



---

# DETERMINATION REPORT

---

CMM utilisation on the Joint  
Stock Company named  
Komsomolets Donbassa Coal  
Mine of DTEK (Donbasskaya  
Toplivnaya Energeticheskaya  
Kompanya) Project  
in Ukraine

REPORT No. 2008-0200

REVISION No. 02



## DETERMINATION REPORT

Date of first issue: 2007-05-16	Project No.: 44450006
Approved by: Mari Grooss Viddal	Organisational unit: Climate Change Services
Client: Fraunhofer UMSICHT	Client ref.: Adam Hadulla

DET NORSKE VERITAS  
CERTIFICATION AS

Veritasveien 11322 Høvik  
NORWAY  
<http://www.dnv.com>

**Project Name:** CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompanya) (There is a variation in the project name between the PDD and the translation of the Letter of approval. DNV can confirm that these two written versions are for the same project)

**Country:** Ukraine

**GHG reducing Measure/Technology:** Coal mine methane (CMM) capture and utilization

**ER estimate:** Annual average of 316 941 tCO<sub>2</sub>e /yr for the crediting period (5 years).

**Size**

- Large Scale  
 Small Scale

**Determination Phases:**

- Desk Review  
 Follow up interviews  
 Resolution of outstanding issues

**Determination Status**

- Corrective Actions Requested  
 Clarifications Requested  
 Full Approval and submission of determination report  
 Rejected

In summary, it is DNV's opinion that the "CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompanya)" project in Ukraine, as described in the PDD of 14 April 2008 (version 4), meets all relevant UNFCCC requirements for the JI and all relevant host Party criteria. The project activity applies the baseline and monitoring methodology ACM0008, version3, as relevant.

Report No.: 2008-0200	Date of this revision: 2008-09-18	Rev. No. 02
Report title: CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompanya) in Ukraine		
Work carried out by: David Creedy, Yulia Zhukova, Ole Andreas Flagstad		
Work verified by: Michael Lehmann		

Key words:

Climate Change, Kyoto Protocol, Joint Implementation

- No distribution without permission from the Client or responsible organisational unit
- Limited distribution
- Unrestricted distribution



---

## DETERMINATION REPORT

---

### Abbreviations

BM	Build Margin
CAR	Corrective Action Request
CBM	Coal Bed Methane
CDM	Clean Development Mechanism
CEF	Carbon Emission Factor
CER	Certified Emission Reduction
CH <sub>4</sub>	Methane
CL	Clarification request
CMM	Coal Mine Methane
CO <sub>2</sub>	Carbon dioxide
CO <sub>2</sub> e	Carbon dioxide equivalent
DNV	Det Norske Veritas
EIA	Environmental Impact Assessment
GHG	Greenhouse gas(es)
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
JISC	JI Supervisory Committee
LoA	Letter of Approval
MP	Monitoring Plan
N <sub>2</sub> O	Nitrous oxide
NGO	Non-governmental Organisation
NMHC	Non Methane Hydro Carbon
ODA	Official Development Assistance
OM	Operation Margin
PDD	Project Design Document
UNFCCC	United Nations Framework Convention on Climate Change
VAM	Ventilation Air Methane




---

## DETERMINATION REPORT

---

### TABLE OF CONTENTS

Abbreviations	3
1 EXECUTIVE SUMMARY – DETERMINATION OPINION .....	5
2 INTRODUCTION .....	6
2.1 Objective	6
2.2 Scope	6
3 METHODOLOGY .....	7
3.1 Desk Review of the Project Design Documentation	7
3.2 Follow-up Interviews with Project Stakeholders	7
3.3 Resolution of Outstanding Issues	8
3.4 Internal Quality Control	10
3.5 Determination Team	10
4 DETERMINATION FINDINGS .....	11
4.1 Participation Requirements	11
4.2 Project Design	11
4.3 Baseline Determination	12
4.4 Additionality	13
4.5 Monitoring	14
4.6 Estimate of GHG Emissions	15
4.7 Environmental Impacts	16
4.8 Comments by Local Stakeholders	17
4.9 Comments by Parties, Stakeholders and Observers	17

Appendix A: Determination Protocol



---

## DETERMINATION REPORT

---

### 1 EXECUTIVE SUMMARY – DETERMINATION OPINION

*Det Norske Veritas Certification AS (DNV) has performed a determination of the “CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompanya)” project in Ukraine. The determination was performed on the basis of UNFCCC criteria for Joint Implementation and host Party criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.*

*The review of the project design documentation and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfilment of stated criteria.*

*The host Party is Ukraine and the other participating Annex I Party is The Netherlands. Both Parties fulfil the participation criteria and have approved the project and authorized the project participants.*

*By burning and utilising methane gas instead of passively venting it, the project results in reductions of CH<sub>4</sub>/CO<sub>2</sub> emissions that are real, measurable and give long-term benefits to the mitigation of climate change. It is demonstrated that the project 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.*

*The total emission reductions from the project are estimated to be on the average 316 941 tCO<sub>2</sub>e per year during 2008 - 2012. The emission reduction forecast has been checked and it is deemed likely that the stated amount is achieved given that the underlying assumptions do not change.*

*Adequate training and monitoring procedures have been implemented.*

*In summary, it is DNV’s opinion that the “CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompanya)” project in Ukraine, as described in the PDD of 14 April 2008, meets all relevant UNFCCC requirements for the JI and all relevant host Party criteria.*



---

## DETERMINATION REPORT

---

## 2 INTRODUCTION

Fraunhofer UMSICHT has commissioned Det Norske Veritas Certification AS (DNV) to perform a determination of the “CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompaniya)” project in Ukraine. This report summarises the findings of the determination of the project, performed on the basis of UNFCCC criteria for the JI, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the Guidelines for the implementation of Article 6 of the Kyoto Protocol, in particular the verification procedure under the Article 6 supervisory committee, and the subsequent decisions by the JI Supervisory Committee (JISC).

### 2.1 Objective

The purpose of a determination is to have an independent third party assess the project design. In particular, the project's baseline, monitoring plan, and the project's compliance with relevant UNFCCC and host Party criteria are validated in order to confirm that the project design, as documented, is sound and reasonable and meets the identified criteria. Determination is a requirement for all JI projects and is seen as necessary to provide assurance to stakeholders of the quality of the project and its intended generation of emission reduction units (ERUs).

### 2.2 Scope

The determination scope is defined as an independent and objective review of the project design document and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. Based on the recommendations in the Validation and Verification Manual, DNV employed a risk-based approach in the determination, focusing on the identification of significant risks for project implementation and the generation of ERUs.

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



---

## DETERMINATION REPORT

---

### 3 METHODOLOGY

The determination consisted of the following three phases:

- I a desk review of the project design documents
- II follow-up interviews with project stakeholders
- III the resolution of outstanding issues and the issuance of the final determination report and opinion.

The following sections outline each step in more detail.

#### 3.1 Desk Review of the Project Design Documentation

The following table outlines the documentation reviewed during the determination:

- /1/ Emissions Trader ET GmbH, PDD for the “CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompanya)” project, version 02 dated 13 September 2007 and version 04 dated 14 April 2008
- /2/ CDM Executive Board, ACM0008 - Consolidated baseline methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring”, Version 3, 22 December 2006
- /3/ International Emission Trading Association (IETA) & the World Bank’s Prototype Carbon Fund (PCF): *Determination and Verification Manual*.  
<http://www.vvmanual.info>
- /4/ Letter of approval Ukraine, 3 October 2007
- /5/ Letter of approval Netherlands, 26 November 2007
- /6/ CDM Executive Board, Tool for demonstration and assessment of additionality, version 03
- /7/ Approval by the Ukrainian Mining Authorities for the combustion units
- /8/ Letter of Endorsement №11439/10/310 dated 2006-12-22 from Ukrainian Ministry of Environmental Protection
- /10/ Bank of Ukraine, <http://www.bank.gov.ua>. Interest values

Main changes between the version of the PDD (version 02) published for the 30 days stakeholder consultation period and the final version of the PDD (version 04):

- description of the project is more detailed (methane flows, equipment and more).
- financial analysis has been updated.
- issues related to monitoring are described more in detail.

#### 3.2 Follow-up Interviews with Project Stakeholders

Personnel who have been interviewed and/or have provided additional information to the presented documentation is listed below. A site visit was done on 22 August 2007.



## DETERMINATION REPORT

	Date	Name	Organization
/9/	2007-08-22	Mikhaylov Aleksey, Leader specialist	Donbasskaya Toplivnaya Energeticheskaya Kompanya (DTEK)
/10/	2007-08-22	Agramakov Alexander, Chief Engineer	<u>Open</u> Joint Stock Company “Komsomolets Donbassa Mine”
/7/	2007-08-22	Sherbak Sergey, Mining Division superintendent	<u>Open</u> Joint Stock Company “Komsomolets Donbassa Mine”
/8/	2007-08-22	Chernomorskiy Leonid, Mining area mechanic	<u>Open</u> Joint Stock Company “Komsomolets Donbassa Mine”
/9/	2007-08-22	Serebrianiy Oleg, Deputy chief of mining area	<u>Open</u> Joint Stock Company “Komsomolets Donbassa Mine”

### 3.3 Resolution of Outstanding Issues

The objective of this phase of the determination was to resolve any outstanding issues which needed be clarified prior to DNV’s positive conclusion on the project design. In order to ensure transparency a determination protocol was customised for the project. The protocol shows in transparent manner criteria (requirements), means of verification 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 DNV will document how a particular requirement has been validated and the result of the determination.

The determination protocol consists of three tables. The different columns in these tables are described in the figure below. The completed determination protocol for the “CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompanya)” project is enclosed in Appendix A to this report.

Findings established during the determination can either be seen as a non-fulfilment of JI criteria or where a risk to the fulfilment of project objectives is identified. Corrective action requests (CAR) are issued, where:



## DETERMINATION REPORT

- i) mistakes have been made with a direct influence on project results;
- ii) JI and/or methodology specific requirements have not been met; or
- iii) there is a risk that the project would not be accepted as a JI project or that emission reductions will not be issued.

A request for clarification (CL) may be used where additional information is needed to fully clarify an issue.

<b>Determination Protocol Table 1: Mandatory Requirements for JI Project Activities</b>				
<b>Requirement</b>	<b>Reference</b>	<b>Conclusion</b>		
<i>The requirements the project must meet.</i>	<i>Gives reference to the legislation or agreement where the requirement is found.</i>	<i>This is either acceptable based on evidence provided (OK), a <b>Corrective Action Request (CAR)</b> of risk or non-compliance with stated requirements or a request for <b>Clarification (CL)</b> where further clarifications are needed.</i>		

  

<b>Determination Protocol Table 2: Requirement checklist</b>				
<b>Checklist Question</b>	<b>Reference</b>	<b>Means of verification (MoV)</b>	<b>Comment</b>	<b>Draft and/or Final Conclusion</b>
<i>The various requirements in Table 2 are linked to checklist questions the project should meet. The checklist is organised in different sections, following the logic of the large-scale PDD template, version 01 - in effect as of: 15 June 2006. Each section is then further sub-divided.</i>	<i>Gives reference to documents where the answer to the checklist question or item is found.</i>	<i>Explains how conformance with the checklist question is investigated. Examples of means of verification are document review (DR) or interview (I). N/A means not applicable.</i>	<i>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.</i>	<i>This is either acceptable based on evidence provided (OK), or a <b>corrective action request (CAR)</b> due to non-compliance with the checklist question (See below). A request for clarification (CL) is used when the determination team has identified a need for further clarification.</i>

  

<b>Determination Protocol Table 3: Resolution of Corrective Action and Clarification Requests</b>			
<b>Draft report clarifications and corrective action requests</b>	<b>Ref. to checklist question in table 2</b>	<b>Summary of project owner response</b>	<b>Determination conclusion</b>
<i>If the conclusions from the draft Determination are either a CAR or a CL, these should be listed in this section.</i>	<i>Reference to the checklist question number in Table 2 where the CAR or CL is explained.</i>	<i>The responses given by the project participants during the communications with the determination team should be summarised in this section.</i>	<i>This section should summarise the determination team's responses and final conclusions. The conclusions should also be included in Table 2, under "Final Conclusion".</i>

**Figure 1 Determination protocol tables**




---

## DETERMINATION REPORT

---

### 3.4 Internal Quality Control

The draft determination report including the initial determination findings underwent a technical review before being submitted to the project participants. The final determination report underwent another technical review before being forwarded to the Supervisory Committee. The technical review was performed by a technical reviewer qualified in accordance with DNV's qualification scheme for JI determination and verification.

### 3.5 Determination Team

<i>Role/Qualification</i>	<i>Last Name</i>	<i>First Name</i>	<i>Country</i>
Team leader / CDM-validator	Flagstad	Ole Andreas	Norway
GHG auditor	Zhukova	Yulia	Russia
Sector expert	Creedy	David	China
Technical Reviewer	Lehmann	Michael	Norway



---

## DETERMINATION REPORT

---

### 4 DETERMINATION FINDINGS

The findings of the determination are stated in the following sections. The determination criteria (requirements), the means of verification and the results from validating the identified criteria are documented in more detail in the determination protocol in Appendix A.

The final determination findings relate to the project design as documented and described in the project design document of 14 April 2008.

#### 4.1 Participation Requirements

The project participants are Open Joint Stock Company Komsomolets Donbassa Mine and Carbon-TF B.V. The host Party Ukraine and the participating Annex I Party the Netherlands meet the requirements to participate in the JI.

The DNA of Ukraine has issued a Letter of Approval (LoA) on 3 October 2007, authorizing Open Joint-Stock Company Komsomolets Donbassa Mine as a project participant. There is a small inconsistency (Open/Opened) in the name of this project participant between the PP and the translated letter of approval. DNV confirms that the mentioned project participant is the same in both cases.

The DNA of Netherlands has issued a LoA on 26 November 2007 authorizing Carbon-TF B.V. as a project participant.

The project does not involve public funding.

#### 4.2 Project Design

In this project CMM from two suction systems of the Komsomolets Donbassa coal mine is utilised for heat and power generation and the remaining CMM is flared. The actual coal production is about 3 million tonnes per year and a steady mining activity of 3.6 million tonnes is planned. The remaining coal reservoir is about 125 tonnes.

Prior to the project activity there is no CMM utilisation at the mine and all of the CMM is simply vented to the atmosphere. All heat used by the coal mine facilities is generated by coal fired boilers. All power is purchased from the Ukrainian grid.

In this project three new cogeneration units, one new CMM boiler and four new flares will be installed and will be fired with CMM. Furthermore two old coal boilers will be upgraded with a CMM burning system. The new and the modified units are supposed to displace the main part of the heat generated by the old coal boilers and new cogeneration units will displace part of the power purchased from the grid.

The utilisations of the CMM will be installed coexistent on the Central Shaft and the Air Shaft № 3 of the Komsomolets Donbassa coal mine. The distance between the two shafts is about 3 km and no connecting CMM pipeline is planned, so that the utilisations on both locations are working independently.

At the Central Shaft there will be a new CMM boiler for heat production and two flares for methane destruction. At Air Shaft № 3 there will be three new cogeneration units for combined power and heat production, two old coal boilers upgraded to have CMM burners for heat production and two flares for methane destruction

It is planned to utilise up to 100% of the CMM. The utilisation rate mainly depends on the heat demand of the coal mine.




---

## DETERMINATION REPORT

---

Training in operation of the project technology and provisions for maintenance is deemed reasonable. A specialised service team is trained in Germany and set up for operations in Ukraine.

The project started implementation on 1 August 2007 with the first equipment installed by September 2007. The operational lifetime of the project is expected to be at least 10 years. The crediting period will start on 1 January 2008 and continue to 31 December 2012. A further 5 year crediting period (2013-2017) after the end the first commitment period is intended but will need to be formally approved by the DNA of Ukraine. Before the project can enter into the subsequent crediting period the operational lifetime of the project will need to be defined more precisely as the crediting period shall not extend beyond the operational lifetime of the project.

### 4.3 Baseline Determination

The project applies the approved CDM baseline methodology ACM0008 “*Consolidated baseline methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring*”, version 03. However, the PDD does not apply the *Tool to determine project emissions from flaring gases containing methane* as required by ACM0008, version 03, and instead argues that a high combustion efficiency of 99.5% should apply for the flares. The flare is designed to comply with German regulation for landfills which requires a combustion efficiency of 99.9% with a combustion temperature between 850-1200 °C. The requirements of this regulation are described in annex 3 of the PDD. Given that a flare meeting these requirements is installed and given the continuous measurement of the combustion temperature, the deviation of the flaring tool is found acceptable by DNV.

The project involves the extraction of CMM from underground boreholes and gas drainage galleries to capture CMM. The methane is captured and destroyed through utilisation to produce electricity and thermal energy, and through flaring. Ex-ante projections have been made for methane extraction and utilisation. The CMM is captured through existing mining activities.

The project meets the applicability criteria of ACM0008 as follows:

- The mine is not an open cast mine
- The mine is not an abandoned/decommissioned coal mine
- There is no capture of virgin coal-bed methane
- There is no usage of CO<sub>2</sub> or any other fluid/gas to enhance CMM drainage (In step 1 below the method of extraction is described in more detail)

Hence ACM0008 version03 is fully applicable to this project.

According to the ACM0008 methodology, all technically feasible options to extract and utilise CMM have to be assessed to determine the correct baseline scenario. The technically feasible options for extracting and treating CMM are:

A. Ventilation air methane

B.1 Pre mining CMM captured by underground boreholes

B.2 Pre mining CMM captured by surface drainage wells

B.1a During mining CMM captured by underground boreholes

B.2a During mining CMM captured by surface drainage wells

C.1 Post mining CMM captured by underground boreholes

C.2 Post mining CMM captured by surface drainage wells

D Possible combinations of options A, B, and C, with the relative shares of gas specified.

## DETERMINATION REPORT

D.1 Pre mining, post mining and during mining CMM captured by underground boreholes

D.2 Pre mining, post mining and during mining CMM captured by surface drainage wells

The utilization of option A is not feasible due to the low concentration of methane in the ventilation air (usually less than 1%).

Options B1, B1a, and C1 cannot be used to determine the baseline scenario as the CMM from under-ground boreholes is collected together in the suction systems and transported to the surface with vacuum pumps. It is impossible to determine the shares of the three sources, because numerous drainage branches are connected to the suction systems and every branch collects CMM as long as it is in operation -before, during and after mining.

Options B2, B2a, C2 and D2 are not technically feasible as drainage wells are not in place, nor planned.

D1 is the only option that is technically feasible for utilisation purposes.

System boundaries:

The installed flares, cogeneration units, upgraded boilers and new boilers are within the project boundaries. The suction from the shafts are providing methane over the project boundaries to this equipment. Heat generation from new equipment and the existing coal burner is also within the project boundary. The Ukrainian grid is defined as part of the system due to the delivery of electricity from the cogeneration units to the grid. The system boundaries are described in tabular format below:

	<i>GHGs involved</i>	<i>Description</i>
<i>Baseline emissions</i>	<i>CH<sub>4</sub></i> <i>CO<sub>2</sub>,</i>	<i>Venting</i> <i>Grid electricity generation, heat generation from boilers</i>
<i>Project emissions</i>	<i>CH<sub>4</sub></i> <i>CO<sub>2</sub></i>	<i>Fugitive emissions of unburnt methane</i> <i>On site fuel consumption, emissions from methane and NMHC destruction</i>
<i>Leakage</i>	<i>N.A.</i>	<i>N.A</i>

### 4.4 Additionality

The additionality of the project is evaluated by using version 3 of the additionality tool /6/ as stipulated by ACM0008.

STEP 1. Please refer to section 4.3 above

STEP 2. A benchmark investment analysis was chosen. The cashflow shows that expenses are higher than income and that it thus does not give meaning to calculate the IRR without ERU income in this case. DNV has assessed the financial analysis and found that the used parameters are correct. The interest rate of 15% is justified as it corresponds to the average interest rate given by the Bank of Ukraine /10/. The inflation rate of 11% is consistently used both for operational costs and for power and heat income. The sensitivity analysis has tested for increasing the power and heat income with 20% (in addition to the inflation). but the



---

## DETERMINATION REPORT

---

accumulated income is still lower than the accumulated costs. Hence, it can be concluded that the project activity is not financially attractive without the revenue from sale of ERUs.

STEP3. A barrier analysis is also used. The project developer claims both barriers due to prevailing practice and technology. DNV has found that the prevailing practice is focused on safety issues and that this could hinder CMM utilisation. Technology barriers exists because the CMM flaring and utilisation is outside the primary activity of the coal mine and the new technologies will require competence not available with the present staff. DNV considers the presented barriers as reasonable.

STEP4 Common practice analysis. Venting the captured CMM into the atmosphere is the common practice in the coal sector of Ukraine. There are no other major examples of using the CMM for heat or power generation that have been implemented without an additional JI incentive. DNV has assessed the proposed activity not to be common practice.

Given the above, it is DNV's opinion that the project is not a likely baseline scenario and emission reduction resulting from the project thus can be considered as basis for financial analysis.

### 4.5 Monitoring

The project applies the approved consolidated baseline methodology for CDM, ACM0008 version 03 "Consolidated baseline and monitoring methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring".

The monitoring plan in the PDD provides for the collection and archiving of all relevant data:

*Project emissions:*

- Emission from additional electricity consumption for capture and use of CMM, CON<sub>SELEC,PJ</sub>
- Emission from methane destroyed by CHP, boiler and flaring system
- Emission from unburnt methane by CHP, boiler and flaring system

*Baseline emissions:*

- Emission from grid power generation
- Emissions from heat production through existing coal fired boilers

*Leakage:*

According to ACM0008, three types of leakage need to be addressed.

- The displacement of baseline thermal energy use
- CBM extraction from out of the de-stressed zone
- Impact of JI (CDM) project activity on coal production
- Impact of JI (CDM) project activity on coal price and market dynamics

For the project, there is no thermal energy use in the baseline outside of the project boundaries. No CBM drainage involved. No impact of the project on coal production is expected as the baseline scenario is not constrained by the ventilation capacity. As the impacts of the project on coal price and market dynamics are currently unknown, it is not to be addressed. Thus the leakage effect needs not be addressed.

The monitoring plan is in line with ACM0008. The flare efficiency of 99.5% is ensured by a continuous measurement of the combustion temperature to ensure that the temperature is above 850°C. Additionally, the emissions of the flare have to be verified every three years.





---

## DETERMINATION REPORT

---

The sources of data to be monitored to determine the project and baseline emissions are clearly described. The plant manager is keeping an operational journal which includes the following information: compilation and description of all data recorded, all corrective action undertaken, manually logged data and calibration protocols. All data should be continuously checked for consistency, completeness and integrity by Eco-Alliance. A detailed plausibility check should be carried out at least monthly.

Training and maintenance is deemed reasonable. A specialised service team is trained in Germany and set up for operations in Ukraine. Routines are described and technology is in place for safety of the personnel and equipment in case of emergencies.

It is deemed reasonable that the monitoring plan provides for the collection and archiving of all relevant data needed to estimate or measure emissions occurring within the project boundary and to determine the baseline emissions.

### 4.5.1 Parameters determined ex-ante

The following ex-ante parameters are used in the PDD:

- Carbon emission factor for Ukrainian power grid (will be replaced by national grid factor from Ukrainian authorities if available at the time of verification, in that case the given factors are used only for ex-ante estimates)
- Efficiency of methane destruction in CHP (IPCC)
- Efficiency of methane destruction in heat plant (IPCC)
- Carbon emission factors for CH<sub>4</sub> (IPCC)
- The efficiency of the old coal fired boilers is taken from the manufacturer as 91% and this efficiency is higher than actual efficiency of the boiler.

All parameters are determined in line with ACM0008.

## 4.6 Estimate of GHG Emissions

Estimate of GHG emissions are in accordance with the formulae given in the baseline and monitoring methodology ACM0008.

### Project emission:

The project emission includes additional electricity used to capture and utilize methane  $PE_{ME}$ , the methane destroyed  $PE_{MD}$  and un-combusted methane  $PE_{UM}$ . The project boundary includes equipment for the collection, utilization in boilers and cogeneration units of the captured CMM.

For the calculation of the project emissions due to additional electricity consumption (auxiliary equipment), the Ukrainian grid has been selected as the grid system boundary. The emissions reductions factor of the Ukrainian grid is taken from the guidelines developed for the ERUPT programme. The project uses the ERUPT factors for generating electricity (695-636 CO<sub>2e</sub>/MWh) both in the case of displaced power production and for emissions due to power purchase from grid. The emission factor stipulated by the ERUPT guidelines are not determined in accordance with ACM0002 as requires by ACM0008. However, since they are conservative in nature, DNV accepts the use of the ERUPT emission factors. In case grid electricity emission factors are determined by Ukrainian authorities at the time of verification, these grid electricity emission factors will be applied instead of the ERUPT factors.

### Baseline emissions



---

## DETERMINATION REPORT

---

The baseline emissions consist of the CH<sub>4</sub> emissions resulting from release of methane to the atmosphere avoided by the project BE<sub>MR,y</sub> and the CO<sub>2</sub> emissions BE<sub>USE,y</sub> displaced by the project's production of heat and power.

The baseline use for CMM is estimated for the project period according to the ACM008.

Since there is no CBM involved in the project, all the methane destroyed in the project is included as BE<sub>MR,y</sub>.

### Leakage

As stated above in section 4.5, no leakage effects need to be accounted for under the proposed project.

### Uncertainty

The PDD has identified four potential risks; lower CMM utilization than expected, malfunctioning of the burner system, lower concentration of methane in extracted gas and lower demand for heat. DNV considers that

- lower CMM utilization than expected is unlikely as an excess of CMM is estimated for the whole project period.
- malfunctioning of the burner. Training of staff and regular maintenance are the mitigation actions to avoid malfunctioning.
- lower concentration of methane. The estimates are built on a variation of concentration in the range of 25-50% which means that substantial variations are already included in the estimates.
- lower demand for heat is unlikely as the estimates build on historical values.

The emission reduction forecast has been verified and is deemed likely that the forecast amount of 1 568 049 tonnes of CO<sub>2</sub>e is achieved over the 5 years crediting period of 2008-2012. An additional 1 711 325 tonnes of CO<sub>2</sub>e can potentially be achieved over a 5 years post Kyoto crediting period (2013-2017).

## 4.7 Environmental Impacts

The following legislations are relevant to the project activity:

- Law of Ukraine on Environmental Expertise, signed by the President on 2 September 1995
- The Ukrainian Law on Protection of Ambient Air, 21 June 2001
- The law of Ukraine on Alternative Liquid and Gas Fuels, 14 February 2000
- State Building Standard SBS A.2.2.-1-95, 2003

The adverse environmental impacts created by the project activities are expected to be negligible.

No environmental impact assessment is needed for this project. Beside the positive effect on the global climate protection, no transboundary impacts occur. The upgrade to the CMM-burner system causes no additional sources of waste, sewage or condensate. Indeed the environmental impact is lowered, because the displacement of coal avoids former amounts of ash and slag. Furthermore, the flue gas from a CMM-Burner includes less air polluting substances than that from a coal burner.





---

## DETERMINATION REPORT

---

Both combustion units require an approval by the Ukrainian Mining Authorities. The combustion processes are designed to comply for the German emissions limits (German “TA-Luft”) which are more rigorous, especially for NO<sub>x</sub>, CO and hydrocarbons, than the Ukrainian limits.

A letter of Endorsement № 11439/10/3-10 dated 22 December 2006 has been issued by the Ukrainian Ministry of Environmental Protection for the project. The plant has to fulfil the requirements of the Ukrainian Department of Ecology and Nature Conservation. The application for this permission will be sent later.

### **4.8 Comments by Local Stakeholders**

The project has been introduced to the Ukrainian Government and local authorities. The authorities appreciated the project and a Letter of Endorsement has been issued by the Ukrainian Ministry of Environmental Protection. All comments were positive towards implementation of the project. It was especially noted that utilisation of coal mine methane will increase the safety of the work at the coal mine and create some new working places.

The PIN and the PDD of the project has been published in Ukrainian on the web-site of the Ukrainian Ministry of Environmental Protection. The project has been published in local press.

### **4.9 Comments by Parties, Stakeholders and Observers**

The PDD of 13 September 2007 (version 02) was made publicly available on JI’s climate change website ([http://ji.unfccc.int/JI\\_Projects/Verification/PDD/index.html](http://ji.unfccc.int/JI_Projects/Verification/PDD/index.html)) and Parties, stakeholders and observers were through the JI website invited to provide comments during a 30 days period from 18 September 2007 to 17 October 2007.

No comments were received.

## **APPENDIX A**

---

### **JI DETERMINATION PROTOCOL**

**Table 1 Mandatory Requirements for Joint Implementation (JI) Project Activities**

Requirement	Reference	Conclusion
The project shall have the approval of the Parties involved	Kyoto Protocol Article 6.1 (a)	<del>CAR1</del> OK
Emission reductions, or an enhancement of removal by sinks, shall be additional to any that would otherwise occur	Kyoto Protocol Article 6.1 (b)	OK
The sponsor Party shall not acquire emission reduction units if it is not in compliance with its obligations under Articles 5 & 7	Kyoto Protocol Article 6.1 (c)	OK
The acquisition of emission reduction units shall be supplemental to domestic actions for the purpose of meeting commitments under Article 3	Kyoto Protocol Article 6.1 (d)	OK
Parties participating in JI shall designate national focal points for approving JI projects and have in place national guidelines and procedures for the approval of JI projects	Marrakech Accords, JI Modalities, §20	OK
The host Party shall be a Party to the Kyoto Protocol	Marrakech Accords, JI Modalities, §21(a)/24	OK
The host Party's assigned amount shall have been calculated and recorded in accordance with the modalities for the accounting of assigned amounts	Marrakech Accords, JI Modalities, §21(b)/24	OK
The host Party shall have in place a national registry in accordance with Article 7, paragraph 4	Marrakech Accords, JI Modalities, §21(d)/24	OK
Project participants shall submit to the independent entity a project design document that contains all information needed for the determination	Marrakech Accords, JI Modalities, §31	OK
The project design document shall be made publicly available and Parties, stakeholders and UNFCCC accredited observers shall be invited to, within 30 days, provide comments	Marrakech Accords, JI Modalities, §32	OK
Documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts, in accordance with procedures as determined by the host Party shall be submitted, and, if those impacts are considered significant by the project participants or the Host Party, an environmental impact assessment in accordance with procedures as required by the Host	Marrakech Accords, JI Modalities, §33(d)	OK

Requirement	Reference	Conclusion
Party shall be carried out		
The baseline for a JI project shall be the scenario that reasonably represents the GHG emissions or removal by sources that would occur in absence of the proposed project	Marrakech Accords, JI Modalities, Appendix B	OK
A baseline shall be established on a project-specific basis, in a transparent manner and taking into account relevant national and/or sectoral policies and circumstances	Marrakech Accords, JI Modalities, Appendix B	OK
The baseline methodology shall exclude to earn emission reductions for decreases in activity levels outside the project activity or due to force majeure	Marrakech Accords, JI Modalities, Appendix B	OK
The project shall have an appropriate monitoring plan	Marrakech Accords, JI Modalities, §33(c)	OK

**Table 2 Requirements Checklist**

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	<b>Ref.</b>	<b>MoV*</b>	<b>COMMENTS</b>	<b>Draft Concl.</b>	<b>Final Concl.</b>
<b>A. General Description of Project Activity</b> <i>The project design is assessed.</i>					
<b>Project Boundaries</b> <i>Project Boundaries are the limits and borders defining the GHG emission reduction project.</i>					
Are the project’s spatial boundaries (geographical) clearly defined?	/1/	DR	The project is located at the coal mine "Komsomolets Donbassa" at Kirovskoye (Donetsk Oblast) in the eastern Ukraine. The PDD contains maps to describe the location of the project.	-	OK
Are the project’s system boundaries (components and facilities used to mitigate GHGs) clearly defined?	/1/	DR	The utilisation of the CMM will be provided through: - upgrade and fuel switch of 2 coal fired boilers for heat production - installation of 4 flares for methane destruction - installation of 3 cogeneration units for power and heat production.		OK
<b>Participation Requirements</b> <i>Referring to Part A and Annex 1 of the PDD as well as the JI glossary with respect to the terms Party, Letter of</i>					

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	Ref.	MoV*	COMMENTS	Draft Concl.	Final Concl.
<i>Approval, Authorization and Project Participant.</i>					
Which Parties and project participants are participating in the project?	/1/	DR	The Parties are Ukraine and the Netherlands. Project participants are JSC Komsomolets Donbassa Coal Mine of Ukraine, and Carbon TF-B.V. of the Netherlands		OK
Have all involved Parties provided a valid and complete letter of approval and have all private/public project participants been authorized by an involved Party?	/4/ /5/	DR	It is not yet approved by Ukraine, nor by the Netherlands	<del>CARD</del>	OK
<b>Technology to be employed</b> <i>Determination of project technology focuses on the project engineering, choice of technology and competence/ maintenance needs. The AIE should ensure that environmentally safe and sound technology and know-how is used.</i>					
Does the project design engineering reflect current good practices?	/1/	DR, I	Yes. The project design engineering reflects current good practice in Ukraine.		OK
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?	/1/	DR	OK		OK
Does the project make provisions for meeting training and maintenance needs?	/1/	DR,I	A training and maintenance programme is described. Trained personnel is the basis of a team of engineers, which should establish a specialised service team in the Ukraine and instruct further operating and monitoring personnel, as well for this project.		OK
<b>B. Project Baseline</b>					

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	Ref.	MoV*	COMMENTS	Draft Concl.	Final Concl.
<i>The determination of the project baseline establishes whether the selected baseline methodology is appropriate and whether the selected baseline represents a likely baseline scenario.</i>					
<b>Baseline Methodology</b> <i>It is assessed whether the project applies an appropriate baseline methodology.</i>					
Is the discussion and selection of the baseline methodology transparent?	/1/	DR	The discussion checks all relevant alternatives in a transparent manner.		OK
Does the baseline methodology specify data sources and assumptions?	/1/	DR	Sources and assumptions are described in table D1.1.3		OK
Does the baseline methodology sufficiently describe the underlying rationale for the algorithm/formulae used to determine baseline emissions (e.g. marginal vs. average, etc.)	/1/	DR	The algorithm and formulae used to determine the baseline emissions are in line with ACM0008.		OK
Does the baseline methodology specify types of variables used (e.g. fuels used, fuel consumption rates, etc)?	/1/	DR, I	OK		OK
Does the baseline methodology specify the spatial level of data (local, regional, national)?	/1/	DR	Described in table D1.1.3		OK
<b>Baseline Scenario Determination</b> <i>The choice of the baseline scenario will be validated with focus on whether the baseline is a likely scenario, and whether the methodology to define the baseline scenario has been followed in a complete and transparent manner.</i>					
What is the baseline scenario?	/1/	DR	The baseline scenario is the continuation of the current situation: venting of the CMM into the atmosphere, heat generation with the existing coal fired boilers, and the full		OK

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	<b>Ref.</b>	<b>MoV*</b>	<b>COMMENTS</b>	<b>Draft Concl.</b>	<b>Final Concl.</b>
			purchase of electricity from the grid. Without additional income from emissions trading, the project is economically not viable and faces a prohibitive barrier.		
What other alternative scenarios have been considered and why is the selected scenario the most likely one?	/1/	DR	Other scenarios have been identified and considered following the methodology. There is only one realistic option for the baseline scenario, which is the continuation of the current situation: venting of the CMM into the atmosphere, heat generation with the existing coal fired boilers, and the full purchase of electricity from the grid. Alternatives are either technically not feasible or are facing prohibitive or financial barriers.		OK
Has the baseline scenario been determined according to the methodology?	/1/	DR	The methodology has been followed, discussing alternatives.		OK
Has the baseline scenario been determined using conservative assumptions where possible?	/1/	DR, I	OK		OK
Does the baseline scenario sufficiently take into account relevant national and/or sectoral policies, macro-economic trends and political aspirations?		I	It is confirmed that there is no national mine safety regulations which set a minimum permitted methane concentration for utilisation.		OK
Is the baseline scenario determination compatible with the available data and are all literature and sources clearly referenced?	/1/	DR	The PDD has relevant references.		OK



<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	<b>Ref.</b>	<b>MoV*</b>	<b>COMMENTS</b>	<b>Draft Concl.</b>	<b>Final Concl.</b>
Have the major risks to the baseline been identified?	/1/	DR, I	Risks are identified and summarised in table A-3.	CL8	OK
<b>Additionality Determination</b> <i>The assessment of additionality will be validated with focus on whether the project itself is not a likely baseline scenario.</i>					
What is the methodology selected to demonstrate additionality?	/1/ /6/	DR	In accordance with the chosen methodology, additionality has been demonstrated by applying the "Tool for demonstration and assessment of additionality", (version 03), EB29 [CDM-EB].		OK
Is the project additionality assessed according to the methodology?	/1/ /6/ /7/	DR, I	Yes		OK
Are all assumptions stated in a transparent and conservative manner?	/1/	DR	Reference to prices used for electricity and coal in heat generation. Bank rate of Ukraine can be confirmed through <a href="http://www.bank.gov.ua">http://www.bank.gov.ua</a>	CL11	OK
Is sufficient evidence provided to support the relevance of the arguments made?	/1/	DR	See above (CL11)	CL11	OK
<b>C. Duration of the Project/ Crediting Period</b> <i>It is assessed whether the temporary boundaries of the project are clearly defined.</i>					
Are the project's starting date and operational lifetime clearly defined and evidenced?	/1/	DR	Explain why the expected project life is set at 12 years.	CL12	OK
Is the start of the crediting period clearly defined and reasonable?	/1/	DR	OK		OK

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	Ref.	MoV*	COMMENTS	Draft Concl.	Final Concl.
<b>D. Monitoring Methodology</b> <i>It is assessed whether the project applies an appropriate baseline methodology.</i>					
Is the monitoring plan documented according to the chosen methodology and in a complete and transparent manner?	/1/	DR	The PDD claims to use ACM0008 version 03 but not apply the flaring tool (the only major difference from version 2) and instead argues that the high efficiency flare default should apply. This reasoning could result in the flaring ERUs being non verifiable.  The monitoring plan should be robust at validation and not reliant on the verifier to expose the gaps.	CAR2	OK
Will all monitored data required for verification and issuance be kept for two years after the end of the crediting period or the last issuance of ERUs, for this project activity, whichever occurs later?	/1/	DR	All stored data will be kept during the whole operation period of the plant and furthermore for at least 5 years.		OK
<b>Monitoring of Project Emissions</b> <i>It is established whether the monitoring plan provides for reliable and complete project emission data over time.</i>					
Does the monitoring plan provide for the collection and archiving of all relevant data necessary for estimation or measuring the greenhouse gas emissions within the project boundary during the crediting period?	/1/	DR	Yes		OK
Are the choices of project GHG indicators reasonable and conservative?	/1/	DR	The GHG indicators defined to be monitored are in line with ACM0008		OK
Is the measurement <i>method</i> clearly stated for each GHG value to be monitored and deemed appropriate?	/1/	DR	Described in table D1.1.3.		OK

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	Ref.	MoV*	COMMENTS	Draft Concl.	Final Concl.
Is the measurement <i>equipment</i> described and deemed appropriate?	/1/	DR	OK		OK
Is the measurement <i>accuracy</i> addressed and deemed appropriate? Are procedures in place on how to deal with erroneous measurements?	/1/	DR	Inspection procedures are in place and calibration will be done in accordance with manufacturers' recommendations.		OK
Is the measurement <i>interval</i> identified and deemed appropriate?	/1/	DR	OK		OK
Is the <i>registration, monitoring, measurement and reporting</i> procedure defined?	/1/	DR	Described in D3.		OK
Are procedures identified for <i>maintenance</i> of monitoring equipment and installations? Are the calibration intervals being observed?	/1/	DR	Inspection procedures are in place and calibration will be done in accordance with manufacturers' recommendations.		OK
Are procedures identified for day-to-day records handling (including what records to keep, storage area of records and how to process performance documentation)	/1/	DR	Described in D3		OK
<b>Monitoring of Baseline Emissions</b> <i>It is established whether the monitoring plan provides for reliable and complete baseline emission data over time.</i>					
Does the monitoring plan provide for the collection and archiving of all relevant data necessary for determining baseline emissions during the crediting period?			See monitoring of project emissions.		OK
Are the choices of baseline GHG indicators reasonable and conservative?			See monitoring of project emissions.		OK
Is the measurement <i>method</i> clearly stated for each baseline indicator to be monitored and also deemed appropriate?			See monitoring of project emissions.		OK

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	<b>Ref.</b>	<b>MoV*</b>	<b>COMMENTS</b>	<b>Draft Concl.</b>	<b>Final Concl.</b>
Is the measurement <i>equipment</i> described and deemed appropriate?			See monitoring of project emissions.		OK
Is the measurement <i>accuracy</i> addressed and deemed appropriate? Are procedures in place on how to deal with erroneous measurements?			See monitoring of project emissions.		OK
Is the measurement <i>interval</i> for baseline data identified and deemed appropriate?			See monitoring of project emissions.		OK
Is the <i>registration, monitoring, measurement and reporting</i> procedure defined?			See monitoring of project emissions.		OK
Are procedures identified for <i>maintenance</i> of monitoring equipment and installations? Are the calibration intervals being observed?			See monitoring of project emissions.		OK
Are procedures identified for day-to-day records handling (including what records to keep, storage area of records and how to process performance documentation)			See monitoring of project emissions.		OK
<p style="text-align: center;"><b>Monitoring of Leakage</b></p> <p style="text-align: center;"><i>It is assessed whether the monitoring plan provides for reliable and complete leakage data over time.</i></p>					
Does the monitoring plan provide for the collection and archiving of all relevant data necessary for determining leakage?	/1/	DR	There is no leakage that needs to be considered for the project. The leakage of the project activities are assessed according to ACM0008.		OK
Are the choices of project leakage indicators reasonable and conservative?					Not applicable
Is the measurement <i>method</i> clearly stated for each leakage value to be monitored and deemed appropriate?					Not applicable

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	Ref.	MoV*	COMMENTS	Draft Concl.	Final Concl.
<b>Project Management Planning</b> <i>It is checked that project implementation is properly prepared for and that critical arrangements are addressed.</i>					
Is the authority and responsibility of overall project management clearly described?	/1/	DR,I	OK		OK
Are procedures identified for training of monitoring personnel?	/1/	DR, I	A team of engineers in the Ukraine is defined to instruct further operating and monitoring personnel.		OK
Are procedures identified for emergency preparedness for cases where emergencies can cause unintended emissions?	/1/	DR	OK		OK
Are procedures identified for review of reported results/data?	/1/	DR	The plant manager is responsible for the preparation of the standardised weekly report. He is also in charge for the preparation of the summarised monthly and yearly reports, which should be revised by the project manager.		OK
Are procedures identified for corrective actions in order to provide for more accurate future monitoring and reporting?			Such procedures are described.		OK
<b>E. Calculation of GHG Emissions by Source</b> <i>It is assessed whether all material GHG emission sources are addressed and how sensitivities and data uncertainties have been addressed to arrive at conservative estimates of projected emission reductions.</i>					
<b>Calculation of GHG Emission Reductions – Project emissions</b> <i>It is assessed whether the project emissions are stated according to the methodology and whether the</i>					

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	Ref.	MoV*	COMMENTS	Draft Concl.	Final Concl.
<i>argumentation for the choice of default factors and values – where applicable – is justified.</i>					
Are the calculations documented according to the chosen methodology and in a complete and transparent manner?	/1/	DR, I	Annex 3. Justification of flare efficiency assumptions. The EB were aware of such technologies when the flaring tool was introduced.	CAR2	OK
Have conservative assumptions been used when calculating the project emissions?	/1/	DR, I	Ukrainian grid factor is taken from another project without being transparent.	CL14	OK
Are uncertainties in the project emission estimates properly addressed?	/1/	DR, I	For the project to use up to 100% of the gas, the methane concentration must be more than say 25-27% or thereabouts for combustion, flaring or power generation – and in fact may need to be higher for power generation depending on the specification of the engines. Substantial variations are included in the estimates		OK
<b>Calculation of GHG Emission Reductions – Baseline emissions</b>  <i>It is assessed whether the baseline emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.</i>					
Are the calculations documented according to the chosen methodology and in a complete and transparent manner?	/1/	DR	OK		OK
Have conservative assumptions been used when calculating the baseline emissions?	/1/	DR			OK

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	<b>Ref.</b>	<b>MoV*</b>	<b>COMMENTS</b>	<b>Draft Concl.</b>	<b>Final Concl.</b>
Are uncertainties in the baseline emission estimates properly addressed?	/1/	DR			OK
<b>Calculation of GHG Emission Reductions – Leakage</b> <i>It is assessed whether leakage emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.</i>					
Are the leakage calculations documented according to the chosen methodology and in a complete and transparent manner?	/1/	DR	There is no leakage that needs to be considered for the project. The leakage of the project activities are assessed according to ACM0008.		OK
Have conservative assumptions been used when calculating the leakage emissions?					Not applicable
Are uncertainties in the leakage emission estimates properly addressed?					Not applicable
<b>Emission Reductions</b> <i>The emission reductions shall be real, measurable and give long-term benefits related to the mitigation of climate change.</i>					
Are the emission reductions real, measurable and give long-term benefits related to the mitigation of climate change.	/1/	DR	Ukrainian grid factor is taken from another project without being transparent.	CL24	OK
<b>F. Environmental Impacts</b> <i>Documentation on the analysis of the environmental impacts will be assessed, and if deemed significant, an EIA should be provided to the AIE.</i>					

<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	<b>Ref.</b>	<b>MoV*</b>	<b>COMMENTS</b>	<b>Draft Concl.</b>	<b>Final Concl.</b>
Has an analysis of the environmental impacts of the project activity been sufficiently described?	/1/	DR	Both combustion units require an approval by the Ukrainian Mining Authorities. The combustion processes are designed to comply for the German emissions limits (German "TA-Luft") which are more rigorous, especially for NOx, CO and CnHm, than the Ukrainian limits.	<del>CL3</del>	OK
Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, is an EIA approved?	/1/	DR	No environmental impact assessment is needed.  The plant has to fulfil the requirements of the Ukrainian Department of Ecology and Nature Conservation. The requirements should be checked by the government when the permission of the plant will be applied.	<del>CL2</del>	OK
Will the project create any adverse environmental effects?	/1/	DR	No.		OK
Are transboundary environmental impacts considered in the analysis?	/1/	DR	Beside the positive effect on the global climate protection, no transboundary impacts occur.		OK
Have identified environmental impacts been addressed in the project design?	/1/	DR	The upgrade to the CMM-burner system causes no additional sources of waste, sewage or condensate.  Indeed the environmental impact is lowered, because the displacement of coal avoids former amounts of ash and slag. Furthermore the flue gas from a CMM-Burner includes less air polluting substances than that from a coal burner.		OK



<b>CHECKLIST QUESTION</b> * MoV = Means of Verification, DR= Document Review, I= Interview	Ref.	MoV*	COMMENTS	Draft Concl.	Final Concl.
Does the project comply with environmental legislation in the host country?	/1/	DR	Yes. The plant has to fulfil the requirements of the Ukrainian Department of Ecology and Nature Conservation. Ongoing process	CL2	OK
<b>G. Stakeholder Comments</b> <i>If required by the host country, the AIE should ensure that stakeholder comments have been invited with appropriate media and that due account has been taken of any comments received.</i>					
Have relevant stakeholders been consulted?	/1/	DR	OK		OK
Have appropriate media been used to invite comments by local stakeholders?	/1/	DR	Information lacking	CL16	OK
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?			Not applicable.		Not applicable
Is a summary of the stakeholder comments received provided?	/1/	DR	OK		OK
Has due account been taken of any stakeholder comments received?	/1/	DR	No comments received		OK

**Table 3 Resolution of Corrective Action and Clarification Requests**

<b>Draft report clarifications and corrective action requests by determination team</b>	<b>Ref. to checklist question in table 2</b>	<b>Summary of project owner response</b>	<b>Determination team conclusion</b>
<p>CAR.1 The project is not yet approved by Ukraine or by the Netherlands. Crediting period beyond 2012 requires specific approval from host Party.</p>	<p>A: participation requirements</p>	<p>LoAs are provided with approved crediting period up to and including 2012.</p>	<p>OK</p>
<p>CAR2 The PDD claims to use ACM0008 version 03 but does not apply the flaring tool (the only major difference from version 2) and instead argues that the high efficiency flare default should apply. This reasoning could result in the flaring CERs being non verifiable. The monitoring plan should be robust at validation and not reliant on the verifier to expose the gaps. Annex 3. Justification of flare efficiency assumptions. While the arguments are sound the project owner risks compromising verification</p>	<p>D: monitoring methodology</p>	<p>The combustion is designed to comply with German regulation of landfills with a combustion temperature between 850-1200 to be similar as for German regulations on landfills. With this system the deviation of the flaring tool is acceptable.</p>	<p>OK</p>
<p>CL1 Provide copy of letter of endorsement.</p>	<p>A: participation requirements</p>	<p>Copy of letter provided at site visit.</p>	<p>OK</p>
<p>CL2 Are the requirements of Ukrainian Department of Ecology and Nature fulfilled?</p>	<p>A: participation requirements</p>	<p>Informed at site visit that this process is ongoing.</p>	<p>OK</p>

Draft report clarifications and corrective action requests by determination team	Ref. to checklist question in table 2	Summary of project owner response	Determination team conclusion
CL3 Approval from the Ukrainian Mining Authorities?	A: participation requirements	Copy of existing approval will be provided. New approval will be given in 2008 for cogen system. Boiler system will be approved as part of the project.	OK
CL4 How is the variation of the methane flow from the suction system ( 27-50m <sup>3</sup> /min is given in PDD for 2008-2012)?	B: baseline methodology	For 2007 it is normally 26.4 for central and 15 for shaft 3. total 41.4. Monthly changes due to maintenance plan. For 2008 max will be 49.9 due to increased mining activity (coal production). Table B-1 indicates a very low methane flow in August 2009, this is because one well will then be planned to close and there will be another month before the next well is opened.	OK
CL5 Split B-1 in one figure for central shaft and one for shaft 3 to better visualise the two parts of the project.	B: baseline methodology	Figure improved	OK
CL6 Explain the estimate of 91% efficiency for upgraded boiler at shaft 3.	A: Technology to be employed	This is based on technical data from manufacturer.	OK
CL7 Explain the use of the 3.5% of electricity generated that is used internally.	A: Technology to be employed	The electricity is used for 1 pump and 6 big fans.	OK

<b>Draft report clarifications and corrective action requests by determination team</b>	<b>Ref. to checklist question in table 2</b>	<b>Summary of project owner response</b>	<b>Determination team conclusion</b>
CL8 What is the estimated operation time for the upgraded boiler at shaft 3?	A: Technology to be employed	This boiler will only be operational in the coldest period of the winter (January-February).	OK
CL9 What type/maker is chosen for the new boiler at the Central shaft?	A: Technology to be employed	Decision was not taken at the site visit. Decision will probably be taken in September 2007.	OK
CL10 About the financial analysis: -break-down of the investment costs are wanted to better understand how these accumulate.	B: Additionality	Estimates and offers were shown at the level of installation and project design of degasification, boiler design, project design of utilisation equipment, equipment cost for flares and total costs for flares. These showed that total investment costs were realistically estimated.	OK
CL11 Reference to prices used for electricity and coal in heat generation.	B: additionality	El and coal prices from 2005 and 2007 were given during several site visits on 22-23 August, these indicated a steady increase of the prices. Inflation has been added to the revenue part of the financial analysis.	OK
CL12 Explain why the expected project life is set at 12 years.	C: duration of crediting period	Changed to 10 years (end of crediting period). This is based on a strategic development plan and the time period is in accordance with the industry in the area.	OK
CL13	D: monitoring	Updated	OK

<b>Draft report clarifications and corrective action requests by determination team</b>	<b>Ref. to checklist question in table 2</b>	<b>Summary of project owner response</b>	<b>Determination team conclusion</b>
Annex 6 refers to IPCC guidelines of 1996. Should be 2006.			
CL14 Ukrainian grid factor is taken from another project without being transparent.	E: calculation of GHG emission reductions	The relevant project is referred explicitly to and relevant part of that validation report was provided.	OK
CL15 Estimated annual reductions 2008-2012 have annual variations. For 2013-2017 no annual variations appear.	E: calculation of GHG emission reductions	Maintenance plan available through 2016. Only incorporated in calculations up to 2012. Too early to give more precise estimates for 2013 to 2017.	OK
CL16 Provide English version of press release for stakeholder dialogue. Link given in PDD is not correct.	G: Stakeholders comments	Press release provided.	OK