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Determination Report

S.C. Eviva Nalbant S.R.L.

DETERMINATION OF THE JI TRACK 1 PROJECT:

RENEWABLE ENERGY PRODUCTION FACILITIES IN BABADAG, TULCEA

REPORT NO. 600500496

16 March 2011

TÜV SÜD Industrie Service GmbH

Carbon Management Service
Westendstr. 199 - 80686 Munich – GERMANY

Industrie Service

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600500496	06-12-2010	4	16-03-2011	-

Subject: Determination of the JI Project Renewable Energy Production Facilities in Babadag, Tulcea

Project Participant(s):	**Project Site(s):**
SC Eviva Nalbant S.R.L. *(the company who ordered determination)* 12 Stelea Spatarul Street Bucharest Romania	*Babadag City, Constanta county in Romania* *GPS Coordinates:* *Cluster 1:* • Latitude 44.915833° (N 44° 54' 57") • Longitude – 28.690833° (E 28° 41' 27") *Cluster 2:* • Latitude 44.883333° (N 44° 52' 60") • Longitude – 28.753056° (E 28° 45' 11")

Project Title:	Renewable Energy Production Facilities in Babadag, Tulcea		
Applied Methodology / Version:	ACM 0002/ Version 10	**Scope(s):** **Technical Area(s):**	1 1.1

First PDD Version (GSP):		**Final PDD version:**	
Date of issuance:	22-06-2010	Date of issuance:	22-11-2010
Version No.:	02	Version No.:	04
Starting Date of GSP	24-03-2010		

Estimated Annual Emission Reduction: **64,730** tCO_2e

Assessment Team Leader:	**Technical Reviewer:**
Robert Mitterwallner	Thomas Kleiser
Assessment Team Members:	
Determiner:	**Responsible Certification Body Members:**
Robert Mitterwallner	Thomas Kleiser
Expert:	
Constantin Zaharia	
Trainees:	
Nevena Pingarova	
Sebastian Randig	

Summary of the Determination Opinion:

☒ The review of the project design documentation and the subsequent follow-up interviews have provided TÜV SÜD with sufficient evidence for the determination of the project's fulfilment of all stated criteria. In our opinion, the project generally meets all national guidelines and procedures of the host country Romania for JI track 1 (http://ji.unfccc.int/JI_Parties/PartiesList.html#Romania; *www.mmediu.ro*) as well as the specific requirements of the LoE of the DFP of Romania. Hence TÜV SÜD is recommending the project for registration by the DFP of Romania if letters of approval of all Parties involved will be available.

☐ The review of the project design documentation and the subsequent follow-up interviews have not provided TÜV SÜD with sufficient evidence for the determination of the project's fulfilment of all stated criteria. Therefore, TÜV SÜD will not recommend the project for registration by the DFP of Romania and will inform the project participants and the DFP of Romania of this decision.

Abbreviations

AIE	Accredited Independent Entity
AMS	Automated Measurement System
CAR	Corrective Action Request
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
CR	Clarification Request
DFP	Designated Focal Point
DVM	Determination and Verification Manual
EIA / EA	Environmental Impact Assessment / Environmental Assessment
ER	Emission Reduction
ERU	Emission Reduction Unit
FAR	Forward Action Request
GHG	GreenHouse Gas(es)
GSP	Global Stakeholder Process
IPCC	Intergovernmental Panel on Climate Change
IRL	Information Reference List
IRR	Internal Rate of Return
JI	Joint Implementation
JISC	JI Supervisory Commitee
KP	Kyoto Protocol
LoA	Letter of Approval
LoE	Letter of Endorsement
MP	Monitoring Plan
NGO	Non Governmental Organisation
PDD	Project Design Document
PP	Project Participant
TÜV SÜD	TÜV SÜD Industrie Service GmbH
UNFCCC	United Nations Framework Convention on Climate Change
DVM	Determination and Verification Manual
RES	Renewable Energy

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1 INTRODUCTION

1.1 Objective

Determination is an independent assessment by a Third Party (Accredited Independent Entity = AIE) of a proposed project activity against the defined set of criteria for registration under the Joint Implementation (JI). Determination is also part of the JI Track 1 project cycle and will finally result in a conclusion by the executing AIE whether a project activity is valid, and should therefore be submitted for registration to the Designated Focal Point (DFP) for JI project implementation in *Romania country – Ministry of Environmental and Forestry*. The ultimate decision on the registration of a proposed project activity rests with the DFP in Romania country and the Parties involved.

The project activity mentioned in this Determination Report has been submitted under the project title: "*Renewable Energy Production Facilities in Babadag, Tulcea*".

The company – S.C. *Eviva Nalbant SRL* - has contracted TÜV SÜD Industrie Service GmbH to conduct a determination of the above mentioned JI project in Babadag City, Constanta County, Romania. The project was designed as a Track 1 project thus in the context of the Global Stakeholder Process (GSP) the project was published on the www.netinform.de website for a period of 30 days and is still available for public consultation at the following web link:

http://www.netinform.de/KE/Wegweiser/Guide22.aspx?ID=7038&Ebene1_ID=50&Ebene2_ID=2350&mode=5.

The project has been published in parallel on the DFP website,

http://www.mmediu.ro/protectia_mediului/schimbari_climatice.htm

Under JI Track 1, requirements for the final approval are set by the DFP involved, mainly the DFP of the host country and in this case it is the Romanian DFP. The general requirements, "National guidelines and procedures for approving JI projects" and the project specific DFP requirements for this project are described in the LoE of the Romanian DFP (IRL-No. 16). The Romanian DFP has issued Letter of approval Nr. 1209 / 09-03-2011 (IRL 34) authorizing S.C. EVIVA NALBANT S.R.L. as a project participant.

The determination serves as a conformity test of the project design and is a requirement for all JI projects. In particular the project's baseline, the monitoring plan (MP), and the project's compliance with host country criteria and general relevant UNFCCC criteria are validated in order to confirm that the project design, as documented, is sound and reasonable and meets the stated requirements and identified criteria. Determination is considered necessary to provide assurance to stakeholders of the quality of the project and its intended generation of emission reductions known as Emission Reduction Units (ERU - in the first commitment period under the Kyoto Protocol).

UNFCCC JI criteria refer to the Kyoto Protocol Article 6 criteria and the Guidelines for the implementation of Article 6 of the Kyoto Protocol as agreed in the Marrakech Accords.

1.2 Scope

The scope of any assessment is defined by the underlying legislation, regulation and guidance given by relevant entities or authorities. In the case of JI project activities, the scope is set by:

- The Kyoto Protocol, in particular § 6 and

- Further COP/MOP decisions with reference to the JI, in particular the annex to decision 9/CMP.1 (referred to as JI Guidelines)
- Decisions and specific guidance outlined by the JISC which are published on the UNFCCC webpage
- Guidelines for Completing the Project Design Document (JI-PDD)
- Joint Implementation Determination and Verification Manual (DVM)
- Baselines and monitoring methodologies (including GHG inventories)
- Management systems and auditing methods
- Environmental issues relevant to the applicable sectoral scope
- Applicable environmental and social impacts
- Sector specific technologies and their applications
- Current technical and operational knowledge of the specific sectoral scope and information on best practice
- Internal and national standards on monitoring and QA/QC
- Additional national requirements as set by the DFP of the host country

The determination process is not meant to provide any form of consulting for the project participant (PP). However, stated requests for clarifications, corrective actions, and/or forward actions may provide input for improvement of the project design.

The first version of the PDD received by TÜV SÜD (version 02, dated 22-06-2010) was made publicly available on the internet at TÜV SÜD's webpage as mentioned above. The applied methodology was ACM 0002, "Consolidated baseline methodology for grid-connected electricity generation from renewable sources", Version 10, valid at the moment of PDD submission.

The only purpose of a determination is its use during the registration process as part of the JI Track 1 project cycle. Hence, TÜV SÜD cannot be held liable by any party for decisions made or not made based on the Determination opinion, which will go beyond this purpose.

The determination scope is defined as an independent and objective review of the PDD and other relevant supporting documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. The rules for Track 1 have to be finalised by the DFP of the host country.
TÜV SÜD followed the recommendations in the DVM (JISC 19) for the determination. In this particular case a project specific determination protocol had been developed and used.

According to the Corrective Action Requests (CARs) and Clarification Requests (CRs) addressed during the audit process the client decided to revise and update the PDD to version 5 from 15 November 2010. This final version of the PDD serves as the basis for the final conclusions presented herewith.

In order to evaluate the PDD and corresponding documentation, it was obvious that the competence and capability of the determination team had to cover at least the following aspects:

- Knowledge of Kyoto Protocol and the Marrakech Accords
- Environmental and Social Impact Assessment
- Skills in environmental auditing (ISO 14001)

- Quality Assurance
- Knowledge of energy generation from renewable sources, - windpower
- Baseline concepts
- Monitoring concepts
- Political, economical and technical random conditions in host country

2 METHODOLOGY

The project assessment aims at being a risk based approach and is based on the methodology developed in the DVM, an initiative of Designated and Applicant Entities, which aims to harmonize the approach and quality of all such assessments.

In order to ensure transparency, a determination protocol was customised for the project. TÜV SÜD developed a checklist and protocol based on the templates presented by the DVM. The protocol shows, in a transparent manner, criteria (requirements), the discussion of each criterion by the assessment team and the results from validating the identified criteria. The Determination Protocol serves the following purposes:

- It organises, details and clarifies the requirements a JI project is expected to meet;
- It ensures a transparent Determination process where the validator will document how a particular requirement has been validated and the result of the Determination.

The Determination protocol for this project consists of three tables. The different columns in these tables are described in the figure below.

The completed Determination protocol is enclosed in Annex 1 to this report.

Determination Protocol Table 1: Conformity of Project Activity and PDD				
Checklist Topic / Question	***Reference***	***Comments***	***PDD in GSP***	***Final PDD***
The checklist is organised in sections following the arrangement of the applied PDD version. Each section is then further sub-divided. The lowest level constitutes a checklist question / criterion.	*Gives reference to documents where the answer to the checklist question or item is found in case the comment refers to documents other than the PDD.*	*The section is used to elaborate and discuss the checklist question and/or the conformance to the question. It is further used to explain the conclusions reached. In some cases sub-checklist are applied indicating yes/no decisions on the compliance with the stated criterion. Any **Request** has to be substantiated within this column*	*Conclusions are presented based on the assessment of the first PDD version. This is either acceptable based on evidence provided (☑), or a **Corrective Action Request (CAR)** due to non-compliance with the checklist question (See below). **Clarification Request (CR)** is used when the Determination team has identified a need for further clarification.*	*Conclusions are presented in the same manner based on the assessment of the final PDD version.*

Table 2 presents the summary of project proponent's response to the CARs and CRs as well as the Determination team's conclusions. This table may also include any Open Issues addressed during the Determination process.

Determination Protocol Table 2: Resolution of Corrective Action and Clarification Requests			
Clarifications and corrective action requests	***Ref. to table 1***	***Summary of project owner response***	***Determination team conclusion***
If the conclusions from Table 1 are either a Corrective Action Request or a Clarification Request, these should be listed in this section.	*Reference to the checklist question number in Table 1 where the Corrective Action Request or Clarification Request is explained.*	*The responses given by the client or other project participants during the communications with the Determination team should be summarised in this section.*	*This section should summarise the Determination team's responses and final conclusions. The conclusions should also be included in Table 1, under "Final PDD".*

In case of any unsatisfactory response from the project proponent to any of the CARs, CRs or Open Issues, the unresolved issues will be presented in table 3.

Determination Protocol Table 3: Unresolved Corrective Action and Clarification Requests		
Clarifications and corrective action requests	***Id. of CAR/CR 1***	***Explanation of the Conclusion for Denial***
If the final conclusions from Table 2 results in a denial the referenced request should be listed in this section.	*Identifier of the Request.*	*This section should present a detailed explanation, why the project is finally considered not to be in compliance with a criterion.*

2.1 Appointment of the Assessment Team

According to the technical scopes and experiences in the sectoral or national business environment, TÜV SÜD has composed a project team in accordance with the appointment rules of the TÜV SÜD certification body "climate and energy". The composition of an assessment team has to be approved by the Certification Body (CB) to assure that the required skills are covered by the team. The CB TÜV SÜD operates four qualification levels for team members that are assigned by formal appointment rules:

- Assessment Team Leader (ATL)
- Determiner (D)
- Trainee (T)
- Experts (E)

It is required that the sectoral scope/s and the technical area/s linked to the methodology and project have to be covered by the assessment team. The Determination team consisted of the following members (Assessment Team Leader is written in bold letters):

Name	Qualification	Coverage of scope	Coverage of technical area	Host country experience
Robert Mitterwallner	**ATL / D**	☑	☑	☑
Constantin Zaharia	**E**	☐	☐	☑
Nevena Pingarova	**T**	☑	☐	☐
Sebastian Randig	**T**	☑	☑	☐

Robert Mitterwallner is located at TUV SÜD Industrie Service in Munich since 1990 and has a background as auditor for environmental management systems, as expert in environmental permit procedures for industrial plants and as expert for environmental impact studies assessment. He has received training in the JI determination/verification and CDM validation/verification process and applied successfully as GHG Determiner, GHG Validator, GHG Verifier as well as Assessment Team Leader for climate change projects, among others, in the scope energy industries, e.g. wind farms. Moreover, he has been appointed as Auditor for Renewable Energy Certification.

Constantin Zaharia is environmental engineer and is working as GHG Verifier in the Carbon Management Service Department of TÜD SÜD Industry Service GmbH, Germany. He has several years of experience in JI projects. He covered together with other team members the country expertise and the knowledge of Romanian language as well as all respective national (environmental) laws.

Nevena Pingarova is appointed as Financial Expert and an auditor trainee for greenhouse gas emissions at Carbon Management Service Department in TÜV SÜD Industrie Service GmbH. She has a Masters degree in Forecasting and Planning of Economic Systems from the University of World and National Economy, Sofia. Prior to joining TÜV SÜD Nevena Pingarova has 5 years experience as a JI project developer.

Sebastian Randig is a GHG auditor for environmental management systems at the "Carbon Management Service" in the head office of TÜV Industrie Service GmbH, Germany and Assessment team leader in CDM. He holds a M.Sc. degree in Renewable Energy and has gathered experience in planning and installing renewable energy installations before joining TÜV SÜD. Sebastian Randig has received training in the CDM validation process and participated in several CDM project assessments. He is a trainee in JI.

2.2 Review of Documents

The fourth version of the PDD was submitted to the AIE in November 2010. This PDD version and additional background documents related to the project design and baseline have been reviewed to verify the correctness, credibility, and interpretation of the presented information. Furthermore, a cross-check between information provided and information from other sources (if available) has been done as an initial step of the determination process. A complete list of all documents and evidence material reviewed is attached as annex 2 to this report.

2.3 Follow-up Interviews

Physical site inspections and interviews with the project developer and the PP were held between 11th October 2010 and 12th October 2010 to confirm relevant information, and to resolve issues identified in the first document review. The table below provides a list of all persons interviewed in this process.

Name	Organisation, Position
Manuel Silva	Administrator of EVIVA NALBANT SRL Martifer Renewable, Country Manager
Liviu Gheorghe	Eco2ro, PDD author
Beucan Gheorghe	Municipality of Babadag
Simion Cistina	Municipality of Babadag
Goncao Garinho	Afaplan, construction engineer
Ghica Florentina	Eviva Nalbant, electrical engineer

2.4 Further cross-check

During the determination process the team has made reference to available information related to similar projects or technologies as the JI project activity. Project documentation has also been reviewed against the project specific methodology to confirm the appropriateness of formulae and correctness of calculations.

2.5 Resolution of Clarification and Corrective Action Requests

The objective of this phase of the determination is to resolve the requests for corrective actions, clarifications, and any other outstanding issues which needed to be clarified for TÜV SÜD`s conclusion on the project design. The CARs and CRs raised by TÜV SÜD were resolved during communication between the project developer / PP and TÜV SÜD. To guarantee the transparency of the determination process, the concerns raised and responses that have been given are documented in more detail in the determination protocol in annex 1.

2.6 Internal Quality Control

Internal quality control is the final step of the determination process and involves the internal quality control by the CB “climate and energy” of the final documentation, which includes the determination report and annexes. The completion of the quality control indicates that each report submitted has been approved either by the head of the CB or the deputy (a veto person can be used if necessary). In projects where either the Head of the CB or his/her deputy is part of the assessment team, the approval is given by the one not serving on the project.

It is the ultimate decision of TÜV SÜD’s Certification Body whether a project will be submitted for requesting registration at the Romanian DFP or not.

3 SUMMARY

The assessment work and the main results are described below in accordance with the DVM reporting requirements (approved at JISC 19th meeting, December 2009 – IRL33). The referenced documents, indicated in this section and Annex 1, are stated in Annex 2.

3.1 Approval

The Project Participant is SC Eviva Nalbant SRL, Romania. Eviva Nalbant doesn't want to be considered as Project Participant. The host Party Romania meets the requirements to participate in the JI (see chapter 1.1).

The Romanian DFP, has issued a LoE (IRL No.16) on 30.06.2010 indicating that the DFP does not have any fundamental objections to this particular project.

Project proponent applied for a LoA from the Host country after receiving this final determination report from TÜV SÜD dated 05.01.2011 according to JI Track 1 procedure final AIE's determination opinion is needed for a successful official approval by Romanian DFP.
http://ji.unfccc.int/UserManagement/FileStorage/AWBVICCKC5KW215L28BETVJZ1YHUN6

The Romanian DFP has issued Letter of approval Nr. 1209 / 09-03-2011 (IRL 34) authorizing S.C. EVIVA NALBANT S.R.L. as a project participant. TÜV SÜD received this letter from the project participants directly and considers the provided letter as authentic..

3.2 Participation

Neither of the Parties wishes to be considered as Project Participant.

3.3 Project design document

The PDD is compliant with the form published by the Romania DFP (IRL-No. 2, see Annex 1).

The PDD is compliant with relevant form and guidance as provided by the UNFCCC JISC. TÜV SÜD concludes that the guidelines for the completion of the PDD in their most recent version have been followed. Relevant information has been provided by the participants in the applying PDD sections. Completeness was assessed through the checklist included to annex 1 of this report.

3.4 Project description

The following description of the project as per the PDD was verified during the on-site audit:

The project consists in the installation of 20 x 2.1 MW wind turbines in two clusters Babadag 1 (16) and Babadag 2 (4) for electricity production, based on favourable wind conditions available in the area. The project site is located near Babadag city, Constanta County. The expected net annual generation of the project activity is approximately 77,707 MWh (average for the crediting period 2011 and 2012). By replacing fossil fuel based power generation of the national Romanian electricity grid approximately 64,730 tCO_2 will be reduced annually during the crediting period 2011 - 2012. The project is being developed by SC EVIVA NALBANT SRL.

The information presented in the PDD on the technical design is consistent with the actual planning and implementation of the project activity as confirmed by:

- The review and cross check of data and information (see annex 2).

- An on-site visit which has been performed. Relevant stakeholder and personnel with knowledge of the project were interviewed. In case of doubt, further cross checks through additional interviews by phone were conducted.
- Information related to similar projects or technologies which have been used to validate the accuracy and completeness of the project description.

In conclusion, TÜV SÜD confirms that the project description, as included in the PDD, is sufficiently accurate and complete in order to comply with the general and specific JI requirements.

3.5 Baseline scenario and monitoring methodology

3.5.1 Applicability of the selected methodology

Compliance with each applicability condition as listed in the chosen CDM methodology ACM0002 "Consolidated baseline methodology for grid-connected electricity generation from renewable sources" Version 10 was applied. The project is in compliance with applicability condition as listed in the chosen baseline and monitoring methodology.

The assessment was carried out for each applicability criteria and included, among other checks, the compliance check of the local project setting with the applicability conditions in regard to baseline scenario setting and eligible project measures. This assessment also included the review of secondary sources, which further demonstrate that applicability conditions have been complied with.

The specific protocol that has been derived from the ACM 0002, included in the annex 1, documents the assessment process. The protocol also includes the steps taken in the assessment process. The results of the compliance check as well as relevant evidence are detailed in annex 1.

TÜV SÜD confirms that the chosen baseline and monitoring methodology is applicable to the project activity.

Emission sources, which are not addressed by the applied methodology, and which are expected to contribute more than 1% of the overall expected average annual emission reductions, have not been identified.

3.5.2 Project boundary

The project boundary was assessed considering information gathered from the physical site inspection, interviews, and secondary evidence received on the design of the project (IRL 15).

The project boundary is the National Power Grid (NPG), since the Romanian Grid is of national scale. Relevant documentation assessed to confirm the project boundary are listed below:

- Contract for connecting to the grid (IRL 9)
- Technical approval of WP (IRL 9)

Therefore, TÜV SÜD confirms that the identified boundary, the selected sources and gases as documented in the PDD are justified for the project activity and are fully in line with the requirements set by the applied methodology.

3.5.3 Baseline scenario identification

The baseline scenario is the following: electricity delivered to the grid by the project activity would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the combined margin (CM) calculations.

The information presented in the PDD has been validated by a first document review of all the data, further confirmation based on the on-site visit and a final step by cross checking the information with correctly.

Transparent and documented evidences were provided to assessment team within on-site visit. Based on conservative interpretation of collected audit evidences, TÜV SÜD considers that the identified baseline scenario is reasonable.

TÜV SÜD confirms that all relevant JI requirements, including relevant national and / or sectorial policies and circumstances, have been identified correctly taken into account in the definition of the baseline scenario.

A verifiable description of the baseline scenario has been included to the PDD.

In conclusion TÜV SÜD confirms that:

1. All the assumptions and data used by the project participants are listed in the PDD, including their references and sources;
2. All documentation used is relevant for establishing the baseline scenario and correctly quoted and interpreted in the PDD;
3. Assumptions and data used in the identification of the baseline scenario are justified appropriately, supported by evidence and can be deemed reasonable;
4. Relevant national and/or sectorial policies and circumstances are considered and listed in the PDD;
5. The approved baseline methodology has been correctly applied to identify the most reasonable baseline scenario and the identified baseline scenario reasonably represents what would occur in the absence of the proposed JI project activity.

3.5.4 Algorithm and/or formulae used to determine emission reductions

TÜV SÜD has assessed the calculations of project emissions, baseline scenario emissions, leakage, and emission reductions. The PDD of the project activity adopts an ex-post approach, using the ex-ante EF factor only to estimate ERs.

The parameters and equations presented in the PDD, as well as other applicable documents, have been compared with the information and requirements presented in the methodology and respective tools.

The assumptions and data used to determine the emission reductions are listed in the PDD and all the sources have been checked and confirmed.

3.5.4.1 Baseline emissions

Conforming to applicable CDM methodology ACM0002 Version 10, the baseline emissions to be included in the boundary of the proposed project are CO_2 emissions from electricity generation in fossil fuel fired power plants that are displaced due to the project activity.
Furthermore, the project will use an ex-post approach to determine EF for the purpose of computing project emission reductions. This is possible in a transparent manner because, as part of its EU requirements, Romania is mandated to publish such data for the purpose of its participation to the EU ETS “CITL Internet site of the European Commission:
http://ec.europa.eu/environment/climat/emission/citl_en.htm”.

According to DFP, successful determination of a JI project by an accredited AIE implies the recognition and implementation of procedures used in that project, including those developed for the calculation of the ex-ante EF at national level; the institutions involved in the endorsement of the EF determined in Timisoara Centru (IRL 23), and applied by the project activity in its PDD, are Romanian Energy Regulatory Authority, ANPM, and the Ministry of Environment. The first year for the calculation is 2011, based on data available by March 31, 2012.

The information presented in the PDD has been validated by comparing the grid emission factor: CO_2 grid emission factor ($EF_{grid,CM,y}$ = 0.9215 tCO_2/MWh) provided by the Romanian Energy Regulatory Authority - ANRE through the Romanian Designated Focal Point for Joint Implementation to the used one of 0.833 tCO_2/MWh) from approved project Timisoara Centru (LoA No. 6119/23.11.2006).

EF used for this project is more conservative than the referenced one, therefore it is acceptable.

Detailed information on the verification of the parameters used in the equations can be found in the annex 1.

3.5.5 Project emissions

No emissions are associated with the wind turbines operation.

3.5.6 Leakage

As per ACM0002 vs. 10, zero leakage is assumed due to the project activity.

3.5.7 Emission Reductions

During the site visit the discussions on the calculation procedure issue concluded that no excel workbook was necessary, as the project activity adopts an ex-post approach, using the ex-ante EF factor only to estimate ERs, taking into account the following parameters presented in ACM 0002 vs. 10 methodology:

$ER_y = BE_y$, where:

ER_y	Emission reductions in year y (t CO_2e/yr)
BE_y	Baseline emissions in year y (t CO_2e/yr)

In summary, the calculation of the baseline emissions, project emissions, and the emission reductions, respectively, can be considered as correct. The baseline emissions are calculated in the PDD in transparent manner and using conservative assumptions.

Therefore based on the calculations in the project documentation it is expected that the project activity will lead to a reduction of annually GHG emissions of 64,730 t / CO_2e.

3.6 Additionality

The additionality of the project has been presented in the PDD using the following “Tool for the demonstration and assessment of additionality” (Version 05.2) - the barrier and common practice analysis.

The approach used in the PDD has been assessed initially through the document review, during which the following documents were reviewed:

- Governmental Decision (GD) 443/2003 for promoting electricity generation from renewable energy (HG 443 /2003), on http://www.anre.ro/documente.php?id=393, IRL 32;
- The Renewable Energy Progress Report, on http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/639&type=HTML

Further documents have been reviewed on-site (annex 2).

Finally, the data, rationales, assumptions, justifications, and documentation provided have been verified using local knowledge as well as sectoral and financial expertise. This information was also confirmed through the following documentation:

- Status of WP Connection Contracts, on www.transelectrica.ro
- Reports on inflation, may 2010, on http://www.bnro.ro/PublicationDocuments.aspx?icid=3922
- The present operators on WP market, on www.anre.ro

Based on these determination steps we can confirm that the documentation assessed is appropriate for this project.

3.6.1 Starting date, crediting period and prior consideration of carbon finance

Timeline of Project Activity

Aproximate date	Event
2005	Martifer Renewables SA started its activity in Romania in 2005 with the set-up of its Romanian branch S.C. Eviva Energy S.R.L
Apr-06	SC EVIVA ENERGY S.R.L. installs windmast in Agighiol (15 km from Babadag)
Dec-06	EVIVA NALBANT was set-up as an SPV to develop a project in Nalbant (the project was cancelled and the SPV used later on for Babadag project)
Jun-07	A preliminary wind resource assessment was elaborated by the wind consultant (MEGAJOULE)
Aug-07	Prefeasibility assessment & decision to move further on
Sep-07	Concession Contract is signed, following a tender organized by Babadag Municipality
Nov-07	A urbanism certificate was asked for in order to better evaluate the legal requirements/risks regarding the development of a wind power project in the area
Dec-07	JI consultancy agreement with eco2ro for Babadag project
Jan-08	Suzlon approval for the Babadag wind power park location
Mar-08	Onsite wind measurement mast was installed
Apr-08	Turbine supply contract is signed

Jul-08	EIA sent for analysis by the EPA Tulcea
Aug-08	Technical Permit of Connection for Babadag II
Feb-09	The Environmental permit was issued
Feb-09	Technical Permit of Connection for Babadag I
Apr-09	Project revision and wind park layout optimization based one year data measured onsite
Jun-09	PIN submitted for the DFP approval and LoE issuance
Oct-09	Seting up Authorization issued by ANRE for Babadag I and Babadag II
Dec-09	A Construction Permit was issued for five turbines in Babadag I location
Mar-10	Construction permit submitted to the DFP
Apr-10	Start of construction works
Jun-10	LoE obtained
Jul-10	Revised Environmental Permit
Aug-10	AIE contract signed for the determination of the PDD
Aug-10	Construction Permit for the rest of 15 turbines

3.6.2 Identifications of alternatives

There are two alternatives to the project activity which are consistent with mandatory laws and regulations:

- Alternative a: The proposed project activity undertaken without being registered as a JI project activity and
- Alternative b: Continuation of the current situation Electricity delivered to the grid by the project activity would have otherwise been generated by the Romanian national grid

3.6.3 Investment analysis

No investment analysis has been applied.

3.6.4 Barrier analysis

It is clearly shown that:

- there is no private capital available from domestic or international capital markets due to risks associated with investment in Romania associated with the global economic crisis. Which is the investment barrier preventing implementation of project activity without JI revenues;
- there is also a barrier due to prevailing practice as there are no similar size wind park activities operational in Romania;
- the two barriers explained above do not prevent Alternative b.

The Investment barrier has been assessed against official documents such as: National Bank of Romania - Inflation Report The result of this assessment clearly shows that the barrier presented in the PDD can be considered real.

This barrier would prevent the project activity but would not prevent the baseline of the project. This is confirmed through the documentation review and interviews.

The technological barrier has been assessed considering the fact that there is no experience in operation of such size wind power park. The result of this assessment clearly shows that the barrier presented in the PDD can be considered real. The risk involved in planning, building and operating such a project on the Romanian renewable wind energy market presents a high technological barrier, given:

- Lack of locally available specialized capacity for building the park, involving a high risk of making costly errors during the construction and testing of the park;
- Lack of locally available specialized capacity for operating and maintaining the equipment, involving a risk of underperformance of the park.

The barriers due to prevailing practice has been assessed considering the fact that, in Romania there is no other similar size wind park that has been implemented and is operating. By contrast, prevailing practice in Romania is the operation of very small wind power stations. Hence the fact that existing experience is limited to designing, building and operating small wind power systems does represent a barrier to implementation of the WPP project activity.
Governmental Decision 443/2004 and Law 220/2008 propose a system for eliminating some of the disadvantages of RES electricity generation compared to the standard sources electricity generation ("promoting RES electricity generation"); the system consists in a mix of Green Certificates and Mandatory quotas. The efficiency of the promotion system is doubtful and though the system exists, the quotas may be modified retroactively by ANRE, for the preceding year; e.g.: the quota for year 2009 was established at 6.28% by Law 220/2008; through Order 97/2009, ANRE modified the quota to 0.589% (or about 10 times lower).

Taking into account the description of the validation of the barriers presented above, the assessment team can confirm, with reasonable certainty, that the barriers are credible and correctly presented to demonstrate the additionality of the project.

3.6.5 Common practice analysis

The region for the common practice analysis has been defined as Romania country.

The assessment team has reviewed the approach presented in the PDD and can confirm that relevant parameters such as location, infrastructure, economical situation, and development have been taken into account in order to define the region to be used for the common practice.

The assessment team has reviewed official sources such as ANRE - Romanian Energy Regulatory Authority and Ministry of Environment. This information confirms that the list of similar projects presented in the PDD is complete. Additionally, the team further verified the information based on interviews.

All similar projects, which are not JI projects, have been checked through reviewing all available documentation (See annex 2). Furthermore, the essential distinctions between these projects and the JI project in question have been confirmed using: "*Status of WP Connection Contracts _Situatie_Contracte_Racordare_CEE*" found on the following website: www.transelectrica.ro from Romanian Power Grid Company.

Other wind projects (Casimcea and Cogealac) are under construction or not operational in present. As of 2009 there is an installed wind power capacity of 14 MW in Romania. Another wind farm of similar size - Fantanele WP is under construction without JI registration. Fantanele WP has got special support from Bayerische Landesbank and EIB Banks as presented below, and cannot be con-

sidered as a project facing similar risks. Thus Fantanele Wind Power Plant is excluded from the common practice analysis considerations.

The following links provide the special financing terms for Fantanele project.

First link: "http://www.finmedia.ro/conferences/conferintele/energy_forum/ed1/prezentation.php "- 14 Mai, Adrian Borotea presentation - is referring to the present status of Fantanele and Cogealac projects. Second one, "http://www.cez.ro/index.php?id=2&b=96&l=1" – is proving that CEZ Group has sucesfully signed a loan facility amounting to EUR 262.350.000 with cover of German Export Credit Agency Hermes. The Mandated Lead Arrangers and Lenders are Bayerische Landesbank, BNP Paribas Bank N.V., Ceskoslovenská obchodní banka, a. s., and KBC Bank Deutschland AG. BNP Paribas acted as Structuring and Coordinating Bank, Bayerische Landesbank acts as Agent. The purpose of the loan is financing of an export contract with a multinational supplier on German equipment during the construction of Fantanele Wind Park project with installed capacity of 347.5 MW in Romania. The maturity of the loan will be 15 years". The last link:

"http://www.eib.org/projects/pipeline/2007/20070524.htm" is the European Investment Bank approval of 200 million Euro for the project in Fantanele.

Therefore, it can be confirmed that the proposed JI activity is not a common practice in the defined region.

3.7 Monitoring plan

The monitoring plan presented in the PDD complies with the requirements of the applicable methodology. The assessment team has verified all parameters in the monitoring plan against the requirements of the methodology and no relevant deviations have been found.
The procedures have been reviewed by the assessment team through document review and interviews with the relevant personnel. This information, together with a physical inspection, allows the assessment team to confirm that the proposed monitoring plan is feasible, and within the project design. The major parameters to be monitored have been discussed with the PPs. In specific, these parameters include the location of meters, data management, and the quality assurance and quality control procedures to be implemented in the context of the project.
The meters are to be based at the point where invoicing happens; in practice, they are installed on the HV side of the last transformer before the Grid's power line. Metered net electricity generation data will be measured continuously. A monthly report of metered net electricity generation data will be generated by the Supervisor, and saved in electronic and paper form. The monthly report will be generated using a template, approved by the Manager, to ensure that the data is reported consistently and can be compared to previous months. The Manager will review this report and cross check this against the invoices for the quantity of electricity exported and sold. Any irregularities will be signalled and investigated appropriately.
The project has the necessary provisions for emergency preparedness to deal with any unforeseen events. In the event that the main meter, which is used to record the net electricity exported by the project, is found to be faulty it will be repaired or replaced and the data from the back-up meters will be used in its place.
Therefore, we find that the PP's will be able to implement the monitoring plan and the achieved emission reductions can be reported ex-post and verified.
As described in section D of the PDD, the monitoring tasks and the monitoring responsibilities are clearly defined. Monitoring is simplified by the fact that there are no project specific emissions. To calculate the achieved emission reductions, only the net electricity production of the wind farm has to be measured. The quality of the data as well as their collection and archiving is defined in the monitoring plan.

3.8 Sustainable development

The LoE of the host country presented a statement that the project contributes to the sustainable development of the host party.

3.9 Local stakeholder consultation

The project has passed environmental approval following a two-step procedure. The first step was the Land use planning and the second step was the Environmental approval. At both stages a public hearing is required, where stakeholders can give comments.

The evidence of these stakeholder reports is found in IRL 10. The assessment team has reviewed the documentation in order to validate the inclusion of relevant comments. The summary of comments presented in the PDD has been verified with the documentation of the stakeholder consultation and is found to be complete.

Additionally to these public hearings the PDD was published on the website of the Romanian Ministry of Environment and Sustainable Development.

Hence, the local stakeholder consultation has been adequately performed according to the JI requirements.

3.10 Environmental impacts

The project participants undertook an environmental impact assessment. The assessment team reviewed the documentation of the presented information. The Environmental Agreement (IRL 8) and Environmental Impact Assessment Summary confirm the correctness of the approach used by the PPs. We conclude that the PPs followed the requirements of the host country in regard to environmental regulations.

4 COMMENTS BY PARTIES, STAKEHOLDERS AND NGOS

TÜV SÜD published the project documents on the UNFCCC website, and invited comments by affected Parties, stakeholders, and non-governmental organisations during a 30 day period.

The following table presents all gathered key information:

website: http://www.netinform.de/KE/Wegweiser/Guide22.aspx?ID=7038&Ebene1_	
Starting date of the global stakeholder consultation process: 2009-03-24	
Comment submitted by: None	**Issues raised:** -
Response by TÜV SÜD: -	

No comments have been received.

5 DETERMINATION OPINION

TÜV SÜD has performed a determination of the following proposed JI project activity:

Renewable Energy Production Facilities in Babadag, Tulcea

Standard auditing techniques have been used for the determination of the project. Methodology-specific customized checklists and a protocol for the project have been prepared to carry out the audit in order to present the outcome in a transparent and comprehensive manner.

The review of the project design documentation, subsequent follow-up interviews and further verification of references have provided TÜV SÜD with sufficient evidence to determine the fulfilment of stated criteria in the protocol. In our opinion, the project meets all general JI track 1 requirements and the specific requirements of the DFP of the host country if the underlying assumptions do not change. TÜV SÜD will recommend the project for registration by the DFP of the host country.

An analysis, as provided by the applied methodology, demonstrates that the proposed project activity is not a likely baseline. Emission reductions attributable to the project are additional to any that would occur in the absence of the project activity. Given that the project is implemented as designed, the project is likely to achieve the estimated amount of emission reductions as specified within the final PDD version.

Additionally the assessment team reviewed the estimation of the projected emission reductions. We can confirm that the indicated amount of emission reductions of 64,730 tCO_2 as yearly average on the crediting period 2011 – 2012 (24 months) represent a reasonable estimation using the assumptions given by the project documents.

The determination is based on the information made available to us, as well as the engagement conditions detailed in this report. The determination has been performed following the DVM requirements. The single purpose of this report is its use during the registration process by the DFP of the host country. TÜV SÜD can therefore not be held liable by any party for decisions made, or not made, based on the determination opinion beyond that purpose.

Munich, 16-03-2011

Thomas Kleiser

Certification Body "climate and energy"
TÜV SÜD Industrie Service GmbH

Munich, 16-03-2011

Robert Mitterwallner

Assessment Team Leader

Industrie Service

Annex 1: Determination Protocol

Industrie Service

CHECKLIST TOPIC / QUESTION		Ref.	COMMENTS	PDD in GSP	Final PDD
A. General description of the project					
A.1. Title of the project activity:					
A.1.1.	Does the used project title clearly enable to identify the unique JI activity?	IRL 17, on site	Yes, There are no other wind parks in the area (Tulcea District). The title has been communicated via PIN to DFP.	☑	☑
A.1.2.	Are there an indication of a revision number and the date of the revision?	IRL 2	Yes: PDD Ver. no. 01, 22/06/2010. This version was made public available on the TÜV SÜD information platform www.netinform.de for public consultations. The PDD was submitted to the responsible AIE for public consultation on: http://www.mmediu.ro/legislatie/legislatie.htm	☑	☑
A.1.3.	Is this in consistency with the time line of the project's history?	IRL 2, 11	Yes, however, **Corrective Action Request No.1** In order to make very clear the history of the project, an explicative table – short history – has to be included in the revised PDD.	**CAR #1**	☑
A.2. Description of the project activity:					
A.2.1.	Is the description delivering a transparent overview of the project activities?	IRL 2, 5, 12	Yes. The description delivering a transparent overview of the project activities. The project aims at installation of a wind park in two clusters Babadag 1 (16) and Babadag 2 (4). However, **Corrective Action Request No.2** At page 2 of PDD there are some unclear assertions like: "very few parks being built so far, and most of them having very small sizes", "a weak Grid in Dobrogea region". A review of the description included in PDD is requested.	**CAR #2**	☑
A.2.2.	What proofs are available evidencing that	IRL	Several proofs were provided already on-site, e.g. official LoE,	☑	☑

CHECKLIST TOPIC / QUESTION		Ref.	COMMENTS	PDD in GSP	Final PDD
	information provided in the description is in compliance with actual situation or planning?	16, 9, on site	construction permits, photo report on commissioning of most foundations, access roads.		
A.2.3.	Is the information provided by these proofs consistent with the information provided by the PDD?	IRL 2, 16, 9, on site	Yes, it is. The information provided by these proofs is consistent with the information provided by the PDD.	☑	☑
A.2.4.	Is all information provided in consistency with details provided by further chapters of the PDD?	IRL 2, 3	Yes. The forecasted net average annual emission reduction of 71,427 tCO_2 is also used in the feasibility study and in financial calculations.	☑	☑
A.3. Project participants:					
A.3.1.	Is the form required for the indication of project participants correctly applied?	IRL 2	Yes. The Parties are: • S.C. EVIVA NALBANT S.R.L., Romania (project owner) • To be decided at a later stage. **Forward Action Request No.1** LoAs (host and ERUs buyer) are though outstanding at the time of determination. Timeline for obtaining of LoAs will be defined later by DFP. Thus, it's an issue of first verification	**FAR 1**	☑
A.3.2.	Is the participation of all listed entities or Parties confirmed by each of them?	IRL 2, 18	Yes, S.C. EVIVA NALBANT S.R.L. ordered TÜV SÜD to determine the project.	☑	☑
A.3.3.	Is all information provided in consistency with details provided by further chapters of the PDD (in particular annex 1)?	IRL 2	Yes, the same parties are mentioned in Annex 1.	☑	☑

A.4. Technical description of the project activity:					
A.4.1. *Location of the project activity:*					
A.4.1.1.	Does the information provided on the location of the project activity allow for a clear identification of the site(s)?	IRL 2, 15, 7, on site	Yes, The project is located on two sites in the proximity of Babadag City, towards the center of Tulcea County, on the road that links Tulcea (in the north) with Constanta (in the south). The location of the project on the map of Romania is clearly indicated in PDD.	☑	☑
A.4.1.2.	How is it ensured, that the project proponents can implement the project at this site (ownership, licenses, contracts etc.)?	IRL 9, 15, 7, on site	The following documents have been checked and are included in IRL 2: ownership (concession contract with Babadag Municipality for 260 ha), licenses (for grid connection), EIA report and approval, detail planning, work contracts, designs, building permits etc. **Forward Action Request No.2** The updated Electricity Generation License by ANRE - not applicable at this moment – of the implemented project activity should be submitted during the initial and first periodic verification.	**FAR 2**	☑

A.4.2.	*Technology(ies) to be employed, or measures, operations or actions to be implemented by the project activity:*				
A.4.2.1.	To which category(ies) is the project activity belonging to? Is it correctly identified and indicated?	IRL 2, 5, 12	The project belongs to the sectoral scope 1 – energy industry. The renewable electricity produced by the wind power plant will displace carbon intensive electricity produced from fossil fuel sources in the Romanian grid. The total installed capacity of the Windpark will be 42 MW. The electricity will be fed into the grid at a new 110/20 kV transformer stations situated in Babadag 1. In Babadag II, no electrical substation will be built given that the Interconnection with the grid 110 kV /20 kV substation will be made on the MV side (20 kV), through an underground and aerial 20 kV interconnection line with roughly 8 km. One switching station will be installed to assure the Grid Connection Requirements. In cluster Babadag 1 (16) and Babadag 2 (4) a total of 20 Suzlon S88 wind turbines (Hub height 77.5 m and rotor diameter 88 m) with a capacity of 2.1 MW per turbine will be installed. **Corrective Action Request No.3** There are confusing heights in PDD and technical documentation: 77.5 m for hub height and 79 m for the rotor height. A clear height has to be specified in PDD. **Corrective Action Request No.4** In order to better understanding the back-up supply from the grid and the electricity connection point, a single line diagram has to be included in the revised PDD. The position of the metters and their type (bidirectional) shall also be clearly marked on it. The position of the back-up metters shall also be indicated on this sheme.	**CAR #3** **CAR #4**	☑

A.4.2.2.	Does the project design engineering reflect current good practices?	IRL 5, 12	Yes. The project reflects a professional standard scale wind park as it can be found in many European countries. See also A.4.2.6 and A.4.2.7.	☑	☑
A.4.2.3.	Does the description of the technology to be applied provide sufficient and transparent input to evaluate its impact on the greenhouse gas balance?	IRL 5, 12, 2	Yes. Described Project will generate electricity using wind energy, therefore it will reduce emission of GHG into atmosphere.	☑	☑
A.4.2.4.	Is the technology implemented by the project activity environmentally safe?	IRL 5, 12, 2	Yes. Applied technology does not have any noteworthy negative impact on the environment.	☑	☑
A.4.2.5.	Is all information provided in compliance with actual situation or planning as available by the project participants?	IRL 11, 2	The written technical description is in compliance with the actual situation and its explanation; however see Corrective Action Request No.3 for the further process.	**CAR #3**	☑
A.4.2.6.	Does the project use state of the art technology or would the technology result in a significantly better performance than any commonly used technologies in the host country?	IRL 5, 12, 2	Yes. The planned wind turbines are modern state-of-the-art turbines.	☑	☑
A.4.2.7.	Is the project technology likely to be substituted by other or more efficient technologies within the project period?	IRL 5, 12, 2	It is not likely that the project technology will be substituted by a more efficient technology.	☑	☑
A.4.2.8.	Does the project require extensive initial training and maintenance efforts in order to work as presumed during the project period?	DR, I, IRL	**Forward Action Request No.3** Relevant certificates on Training & Qualification of the staff in charge for HV operation and WTG operation & maintenance shall be presented during the initial and first periodic verification.	**FAR 3**	☑
A.4.2.9.	Does the project make provisions for meeting training and maintenance needs? Explanation how the needs for training and maintenance are covered? Are there any evidences for them (Contracts, Manuals...)?	DR, I, IRL	**Corrective Action Request No.5** According to interview, Eviva Nalbant will commission the electrical operation of the park to a specialized company. More details regarding this commissioning have to be included in the revised PDD.	**CAR #5**	☑

A.4.2.10.	Is a schedule available on the implementation of the project and are there any risks for delays?	IRL 11	Yes. Implementation time schedule is provided, according to which start of operation is foreseen in April 2011. The risk will be delays in construction works.	☑	☑
A.4.3.	*Brief explanation of how the anthropogenic emissions of greenhouse gases by sources are to be reduced by the proposed project activity, including why the emission reductions would not occur in the absence of the proposed project activity, taking into account national and/or sectoral policies and circumstances:*				
A.4.3.1.	Is the form required for the indication of projected emission reductions correctly applied?	IRL 2, 3	Yes.	☑	☑
A.4.3.2.	Are the figures provided consistent with other data presented by the PDD?	IRL 2, 3	**Corrective Action Request No.6** The operating hours presented in PDD are different compared to the operating hours presented in the Financial Analyze of the project. An explanation/correction is requested.	**CAR #6**	☑
A.4.3.3.	Is the information provided on public funding provided in compliance with the actual situation or planning as available by the project participants?	IRL 2, 6, 20	**Corrective Action Request No.7** Though some information is presented in PDD, a more extensive analyze of the public funds available for “green energy” has to be included in the revised PDD.	**CAR #7**	☑
A.4.3.4.	Is all information provided consistent with the details given in remaining chapters of the PDD (in particular annex 2)?	IRL 2, 3	See Chapter B, below.	☑	☑
A.5. Project approval by the Parties involved:					
Open issues related to the approval of the Parties involved are covered in a separate “completeness checklist”.					

B. Baseline					
B.1. Description and justification of the baseline chosen					
B.1.1.	Are reference number, version number, and title of the baseline and monitoring methodology clearly indicated?	IRL 2	The reference number and version number are identified as "CDM methodology ACM0002/Version 11"	☑	☑
B.1.2.	Is the applied version the most recent one or still applicable?	IRL 2	No, the version 10 of ACM0002 is used (version 11 is the most recent one). The project is a JI specific approach.	☑	☑
B.1.3.	Is the methodology sufficiently described?	IRL 2	Yes, however the modifications applicable to JI projects in Romania should be more transparent, hence: **Corrective Action Request No.8** Using EF for the grid from already positive determinate JI projects is accepted for track 1 only if the named project has been registered. The status of "Timisoara combined heat and power rehabilitation for CET Centru location" used as reference in PDD has to be mentioned in the revised PDD.	**CAR #8**	☑
B.1.4.	Is the applied methodology considered being the most appropriate one?	IRL 2	Yes, the methodology is the most appropriate as the project activity is the installation of a wind power plant.	☑	☑
B.1.5.	Can the geographic and system boundaries for the relevant distribution channel clearly be identified?	IRL 2, 15	Yes. The geographic and system boundaries are limited to Romanian national electricity distribution grid.	☑	☑
B.2. Description of how the anthropogenic emissions of greenhouse gases by sources are reduced below those that would have occurred in the absence of the project activity					
Description of how the baseline scenario is identified and description of the identified baseline scenario					
B.2.1.	Has JI been considered before the starting date of the project activity and which	IRL 18, 6, 16,	The following documents have been provided as evidence of early consideration as JI project: "Project Babadag Recommendation of Investment - Aug 2007.pdf", "Eco2Ro - Consultancy Con-	☑	☑

	evidence has been delivered?	17	tract.pdf", dated December 2007, PIN and LoE (both dated 2010) – IRL 2		
B.2.2.	Is a description of the baseline scenario, (b) a description of the project scenario, and (c) an analysis showing why the emissions in the baseline scenario would likely exceed the emissions in the project scenario.	IRL 2	Yes, the additionality of the project is demonstrated by using the "Tool for the demonstration and assessment of additionality" (Version 05.2.	☑	☑
B.2.3.	Have all technically feasible baseline scenario alternatives to the project activity been identified and discussed by the PDD?	IRL 2	Yes, two alternatives are discussed: Alternative 1: The proposed project activity undertaken without being registered as a JI project activity. Alternative 2: Continuation of the current situation Electricity delivered to the grid by the project activity would have otherwise been generated by the the Romanian national grid.	☑	☑
B.2.4.	Does the project identifies correctly and excludes those options not in line with regulatory or legal requirements?	IRL 2	Yes, the alternatives 1 and 2 are in compliance with all mandatory applicable legal and regulatory requirements in Romania. However see below.	☑	☑
B.2.5.	Have applicable regulatory or legal requirements been identified?	IRL 2	Yes, however: At page 22 of PDD there is a sentence left under the question: "Governmental Decision 443/2004 and Law 220/2008, amended by Law 139/2010???" and a text in Romanian at page 23. These errors shall be corrected. **<u>Corrective Action Request No.9</u>** The new version of PDD has to be checked for elaboration errors.	**CAR #9**	☑
B.2.6.	In case of applying step 2 of the additionality tool: Is the analysis method appropriately identified (step 2a)?		N/A, step 2 is not applied.		☑
B.2.7.	In case of applying step 3 (barrier analysis): Is a complete list of barriers developed that	IRL 6, 13,	Yes, the following barriers are discussed:	**CAR #10**	☑

	prevent alternatives to occur?	20	• Investment barriers • Barriers due to prevailing practice **Corrective Action Request No.10** According to the additionality tool sub-step 3a, it has to be justified that similar activities in the region/country without JI have been implemented with grants or other non-commercial finance terms and that no private capital is available due to real or perceived risks associated with investment in the region/country (see inflation report quoted in the PDD).		
B.2.8.	In case of applying step 3 (barrier analysis): Is transparent and documented evidence provided on the existence and significance of these barriers?	IRL 2	Yes, evidence documents are referred, like “National Bank of Romania, Inflation Report May 2010” and others provided as web links. However some of the provided links are not working or are too general in order to allow the reader to find the documents, see for example “ANRE Raport 2009, page 63”, the footnote no. 25 on page 25 and “Report on RES 2009”, RWEA Report, the footnote no. 27 on page 27. **Corrective Action Request No.11** Elaboration of the documents “ANRE Raport 2009, page 63” and “Report on RES 2009”, RWEA Report have to be more traceable. **Corrective Action Request No.12** There is a need to discuss for the technological barrier the new order No. 51/2009 "Technical Requirements for the connection of wind power plants to public electricity networks", quoted on page 36 of the ANRE report 2009.	**CAR #11** **CAR #12**	☑
B.2.9.	In case of applying step 3 (barrier analysis): Is it transparently shown that at least one of the alternatives is not prevented by the identified barriers?	IRL 2	Yes, While alternative 1 is prevented by the barriers, alternative 2 would not be prevented. **Corrective Action Request No.13**	**CAR #13**	☑

		The statement at page 27 of PDD: "…operating wind parks larger than 2.65 MW is rather absent…" is confusing. Clarification is needed.		
B.2.10. Have other activities in the host country / region similar to the project activity been identified and are these activities appropriately analyzed by the PDD (step 4a)?	IRL 2	No, there are no other similar activities to the proposed project activity that are operational, however: **Corrective Action Request No.14** A justification regarding the consideration of Babadag project as "first of its kind" is requested.	**CAR #14**	☑
B.2.11. If similar activities are occurring: Is it demonstrated that in spite these similarities the project activity would not be implemented without the JI (step 4b)?	IRL 2	**Corrective Action Request No.15** The Fantanele wind power project was implemented without JI, grants or other non-commercial finance terms, despite of the worldwide deteriorating finance conditions seen since 2008 and the current excess energy supply in Romania. An explanation of the exclusion of Fantanele project from common practice analyze is requested.	**CAR #15**	☑
B.3. Description of how the definition of the project boundary is applied to the project:				
B.3.1. Do the spatial and technological boundaries as verified on-site comply with the discussion provided by the PDD?	IRL 2, 15	Yes.	☑	☑
Description of the sources and gases included in the project boundary (Fill in the required amount of sub checklists for sources and gases as given by the methodology applied and comment at least every line answered with "No")				
B.3.2. Sources: Emissions from electricity generation in fossil fuel fired power plants of any connected electricity system Gas(es): CO_2 Type: baseline emissions	IRL 2	Boundary checklist / Yes / No Source and gas(es) discussed by the PDD? Yes Inclusion / exclusion justified? Yes Explanation / Justification sufficient? Yes Consistency with monitoring plan? Yes	☑	☑

B.4. Further baseline information, including the date of baseline setting and the name(s) of the person(s)/entity(ies) setting the baseline Emissions reductions					
B.4.1.	Is there any indication of a date when determining the baseline?	IRL 2	The baseline setting is dated to 15/06/2010 by "Eco2ro environmentally friendly solutions s.r.l".	☑	☑
B.4.2.	Is this in consistency with the time line of the PDD history?	IRL 2, 11	Yes.	☑	☑
B.4.3.	Is information of the person(s) / entity(ies) responsible for the application of the baseline methodology provided in consistency with the actual situation?	IRL 2	Yes.	☑	☑
B.4.4.	Is information provided whether this person / entity is also a project participant?	IRL 2	Yes, Eco2ro is not considered as the project participant.	☑	☑
C. Duration of the project activity / crediting period					
C.1.	Are the project's starting date and operational lifetime clearly defined and reasonable?	IRL 2, 11	Yes, expected operational lifetime of the project is 20 years 0 months from the start of operation of wind turbines in January 2011. See also comment to A.4.2.10. Project starting date is indicated as 26/04/2011.	☑	☑
C.2.	Is the assumed crediting time clearly defined and reasonable (crediting period between 2008 and 2012)?	IRL 2, 11	Yes, the length of crediting period is 2 years and 0 months.	☑	☑
D. Monitoring plan					
D.1. Description of monitoring plan chosen:					
Is the applied methodology considered being the most appropriate one?		IRL 2	Yes, the methodology applied for the project is following the approved consolidated baseline and monitoring CDM methodology	☑	☑

		ACM0002 / Version 10 "Consolidated baseline methodology for grid-connected electricity generation from renewable sources". This methodology is applicable to grid-connected renewable power generation project activities that involve electricity capacity additions.		
D.1.1. *Monitoring of the emissions in the project scenario and the baseline scenario:*				
In the following "data checklists" are shown for all data which are fixed at determination time, and "monitoring checklists" for all data which have to be monitored during the life-time of the project.				
D.1.1.1 Data to be collected in order to monitor emissions from the project and how these data will be archived				
D 1.1.1.1: to be defined following the project specific or approved methodology		N/A	☑	☑
Is the list of parameters presented by chapter D.1.1.1 considered to be complete with regard to the requirements of the applied methodology?		N/A	☑	☑
D.1.1.2 Description of formula used to estimate emissions from the project				
Are formulae required for the estimation of project emissions correctly presented, enabling a complete identification of parameter to be used and / or monitored?		N/A	☑	☑
D.1.1.3 Data to be collected in order to determine the **baseline** emissions within the project boundary how these data will archived				
Fill in the required amount of sub checklists for fixed data parameter and comment any line answered with "No"				
D 1.1.3.1: to be defined following the project specific or approved methodology $EG_{PJ,}y$ – net amount of electricity supplied into the grid	IRL 2	Data Checklist / Yes / No Data unit correctly expressed? / Yes Appropriate description? / Yes Source clearly referenced? / Yes	**FAR 4** **CAR #8**	☑

		<table><tr><td>Correct value provided?</td><td>N/A</td></tr><tr><td>Has this value been verified?</td><td>N/A</td></tr><tr><td>Choice of data correctly justified?</td><td>Yes</td></tr><tr><td>Measurement method correctly described?</td><td>No</td></tr><tr><td>QA/QC procedures described?</td><td>Yes</td></tr><tr><td>QA/QC procedures appropriate?</td><td>Yes</td></tr></table> **See Corrective Action Request No.8** **Forward Action Request No.4** Copies of the el. meter calibration certificates and protocol shall be presented to the audit team during the initial verification.		
Is the list of parameters presented by chapter D.1.1.1 considered to be complete with regard to the requirements of the applied methodology?	IRL 2	Yes. The net amount of electricity supplied into the grid will be monitored and emissions factor of the grid is ex-post calculated for the crediting period, however: **Corrective Action Request No.16** A description on data transmission to ENEL Tulcea and simultaneously to the Command & Control Room of EVIVA Company has to be included in the revised PDD.	**CAR #16**	☑
D.1.1.4 Description of formula used to estimate baseline emissions				
Are formulae required for the estimation of baseline emissions correctly presented, enabling a complete identification of parameter to be used and / or monitored?	IRL 2, 3	See **CAR #8**	**CAR #8**	☑
D.1.3 *Treatment of leakage in the monitoring plan:*				
Is it explained how the procedures provided by the methodology are applied by the proposed project activity?	IRL 2	Yes. No leakages are to be considered in case of windpark project according to ACM0002 methodology	☑	☑
D.1.3.1 Data to be collected in order to determine the **leakage** emissions outside the project boundary				
Fill in the required amount of sub checklists for fixed data parameter and comment any line answered with “No”				

N/A					
D.2. Quality control (QC) and quality assurance (QA) procedures undertaken for data monitored:					
This aspect is covered for the relevant data in section D.1.1.1, D.1.1.3 and D.1.3.1					
D.3. Please describe the operational and management structure that the project operator will apply in implementing the monitoring plan:					
D.3.1.	Is the operational and management structure clearly described and in compliance with the envisioned situation? Explanation of management structure and responsibilities.	IRL 2	Yes. In order to obtain reliable monitoring data, the project proponents will establish a monitoring management framework prior to the starting of the crediting period. Clear responsibilities will be assigned to all staff involved in the JI project. One individual will be appointed who has the overall responsibilities for the monitoring of the project, other staff will be responsible for the data recording, data collecting, data archiving and emission reductions calculation, however: See CAR #5	☑	☑
D.3.2.	Are responsibilities and institutional arrangements for data collection and archiving clearly provided?	IRL 2	See above and, **Corrective Action Request No.17** In Table D.1 (page 40 of PDD) in the column "Responsible" it is written: "project team". This is not a clear assignment. Correction is requested.	**CAR #17**	☑
D.3.3.	Does the monitoring plan provide current good monitoring practice?	IRL 2, 4	Mainly yes, however, see **CAR #4**	**CAR #4**	☑
D.3.4.	Does annex 3 provide useful information enabling a better understanding of the envisioned monitoring provisions?	IRL 2	Yes. However see **Corrective Action Request No.16**	**CAR #16**	☑

D.4. Name of person(s)/entity(ies) establishing the monitoring plan:					
D.4.1.	D.4.1 Is information of the person(s) / entity(ies) responsible for the monitoring methodology provided in consistency with the actual situation?	IRL 2	Yes. Liviu Gherghe and "eco2ro environmentally friendly solutions s.r.l." are responsible for the monitoring methodology provided.	☑	☑
D.4.2.	D.4.2 Is information provided whether this person / entity is also a project participant?	IRL 2	Yes, eco2ro "environmentally friendly solutions s.r.l." is not considered a project participant.	☑	☑
E. Estimation of greenhouse gas emission reductions					
E.1. Estimated project emissions and formulae used in the estimation					
E.1.1.	Are formulae required for the estimation of project emissions correctly presented, enabling a complete identification of parameter to be used and / or monitored?	IRL 2, 3	Yes. The wind park project does not produce any measurable emissions of greenhouse gases in case the life cycle analysis is not taken into consideration. Therefore no formulae are required.	☑	☑
E.2. Estimated leakage and formulae used in the estimation, if applicable:					
E.2.1.	Are formulae required for the estimation of leakage emissions correctly presented, enabling a complete identification of parameter to be used and / or monitored?		Yes. Not applicable as no leakage estimate is required in ACM0002 / Version 10 for wind power	☑	☑
E.2.2.	Why are the leakage emissions not constant over the years?		N/A, see comment above.	☑	☑
E.3. The sum of E.1. and E.2.:					
E.3.1.	Is the data provided under this section in consistency with data as presented by other chapters of the PDD?	IRL 2, 3	Yes. The sum of leakage and project emissions is estimated to be zero.	☑	☑

E.4.	**Estimated baseline emissions and formulae used in the estimation:**				
	Ex-ante calculation of emission reductions				
E.4.1.	Is the projection based on the same procedures as used for later monitoring?	IRL 2, 3	Yes.	☑	☑
E.4.2.	Is the data provided under this section in consistency with data as presented by other chapters of the PDD?	IRL 2, 3	Yes.	☑	☑
E.4.3.	Are formulae required for the estimation of baseline emissions correctly presented, enabling a complete identification of parameter to be used and / or monitored?	IRL 2, 3	See **Corrective Action Request No.8**	**CAR #8**	☑
E.5.	**Difference between E.4. and E.3 representing the emission reductions of the project:**				
E.5.1.	Are formulae required for the determination of emission reductions correctly presented?	IRL 2, 3	Yes..	☑	☑
E.6.	**Table providing values obtained when applying formulae above:**				
E.6.1.	Will the project result in fewer GHG emissions than the baseline scenario?	IRL 2, 3	Yes.	☑	☑
E.6.2.	Is the form/table required for the indication of projected emission reductions correctly applied?	IRL 2, 3	**Corrective Action Request No.18** In the calculation document, “Babadag I + II + lucru _ .3_PDD.xlsx”, not all figures have calculation formula behind. Also in the Table “Annual energy yeld/losses” there is no explanation of the values used/calculated. Correction is requested.	**CAR #18**	☑
E.6.3.	Is the projection in line with the envisioned time schedule for the project’s implementation and the indicated crediting period?	IRL 2, 11	Yes.	☑	☑
E.6.4.	Is the data provided under this section in consistency with data as presented by other	IRL 2	Yes.	☑	☑

	chapters of the PDD?			
F. Environmental impacts				
F.1. Documentation on the analysis of the environmental impacts of the project, including transboundary impacts, in accordance with procedures as determined by the host Party:				
F.1.1.	Has an analysis of the environmental impacts of the project activity been sufficiently described?	IRL 2, 8	Yes, the PP performed all the environmental studies legally requested. Also checked during the on site visit.	☑	☑
F.1.2.	Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, is an EIA approved?	IRL 2, 8	Yes, Environmental Permit no 2371/04.02.2009 and its first revision in 21.07.2010	☑	☑
F.1.3.	Will the project create any adverse environmental effects?	IRL 2, 8	The conclusion of the approved EIA is that the environmental impact will be “minor”. Moreover, there are monitoring requirements included in the Environmental Agreement for both the construction and operation phase.	☑	☑
F.1.4.	Are transboundary environmental impacts considered in the analysis?	IRL 2, 8	No.	☑	☑
F.2. If environmental impacts are considered significant by the project participants or the host Party, provision of conclusions and all references to supporting documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party:				
F.2.1.	Have identified environmental impacts been addressed in the project design?	IRL 2, 8	See comments to F.1.	☑	☑
F.2.2.	Does the project comply with environmental legislation in the host country?	IRL 2, 8	Yes, see also comments to F.1.	☑	☑

G. Stakeholders' comments					
G.1. Information on stakeholders' comments on the project, as appropriate:					
G.1.1.	Have relevant stakeholders been consulted?	IRL 2, 8, 10	Yes, there were three consultation steps: • On the Environmental Ministry web site for 30 days, before issuing the Letter of Endorsement • During the approval of the Urban Plan (PUZ/PUD) – mass media and local meetings, and • During the EIA procedure - mass media and local meetings	☑	☑
G.1.2.	Have appropriate media been used to invite comments by local stakeholders?"	IRL 2, 8, 10	Yes, see above.	☑	☑
G.1.3.	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?	IRL 2, 8, 10	Yes, see above.	☑	☑
G.1.4.	Is the undertaken stakeholder process described in a complete and transparent manner?	IRL 2, 8, 10	TUV SUD assessment team checked the documents issued during the stakeholder process and interviewed the Municipality of Babadag with focus on public consultation.	☑	☑
G.1.5.	Is a summary of the stakeholder comments received provided? (participant list, minutes of meeting)	IRL 2, 8, 10	TUV SUD received copies of stakeholder comments, of participant lists and of minutes of meetings – see IRL 3.	☑	☑
G.1.6.	Has due account been taken of any stakeholder comments received?	IRL 2, 8, 10	There was only a comment, without any legal basis as concluded by EPA Tulcea. This comment is however included in Chapter G.1 of the PDD.	☑	☑

H. Annexes 1 – 3				
Annex 1: Contact Information				
1. Is the information provided in consistency with the one given under section A.3?	IRL 2	Yes.	☑	☑
2. Is information on all private participants and directly involved Parties presented?	IRL 2	Yes.	☑	☑
Annex 2: Baseline study				
1. If additional background information on baseline data is provided: Is this information in consistency with data presented by other sections of the PDD?		N/A. Additional background information on baseline data is not provided. .	☑	☑
2. Is the data provided verifiable? Has sufficient evidence been provided to the validation team?		N/A	☑	☑
3. Does the additional information substantiate statements given in other sections of the PDD?		N/A	☑	☑
Annex 3: Monitoring information				
4. If additional background information on monitoring is provided: Is this information in consistency with data presented by other sections of the PDD?		N/A. Additional background information on monitoring is not provided. **Forward Action Request No. 5** Elaborated Monitoring Plan shall be presented to the initial verification audit. The MR shall consist at least of following: general information on the project, project description, monitored parameters, description of metering equipment including calibration data, description of ER calculation formulae, description of QA/QM procedures, training needs and training records. A JI Manual/Handbook including relevant information regarding the Project shall be prepared and presented also during the initial verification.	**FAR 5**	☑

5. Is the information provided verifiable? Has sufficient evidence been provided to the validation team?		N/A		☑
6. Do the additional information / procedures substantiate statements given in other sections of the PDD?		N/A		☑

Table 2 Resolution of Corrective Action and Clarification Requests

Clarifications and corrective action requests by determination team	Ref. to table 1	Summary of project owner response	Determination team conclusion
Corrective Action Request No.1 In order to make very clear the history of the project, an explicative table – short history – has to be included in the revised PDD.	A.1.3	PDD updated. Timeline table added on page 3	Checked in the new PDD ver. 2 (IRL 22) **This issue is closed.** ☑
Corrective Action Request No.2 At page 2 of PDD there are some unclear assertions like: "very few parks being built so far, and most of them having very small sizes", "a weak Grid in Dobrogea region". A review of the description included in PDD is requested.	A.2.1	PDD updated. The proposed project activity brings significant novelty to the Romanian power sector; based on publicly available information the largest wind park installed and in operation as of January 01, 2010 is 2.65 MW, . Therefore, although the technology of its single component turbines can be considered mature, a number of new technological solutions (advanced command and control equipment, power compensators, Grid coupling/decoupling systems etc.) are required as it will operate in Dobrogea region (this being recognized as an area where the power consumption is low, compared to the production requiring electricity transportation and reliable electricity quality equipment on the producers side).	Checked in the new PDD ver. 2 (IRL 22) **This issue is closed.** ☑
Corrective Action Request No.3 There are confusing heights in PDD and technical documentation: 77.5 m for hub height and 79 m for the rotor height. A clear height has to be specified in PDD.	A.4.2.1	PDD updated. Characteristics of the wind turbine are: 79 m hub-height (as per the supply agreement), 88 m rotor diameter (as per the technical description of the turbine S88_ document provided during the site visit WD 00122-06-00 General Description - STV)	Checked in the new PDD ver. 2 (IRL 22) **This issue is closed.** ☑

Corrective Action Request No.4 In order to better understanding the back-up supply from the grid and the electricity connection point, a single line diagram has to be included in the revised PDD. The position of the metters and their type (bidirectional) shall also be clearly marked on it. The position of the back-up metters shall also be indicated on this sheme.	A.4.2.1	PDD updated. Please see Annex 4.	Checked in the new PDD ver. 2 (IRL 22) **This issue is closed.** ☑
Corrective Action Request No.5 According to interview, Eviva Nalbant will commission the electrical operation of the park to a specialized company. More details regarding this commissioning have to be included in the revised PDD.	A.4.2.9	PDD updated. Please see Section D3 for details. Eviva Nalbant intends to contract an operator. Nothing is concluded in this respect so far.	Checked in the new PDD ver. 2 (IRL 22) **This issue is closed.** ☑
Corrective Action Request No.6 The operating hours presented in PDD are different compared to the operating hours presented in the Financial Analyze of the project. An explanation/correction is requested.	A.4.3.2	The Preliminary Financial Analysis performed in 2007 (being the basis for the decision), contains wind data measured at 17 km from the site. The difference in the number of hours contribute to the demonstration of the conservative approach taken as 2010 Financial Projections (revenues sheet), use the same no of operating hours (yearly production of 87.323 MWh/year) as the PDD. The data is based on information measured onsite.	The number of operating hours from the Preliminary Financial Analyze is greater than the present operating hours as included in the PDD and based on “in situ” wind data measurements. So the project is less financially attractive than estimated in the preliminary analyze. **This issue is closed.** ☑

Corrective Action Request No.7 Though some information is presented in PDD, a more extensive analyze of the public funds available for "green energy" has to be included in the revised PDD.	A.4.3.3	PDD updated. Please see section related to Investment barriers.	The analyze performed in the new PDD, ver.2 (page 24) is considered relevant by the assessment team. **This issue is closed.** ☑
Corrective Action Request No.8 Using EF for the grid from already positive determinate JI projects is accepted for track 1 only if the named project has been registered. The status of "Timisoara combined heat and power rehabilitation for CET Centru location" used as reference in PDD has to be mentioned in the revised PDD.	B.1.3	National procedure for using Joint Implementation (JI) mechanism under Track I (National JI Track I Procedure) / CHAPTER III – Endorsement, determination and approval of projects / The following activities are required under the third step of the process: / (i) LoA issuance ensures the automatic registration of the project as a JI Track I project in Romania.(page 10) According to the above mentioned provision, for JI Track I projects in Romania, approved is equivalent to Registered.	The LoA received (IRL 34). **This issue is closed.** ☑
At page 22 of PDD there is a sentence left under the question: "Governmental Decision 443/2004 and Law 220/2008, amended by Law 139/2010???" and a text in Romanian at page 23. These errors shall be corrected. **Corrective Action Request No.9** The new version of PDD has to be checked for elaboration errors.	B.2.5	PDD updated and typing errors corrected.	Checked in the new PDD ver. 2 (IRL 22) **This issue is closed.** ☑

Corrective Action Request No.10 According to the additionality tool sub-step 3a, it has to be justified that similar activities in the region/country without JI have been implemented with grants or other non-commercial finance terms and that no private capital is available due to real or perceived risks associated with investment in the region/country (see inflation report quoted in the PDD).	B.2.7	As explained in substep 3a.c), in the PDD, there is no prevailing practice for wind parks of the size of Babadag WPP in Romania so far. As of our knowledge, other two larger parks which are claiming for JI credits (PDDs published for stakeholders consultation _ www.mmediu.ro), are thought to be built but they are not operational either. The only operational parks are small size (substep 3a.c)) and if we consider the fact that the available public funds address especially to wind parks under 10 MW, we may assume (based on the lists of projects approved by the Environmental Fund and by the Structural Funds _ CAR10_accepted projects_proiecte_acceptate_10_10-28_11_2008-anexa2 & CAR10 _ Selected beneficiaries_ListaBeneficiariSelectati) that they have received financial help in order to be implemented. On the other hand as a larger project is being under construction (Fantanele), based on assumptions made on publicly available information (mainly newspaper articles), the project is in delay; one of the cause can be the financing (they have also applied for JI and have been rejected), though the project is 100% privately funded; this means that even private financing is scarce for this type of project in Romania, especially if we consider the country risk, the fiscal instability and the lack of transparency of the Energy Authorities (i.e. the Director of the National Energy Dispatcher recently declared that currently there are 31000 MW in wind in different approval stages from Transelectrica declared that "the acceptable installed power is about 3000 MW". (Workshop 'Green. The Future of Energy", October 27, 2010. http://www.puterea.ro/news10911/Pretul-energiei-electrice-va-creste-cu-2--anul-viitor.htm.) The lack of availability of capital is highlighted through the "Report on the financial stability" 2010, prepared by the National Bank of Romania (attached). Please see PDD update.	It is clear from the documents provided (IRL 24-27) that there are no similar projects in operation in Romania and that the availability of funds is limited. **This issue is closed.** ☑

Corrective Action Request No.11 Elaboration of the documents "ANRE Raport 2009, page 63" and "Report on RES 2009", RWEA Report have to be more traceable	B.2.8	PDD updated. Improved traceability of information is offered. Description was removed from RWEA website (Section Statistics/Statistici)	Checked in the new PDD ver. 2, page 31 (IRL 22) **This issue is closed.** ☑
Corrective Action Request No.12 There is a need to discuss for the technological barrier the new order No. 51/2009 "Technical Requirements for the connection of wind power plants to public electricity networks", quoted on page 36 of the ANRE report 2009.	B.2.8	Order 51/2009 provides for very strict and conservative conditions regarding the wind farm operation. In this respect, the Grid Operator do not take any responsibility in case of damages produced to the wind farm equipment due to failures in the Grid (para 14); all responsibility and all costs are on the electricity producer. The implementation of required grid connection equipment and safety rules is very expensive, which for a medium sized wind farm bring a significant increase of the specific investment cost (Euro/MW). For large WPPs, though the total connection cost is higher, it is expected a certain economy in the specific investment cost, due to the distribution of grid connection cost to a larger number of MW.	The explanation provided is considered satisfactory. **This issue is closed.** ☑
Corrective Action Request No.13 The statement at page 27 of PDD: "…operating wind parks larger than 2.65 MW is rather absent…" is confusing. Clarification is needed.	B.2.9	PDD updated. More clarity provided.	Checked in the new PDD ver. 2, page 32 (IRL 22) **This issue is closed.** ☑

Corrective Action Request No.14 A justification regarding the consideration of Babadag project as "first of its kind" is requested.	B.2.10	The PP considered that due to the fact that no other project of this size is commissioned in Dobrogea area so far, BWPP can be considered as first of its kind. In this respect, please see the ANRE Annual Report 2009 provided during the onsite assessment (wind installed power 14.1 MW). Several wind parks have obtained the grid connection contracts, but even this does not warranty that they will be built according to the projected timelines and without any type of financial aid. The PP is having discussions with banks for the financing of the construction works and banks seem to lack understanding of the specific RES market, interest and willingness to assume specific risks, considering the situation of the regulatory framework (law on green certificates that was published in 2008, was modified three times so far and is not applied and applicable yet). The Romanian electricity market does not provide a framework for concluding PPAs and for the moment the wind parks larger than 10 MW (which are considered dispatchable) must supply electricity on the day ahead market assuming all unbalancing risks. The situation is foreseen to be changed through the introduction of a new market mechanism (the intraday market) that will allow to the following projects that will come online to benefit from the experience gained with the first ones to apply the new system (Babadag being one of them).	The total 14 MW installed capacity is not of similar scale as the proposed project activity (IRL 22). However, **See CAR 19 below for the further process.**

Corrective Action Request No.15 The Fantanele wind power project was implemented without JI, grants or other non-commercial finance terms, despite of the worldwide deteriorating finance conditions seen since 2008 and the current excess energy supply in Romania. An explanation of the exclusion of Fantanele project from common practice analyze is requested.	B.2.11	Fantanele project was excluded from the common practice analysis due to the following considerations: **a.** The mentioned project is not fully operational at present and the project has applied for JI (meaning that it needed the JI revenues). The owner of Fantanele Wind Farm Project, SC Tomis Team SRL, prepared the PIN in 2008 and submitted it to the DFP in 2009. It was analysed and as it was expected to come online in the first quarter of 2010 the NCCC considered that its impact of the approval over the JI reserve (as per the National Allocation Plan) could not allow granting the ERUs to the projects already approved; therefore, the application was rejected. **b.** The size of the project (347.5 MW) exceeds almost 9 times the size of Babadag project; therefore the two cannot be compared especially from the perspective of the specific investment costs (both equipment and civil works can be cheaper per MW, due to the effect of economy of scale) and the negotiation power with the different contractors (including the electricity transporter and distributor) c. Being a private investment, not much public information on Fantanele is available / Considering that the project was not online on December 31, 2009, data regarding the project is not included in the official publications (ANRE, Transelectrica)	The information provided is not responding to the question how Fantanele Project has been able to overcome the financial barrier. Hence: **See CL #1, below for the further process.**

Corrective Action Request No.16 A description on data transmission to ENEL Tulcea and simultaneously to the Command & Control Room of EVIVA Company has to be included in the revised PDD.	D.1.1	PDD updated. Please see Section D3.	Section D3 of the new PDD ver. 2 (IRL 22) has been checked and the information was considered clear. **This issue is closed.** ☑
Corrective Action Request No.17 In Table D.1 (page 40 of PDD) in the column "Responsible" it is written: "project team". This is not a clear assignment. Correction is requested.	D.3.2	PDD updated and correction performed.	Checked in the new PDD ver. 2 (IRL 22) **This issue is closed.** ☑
Corrective Action Request No.18 In the calculation document, "Babadag I + II + lucru _ .3_PDD.xlsx", not all figures have calculation formula behind. Also in the Table "Annual energy yeld/losses" there is no explanation of the values used/calculated. Correction is requested.	E.6.2	The Excel calculation was updated. Please find attached the file "Babadag I + II + lucru _ v1.4_PDD", containing all required references.	Checked in the new Excel calculation document (IRL 28). The calculation is now performed in a correct and transparent way. **This issue is closed.** ☑

Second Loop **Clarifications and corrective action requests by validation team**	**Ref. to table 1**	**Summary of project owner response**	**Determination team conclusion**
Corrective Action Request No.19 It has to be demonstrated and justified in detail in the PDD why this project is deemed to be "First-Of-Its-Kind" taking into account a clear argumentation why 42 MW size could be another "kind" than e.g. Casimcea with 200 MW. Furthermore, for such a discussion the timeline of implementation has to clearly indicate that this is really the first in the pipeline.	B.2.10	Economies of scale due to the different size of turbines come from the fact that larger machines are usually able to deliver electricity at a lower cost than smaller machines. It is the case of Casimcea: 2.3 MW compared to Babadag: 2.1 MW. This is due to the fact that the cost of foundations, road building, electrical grid connection, plus a number of components in the turbine (the electronic controlling system etc.) are somewhat independent of the size of the machine. On the other hand, negotiation position with technology and civil works suppliers is different in the case of a large WPP than in the case of a medium size park; certainly the larger the park is, the better are the conditions offered by the suppliers. Other than the economies of scale which vary with the size of the turbine, there may be economies of scale in the operation of larger wind parks. These economies are related to the maintenance visits, surveillance and administration, etc. Babadag is a two locations project; situation that is certainly generating higher costs. Finally, we need to mention that Babadag WTGs were contracted at higher prices, on a producers market, as at the contracting moment (April 2008), the WTG producers still had long waiting lists. Considering the time needed for all steps undertaken in order to promote the project: the preliminary feasibility analysis, land concessions, wind measurement, contracts, the developer demonstrated good skils on a very new market. Being among the pioneers on the market and due to the results of the preliminary feasibility analysis, the PP decided that the project must be promoted with the JI revenues (document provided during site visit *"Project Babadag Recommendation of Investment - Aug 2007"*). Babadag wind power park is the first project of EVIVA ENERGY (through EVIVA NALBANT). Demonstration that the project is the first in the pipeline of the company is supported through the **attached letter.**	The statement "first of this kind" has been removed from the latest version of PDD "Babadag_PDD_TUV_LG20101122.pdf", IRL 32. **This issue is closed.** ☑

Clarification Request No.1 An explanation regarding how Fantanele Project has been able to overcome the financial barrier is still pending.	B.2.11	According to the available information (http://www.finmedia.ro/conferences/conferintele/energy_forum/ed1/prezentation.php _ Adrian Borotea), Fantanele WPP was supposed to be commissioned in the first half of year 2010 (attached presentation_ slide17). As of the present day, it is not yet fully operational. Knowing a part of the history of the project (especially the JI side) and considering the fact that the Renewable Energy Law (220/2008) is not applied yet, bringing important misbalancing to the forecasted cash flow (only one green certificate, instead of two is offered), we can assume that the financial structure is not closed yet. On the other hand, according to CEZ website (http://www.cez.ro/index.php?id=2&b=96&l=1), in 2009 the group obtained from a group of German banks and companies the financing of an export credit of more than 262 mil Euro with a maturity of 15 years (very favorable to the project) for the equipment to be installed in the Fantanele wind farm; also, in the last quarter of 2009, the European Investment Bank approved a 200 mil Euro for the project in Fantanele (http://www.eib.org/projects/pipeline/2007/20070524.htm). In both cases, the loans were granted to CEZ (company active in the energy field and active in Romania since 2005) - a considerable advantage for Fantanele project. According to the publicly available information regarding the investment value (about 650 mil Euro), the sum of the two loans obtained account for more that 70% of the investment. In this respect and compared to other projects on the market, the situation of Fantanele project is considerably better than that of others and it might have been able to overcome the financial barriers mainly due to the credibility, experience and strength of the mother company in its relationship with the banks. Nonetheless, not all companies may benefit from loans from EIB and those loans are recognized for carrying over good financing conditions.	The explanation provided is clear and comprehensive, see also the public statement of the CEZ Romania president (IRL 31). **This issue is closed.** ☑

Forward Action Request No.1 LoAs (host and ERUs buyer) are though outstanding at the time of determination. Timeline for obtaining of LoAs will be defined later by DFP. Thus, it's an issue of first verification	A.3.1	LoA dated 09.03.2011 by the Romanian DFP (host country) is received. (IRL 34)	It's an issue of first verification.
Forward Action Request No.2 The updated Electricity Generation License by ANRE - not applicable at this moment – of the implemented project activity should be submitted during the initial and first periodic verification.	A.4.1.2		It's an issue of first verification.
Forward Action Request No.3 Relevant certificates on Training & Qualification of the staff in charge for HV operation and WTG operation & maintenance should be presented during the initial and first periodic verification.	A.4.2.8		It's an issue of first verification.
Forward Action Request No.4 Copies of the el. meter calibration certificates and protocol shall be presented to the audit team during the initial verification.	D.1.1		It's an issue of first verification.
Forward Action Request No. 5 Elaborated Monitoring Plan shall be presented to the initial verification audit. The MR shall consist at least of following: general information on the project, project description, monitored parameters, description of metering equipment including calibration data, description of ER calculation formulae, description of QA/QM procedures, training needs and training records.	H.1.		It's an issue of first verification.

A JI Manual/Handbook including relevant information regarding the Project shall be prepared and presented also during the initial verification.			

Table 3 Unresolved Corrective Action and Clarification Requests (in case of denials)

Clarifications and / or corrective action requests by determination team	Id. of CAR/CR	Explanation of Conclusion for Denial
-	-	-

Industrie Service

Annex 2: Information Reference List

Ref. No.	Issuance and/or submission date(dd/mm/yyyy)	Title/Type of Document	Author/Editor/ Issuer	Additional Information (Relevance in JI Context)
1.	12/10/2010	On-site interviews conducted by TÜV SÜD. **Determination Team:** Robert Mitterwallner – ATL Constantin Zaharia - verifier **Interviewed Persons:** Manuel Silva, Country Manager - Martifer Renewable Liviu Gheorghe, Manager – Eco2ro Beucan Gheorghe, Municipality of Babadag Simion Cistina, Municipality of Babadag Goncao Garinho, Afaplan Ghica Florentina, Electrical engineer, Eviva Nalbant	TÜV SÜD	
2.	22/06/2010	PDD Version 1	S.C. Eco2ro S.R.L.	
3.	22/06/2010	Excel file “Babadag I + II + lucru _ v1.3_PDD.xlsx”	S.C. Eco2ro S.R.L.	ER calculation workbook
4.	22/06/2010	MP	S.C. Eco2ro S.R.L.	Monitoring Plan
5.	07/2007	Feasibility Study	Megajoule/Portugal	
6.	29/08/2007	Financial Analysis Calculations + Approval	Eviva Nalbant	
7.	2007	Land Lease Contract	Casimcea Municipality	
8.	21/07/2010	Environmental Impact Assessment & Approvals	EPA Tulcea	
9.	2009	Licenses and Approvals (PUZ, Construction Permit, Connection to the grid approval)	Eviva Nalbant	All permits for starting the project.
10.	2009	Information of Stakeholder	Eviva Nalbant	Stakeholder minutes, public announcements
11.	01/10/2010	Scheme of the Project Activity	Eviva Nalbant	Babadag Timeline

Ref. No.	Issuance and/or submission date(dd/mm/yyyy)	Title/Type of Document	Author/Editor/ Issuer	Additional Information (Relevance in JI Context)
12.	08/11/2007	Technical Design Documents	ECRO	Single Line diagram for electricity
13.	12/10/2010	Business Plan	Eviva Nalbant	Updated financial analyze
14.	12/10/2010	Purchasing Agreements Key Equipments	Eviva Nalbant	Contracts for Wind Turbines
15.	12/10/2010	Layout Plan	Eviva Nalbant	
16.	30/06/2010	LoE	MAPM	Letter of Endorsement
17.	09/07/2010	PIN	Eviva Nalbant	
18.	08/2007	Doc Providing Early JI Consideration	Eviva Nalbant	
19.	2008/2009	Micrositing	Suzlon	
20.	07/2010	Bankable Wind Assessment	Eviva Nalbant	Financial documents
21.	12/10/2010	Own Consumption	Suzlon	Internal electricity consumption of the wind park.
22.	29/10/2010	PDD Version 2	S.C. Eco2ro S.R.L.	
23.	29/10/2010	LoA CET TMC.pdf	Ministry of Environment	Reference for EF of the grid.
24.	29/10/2010	CAR10 _ Selected beneficiaries_ListaBeneficiariSelectati.PDF	Ministry of Finance	Available funds for “green” projects
25.	29/10/2010	CAR10 Report on the financial stability _RSF2010.pdf	BNR	Inflation Report 2009
26.	29/10/2010	CAR10_ List of LoEs & LoAs 2005 - 2010 _ Lista_scrisori_2005-2010.doc	Ministry of Environment	JI Projects in Romania
27.	29/10/2010	CAR10_accepted projects_proiecte_acceptate_10_10-28_11_2008-anexa2.PDF	Ministry of Environment	JI Projects in Romania
28.	29/10/2010	Babadag I + II + lucru _ v1.4_PDD.xlsx	S.C. Eco2ro S.R.L.	Excel calculations.

Ref. No.	Issuance and/or submission date(dd/mm/yyyy)	Title/Type of Document	Author/Editor/ Issuer	Additional Information (Relevance in JI Context)
29.	12/11/2010	Babadag_PDD_TUV_LG20101112.pdf	S.C. Eco2ro S.R.L.	PDD, ver. 3
30.	12/11/2010	CAR19_Clarification Letter EVE - Carbon Credits.pdf	S.C. Eco2ro S.R.L.	Supporting information regarding “first of this kind”
31.	12/11/2010	CL1_Adrian Borotea.pptx	CEZ Romania	Supporting information regarding “Fantanele” Wind Farm
32.	12/11/2010	Babadag_PDD_TUV_LG20101122.pdf	S.C. Eco2ro S.R.L.	PDD, ver. 4
33.	04/12/2009	JOINT IMPLEMENTATION DETERMINATION AND VERIFICATION MANUAL	Joint Implementation Supervisory Committee Nineteenth meeting Report - Annex 4	
34.	09/03/2011	Letter of Approval	Romanian DFP	LoA