



# JI DETERMINATION REPORT FORM

(version 02)

(to be completed by an AIE requesting the publication of a determination pursuant to paragraph 33 of the JI guidelines)

<b>Accredited independent entity (AIE) submitting form</b>	Bureau Veritas Certification Holding SAS
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## Proposed JI activity

<b>Reference number and title of proposed JI activity</b>	Introduction of a 12,5MWe CHP with a coke plant's flue gases utilization at the branch of ISTEK LLC "Horlivka Coke Plant"
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<b>Host Party(ies)</b>	Ukraine
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<b>Parties involved in the JI activity</b>	The Netherlands
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<b>Coordinating entity (<i>applicable to JI PoA only</i>)</b>	N/a
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<b>Project participants</b>	ISTEK LLC, Global Carbon BV
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<b>Type of JI activity:</b>	<input checked="" type="checkbox"/> <b>large scale</b> <input type="checkbox"/> <b>small scale</b> <input type="checkbox"/> <b>LULUCF</b> <input type="checkbox"/> <b>PoA</b>
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<b>Brief description of the JI activity</b>	<p>The objective of the proposed project is to produce carbon neutral electricity through the waste gas utilization and GHG emission reduction.</p> <p>Utilization of the COG in the planned CHP will generate carbon neutral electricity, as in the absence of the proposed project the entire COG would be burnt without electricity generation. The GHG emissions will be reduced in two areas:</p> <ul style="list-style-type: none"> <li>• Carbon neutral electricity produced by the project and delivered to the grid;</li> <li>• Carbon neutral electricity produced by the project and consumed on-site.</li> </ul> <p>The project will generate 82507 MWh of electricity annually in average during the crediting period. The project consists of the installation of a steam boiler and a steam turbo generator with all necessary auxiliary equipment. The steam boiler will be able to generate 85 tonnes of steam per hour with a pressure 3.82 MPa (39 kgf/sm<sup>2</sup>) and a temperature 440°C. The steam turbo generator will have a capacity of 12.5 MW<sub>e</sub>. The CHP will be fuelled by COG available for energy production; currently the COG is flared and used in the existing boiler house at the moment. The existing boiler house will be switch to stand-by mode and used during maintenance of the proposed CHP.</p>
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## Determination report

**Please confirm that all requirements of Article 6 of the Kyoto Protocol, the JI guidelines and further relevant requirements defined by the CMP or the JISC with regard to determinations pursuant to paragraph 33 of the JI guidelines are met:**

- Yes**  
 **No**

### General information on determination

Please describe:

- The scope of the determination process, including all documentation that has been reviewed and list the names of persons interviewed during the determination process, as applicable;
- The AIE's determination team, including a list of all persons involved in the determination process and a description of the functions assumed.

The Project Design Document (PDD) submitted by Global Carbon BV and additional background documents related to the project design and baseline, i.e. country Law, Guidelines for Completing the Project Design Document (JI-PDD), Approved methodology, Kyoto Protocol, Clarifications on Determination Requirements to be Checked by a Accredited Independent Entity were reviewed.

PDD version 1.2. dated 25.02.2009

PDD version 1.4. dated 02.06.2009

PDD version 1.5. dated 25.06.2009

PDD version 3.0. dated 05.08.2009

PDD version 3.1. dated 18.09.2009

PDD version 3.2. dated 22.12.2009

PDD version 3.3. dated 15.03.2010

Letter of Approval #42/23/7 from National Agency of Environmental Investments dated 20<sup>th</sup> of January 2010

Letter of Approval #2009JI11 from SenterNovem Utrecht dated 8<sup>th</sup> of October 2009.

Architect-planning task, which is approved by the Municipal Facilities Division on 03.03.2008 and is valid till 03.2010.

Decision #235 of Horlivka City Administration Executive Committee from 20.02.2008 that permits Introduction of a Coke Oven Gas fuelled CHP with 12.5MWe capacity at the Horlivka coke plant.

Expertise conclusion #63.2-01-3204.08 from the public enterprise "Eastern technical expert centre" from 05.09.2008 which certifies compliance of the project documentation of the construction of industrial object to the legal requirements in the field of labour protection.

Expert conclusion #08 B 07 0025 00.00 0881 II issued by the State energy-saving inspection from 23.05.2008 till 23.05.11.

Conclusion of the State Environmental Expertise C#08.08.384 on the compliance of the project documentation of the construction of industrial object to the legal requirements in the field of environmental protection.

Expert conclusion on the compliance of the project documentation of the construction of industrial object to the legal requirements of the fire-prevention.

Conclusion #1896/03.3 of the State Sanitary-Epidemiological Expertise of Donetsk Region issued 02.07.2008.

Second complex expert conclusion #1006/2 issued by Donetsk Regional Office of Ukrainian State Investment Expertise "Donobinvestexpertisa" on 06.10.2008.

Permit on the performance of the constructional works #08/02/1144 from 18.11.2008 issued by the Inspection of the State architect-constructional control in Donetsk Region. Valid till 01.12.2010.

Background documents related to the project design and baseline, as well as other reference documents as presented in the Determination Report (licenses, implementation status, personnel competence, operational procedures, equipment, stakeholders' opinion).

The determination findings presented in this report relate to the project as described in the PDD version 1.0, dated 19/08/08, and responses in revised PDD version 1.2 dated 25/02/09, version 1.4 dated 02/06/09, version 1.5 dated 25/06/09.

To address Bureau Veritas Certification corrective action and clarification requests Global Carbon BV revised the PDD version 1.0 and resubmitted it on 25/06/2009 as version 1.5.

After the procedure of Internal Technical Review in order to meet the requested changes the PDD has been updated to the version 3.2 dated 22<sup>nd</sup> of December 2009.

On 26/03/2009 Bureau Veritas Certification performed interviews with representatives of ISTEK LLC, Global Carbon BV as informed below:

Oleg Bulany, Senior Consultant of Global Carbon BV

Sergiy Boyko, Deputy Chief Energy Specialist of the HCP ISTEK Ltd.

Stanislav Bredun, Head of the production department of the HCP ISTEK Ltd.

Boris Glushenko, Head of the technical department of the HCP ISTEK Ltd.

Petr Golovin, Head of the HCP ISTEK Ltd.

Victor Danilchenko, Head of the КИП and A, Chief Metrologist of the HCP ISTEK Ltd.

Aleksandr Zatochniy, Chief Energy Specialist

Petr Zima, Deputy Head of the capital construction of the ISTEK Ltd.

Vladimir Pilipenko, Head of the economy of the ISTEK Ltd.

Tatyana Teleginskaya, Deputy Chief Engineer of the HCP ISTEK Ltd.

Vyacheslav Chernikov, First Deputy of the Head, Chief Engineer of the HCP ISTEK Ltd.

Determination team:

Ivan Sokolov – Climate Change Lead Verifier

Kateryna Zinevych – Climate Change Verifier

Nadiya Kaiiun – Climate Change Verifier

Denis Pishchalov – Financial specialist

Ashok Mammen – Internal Technical Reviewer

### **Description of determination process**

Please briefly describe and refer to:

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

**Statements or assessments should be included in section “Conclusions, final comments and determination opinion”.**

The overall determination, from Contract Review to Determination Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

In order to ensure transparency, a determination protocol was customized for the project, according to the Determination and Verification Manual (IETA/PCF). The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria. The determination protocol serves the following purposes:

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

The determination protocol consists of five tables.

The completed determination protocol is enclosed in Appendix A to this report.

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

- 1) The findings of the desk review of the original project design documents and the findings from interviews during the follow up visit are summarized. A more detailed record of these findings can be found in the Determination Protocol in Appendix A.
- 2) Where Bureau Veritas Certification had identified issues that needed clarification or that represented a risk to the fulfilment of the project objectives, a Clarification or Corrective Action request, respectively, have been issued. The Clarification and Corrective Action Requests are stated, where applicable, in the following sections and are further documented in the Determination Protocol in Appendix A.

The conclusions for determination subject are presented.

### **Comments received from Parties, stakeholders and UNFCCC accredited observers**

Please:

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

There are no comments from stakeholders.

### **Conclusions, final comments and determination opinion**

Please provide:

- Conclusions describing how each of the requirements of Article 6 of the Kyoto Protocol and the JI guidelines and further relevant requirements defined by the CMP or the JISC, in particular those referred to in paragraph 33 of the JI guidelines, have been met, including assessments and findings (e.g. corrective action requests, clarifications or observations) related to each requirement, and statements on whether all issues raised have been addressed to the AIE's satisfaction;
- Final comments and a determination opinion.

Bureau Veritas Certification has performed a determination of the “Usage of Alternative Raw Materials at Kryvyi Rih Cement, Ukraine” Project in Ukraine. The determination was performed on the basis of UNFCCC criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.

The determination consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and the issuance of the final determination report and opinion.

Project participant/s used the latest tool for demonstration of the additionality. In line with this tool, the PDD provides analysis of technological and other barriers to determine that the project activity itself is not the baseline scenario.

By by addition of alternative raw materials, the project is likely to result in reductions of GHG emissions from calcination. An analysis of the technological barriers demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented and maintained as designed, the project is likely to achieve the estimated amount of emission reductions.

The review of the project design documentation (version 3.2) and the subsequent follow-up interviews have provided Bureau Veritas Certification with sufficient evidence to determine the fulfillment of stated criteria. In our opinion, the project correctly applies and meets the relevant UNFCCC requirements for the JI and the relevant host country criteria.

The determination is based on the information made available to us and the engagement conditions detailed in this report.

**List of documents attached to the determination report form**

Please attach relevant documents used in the determination process and check mark below accordingly

- PDD/PoA DD of the proposed JI activity**
- Determination report**
- Written approvals by the Parties involved, listed in the JI PDD/PoA DD**
- Other relevant documents:**
  - Determination protocol**
  - List of persons interviewed**
  - Any other documents** (please list): Emission Reductions Calculation, Investment Analysis

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

**Authorized officer signing for the AIE**

Ivan Sokolov



**Date and signature**

16.03.2010