



CDM at work in India

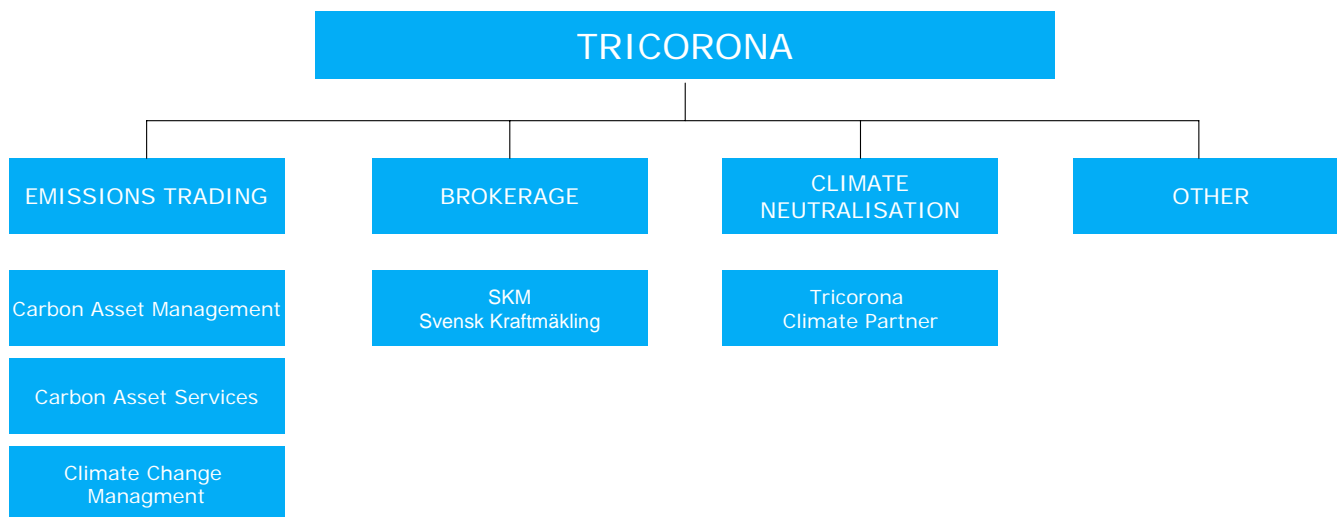
3 May 2007

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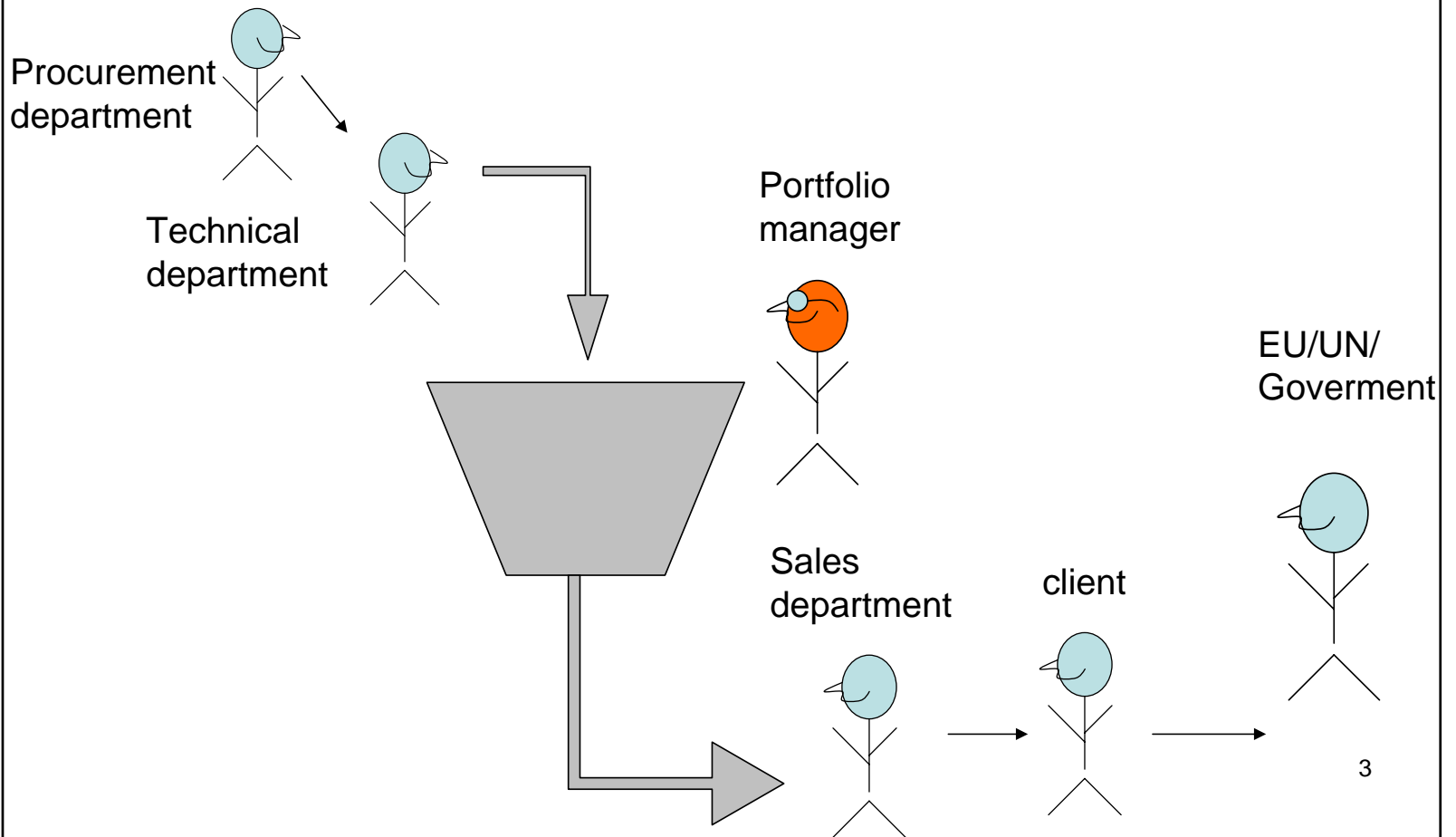
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This is TRICORONA

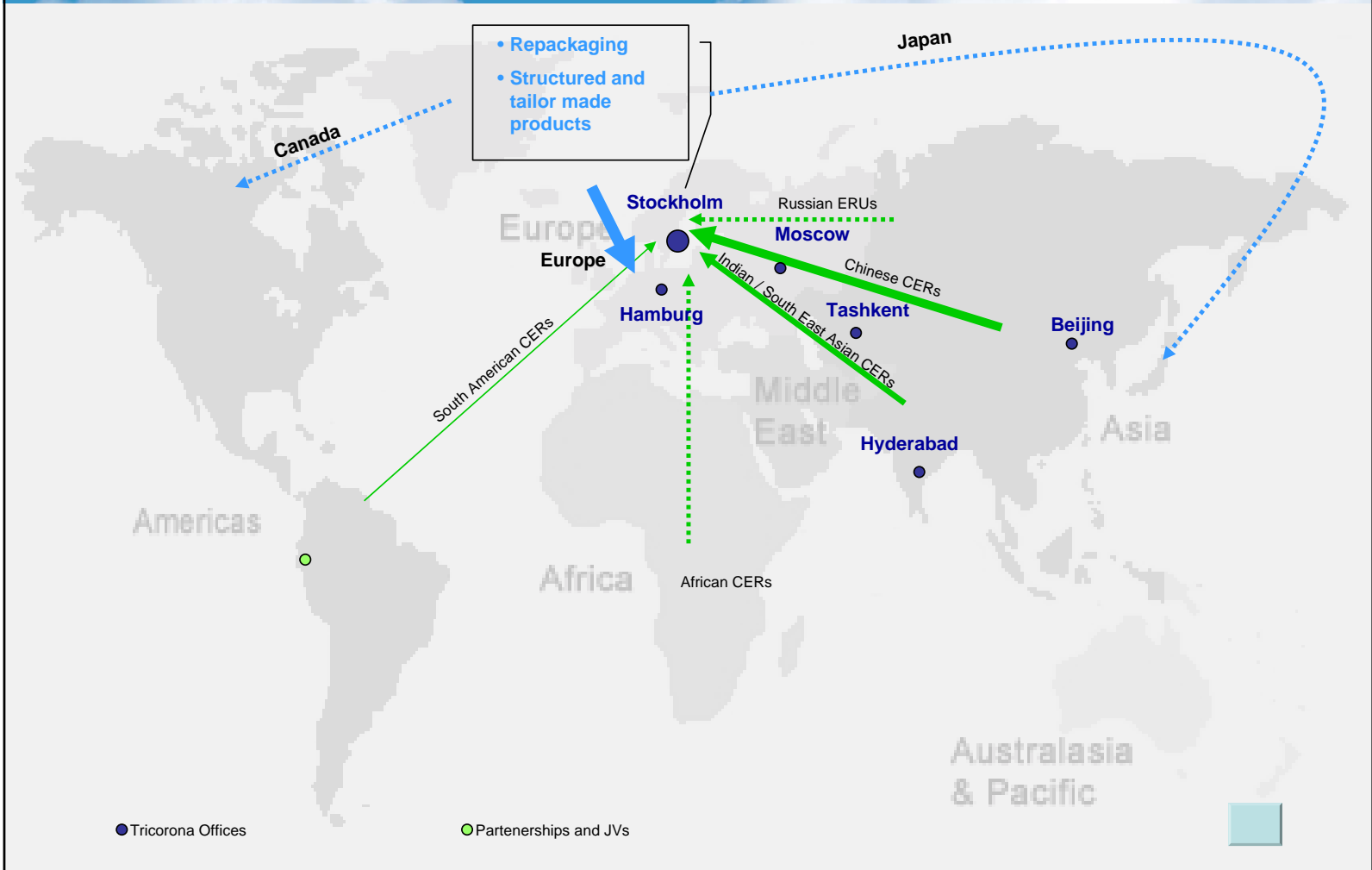
*”Tricorona invests and trades
in environment-related market instruments”*



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Content

- Not every good project is a good CDM project
- So what does it take to develop a good CDM project?
- Example: Programmatic CDM

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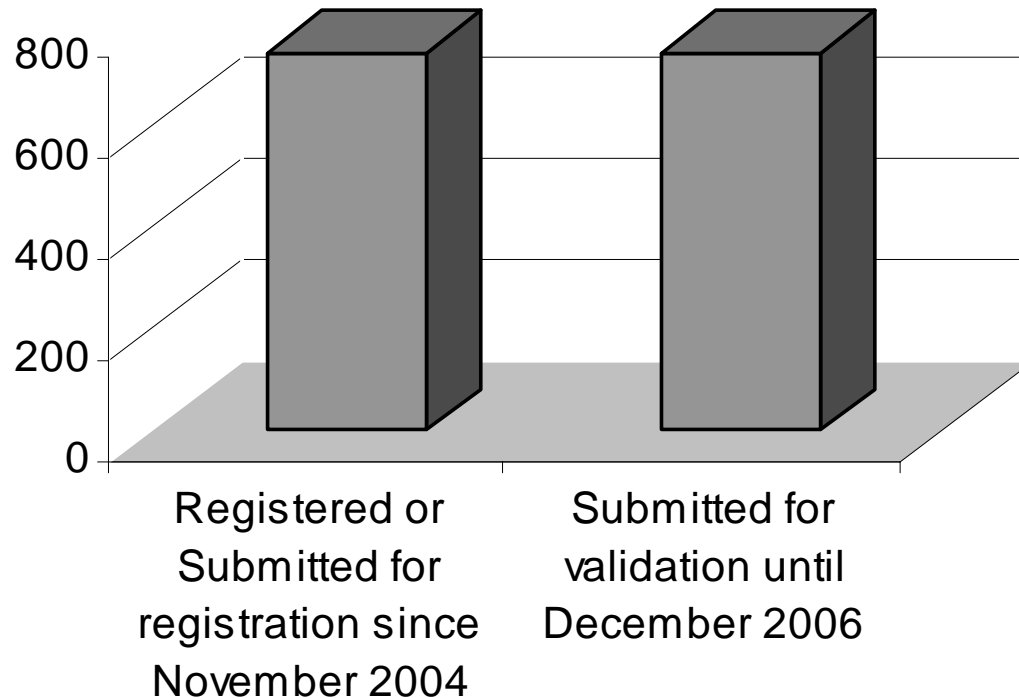
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Not every good project is a good CDM project

Average time until submission for registration: 7 months...
For those projects who finally make it through



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Why?

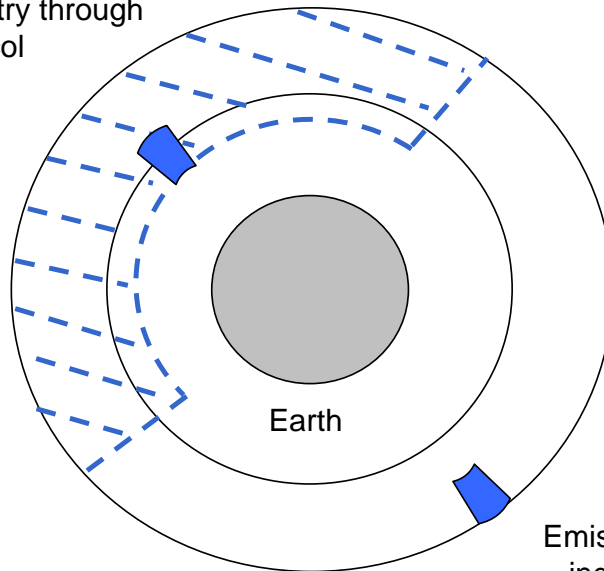
Because we like to talk about business opportunities instead of problems.

business opportunity = potential Business as usual \neq CDM project

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Emission reduction (5.2% compared to 1990) by Annex I country through the Kyoto Protocol

... can be used by an industry in an Annex I country



2012 Year's emissions in Business as usual

1990 Year's emissions

Emission reductions from an industry in a non-annex I country that would not occur in the absence of the CDM...

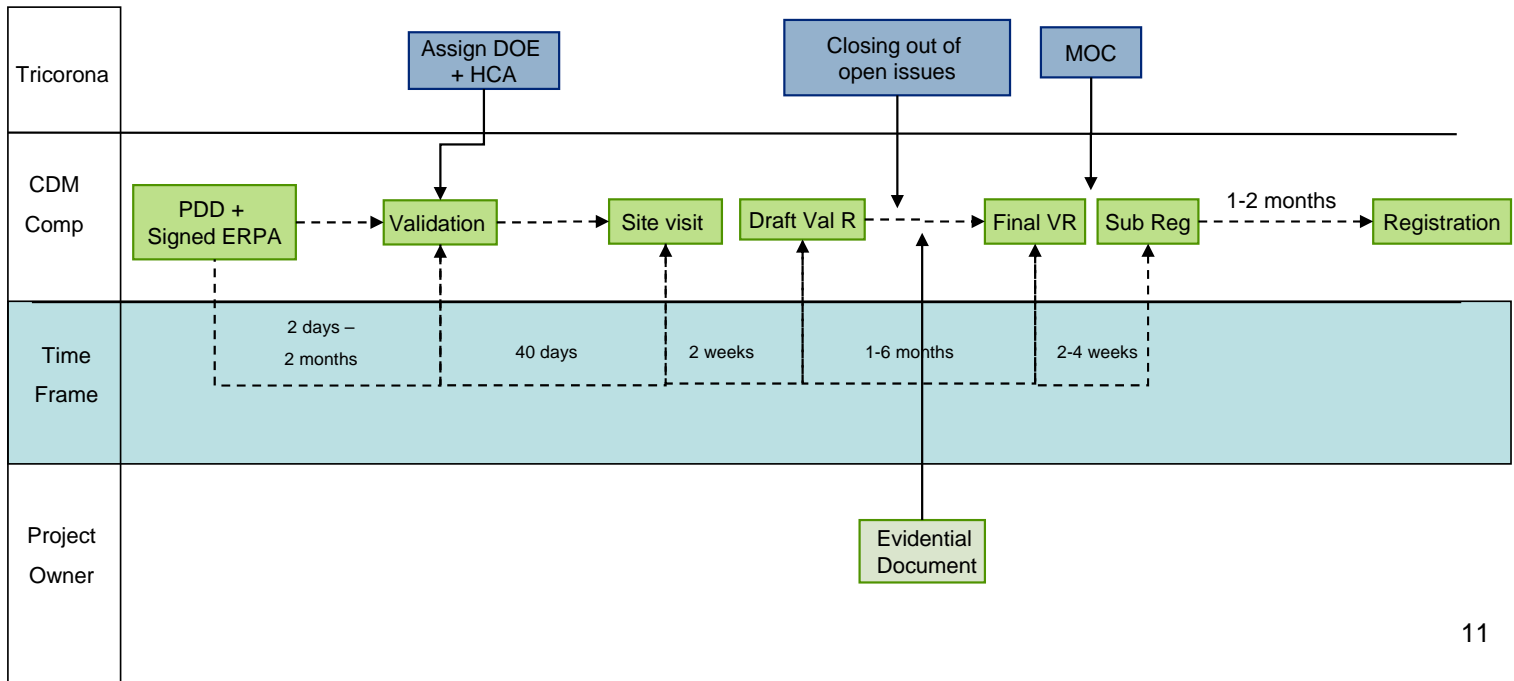
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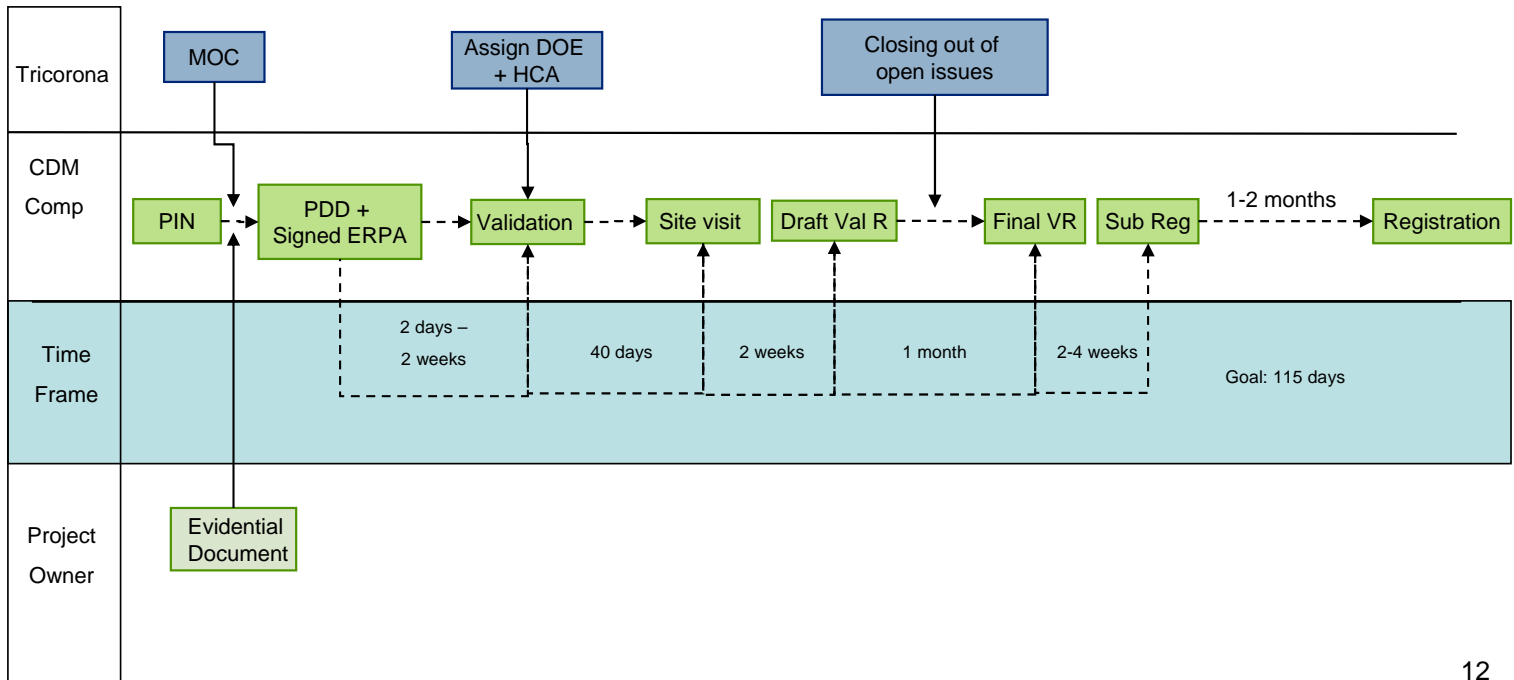
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Good management of the process...



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Bundled Wind power project in Tamilnadu, India co-ordinated by the TamilNadu Spinning Mills Association (TASMA)

- 704 wind turbines owned by small wind mill sub project owners, who operate spinning mills, encouraged by their Association - Tamil Nadu Spinning Mills Association (TASMA).
- The generated wind power (460 MW installed capacity) is used for meeting their captive needs and for exportation to the grid.
- Programmatic feature:
 - bringing together a number of investors with small power requirements (who otherwise would have chosen to draw power from the grid) to invest into wind turbines as:
 - They could gain negotiating capacity with the suppliers;
 - Infrastructure support could be procured easier;
 - Resources to obtain CDM benefits and power purchase agreements could be pooled.

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Underlying documentary evidence required to prove the project's case

- Detailed location, capacity, ownership, commissionin date and wind condition for every of the 700 turbines
- TASMA meeting minutes, attestations of power of attorney and written procedures on how to deal with the CDM
- Bank letter confirming the benchmark and confirmation from the other two spinning mill associations that no CDM initiative has been undertaken
- Permissions and licences for erection and operation as well as Power purchase agreements for all turbines
- Detailed IRR/NPV calculations for each of the owners/turbines
- confirmation that the CDM has been considered by all 225 subproject owners.
- Fuel consumption, NCV, Emission factors and electricity generation for all fossil fuel fired power plants connected to the Southern Grid of India
- Maintenance schedules, maintenance contracts and the machine manuals. Respective procedures covering internal audits, performance reviews and corrective actions
- actual electricity data for February 2003, February 2004, February 2005 and February 2006 that has been collected by TASMA through the computer software from all the sub projects.
- Samples of monitored noise level for the month of February 2003-2006 for all subprojects.
- A list of interviewed persons including their responses and a summary of their replies.

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In conclusion

- Not every good project is a good CDM project

Strong Due Dilligence and Long Experience with the CDM is saving costs and frustrations further down the road

- So what does it take to develop a good CDM project?

Partners with a lot of resource in terms of finance, time and commitment

- Example: Programmatic CDM

Big can be beautiful

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Your partner for...

- ... CO2 Trading & Compliance
- ... CDM / JI Project Developers
- ... Gold Standard Support
- ... Voluntary Climate-Neutral Activities
- ... Power Trading & Wholesale
- ... Renewable Power Certificates & Label

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