



Voluntary Carbon Standard
Project Description Template

19 November 2007

Notes

The Project titled “Sulige Natural Gas Based Power Generation Project” has been registered by UNFCCC on 21/07/2008 (Ref. No. 1243) as a CDM project.

As per *Policy Announcement from the VCS Association* published on 19/03/2008,

“Projects registered under other VCS Program approved GHG Programs (such as the CDM) are eligible to create Voluntary Carbon Units (VCUs) for the emissions reductions or removals not registered under that GHG Program.

...

For example, when a project has been validated under the CDM, a further validation shall be completed of clauses 1.12, 1.13, 1.14, 8.1 and 8.2 of the VCS Project Description template (<http://v-c-s.org/docs/VCS%20PD.doc>). This validation can be completed when the Project Proponent undergoes a VCS Program verification of achieved emissions reductions or removals.”

Therefore only clauses 1.12, 1.13, 1.14, 8.1 and 8.2 of the VCS Project Description template are filled as below.

The Project was started on 01/01/2007 and the CDM validation period of the Project is 30/10/2006~09/07/2008. The VCS validation contract of the Project was signed on 23/10/2008.

Date of the VCS PD: 20 October 2008

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1. Description of Project:

1.1 Project title

Sulige Natural Gas Based Power Generation Project, which has been registered by UNFCCC on 21/07/2008 (Ref. No. 1243) as a CDM project.

1.2 Type/Category of the project

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.3 Estimated amount of emission reductions over the crediting period including project size:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.4 A brief description of the project:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.5 Project location including geographic and physical information allowing the unique identification and delineation of the specific extent of the project:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.6 Duration of the project activity/crediting period:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

Project start date:

Crediting period start date:

VCS project crediting period:

1.7 Conditions prior to project initiation:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.8 A description of how the project will achieve GHG emission reductions and/or removal enhancements:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.9 Project technologies, products, services and the expected level of activity:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.10 Compliance with relevant local laws and regulations related to the project:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.11 Identification of risks that may substantially affect the project's GHG emission reductions or removal enhancements:

Neglected as per "Policy Announcement from the VCS Association" published on 19/03/2008.

1.12 Demonstration to confirm that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction.

As described in the registered PDD of the Project which has been validated by TUV-SUD, “the Project Activity is the construction and operation of a new natural gas fired grid-connected electricity generation plant”. Therefore, it is not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction.

1.13 Demonstration that the project has not created another form of environmental credit (for example renewable energy certificates).

The Project was registered as a CDM project on 21/07/2008. As per CDM rules, emission reduction credits generated by the Project prior to 21/07/2008 can not be claimed as CERs. The Project Owner expects to claim these emission reduction credits as VCUs and will not applied for other environmental credits.

1.14 Project rejected under other GHG programs (if applicable):

Prior to the application for issuance of VCUs, the Project only implanted CDM development. It was registered as a CDM project on 21/07/2008. The Project has not been rejected by other GHG programs.

1.15 Project proponents roles and responsibilities, including contact information of the project proponent, other project participants:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

1.16 Any information relevant for the eligibility of the project and quantification of emission reductions or removal enhancements, including legislative, technical, economic, sectoral, social, environmental, geographic, site-specific and temporal information.):

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

1.17 List of commercially sensitive information (if applicable):

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

2 VCS Methodology:

2.1 Title and reference of the VCS methodology applied to the project activity and explanation of methodology choices:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

2.2 Justification of the choice of the methodology and why it is applicable to the project activity:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

2.3 Identifying GHG sources, sinks and reservoirs for the baseline scenario and for the project:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

2.4 Description of how the baseline scenario is identified and description of the identified baseline scenario:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

2.5 Description of how the emissions of GHG by source in baseline scenario are reduced below those that would have occurred in the absence of the project activity (assessment and demonstration of additionality):

The Project has been registered by UNFCCC on 21/07/2008 (Ref. No. 1243) as a CDM project. The additionality of the Project has been demonstrated in the registered PDD (<http://cdm.unfccc.int/UserManagement/FileStorage/T2OTUPEVN79W0A0RC7NMZM7HXFBLX6>). Detailed information regarding the demonstration is neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

3 Monitoring:

3.1 Title and reference of the VCS methodology (which includes the monitoring requirements) applied to the project activity and explanation of methodology choices:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

3.2 Monitoring, including estimation, modelling, measurement or calculation approaches:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

3.3 Data and parameters monitored / Selecting relevant GHG sources, sinks and reservoirs for monitoring or estimating GHG emissions and removals:

For all the data and parameters listed in the monitoring plan of the registered PDD of the Project, only the monitoring method regarding the consumption of natural gas, i.e. the total volume of natural gas combusted in the project plant in year y ($FC_{NG,y}$), was revised during the monitoring period. Since the monitoring method regarding other data and parameters had been defined in the registered PDD of the Project and had not changed during the monitoring period, relevant description were neglected in this document as per “Policy Announcement from the VCS Association” published on 19/03/2008.

- As defined in methodology AM0029 version 01 under which the Project was registered as a CDM project, “the total fuel consumption will be monitored both at supplier and project end for cross-verification.” Therefore, the monitoring point of the total volume of natural gas combusted in the project plant in year y ($FC_{NG,y}$) at project end was clearly defined as Gas Pressure Regulating Station of the Sulige Fuel Gas Power Generation Co., Ltd. of Inner Mongolia (Project Owner), and the “natural gas metering handover receipt and natural gas purchase record” were removed from the data source for cross-check (P39 on the registered PDD). The revision ensures the consistency between the monitoring plan and the requirements of methodology AM0029 version 01.
- Type and precision of gas flow meter used in the monitoring of the total volume of natural gas combusted in the project plant in year y ($FC_{NG,y}$) was not defined in methodology AM0029 version 01. The Project Owner had planned to employ orifice-plate flow meters, with a precision class of 0.5. As described on P35 of the registered

PDD, the “precision of orifice meter used in the Project is 0.5”. However according to Natural Gas Purchase Agreement, the gas supplier, Changqing Gas Field of China National Petroleum Corporation (hereafter referred to as CNPC), is responsible for installation, operation and maintenance of the natural gas flow meters employed by the Project. CNPC had decided to employ orifice-plate flow meters with a precision class of 1.0 to monitor the natural gas consumption of the Project since 2007 and then replaced the orifice-plate flow meters with ultrasonic wave flow meters with a precision class of 1.0 in September, 2007. The Project Owner had to accept the replacement and revise the monitoring plan as the “precision of the gas flow meter used in the Project shall not be lower than 1.0” thus to comply with the practice of the Project. Detailed demonstration regarding this revision had been submitted to the verifier.

Data / Parameter:	$FC_{NG,y}$
Data unit:	Nm ³
Description:	the total volume of natural gas combusted in the project plant in year(s) ‘y’
Source of data to be used:	Data in the PDD is obtained from FSR and real data will be obtained based on measurement.
Value of data applied for the purpose of calculating expected emission reductions	247,805,250
Description of measurement methods and procedures to be applied:	Daily measured continuously by natural gas flow meters and monthly recording by the project owner.
QA/QC procedures to be applied:	The total volume of natural gas combusted in the project plant in year(s) ‘y’ will be monitored by the natural gas flow meter at the Changqing Gas Field, and cross checked against the monitoring results of the natural gas flow meter installed at the Gas Pressure Regulating Station. Precision of the gas flow meter used in the Project shall not be lower than 1.0. The gas flow meter will be maintained and tested in accordance with stipulation of the meter supplier to ensure accuracy. The readings will be double checked by the gas supply company.
Any comment:	-

3.4 Description of the monitoring plan

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

4 GHG Emission Reductions:

4.1 Explanation of methodological choice:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

4.2 Quantifying GHG emissions and/or removals for the baseline scenario:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

4.3 Quantifying GHG emissions and/or removals for the project:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

4.4 Quantifying GHG emission reductions and removal enhancements for the GHG project:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

5 Environmental Impact:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

6 Stakeholders commentsBus:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

7 Schedule:

Neglected as per “Policy Announcement from the VCS Association” published on 19/03/2008.

8 Ownership:

8.1 Proof of Title:

As defined in the Approval Letter of the Feasibility Study Report of the Project issued by Inner Mongolia Development and Reform Commission on 10/12/2004, the Project Owner of Sulige Natural Gas Based Power Generation Project is Sulige Fuel Gas Power Generation Co., Ltd. of Inner Mongolia.

The ownership of the Project Owner has been described in the registered PDD of the Project, which has been validated by TUV-SUD. The validation report issued by TUV-SUD can be found at:

<http://cdm.unfccc.int/UserManagement/FileStorage/74LWBO2N2IWJYQ8DIUQUKTH6GZBFUS>. (Page A-1)

Letter of Approval issued by China’s DNA for the Project could be another proof of the title of the Project Owner. It can be found at:

<http://cdm.unfccc.int/UserManagement/FileStorage/94UPKMS9J4SYQTNR46NK61HTFGDOKS>.

8.2 Projects that reduce GHG emissions from activities that participate in an emissions trading program (if applicable):

The Project was registered as a CDM project on 21/07/2008. As per CDM rules, emission reduction credits generated by the Project prior to 21/07/2008 can not be claimed as CERs. The Project Owner expects to claim these emission reduction credits as VCUs and has not applied for other environmental credits.