



JI DETERMINATION REPORT FORM (F-JI-DRep) - Version 01

(By submitting this form, an accredited independent entity requests the publication of a determination pursuant to paragraph 33 of the JI guidelines in accordance with paragraph 34 of the JI guidelines.)

Name of accredited independent entity (AIE)	TÜV SÜD Industrie Service GmbH
P r o p o s e d J I P r o j e c t	
Title and reference number of project	Sudenai and Lendimai Wind Power Joint Implementation Project (0046)
Host Party(ies)	Lithuania
Parties involved in the project	Sweden
(Authorised) project participants	Vejo Elektra UAB Nordic Environment Finance Corporation (NEFCO)
Small-scale project (yes/no)	yes
Brief description of project	
<p>The objective of the JI project Sudenai and Lendimai Wind Power Joint Implementation Project (0046) is to establish two wind power plants with a combined capacity of 14 MW at Sudenu and Lendimu villages in Lithuania (JI Project).</p> <p>The renewable electricity produced by the wind power plants will displace carbon intensive electricity produced from fossil fuel sources in the Lithuanian power network, thus contributing to the lowering of greenhouse gas emissions as well as other pollutants related to fossil fuel based power generation.</p> <p>In order to give incentives for business of wind energy parks, the government has issued legislation regulating the obligatory purchase of wind power electricity. However, the feed-in tariff is not sufficient to realize the project on a commercial basis. Additional income from the sale of carbon credits under the Kyoto Joint Implementation scheme is required to turn the project attractive for the investors.</p>	
D e t e r m i n a t i o n r e p o r t	
General information on determination	
(Please describe:	
<ul style="list-style-type: none">➤ The scope of the determination process, including all documentation that has been reviewed and the names of persons interviewed during the determination process, as applicable;➤ The AIE's determination team, including a list of all persons involved in the determination process and a description of the functions assumed.)	

The determination scope is defined as an independent and objective review of the project design document (PDD), the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. TÜV SÜD has employed a risk-based approach in the determination, focusing on the identification of significant risks for project implementation and the generation of ERUs.

The determination is not meant to provide any consulting towards UAB Vejo Elektra. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.

On May 03, 2007 TÜV SÜD performed interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of the project proponent LH Carbon OÜ, the wind farm owner UAB Vejo Elektra, wind farm operator OÜ Nelja Energia and the Municipality of Kretinga have been interviewed.

Validation team on-site:

Klaus Nürnberger TÜV SÜD Industrie Service GmbH

Madis Maddison OÜ Projektkeskus

Interviewed persons:

Dainius Kriauciūnas UAB Vejo Elektra and UAB Lariteksas, director (United Partners Corporate Finance AS)

Hannu Lamp LH Carbon OÜ, JI Consultant

Martin Kruus OÜ Nelja Energia, CEO, representative for 4Energyas operator of the wind farm

Andrus Zavadskis OÜ Nelja Energia, Technical manager

Gintautas Maciruskas United Partners Corporate Finance AS, analyst

Jonas Petrulis Administration of Kretinga municipality, architect

Valerijonas Kubilius Mayor of Kretinga

Description of determination process

(Please refer to:

- The review of the JI PDD and additional documentation attached to it;
- The assessment against JI requirements, e.g. by using a determination protocol;
- The report of findings by the AIE, including the use of different types of findings (e.g. corrective action requests, clarifications or observations etc.).

Statements or assessments should be included in section "Conclusions, final comments and determination opinion" below.)

A first PDD (Version 1 - February 2007) were submitted to TÜV SÜD by LH Carbon OÜ on 12.02.2007. The second PDD (Version 2 – March 2007) were submitted on 23.03.2007 for publishing on the TÜV SÜD website www.netinform.net and on JISC-website. The publishing on JISC-website was confirmed on 23.03.2007. As a result of the onsite-assessment the PDD was revised again (version 3, May 2007) and sent to TÜV SÜD on May 23, 2007.

After given comments from TÜV SÜD a renewed PDD-version (version 4 June 29 2007, Vejo Elekta JI PDD Sudenai-Lendimai June 29 2007.doc) was provided. After the quality assurance of certification body some comments raised, which was resolved with the updated PDD-version (version 6, November 6, 2007) which served as the basis of this determination report.

On May 03, 2007 TÜV SÜD performed interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review.

In order to ensure transparency, a determination protocol was customised for the project. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria. See Appendix A to the determination report.

The determination findings for each determination subject are presented as follows:

- 1) The findings from the review of the PDD (version 2) and the findings from interviews during the follow up visit are summarised. A detailed record of these findings can be found in the Determination Protocol in Appendix A of the Determination Report.
- 2) Where TÜV SÜD had identified issues that needed clarification or that represented a risk to the fulfilment of the project objectives, a Clarification or Corrective Action Request, respectively, has been issued. The Clarification, Corrective Action Requests and Additional Information Requests are stated, where applicable, in the following sections and are further documented in the Determination Protocol in Appendix A of the Determination Report.
- 3) Where Clarification Requests and Additional Information Requests have been issued, the exchanges with LH Carbon to resolve these Clarification and Additional Information Requests will be summarized in the determination report.

After submission to JISC for registration of the project few adjustments were requested. Therefore the PDD was once more revised accordingly and provided to TÜV SÜD (version 7, 22 February 2009).

Comments received from Parties, stakeholders and UNFCCC accredited observers

(Please:

- Summarise the comments received pursuant to paragraph 32 of the JI guidelines; and
- Provide a report of how due account was taken of these.)

TÜV SÜD started to publish the PDD and the baseline study on its homepage and on the UNFCCC JI project site on March 23, 2007 and was open for comments until April 22, 2007.

Within this period no comments have been received.

Conclusions, final comments and determination opinion

(The requirements of Article 6 of the Kyoto Protocol and the JI guidelines and further relevant requirements defined by the COP/MOP or the JISC with regard to determinations pursuant to paragraph 33 of the JI guidelines have to be met.

Please provide:

- Conclusions on each of these requirements, describing how these requirements, in particular those referred to in paragraph 33 of the JI guidelines, have been met, including assessments and findings (e.g. corrective action requests, clarifications or observations) related to each requirement and statements on whether all issues raised have been addressed to the AIE's satisfaction;
- Final comments and a determination opinion.)

TÜV SÜD has performed a determination of the "Sudenai and Lendimai Wind Power Joint Implementation Project". The determination was performed on the basis of UNFCCC criteria as well as criteria given to provide for consistent project operations, monitoring and reporting.

The review of the project design documentation and the subsequent follow-up interviews have provided TÜV SÜD with sufficient evidence to determine the fulfilment of stated criteria. In our opinion, the project itself meets all relevant UNFCCC requirements for JI.

By building a wind farm with state of the art wind turbines the project results in reductions of CO2 emissions that are real, measurable and give long-term benefits to the mitigation of climate change.

The eligibility criterion regarding National JI-Guidelines and DFP of the host and investor country is meanwhile fulfilled. Required approvals by the host country and buyer country are available.

After submission to JISC for registration of the project few adjustments were requested on 23. December 2008. Therefore the PDD was once more revised accordingly and provided to TÜV SÜD (version 7, 22 February 2009). The requested corrections were sufficiently resolved.

The determination is based on the experience of our own onsite visit and on the information made available to us and the engagement conditions detailed in this report. TÜV SÜD can not guarantee the accuracy or correctness of this information. Hence, TÜV SÜD can not be held liable by any party for decisions made or not made based on the determination opinion."

All requirements of Article 6 of the Kyoto Protocol and the JI guidelines and further relevant requirements defined by the COP/MOP or the JISC with regard to determinations pursuant to paragraph 33 of the JI guidelines are met:

Yes

No

List of documents attached to the determination report

(Please attach:

- ✓ The JI PDD of the project;
- ✓ Written approvals by all Parties involved in an alphabetical order; and
- ✓ Other relevant documents, e.g. any determination protocol used in the determination process, a list of persons interviewed by the AIE's determination team during the determination process; (check mark below accordingly.)

JI PDD of the project

Written approvals by the Parties involved

Other documents:

Determination protocol

List of persons interviewed

Any other documents (please list):

Enclosure 1 – Sensitivity Analysis 0046

Enclosure 2 – Energy yield assessment 0046

Enclosure 3 – Letter by 4Energia 0046

Enclosure 4 - Sudenai-Lendimai financial projection

The AIE herewith declares that undertaking the determination for the proposed JI project referred to above does not constitute a conflict of interest which is incompatible with the role of an AIE under JI.

Name of authorized officer signing for the AIE

Manja Welzel, June 19, 2009

Date and signature

