providers. This internal spreadsheet was double checked with all the receipts and invoices of biomass employed.								
Any comment:	As stated in the VCS PD, the providers listed in the PDD are only a few of those that work for the ceramic; nevertheless, it does not exclude the possibility of buying biomass from others. In this MR, <i>Kitambar</i> ceramic acquired cashew tree residues from <i>José Josafa Cabral</i>, a new biomass provider. Data will be kept for two years after the end of the crediting period or the last issuance of carbon credits for this project activity, whichever occurs later.								

Data / Parameter:	PR _y		
Data unit:	Unity of ceramic pieces		
Description:	Production of ceramic devices in the monitored period from October 1 st , 2008 to November 30 th , 2009.		
Source of data to be used:	Controlled by the project proponent.		
Value of data		Production of ceramic units (PR _y)	
		Period	Kitambar Ceramic
		October 2008	1,010,563
		November 2008	965,328
		December 2008	1,085,818
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		August 2009	1,024,000
		September 2009	1,124,690
		October 2009	1,137,390
		November 2009	949,280
		Total 2009	11,099,943
		Total in the period (October 1 st , 2008 to November 30 th , 2009)	
	14,161,652		

Description of measurement methods and procedures to be applied:	The measurement of production was done by an internal control sheet monitored by the project developer, which was fed daily.
QA/QC procedures to be applied:	The ceramic has an internal control of the quantity of pieces produced. It was rechecked according to the biomass utilized and the kiln consumption of renewable biomass.
Any comment:	Data will be kept for two years after the end of the crediting period or the last issuance of carbon credits for this project activity, whichever occurs later.

Data / Parameter:	Leakage of non-renewable biomass
Data unit:	tCO ₂ e
Description:	Leakage resulted from non-renewable biomass
Source of data to be used:	Monitored
Value of data	0
Description of measurement methods and procedures to be applied:	The sources of leakages predicted in methodology applied were monitored.
QA/QC procedures to be applied :	Data available regarding the ceramic industry fuel consumption were employed to monitor the leakage. More information at Section B.5 – Leakage, Part B.
Any comment:	Data will be kept for two years after the end of the crediting period or the last issuance of carbon credits for this project activity, whichever occurs later.

Data / Parameter:	Renewable biomass surplus			
Data unit:	ton or m ³			
Description:	Amount of renewable biomass available			
Source of data to be used:	Monitored			
Value of data		Biomass surplus	Surplus	Year
		<i>Algaroba</i> wood in m ³	2,500,000	2007
		Cashew tree residues in tons	196,625	2007
		Coconut husk in tons	6,700,000	2007
Description of measurement methods and procedures to be applied:	It was used to calculate the leakage of renewable biomass. The sources of leakages predicted in “General guidance on leakage in biomass project activities” of Indicative Simplified Baseline and Monitoring Methodologies for Selected Small-Scale CDM Project Activity Categories, were monitored. The measurement of the leakage was based in national and international articles and database every monitoring period. The sources provided information about the biomass availability in the project activity’s region.			
QA/QC procedures to be applied :	Data available regarding the ceramic industry fuel consumption were utilized to monitor the leakage. More information at Section B.5 – Leakage, Part A.			
Any comment:	Data will be kept for two years after the end of the crediting period or the last issuance of carbon credits for this project activity, whichever occurs later.			

Data / Parameter:	Origin of renewable biomass
Data unit:	Not applicable
Description:	Renewable origin of the biomass
Source of data to be used:	Controlled by the project developer

Value of data	Renewable biomass
Description of measurement methods and procedures to be applied:	This information was given by the biomasses providers. The biomasses (<i>Algaroba</i> wood, coconut husk, and cashew tree residues) are considered renewable as fulfilling the options described in the methodology applied.
QA/QC procedures to be applied :	The biomasses were considered renewable as they are according to the definition given by the methodology applied. Furthermore, documents proving the origin of each renewable biomass were provided, such as receipts from the providers stating the consumption of each biomass.
Any comment:	Data will be kept for two years after the end of the crediting period or the last issuance of carbon credits for this project activity, whichever occurs later.

Data / Parameter:	$f_{NRB,y}$
Data unit:	Percentage
Description:	Fraction of biomass (wood) used in the absence of the project activity in year y that can be established as non-renewable biomass using survey methods.
Source of data used:	Survey methods.
Value applied:	99.4%

Justification of the choice of data or description of measurement methods and procedures actually applied :	Before the project activity, wood from areas without forest management was offered with low prices and high viability to the ceramics owner. Thus, the totality of fuel employed in the baseline scenario is from non-renewable origin. However, according to CNIP (2007)², <i>Caatinga</i> biome has only 0.3% of its total area with sustainable use. Furthermore, considering that 0.24% of this biome has been saved by other project activities, thus, 99.4% is considered as a fraction of non-renewable biomass. It was made two sheets to calculate the amount of wood consumed. The first one encompasses the amount of wood consumed by the ceramics located at the <i>Caatinga</i> biome. The other sheet calculates de amount of wood consumed regarding only <i>Kitambar</i> Ceramic. Dividing these values by the total of wood available, it was achieved the amount of renewable biomass that has been saved by all the project activities or only by <i>Kitambar</i> project, respectively.³ Afterwards, summing each value with the sustainable use areas defined by CNIP (2007), it was acquired two fraction of renewable biomass. Finally, each value was subtracted from 100% to achieve the $f_{NRB,Y}$. Therefore, it was taken the smaller value in order to be more conservative. These sheets are available at the VCU Estimates spreadsheet. The monitoring of this parameter will be based in national and international articles and database every monitoring period. The sources will provide information about the sustainable use of <i>Caatinga</i> biome. Wood saved from projects with same biome and applied methodology developed by <i>Sustainable Carbon – Projetos Ambientais LTDA.</i> was considered in this fraction. The value considered was 0.243161%.
Any comment:	It was employed in order to estimate the amount of non renewable biomass. Data will be kept for two years after the end of the crediting period or the last issuance of carbon credits for this project activity, whichever occurs later.

² Centro Nordestino de Informações sobre Plantas. Associação de Plantas do Nordeste. 2007. Available at: <http://www.cnip.org.br/planos_manejo.html>. Visited on October 21st, 2010.

³ According to data from project activities elaborated by *Sustainable Carbon – Projetos Ambientais LTDA.*

The DOE crosschecked the all the information above, available on the Monitoring Report, with the internal records data related to biomass consumption and ceramic production. The Monitoring of the project activity is implemented in conformity with the Monitoring Plan described in the VCS PD. Therefore, the monitoring plan was followed properly.

3.4 ACCURACY OF EMISSION REDUCTION CALCULATIONS

The approved CDM baseline and monitoring AMS-I.E (Switch from Non – Renewable Biomass for Thermal Application by the User) Version 01 valid from February 01st, 2008 to April 08th, 2010, is applied to the project activity.

The Category AMS-I.E: Switch from Non – Renewable Biomass for Thermal Application by the User (Version 01 valid from February 01st, 2008 to April 08th, 2010) comprises small thermal appliances that displace the use of non-renewable biomass by introducing new renewable energy end-user technologies. The project's emissions from the combustion of native wood are accounted in the same way as fossil fuel combustion, once it is not renewable and emits CO₂.

The project activity generates less than the limits of 45 MW_{thermal} for Type I Small scale project activities.

Baseline

$$ER_y = B_y \times f_{NRB,y} \times NCV_{biomass} \times EF_{projected_fossilfuel} \quad (\text{Equation 01})$$

Where:

ER_y: Emission reductions during the year y in tCO₂e

B_y: Quantity of biomass that is substituted or displaced in tons

f_{NRB,y}: Fraction of non-renewable biomass (wood) used in the absence of the project activity in year y

NCV_{biomass}: Net calorific value of non-renewable biomass in TJ/tons

EF_{projected fossil fuel}: Emission factor for the projected fossil fuel consumption in the baseline in tCO₂/TJ⁴.

B_y is determined using the option “b” of the Methodology:

Calculated from the thermal energy generated in the project activity as:

$$B_y = \frac{HG_{p,y}}{\eta_{old} \times NCV_{biomass}} \quad (\text{Equation 02})$$

⁴ The fossil fuel likely to be used by similar consumers is taken the IPCC default value of residual fossil fuel.

Where:

$HG_{p,y}$: Quantity of thermal energy generated by the renewable energy technology in the project in year y in TJ.

η_{old} : Efficiency of the system being replaced

$$HG_{p,y} = SGE \times PR_y \quad (\text{Equation 03})$$

Where:

SGE: Specific energy which has to be generated in the process to produce a certain amount of ceramic devices in TJ/tons of ceramic units

PR_y : Amount of product produced in year y in quantity of ceramic units fired

$$\eta_{old} = \frac{SGE}{SFE} \quad (\text{Equation 04})$$

Where:

SFE: Specific fuel energy needed for the process to produce a certain amount of ceramic devices in TJ/ tons of ceramic units

$$SFE = BF_y \times NCV_{biomass} \quad (\text{Equation 05})$$

Where:

BF_y : Consumption of non-renewable biomass per tons of ceramic units fired in year y

Using the Equations 3, 4 and 5 in the Equation 2 it results to:

$$B_y = PR_y \times BF_y \quad (\text{Equation 06})$$

The exactly production (PR_y) was monitored through an internal control sheet monitored by the project developer, which was fed daily.

The value of BF_y was determined through historical consumption of non-renewable biomass by the ceramic.

It was verified in the course of this verification that the above-mentioned methodology has been correctly and accurately applied in calculating the total emission reductions and the emission reduction calculation is accurate and conservative.

3.5 QUALITY OF EVIDENCE TO DETERMINE EMISSION REDUCTIONS

The project proponent as evidence to determine emission reductions submitted several documents, as following:

The evidences were assessed as of sufficient quantity and appropriate quality by DOE. The other documents and web-sites used to the verification team are available in the item 5 of this report.

Reference Documents:

- Final VCS Project design document Version 02; dated on December 17th, 2008;
- Monitoring Report Version 05 completed on January 14th, 2011;
- Operation License, Kitambar Artefatos de Cerâmica LTDA – #03976/2008, on December 04th, 2008 for ceramic material manufacture. Validity: December 04th, 2009.
- Instalation License, Kitambar Artefatos de Cerâmica LTDA – #00039/2009, on January 15th, 2009 for clay extraction. Validity: January 15th, 2010.
- Calculation spreadsheet of baseline study and emission reduction in “VCS MR Calculation Kitambar_period_01 10 08_30 11 09_v3” completed on September 22nd, 2010;
- And other references indicated in the item 5.0.

3.6 MANAGEMENT AND OPERATIONAL SYSTEM

The management and operational system were checked by Verification team as following:

- The management and operational system of the project is suitable. In accordance with methodologies and procedures indicated.
- An operational structure was established with responsibilities identified. The documents referenced as in the site visit, we confirm the applicability of the structure indicated in the VCS PD v02.
- Staff training plan was clear; training records were available.
- The quality management was clearly defined in the VCS PD v02.

4 VERIFICATION CONCLUSION

Sustainable Carbon – Projetos Ambientais LTDA has commissioned the BUREAU VERITAS CERTIFICATION to carry out the 2nd periodic verification of the project “Kitambar Switching Fuel Project” with regard to the relevant requirements for CDM project activities. The project reduces GHG emissions due to switching non-renewable to renewable biomass fuel for end-user thermal energy generation. This verification covers the period from October 1st, 2008 to November 30th, 2009.

In the course of the verification Corrective Action Requests (CAR) and Clarification Requests (CL) were raised and successfully closed. There were 12 CARs and 1 CL raised. There were no FARs raised in this 2nd periodic Verification. The verification is based on the Monitoring Report (Version 05 completed on January 14th, 2011), the VCS PD (Version 02, on December 17th, 2008), emission reduction calculation spreadsheet (Version 05 completed on January 14th, 2011) and supporting documents made available to the BUREAU VERITAS CERTIFICATION by the project participant.

As a result of this verification, the DOE confirms that:

- BUREAU VERITAS CERTIFICATION confirms that the project is implemented as planned and described in the Project Design Document. The monitoring plan is in place and the project is generating GHG emission reductions. The DOE conclude, all operations of the project are implemented and installed as planned and described as in the validated project design document;
- The monitoring plan is in accordance with the applied approved CDM methodology, i.e., AMS-I.E: Switch from non-renewable biomass for thermal applications by the user - Version 01 valid from February 01st, 2008 to April 08th, 2010;
- The monitoring system is in place and functional. The project has generated GHG emission reductions;

BUREAU VERITAS CERTIFICATION can confirm that the GHG emission reductions are calculated without material misstatements. The DOE conclude that in relation to the project's GHG emissions, resulting GHG emission reductions are consistent with the monitoring plan contained in the VCS PD version 02 on December 17th, 2008 and emission reduction calculation spreadsheet Version 05 completed on January 14th, 2011, so we consider correct.

All the data and information used to elaborate this Verification Report are treated confidentially by BUREAU VERITAS CERTIFICATION.

Based on the information we have seen and evaluated, we confirm the following statement:

Total Emission Reductions for the project activity

ER_y (October 1st, 2008 to November 30th, 2009)			
Period	PR_y (ceramic units)	B_y (tonnes)	ER_y (tCO₂e)
Total 2008	3,061,709	6,981	10,203
Total 2009	11,099,943	25,308	36,988
Total period	14,161,652	32,289	47,191

Reporting period: From October 1st, 2008 to November 30th, 2009

Verified emission in the above reporting period:

Project emissions 0.00 t CO₂ equivalent

Baseline emissions 47,191 t CO₂ equivalent

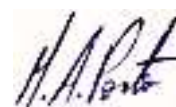
Emission reductions 47,191 t CO₂ equivalent

Rio de Janeiro, January 14th, 2011



Rubens da Silva Ferreira

Verification Team Leader



Marcelo Antoniazzi Porto

Internal Technical Reviewer

5 REFERENCES

Documents provided by the company that relate directly to the GHG components of the project.

- Final VCS Project design document Version 02; dated on December 17th, 2008;
- Monitoring Report Version 01 completed on June 30th, 2010;
- Monitoring Report Version 02 completed on September 03rd, 2010;
- Monitoring Report Version 03 completed on September 22nd, 2010;
- Monitoring Report Version 04 completed on October 21st, 2010;
- Monitoring Report Version 05 completed on January 14th, 2011;
- Calculation spreadsheet of baseline study and emission reduction "VCS MR Calculation Kitambar_period_01 10 08_30 11 09_v1" Version 01 completed on June 30th, 2010;
- Calculation spreadsheet of baseline study and emission reduction "VCS MR Calculation Kitambar_period_01 10 08_30 11 09_v2" Version 02 completed on September 03rd, 2010;
- Calculation spreadsheet of baseline study and emission reduction "VCS MR Calculation Kitambar_period_01 10 08_30 11 09_v3" completed on September 22nd, 2010;
- Calculation spreadsheet of baseline study and emission reduction "VCS MR Calculation Kitambar_period_01 10 08_30 11 09_v4" Version 04 completed on October 21st, 2010;
- Calculation spreadsheet of baseline study and emission reduction "VCS MR Calculation Kitambar_period_01 10 08_30 11 09_v5" Version 05 completed on January 14th, 2011;
- Operation License, Kitambar Artefatos de Cerâmica LTDA – #03976/2008, on December 04th, 2008 for ceramic material manufacture. Validity: December 04th,

2009. This Operation License was ordered in September 11th, 2008 but only in December 4th, 2008 it was issued.

- License Autorization, Kitambar Artefatos de Cerâmica LTDA - #307/2002, on August 23rd, 2002 for clay exploration during 20 years.
- Instalation License, Kitambar Artefatos de Cerâmica LTDA – #00039/2009, on January 15th, 2009 for clay extraction. Validity: January 15th, 2010.
- Declaração – Statement ordering the renewal of the Operation License #4348/2010. Dated on June 30th, 2010
- CTF - Cadastro Técnico Federal (federal technical registration) - Documents proving registration of activities that are potentially polluting.
- Purchase invoices of the biomass consumed in this monitoring period.
- Certificado de Licença para Localização e Funcionamento – Operation and Location License Certificate. Registration number: 2474. Dated on July 19th, 2010.
- The water used in the ceramic process is from a water truck.

6 VERIFIERS' CV

BUREAU VERITAS CERTIFICATION Leader GHG Verifier

Rubens da Silva Ferreira – Is graduated in Chemical Engineering with experience in Quality and Environmental management in glass industries. He is ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 Lead Auditor and has also experience in the implementation of Environmental Management Systems. Rubens is qualified as Lead Verifier GHG – Green House Gases.

BUREAU VERITAS CERTIFICATION Internal Technical Reviewer

Marcelo A. Porto – is graduated in Electrical Engineering, with a graduate specialization in Quality Engineering and a Master's degree in Industrial Engineering. Quality management expert and auditor – he worked in the electro-electronic, mechanical, medical devices, leather and shoes industries –, trained as a lead auditor in the fields of quality (ISO 9001), environment (ISO 14001), social responsibility (SA 8000), and organizational health and safety (OHSAS 18001).

BUREAU VERITAS CERTIFICATION Specialist

Daiany Mandato Favarato – Is graduated in Environmental Engineering with experience in renewable energy sector. She is becoming qualified as Lead Verifier GHG – Green House Gases and ISO 14001:2004 Lead Auditor.

7 VCS VERIFICATION PROTOCOL

VERIFICATION PROTOCOL

Table 1 Verification requirements based on the Validation and Verification Manual (EB55 Annex 1)

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
1 Project implementation in accordance with the registered project design document					
It is assessed if there are any concerns related to the conformity of the actual project activity and its operation with the registered project design document	VVM	195			
a Are all physical features of the proposed CDM project activity proposed in the registered PDD in place?	VVM	196	Yes, they are all in place.	OK	OK
b Have the project participants operated the proposed CDM project activity as per the registered PDD?	VVM	196	Yes, it was operated in accordance with the registered VCS PD.	OK	OK
c Was an on-site visit conducted?	VVM	196	Yes. An on-site visit was conducted on July 22 th , 2010.	OK	OK
d If not, justify the rationale of the decision.	VVM	196	Not Applicable.	OK	OK

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
e Does the implementation or operation of CDM project activity conform with the description contained in the registered PDD?	VVM	197	CL01: Please include the new providers from the Cashew tree residues on the MR.	CL01	OK
f If not, which are the potential impacts due to these changes, according to the relevant guidelines established by the Executive Board (EB48-§73)?	VVM	197	Not applicable.	OK	OK
g Was a notification or a request for approval of changes from the project activity as described in the registered PDD submitted prior to the conclusion of the verification/certification for the corresponding?	VVM	197	Not applicable.	OK	OK
2 Compliance of the monitoring plan with the monitoring methodology					
It Is assessed if the monitoring plan of the proposed CDM project activity complies with the applied methodology	VVM	199			
a Is the validated monitoring plan in accordance with the approved methodology applied by the proposed CDM project activity?	VVM	200	Yes, it is in accordance. CAR01: Correct the validity of the Methodology every time it is mentioned along the Monitoring Report.	CAR01	OK

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
b If no, was a request for revision of the monitoring plan was done? (The DOE may request for revision of the monitoring plan covering the monitoring period under verification, for approval by the CDM Executive Board)	VVM	201	Not Applicable	OK	OK
c Are there any monitoring aspects of the project activity that are not specified in the methodology, particularly in the case of small-scale methodologies (e.g. additional monitoring parameters, monitoring frequency and calibration frequency)?	VVM	202	No, all the monitoring aspects are specified in the methodology.	OK	OK
3 Compliance of monitoring with the monitoring plan					
It is assessed if monitoring of reductions in GHG emissions to result from the proposed CDM project activity is implemented in accordance with the monitoring plan contained in the registered PDD or the accepted revised monitoring plan	VVM	204			
a Have the monitoring plan and the applied methodology been properly implemented and followed by the project participants?	VVM	205	The methodology and the monitoring plan are properly implemented.	OK	OK
b Have all parameters stated in the monitoring plan, the applied methodology and relevant CDM Executive Board decisions been sufficiently monitored and updated as applicable, including:	VVM	205	-	-	-

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
i Project emission parameters?	VVM	205	CAR02: The unit of the parameter Q renbiomass (Tons in the monitored period) on the MR version 01 is in disagree with with the unit established to the parameter Q renbiomass on the VCS PD version 2 (Tons). CAR03: The table to the “Value of Data” to the parameter <u>Renewable biomass surplus</u> from the MR version 01 is not the same that appears on the VCS PD version 2. CAR04: All the format tables to the data and parameters applied and to the data and parameters monitores from the MR version 01 are different from those established on the VCS PD version 2.	CAR02 CAR03 CAR04	OK

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
ii Baseline emission parameters?	VVM	205	The units of the parameters must be equal to the units of the VCS PD version 2. CAR05: The parameter ρ_{biomass} must be written equal to the VCS PD. CAR06: The unit of the parameter BF_y is different from the VCS PD in the Monitoring Report. Please correct it. CAR07: The value applied for the parameter $f_{\text{NRB},y}$ in the Monitoring Report is different from the VCS PD. Please correct it. CAR08: The data NCV_{biomass} from the MR version 01 is different from the data $NCV_{\text{non-renewable wood}}$ from the VCS PD version 2.	CAR05 CAR06 CAR07 CAR08	OK
iii Leakage parameters?	VVM	205	The leakage parameters were sufficiently monitored.	OK	OK

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
iv Management and operational system: the responsibilities and authorities for monitoring and reporting are in accordance with the responsibilities and authorities stated in the monitoring plan?	VVM	205	The responsible for project monitoring Mr. Antônio Marcos Tavares Barbosa, from Kitambar Ceramic. The monitoring report was completed on June 30th, 2010 by Marcelo Hector Sabbagh Haddad from Sustainable Carbon - Projetos Ambientais LTDA.	OK	OK
c Is the accuracy of equipment used for monitoring in accordance with the relevant guidance provided by the CDM Executive Board and are equipment controlled and calibrated in accordance with the monitoring plan?	VVM	205	Yes, it was in accordance and the equipment are controlled.	OK	OK
i Are monitoring results consistently recorded as per approved frequency?	VVM	205	Yes, it is in accordance with the VCS PD and the methodology.	OK	OK
ii Have quality assurance and quality control procedures been applied in accordance with the monitoring plan?	VVM	205	Yes, during the site visit, it was observed that there is equipments monitoring the burning cycle through graphics of the temperature reached in the kiln versus time.	OK	OK
4 Assessment of data and calculation of greenhouse gas emission reductions					
It is assessed if GHG emission reductions achieved by / resulting from the proposed CDM project activity are calculated applying the selected methodology	VVM	207			

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
a Is a complete set of data for the specified monitoring period is available? (If no, i.e., only partial data are available because activity levels or non-activity parameters have not been monitored in accordance with the registered monitoring plan, the DOE shall opt to either make the most conservative assumption theoretically possible in finalizing the verification report, or raise a request for deviation prior to submitting request for issuance, if appropriate).	VVM	208	The legal documents were available and within the actual legislation.	OK	OK

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
b Has information provided in the monitoring report been cross-checked with other sources such as plant log books, inventories, purchase records, laboratory analysis?	VVM	208	The following references sources was cross-checked: (all checked on August 11th 2010). 1. OK. 2. OK. 3. OK. 4. OK. 5. OK. 6. OK. 7. OK. 8. OK. 9. OK. 10. OK. 11. OK. 12. OK. 13. OK. 14. OK. 15. OK. 16. OK. 17. OK. 18. OK. 19. OK. 20. OK.	OK	OK

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl										
c Have calculations of baseline emissions, proposed CDM project activity emissions and leakage, as appropriate, been carried out in accordance with the formulae and methods described in the monitoring plan and the applied methodology document?	VVM	208	CAR09: There were some different values for the production of ceramics units. During the site visit the values that are different from the Monitoring Report are in the table below: <table><tr><th colspan="2">Production of ceramis units (PRy)</th></tr><tr><th>Period</th><th>Kitambar Ceramic</th></tr><tr><td>June 2009</td><td>929.098</td></tr><tr><td>August 2009</td><td>1.024.000</td></tr><tr><td>September 2009</td><td>1.124.690</td></tr></table> Please correct it. CAR10: Some values of the amount of biomass in the monitoring report are different from the values in the receipts. CAR11: The receipts of Coconut husk purchase does not contain the amount that was bought for the months November/09 and October/09. Explain why it is incomplete. CAR12: Please provide an evidence of the volume that a ruck is suposed to carry (the receipts of “Coconut husk” for the months october/08 to september/90 have a full truck as their unit measured.) The amount of this biomass will be checked right after.	Production of ceramis units (PRy)		Period	Kitambar Ceramic	June 2009	929.098	August 2009	1.024.000	September 2009	1.124.690	CAR09 CAR10 CAR11 CAR12	OK
Production of ceramis units (PRy)															
Period	Kitambar Ceramic														
June 2009	929.098														
August 2009	1.024.000														
September 2009	1.124.690														

CHECKLIST QUESTION	Ref.	§	COMMENTS	Draft Concl	Final Concl
d Have any assumptions used in emission calculations been justified?	VVM	208	There were no assumptions.	OK	OK
e Have appropriate emission factors, IPCC default values and other reference values been correctly applied?	VVM	208	Yes, they have been correctly applied.	OK	OK

Table 2 Resolution of Corrective Action / Forward Action / Clarification Requests.

Draft report clarifications and corrective action requests by verification team	Reference to checklist question in Periodic Verification Checklist	Summary of project owner response	Verification team conclusion
CL01: Please include the new providers from the Cashew tree residues on the MR.	VVM197	The providers were included in the MR.	Ok, the providers were included in the Monitoring Report Version 02. CL01 is closed out.
CAR01: Correct the validity of the Methodology every time it is mentioned along the Monitoring Report.	VVM200	The validity of the applied methodology was corrected in the MR.	Ok, the validity of the version 01 of the Methodology AMS.I-E was corrected in the Monitoring Report Version 01. CAR01 is closed out.
CAR02: The unit of the parameter Q _{renbiomass} (Tons in the monitored period) on the MR version 01 is in disagree with with the unit established to the parameter Q _{renbiomass} on the VCS PD version 2 (Tons).	VVM205	The unit of the parameter Q _{renbiomass} was corrected.	Ok, the units are now in agreement. CAR02 is closed out.

Draft report clarifications and corrective action requests by verification team	Reference to checklist question in Periodic Verification Checklist	Summary of project owner response	Verification team conclusion
CAR03: The table to the “Value of Data” to the parameter <u>Renewable biomass surplus</u> from the MR version 01 is not the same that appears on the VCS PD version 2.	VVM205	The table of the “Renewable Biomass Surplus” in the MR was updated from the one in the VCS PD. Only the biomasses utilized in the monitored period were considered. <u>Second response:</u> The availability of coconut husk in the State of Pernambuco was described at MR version 03, section B.5 leakage. The values were described according to reliable bibliographic references mentioned in the Monitoring Report. <u>Third response:</u> The availability of cashew tree residues described at MR version 04, section B.5 leakage, describes the surplus of this biomass in the country of Brazil. Therefore, although the new biomass provider is from the same region, the surplus of this biomass stated in the MR and in the VCS PD will remain the same value. The values were described according to reliable bibliographic references mentioned in the Monitoring Report and VCS PD.	The biomass Coconut Husk has the same values but the years are different. Please correct it. Second response: PPs are required to inform whether the new supplier of cashew tree residues is from the same region for which the surplus of such biomass surplus had been calculated for validation purposes. CAR03 remains opened. Third Response: Ok, it is clarified. CAR03 is closed out.

Draft report clarifications and corrective action requests by verification team	Reference to checklist question in Periodic Verification Checklist	Summary of project owner response	Verification team conclusion
CAR04: All the format tables to the data and parameters applied and to the data and parameters monitores from the MR version 01 are different from those established on the VCS PD version 2.	VVM205	It was corrected. <u>Second response:</u> All the tables in the section B.3 and B.4 of the MR were corrected according to the validated VCS PD.	Ok, the format was corrected, but the response is incomplete. Please rewrite the response in a completely way. <u>Second Response:</u> Ok, CAR04 is closed out.
CAR05: The parameter ρ_{biomass} must be written equal to the VCS PD.	VVM205	It was corrected. <u>Second response:</u> The parameter ρ_{biomass} in the MR was corrected according to the validated VCS PD.	Ok, the parameter was corrected, but the response is incomplete. Please rewrite the response in a completely way. <u>Second Response:</u> Ok, CAR05 is closed out.
CAR06: The unit of the parameter BF_y is different from the VCS PD in the Monitoring Report. Please correct it.	VVM205	It was corrected. <u>Second response:</u> The unit of the parameter BF_y in the MR was corrected according to the validated VCS PD.	Ok, the unit was corrected, but the response is incomplete. Please rewrite the response in a completely way. <u>Second Response:</u> Ok, CAR06 is closed out.

Draft report clarifications and corrective action requests by verification team	Reference to checklist question in Periodic Verification Checklist	Summary of project owner response	Verification team conclusion
CAR07: The value applied for the parameter $f_{NRB,y}$ in the Monitoring Report is different from the VCS PD. Please correct it.	VVM205	The parameter $f_{NRB,y}$ is a monitored parameter, which will be based in national and international articles and database every monitoring period. In addition, wood saved from projects with same biome and applied methodology developed by Sustainable Carbon - Projetos Ambientais LTDA. was considered in this fraction.	Ok, the more conservative value was applied. CAR07 is closed out.
CAR08: The data $NCV_{biomass}$ from the MR version 01 is different from the data $NCV_{non-renewable\ wood}$ from the VCS PD version 2.	VVM205	It was corrected. <u>Second response:</u> The data of the parameter $NCV_{biomass}$ in the MR was corrected according to the validated VCS PD.	Ok, this data was corrected, but the response is incomplete. Please rewrite the response in a completely way. <u>Second Response:</u> Ok, CAR08 is closed out.

Draft report clarifications and corrective action requests by verification team	Reference to checklist question in Periodic Verification Checklist	Summary of project owner response	Verification team conclusion										
CAR09: There were some different values for the production of ceramics units. During the site visit the values that are different from the Monitoring Report are in the table below: <table><tr><th colspan="2">Production of ceramis units (PRy)</th></tr><tr><th>Period</th><th>Kitambar Ceramic</th></tr><tr><td>June 2009</td><td>929.098</td></tr><tr><td>August 2009</td><td>1.024.000</td></tr><tr><td>September 2009</td><td>1.124.690</td></tr></table> Please correct it.	Production of ceramis units (PRy)		Period	Kitambar Ceramic	June 2009	929.098	August 2009	1.024.000	September 2009	1.124.690	VVM208	The production of ceramic units was corrected according to the site visit values.	Ok, the values were corrected in the Monitoring Report Version 2 and in the VCS MR Calculation Kitambar_period_01 10 08_30 11 09_v2. CAR09 is closed out.
Production of ceramis units (PRy)													
Period	Kitambar Ceramic												
June 2009	929.098												
August 2009	1.024.000												
September 2009	1.124.690												
CAR10: Some values of the amount of biomass in the monitoring report are different from the values in the receipts.	VVM208	The amount of biomass was corrected according to the site visit values.	Ok, all the values were corrected. CAR10 is closed out.										
CAR11: The receipts of Coconut husk purchase does not contain the amount that was bought for the months November/09 and October/09. Explain why it is incomplete.	VVM208	As the receipts of coconut husk do not contain the amount of that was bought, the months of October/09 and November/09 were considered as zero.	Ok, this is conservative. CAR11 is closed out.										

Draft report clarifications and corrective action requests by verification team	Reference to checklist question in Periodic Verification Checklist	Summary of project owner response	Verification team conclusion
CAR12: Please provide an evidence of the volume that a truck is supposed to carry (the receipts of “Coconut husk” for the months october/08 to september/90 have a full truck as their unit measured.) The amount of this biomass will be checked right after.	VVM208	A document from the provider stating the volume of the truck will be sent to the validation team. <u>Second response:</u> The amount of coconut husk was corrected in the MR and in the MR spreadsheet.	The document was sent. Therefore, the amount of biomass should be in accordance with this document. Please, correct it. <u>Second Response:</u> Ok, CAR12 is closed out.