DETERMINATION REPORT «CEP CARBON EMISSIONS PARTNERS S.A.»

DETERMINATION OF THE IMPLEMENTATION OF THE ENERGY EFFICIENCY MEASURES AND REDUCTION OF GREENHOUSE GAS EMISSIONS INTO THE ATMOSPHERE AT STATE ENTERPRISE "MINE ADMINISTRATION "PIVDENNODONBASSKE NO. 1"

REPORT NO. URRAINE-DET/0608/2012

REVISION NO. 02

BUREAU VERITAS CERTIFICATION

Report No: UKRAINE-det/0608/2012

DETERMINATION REPORT

Date of first issue:	Organizational unit:
31/07/2012	Bureau Veritas Certification Holding SAS
Client:	**Client ref.:**
CEP CarbonEmissionsPartners S.A.	Fabian Knodel

Summary:

Bureau Veritas Certification has made the determination of the "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Mine Administration "Pivdennodonbasske No.1" project of CEP CARBON EMISSIONS PARTNERS S.A. located in Donetsk region, Ukraine 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 JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

The determination scope is defined as an independent and objective review of the project design document, the project's baseline study, monitoring plan and other relevant documents, and consisted of the following three phases: i) desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final determination report and opinion. The overall determination, from Contract Review to Determination Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

The first output of the determination process is a list of Clarification and Corrective Action Requests (CL and CAR), presented in Appendix A. Taking into account this output, the project proponent revised its project design document.

In summary, it is Bureau Veritas Certification's opinion that the project correctly applies "Combined tool to identify the baseline scenario and demonstrate additionality" and meets the relevant UNFCCC requirements for the JI and the relevant host country criteria.

Report No.:	Subject Group:
UKRAINE-det/0608/2012	JI

Project title:
"Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Mine Administration "Pivdennodonbasske No. 1"

Work carried out by:
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Date of this revision:	Rev. No.:	Number of pages:
07/08/2012	02	56

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1 INTRODUCTION

The Company «CEP CARBON EMISSIONS PARTNERS S.A.» has commissioned Bureau Veritas Certification to determine its JI project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Mine Administration "Pivdennodonbasske No. 1" (hereafter called "the project") at address of project.

This report summarizes the findings of the determination of the project, performed on the basis of UNFCCC criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

1.1 Objective

The determination serves as project design verification and is a requirement of all projects. The determination is an independent third party assessment of the project design. In particular, the project's baseline, the monitoring plan (MP), and the project's compliance with relevant UNFCCC and host country criteria are determined in order to confirm that the project design, as documented, is sound and reasonable, and meets the stated requirements and 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).

UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

1.2 Scope

The determination scope is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations.

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.

1.3 Determination team

The determination team consists of the following personnel:

Vyacheslav Yeriomin

Bureau Veritas Certification Team Leader, Climate Change Verifier

Vasiliy Kobzar

Bureau Veritas Certification Technical Specialist

This determination report was reviewed by:

Ivan Sokolov
Bureau Veritas Certification Internal Technical Reviewer

Victoria Legka
Bureau Veritas Certification Technical Specialist

2 METHODOLOGY

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 version 01 of the Joint Implementation Determination and Verification Manual, issued by the Joint Implementation Supervisory Committee at its 19 meeting on 04/12/2009. The protocol shows, in a transparent manner, criteria (requirements), means of determination and the results from determining the identified criteria. The determination protocol serves the following purposes:

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

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

2.1 Review of Documents

The Project Design Document (PDD) submitted by «CEP CARBON EMISSIONS PARTNERS S.A.», and additional background documents related to the project design and baseline, i.e. country Law, Guidelines for users of the joint implementation project design document form, Approved

CDM methodology and/or Guidance on criteria for baseline setting and monitoring, Kyoto Protocol, Clarifications on Determination Requirements to be Checked by an Accredited Independent Entity were reviewed.

To address Bureau Veritas Certification corrective action and clarification requests, «CEP CARBON EMISSIONS PARTNERS S.A.» revised the PDD and resubmitted it as version 2.0 dated 30/07/2012.

The determination findings presented in this report relate to the project as described in the PDD versions 1.0 dated 28/06/2012, 2.0 dated 30/07/2012.

2.2 Follow-up Interviews

On 24/07/2012 Bureau Veritas Certification performed on-site interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of «CEP CARBON EMISSIONS PARTNERS S.A.» and State Enterprise "Mine Administration "Pivdennodonbasske No.1" were interviewed (see References). The main topics of the interviews are summarized in Table 1.

Table 1 Interview topics

Interviewed organization	Interview topics
State Enterprise "Mine Administration "Pivdennodonbasske No.1"	➢ Implementation schedule ➢ Organizational structure ➢ Responsibilities and authorities ➢ Data collection and processing responsibilities and authorities ➢ Equipment installation ➢ Data recording, archiving and reporting system ➢ Rehabilitation/Implementation of equipment (records) ➢ Metering equipment control ➢ Metering record keeping system, database ➢ IT control ➢ Training of personnel ➢ Quality management procedures and technology ➢ Internal audits and checks
CEP CARBON EMISSIONS PARTNERS S.A.	➢ Baseline methodology ➢ Applicability of methodology ➢ Monitoring plan ➢ Conformity of PDD to JI requirements

2.3 Resolution of Clarification and Corrective Action Requests

The objective of this phase of the determination is to raise the requests for corrective actions and clarification and any other outstanding issues

that needed to be clarified for Bureau Veritas Certification positive conclusion on the project design.

If the determination team, in assessing the PDD and supporting documents, identifies issues that need to be corrected, clarified or improved with regard to JI project requirements, it will raise these issues and inform the project participants of these issues in the form of:

(a) Corrective action request (CAR), requesting the project participants to correct a mistake in the published PDD that is not in accordance with the (technical) process used for the project or relevant JI project requirement or that shows any other logical flaw;

(b) Clarification request (CL), requesting the project participants to provide additional information for the determination team to assess compliance with the JI project requirement in question;

(c) Forward action request (FAR), informing the project participants of an issue, relating to project implementation but not project design, that needs to be reviewed during the first verification of the project.

The determination team will make an objective assessment as to whether the actions taken by the project participants, if any, satisfactorily resolve the issues raised, if any, and should conclude its findings of the determination.

To guarantee the transparency of the determination process, the concerns raised are documented in more detail in the determination protocol in Appendix A.

3 PROJECT DESCRIPTION

Purposes of the Project “Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise “Mine Administration “Pivdennodonbasske No.1” is aimed at a reduction of greenhouse gases (GHG) emissions by modernization of technological equipment operated in the course of coal mining and through activities on extinction of waste heap inclined to self-ignition and combustion. Project implementation will reduce fossil fuel and electricity on-site consumption and lower GHG emissions from waste heap combustion, which would cause GHG emission reductions against the current practice.

Situation at the beginning of the project activity

The condition and development trends of Ukraine’s mining industry are rather unsatisfactory.

The technological level of Ukrainian mines is very poor, which makes the coal quality low and its production costs high, leading to low competitiveness of the product in global markets and causing high energy consumption per unit of output.

Coal production in Donetsk region is based on mining, so rock after coal separation is stacked into huge waste heaps, making large areas unfit for practically any usage, which is a common practice in Ukraine. The coal separation process has been low-effective historically. Moreover, over a long period, it was considered economically unreasonable to extract 100% of coal from the rock raised. As a result, waste heaps in Donbas contain a great amount of coal, which makes them inclined to self-ignition. Under different estimates, the rock raised from a mine is 65-70% coal and the remainder is waste rock. Up to 60% of this rock goes to waste heaps. The waste heaps, which are currently burning or threaten to ignite, are sources of uncontrolled greenhouse gas and harmful substance emissions. The latter include sulphur dioxide, which consequently transforms into sulphurous acid, the cause of acid rains, hydrogen sulphide and carbon dioxide. Long-term erosion may lead to the complete ruining of the waste heap and its transformation into a massive fault dangerous both as a direct threat to people and facilities and as a source of solid particles and harmful substance emissions into the atmosphere. Erosion also intensifies the process of spontaneous ignition. Coal combustion in waste heaps is a long process that may last up to 15 years. Despite the danger caused by waste heap combustion, their extinction is not a customary practice in Donbas. Owners responsible for waste heaps are obliged to pay rather small penalties for environmental pollution. Thus, they have no major incentive to solve this issue and burning waste heaps may not be extinguished.

Thus, with relatively low penalties for environmental pollution, owners responsible for waste heaps are not interested in taking any measures on pollutant emission (including GHG) reduction, associated with additional expenses.

Baseline scenario

The baseline scenario provides for the continuation of operation of the existing equipment with routine repairs without any major investments, which meets the requirements of the state standards and legislation of Ukraine. Specific energy consumption for electricity supply and heat supply of technological processes remain stable or growing, causing higher GHG emissions into the atmosphere. The baseline envisages the continuation of the existing practice on waste heap monitoring and extinction if burning spots are detected, in accordance with NPAOP 10.0-

5.21-04 “Manual on self-ignition prevention, extinction and demolition of waste heaps”. However, these activities proved to be ineffective, which is evidenced by annual temperature surveys detecting recurrent hot spots in a waste heap. Since waste heaps consist from coal (10-15%), its combustion is accompanied by a great amount of GHG emissions and other pollutants into the atmosphere. For detailed baseline justification see Section B of the PDD.

Project scenario

Main project activities aimed at the reduction of GHG emissions into the atmosphere are:

1. complex modernization of coal mining equipment;
2. implementation of waste heap extinction technology at SE “Mine Administration “Pivdennodonbasske No. 1”.

Implementation of energy-efficient and energy-saving equipment and technologies provided for by a complex modernization within the framework of the JI project, will lead to better production efficiency and, as a result, lower energy resource consumption in the course of coal mining.

The project also provides for waste heap extinction activities by insulation of hot spots and baring oxygen to the burning rock. As a result, burning stops and the possibility of recurrent ignition is minimized. Implementation of the effective waste heap monitoring program providing for monthly waste heap monitoring, as well as urgent extinction activities in the case of emergency (control spots temperature exceeding the permissible level). According to conservative principles, GHG emissions generated in the course of waste heap burning, will be included into emission reduction calculations in the case of recurrent ignition during the project implementation.

History of the project

Purposes of the project activity:

28/01/2006 - SE “Mine Administration “Pivdennodonbasske No.1” started implementation of energy efficiency measures within the framework of the Joint Implementation Project.

28/05/2012 – preparation and submission of the project idea note to support anthropogenic GHG emission reductions, to the State Environmental Investment Agency of Ukraine.

26/07/2012 - the State Environmental Investment Agency of Ukraine issued the Letter of Endorsement No.1995/23/7 for the JI project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise “Mine Administration “Pivdennodonbasske No.1”.

Benefits of the project

Besides the reduction of greenhouse gas emissions, implementation of measures described in the investment plans has the following benefits:

- Increase of employment opportunities due to the introduction of new equipment into service, construction and renovation of enterprise's facilities;
- Reduction of hazardous pollutants emission;
- Production cost reduction.

The identified areas of concern as to the project description, project participants response and BVC's conclusion are described in Appendix A (refer to CAR 01-CAR 08 and CAR 30).

4 DETERMINATION CONCLUSIONS

In the following sections, the conclusions of the determination are stated.

The findings from the desk review of the original project design documents and the findings from interviews during the follow up visit are described in the Determination Protocol in Appendix A.

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 determination of the Project resulted in 30 Corrective Action Requests and 04 Clarification Requests.

The number between brackets at the end of each section corresponds to the DVM paragraph

4.1 Project approvals by Parties involved (19-20)

After issuing the Determination Report by AIE, project documentation will be submitted to the State Environmental Investment Agency of Ukraine and Federal Department of the Environment, Transport, Energy and Communications of Switzerland for receiving the Letter of Approval.

The identified areas of concern as to the project approval by Parties involved, project participants response and BVC's conclusion are described in Appendix A (refer to CAR 09).

The project has not been approved by the parties involved thus CAR 09 is pending. The issue will be closed after the Letter of Approval is issued by the Host Party.

The identified areas of concern as to Project approvals by Parties involved, project participants response and BVC's conclusion are described in Appendix A (refer to CAR 09, CL 01).

4.2 Authorization of project participants by Parties involved (21)

The official authorization by the Parties Involved will be provided in the written approvals of the project by the relevant parties indicating the designated body.

The identified areas of concern as to the authorization of project participants by Parties involved, project participants' response and BVC's conclusion are described in Appendix A (refer to CAR 09).

The project has not been approved by the parties involved thus CAR 09 is pending. The issue will be closed after the Letter of Approval is issued by the Host Party.

4.3 Baseline setting (22-26)

The PDD explicitly indicates that JI specific approach was the selected approach for identifying the baseline.

Baseline scenario was developed according to the Annex B to JI Guidelines, Guidelines on criteria for baseline setting and monitoring, also methodological tool "Combined tool to identify the baseline scenario and demonstrate additionality".

The PDD provides a detailed theoretical description in a complete and transparent manner, as well as justification, that the baseline is established:

(a) By listing and describing the following plausible future scenarios on the basis of conservative assumptions and selecting the most plausible one:

a. Continuation of the existing situation
b. Implementation of the proposed project activity without the project registration as JI project

As the process of coal production and preparation is complex and involves all administrative and technical resources and means of SE "Mine Administration "Pivdennodonbasske No.1", it is impossible to classify the modernization works done at the company. Therefore, this scenario cannot be considered as an alternative to the proposed project activity.

(b) Taking into account relevant national and/or sectoral policies and circumstances, such as sectoral reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the project sector. In this context, the following key factors that affect a baseline are taken into account:
   a. State policy and legislation in the mining sector;
   b. Economic situation in the mining sector of Ukraine and demand forecast for agricultural products;
   c. Technical aspects of equipment operation;
   d. Availability of capital (including investment barriers);
   e. Local availability of technology / equipment;
   f. Price and availability of fuel.

JI specific approach and "Guidance on criteria for baseline setting and monitoring" were chosen by the project participants for setting the baseline.

All explanations, descriptions and analyses pertaining to the baseline in the PDD are made in accordance with the referenced approved CDM methodology and the baseline is identified appropriately.

The identified areas of concern as to the baseline setting, project participants' response and BVC's conclusion are described in Appendix A (refer to CAR 10 - CAR 13).

4.4 Additionality (27-31)

Traceable and transparent information that an AIE has already positively determined that a comparable project (to be) implemented under comparable circumstances (same GHG mitigation measure, same country, similar technology, similar scale) would result in a reduction of anthropogenic emissions by sources that is additional to any that would otherwise occur and a justification why this determination is relevant for the project at hand was provided.

None of the existing methodologies can be applied for the proposed project aimed at the reduction of energy consumption and waste heap extinction at SE "Mine Administration "Pivdennodonbasske No.1". The project participant has chosen a JI-specific approach in accordance with paragraph 9 (a) of the "Guidance on criteria for baseline setting and monitoring", Version 03.

The most recent version of the "Tool for the demonstration and assessment of additionality" approved by the CDM Executive Board was

used. All explanations, descriptions and analyses are made in accordance with the selected tool or method.

Additionality is demonstrated appropriately as a result of the steps mentioned above.

The identified areas of concern as to the additionality, project participants' response and BVC's conclusion are described in Appendix A (refer to CAR 14).

4.5 Project boundary (32-33)

The project boundary defined in the PDD, encompasses all anthropogenic emissions by sources of greenhouse gases (GHGs) that are:

(i) Under the control of the project participants;

(ii) Reasonably attributable to the project.

The delineation of the project boundary and the gases and sources included are appropriately described and justified in the PDD

The AIE determined the project boundary by:

a) Detailed analysis of corresponding documentation (the list of assessed documents is provided in the Table "Category 2 Documents" below).

b) Interview and observations made during the site visit to SE "Mine Administration "Pivdennodonbasske No.1" 24/07/2012 (the list of persons interviewed is provided in the Table "Persons interviewed" below).

Based on the above assessment, the AIE hereby confirms that the identified boundary and the selected sources and gases are justified for the project activity.

No outstanding issues concerning the Project boundary were raised.

4.6 Crediting period (34)

The PDD states the starting date of the project as the date on which the implementation or construction or real action of the project will begin or began, and the starting date is 28/01/2006, which is after the beginning of 2000.

The PDD states the expected operational lifetime of the project in years and months, which is 15 years or 180 months.

The PDD states the length of the crediting period in years and months, which is 15 years or 180 months, and its starting date as 01/01/2007, which is on the date the first emission reductions generated by the project.

The PDD states that the crediting period for the issuance of ERUs starts only after the beginning of 2008 and does not extend beyond the operational lifetime of the project.

The PDD states that the extension of its crediting period beyond 2012 is subject to the host Party approval, and the estimates of emission reductions or enhancements of net removals are presented separately for those until 2012 and those after 2012 in all relevant sections of the PDD.

The identified areas of concern as to Crediting period, project participants' response and BVC's conclusion are described in Appendix A (refer to CAR 15 – CAR 17 and CL 02 – CL 03).

4.7 Monitoring plan (35-39)

The PDD, in its monitoring plan section, explicitly indicates that JI specific approach was the selected.

The monitoring plan describes all relevant factors and key characteristics that will be monitored, and the period in which they will be monitored, in particular also all decisive factors for the control and reporting of project performance, such as fuel economy.

The monitoring plan specifies the indicators, constants and variables that are reliable (i.e. provide consistent and accurate values), valid (i.e. are clearly connected with the effect to be measured), and that provide a transparent picture of the emission reductions to be monitored such as:

1. Actual flows of power supply into the grid
2. Total coal consumption in the course of technological process of coal mining
3. CO_2 emission factor in UES of Ukraine

The monitoring plan draws on the list of standard variables indicated in appendix B of "Guidance on criteria for baseline setting and monitoring" developed by the JISC, as appropriate PE_y; BE_y.

The monitoring plan explicitly and clearly distinguishes:

(i) Data and parameters that are not monitored throughout the crediting period, but are determined only once (and thus remain fixed throughout the crediting period), and that are available already at the stage of determination. Not applicable.

(ii) Data and parameters that are monitored throughout the crediting period, such as N_p^y, EC_p^y, $EF_{p,CO2,ele}^y$, $EF_{p,C,coal}^y$, $NCV_{p,coal}^y$, $EF_{b,CO_2,elec}^j$, $EF_{b,C,coal}^y$, $NCV_{b,coal}^y$, $OXID_{b,coal}^y$, $OXID_{p,coal}^y$.

The monitoring plan describes the methods employed for data monitoring (including its frequency) and recording.

The monitoring plan elaborates all algorithms and formulae used for the estimation/calculation of baseline emissions/removals and project emissions/removals or direct monitoring of emission reductions from the project, leakage, as appropriate:

Project emissions
Emission reduction will be achieved due to implementation of above-mentioned technologies.

$$PE^y = PE_{elec}^y + PE_{PO}^y;$$

where:

PE^y - total GHG emissions in monitoring period *y* of the project scenario, t CO_2eq;

PE_{elec}^y - total GHG emissions from electricity consumption by technological equipment in the course of coal production in monitoring period *y* of the project scenario, t CO_2eq;

PE_{PO}^y - GHG emissions from repeated waste heap ignition after activities on its extinction took place in period *y* of the project scenario, t CO_2eq;

y - index for monitoring period;

$elec$ - index for electricity consumption system;

PO - index for waste heaps.

$$PE_{elec}^y = EC_p^y * EF_{p,CO2,elec}^y,$$

where:

EC_p^y - total electricity consumption in the course of coal mining in monitoring period *y* of the project scenario, MWh;

$EF_{p,CO2,elec}^y$ - carbon dioxide emission factors from electricity consumption from the national power grid of Ukraine in monitoring period y of the project scenario, t CO_2/MWh;

y - index for monitoring period;

p - index for project scenario;

$elec$ - index for electricity consumption system;

According to the research, the period of waste heap combustion is 15 years* which means that the entire amount of coal in a waste heap can burn down over this period. Waste heap monitoring programme provides an opportunity to control the heap condition and prevent its inflammation, and if the latter occurs, to take measures for its rapid extinction. It also provides for monthly monitoring of waste heap.

Based on the conditions of the waste heap monitoring programme, the formula for the calculation of GHG emissions from waste heap combustion in the baseline was adjusted to the monthly waste heap monitoring activities.

$$PE_{PO}^y = \sum_{i=1}^{12} \frac{FC_{p,PO,coal} \cdot NCV_{p,coal}^y \cdot k_i^y \cdot EF_{p,CO2,coal}^y}{180} + PE_{p,PO,disel}^y,$$

where:

PE_{PO}^y - GHG emissions from repeated waste heap ignition after activities on its extinction took place in period *y* of the project scenario, t CO_2eq;

$PE_{p,PO,disel}^y$ - GHG emissions from diesel fuel combustion in the course of waste heap extinction in monitoring period *y* of the project scenario, t CO_2eq;

$FC_{p,PO,coal}$ - total amount of coal in a waste heap as of the beginning of extinction works, ths t;

$NCV_{p,coal}^y$ - net calorific value of coal in monitoring period y of the project scenario, TJ/ths t;

$EF_{p,CO_2,coal}^y$ - default carbon dioxide emission factor for stationary coal combustion in monitoring period *y* of the project scenario, t CO_2/TJ;

k_i^y - waste heap combustion factor for month *i* of year *y* (if waste heap combustion was detected in the reporting month, it is assumed that k=1, if

* http://www.nbuv.gov.ua/portal/natural/Pb/2010_17/Statti/10.pdf

the combustion was not detected, as provided by the project, it is assumed that k=0);
180 - number of months in a 15-year period (15 years is the period of total combustion of a waste heap);
disel - index for diesel fuel;
y - index for monitoring period;
i - index for the sequence number of month, year *y;*
p - index for project scenario;
n - index for waste heap density;
coal - index for coal.

Emissions from diesel fuel consumption by technological equipment in the course of waste heap extinction occur only if repeated ignition takes place; these emissions constitute for less than 1% of the total emissions from waste heap burning, so they can be neglected in the calculation. Thus:

$$PE_{PO}^{y} = \sum_{i=1}^{12} \frac{FC_{p,PO,coal} \cdot NCV_{p,coal}^{y} \cdot k_{i}^{y} \cdot EF_{p,CO2,coal}^{y}}{180},$$

$$FC_{p,PO,coal} = \frac{V_{PO} \cdot \rho_{n} \cdot C_{coal}}{1000000},$$

where:
$FC_{p,PO,coal}$ - total amount of coal in a waste heap as of the beginning of extinction works, ths t;
$V_{PO.}$ – waste heap volume, m^3;
C_{coal} - coal content in a waste heap, %;
ρ_{n} - waste heap density, kg/m^3;
PO - index for waste heap;
n - index for waste heap density;
$\left[\frac{1}{1000000}\right]$ - index for kilogrammes to thousand tonnes conversion factor.
coal - index for coal.

$$EF_{p,CO2,coal}^{y} = EF_{p,C,coal}^{y} \cdot OXID_{p,coal}^{y} \cdot 44/12,$$

where:
$EF_{p,C,coal}^{y}$ - carbon emission factor for coal combustion in monitoring period *y* of the project scenario, t C /TJ;

$OXID^{y}_{p,coal}$ - carbon oxidation factor for coal combustion in monitoring period *y* of the project scenario, relative units;
44/12 - stoichiometric ratio of carbon dioxide and carbon molecular weight, t CO_2/t C;
y - index for monitoring period;
p - index for project scenario;
$coal$ - index for coal.

Baseline emissions

Baseline GHG emissions:

$$BE^{y} = BE^{y}_{elec} + BE^{y}_{PO},$$

where:
BE^{y} - total GHG emissions in monitoring period y of the baseline scenario, t CO_2eq;
BE^{y}_{elec} - total GHG emissions from electricity consumption by technological equipment in the course of coal production in monitoring period *y* of the baseline scenario, t CO_2eq;
BE^{y}_{PO} - GHG emissions from waste heap combustion in monitoring period *y* of the baseline scenario, t CO_2eq;
y - monitoring period;
$elec$ - index for electricity consumption system;
PO - index for waste heaps.

$$BE^{y}_{elec} = N^{y}_{p} \cdot BPER;$$

where:
N^{y}_{p} - total coal production in monitoring period *y* of the project scenario, t;
$BPER$ - pre-project coal mining efficiency factor, t CO_2eq/t.

$$BPER = \sum_{n=1}^{7} \frac{BE^{j}_{b,elec} \Big/ N^{j}_{b}}{7}$$

where:

$BE^{j}_{b,elec}$ - GHG emissions from combustion of fossil fuel used in the course of generation of electricity consumed in the course of coal mining in historical period *j* of the baseline scenario, t CO_2eq ;

N^{j}_{b} - total coal production in historical period *j* of the baseline scenario, t;

7 – years in historical period, 2000-2006;

y - monitoring period;

b - project scenario;

j - historical period;

b - baseline scenario;

elec - index for electricity consumption system;

[7] - number of years in the historical period.

$$BE^{j}_{b,elec} = EC^{j}_{b} \cdot EF^{j}_{b,CO2,elec},$$

where:

EC^{j}_{b} - total electricity consumption in the course of coal mining in historical period *j* of the baseline scenario, MWh;

$EF^{j}_{b,CO2,elec}$ - carbon dioxide emission factor related to electricity consumption from the national power grid of Ukraine in historical period *j* of the baseline scenario, t CO_2/MWH;

elec - index for electricity consumption system;

j - index for historical period;

b - index for baseline scenario;

According to the research, the period of waste heap combustion is 15 years* which means that the entire amount of coal in a waste heap can burn down over this period. Waste heap monitoring programme provides an opportunity to control the heap condition and prevent its inflammation, and if the latter occurs, to take measures for its rapid extinction. It also provides for monthly monitoring of waste heap. Based on the conditions of the waste heap monitoring programme, the formula for the calculation of GHG emissions from waste heap combustion in the baseline was adjusted to the monthly waste heap monitoring activities.

$$BE^{y}_{PO} = \sum_{i=1}^{12} \frac{FC_{b,PO,coal} \cdot NCV^{y}_{b,coal} \cdot k^{y}_{i} \cdot EF^{y}_{b,CO2,coal}}{180},$$

* http://www.nbuv.gov.ua/portal/natural/Pb/2010_17/Statti/10.pdf

where:

$FC_{b,PO,coal}$ - total amount of coal in a waste heap as of the beginning of extinction works, ths t;

$NCV^{y}_{b,coal}$ - net calorific value of coal in monitoring period *y* of the baseline scenario, TJ/ths t;

$EF^{y}_{b,CO_2,coal}$ - default carbon dioxide emission factor for stationary coal combustion in monitoring period *y* of the baseline scenario, t CO_2/TJ;

k^{y}_{i} - waste heap combustion factor for month *i* of year *y* (if waste heap combustion was detected in the reporting month, it is assumed that k=1, if the combustion was not detected, as provided by the project, it is assumed that k=0. Since the waste heap continues to burn under the baseline scenario, k=1 for all months of the monitoring period);

PO - index for waste heap;

b - baseline scenario;

$coal$ - index for coal;

i - index for the sequence number of month, year *y*.

$$FC_{b,PO,coal} = \frac{V_{PO} \cdot \rho_n \cdot C_{coal}}{1000000},$$

where:

$FC_{b,PO,coal}$ - total amount of coal in a waste heap as of the beginning of extinction works, ths t;

$V_{PO.}$ – waste heap volume, m^3;

C_{coal} - coal content in a waste heap, %;

ρ_n - waste heap density, kg/m^3;

PO - index for waste heap;

b - baseline scenario;

n - index for waste heap density;

$coal$ - index for coal;

$\left[\frac{1}{1000000}\right]$ - index for kilogrammes to thousand tonnes conversion factor.

$$EF^{y}_{b,CO2,coal} = EF^{y}_{b,C,coal} \cdot OXID^{y}_{b,coal} \cdot 44/12,$$

where:

$EF^{y}_{b,C,coal}$ - carbon emission factor for coal combustion in monitoring period *y* of the baseline scenario, t C /TJ;

$OXID^{y}_{b,coal}$ - carbon oxidation factor for coal combustion in monitoring period *y* of the baseline scenario, relatve units;
44/12 - stoichiometric ratio of carbon dioxide and carbon molecular weight (t CO_2/t C);
y - monitoring period;
b - baseline scenario;
$coal$ - index for coal.

Emissions Reduction

Quantity of Emission Reduction Units (ERU), t CO_2e:

$$ER_y = BE_y - PE_y$$

where:
ER_y – emission reduction due to project activity in period y, t CO_2e
BE_y – baseline GHG emissions in period y, t CO_2eq;
PE_y – project GHG emissions in period y, t CO_2eq;
[y] - index for monitoring period.

The monitoring plan presents the quality assurance and control procedures for the monitoring process. Information on calibration and on how records on data and/or method validity and accuracy are kept and made available on request.

The monitoring plan clearly identifies the responsibilities and the authority regarding the monitoring activities.

On the whole, the monitoring plan reflects good monitoring practices appropriate to the project type.

The monitoring plan provides, in tabular form, a complete compilation of the data that need to be collected for its application, including data that are measured or sampled and data that are collected from other sources (e.g. official statistics, expert judgment, proprietary data, IPCC, commercial and scientific literature etc.) but not including data that are calculated with equations.

The monitoring plan indicates that the data monitored and required for verification are to be kept for two years after the last transfer of ERUs for the project.

The identified areas of concern as to monitoring plan, project participants' response and BVC's conclusion are described in Appendix A (refer to CAR 18 – CAR 28, CL 04).

4.8 Leakage (40-41)

The PDD appropriately describes an assessment of the potential indirect leakages of CO_2, CH_4 which occur in the coal production and transportation process and appropriately explains which sources of leakage can be neglected.

In the PDD indicated that leakage in the project activity is expected.

No outstanding issues were raised.

4.9 Estimation of emission reductions or enhancements of net removals (42-47)

The PDD indicates assessment of emissions in the baseline scenario and in the project scenario as the approach chosen to estimate the emission reductions or enhancement of net removals generated by the project.

The PDD provides the ex ante estimates of:

(a) Emissions or net removals for the project scenario (within the project boundary), CO_2eq:

- project emissions for the period of 01/01/2007 – 31/12/2007

Years	Project emissions (t CO_2 equivalent)
2007	59 261
Total project emissions in 2007-2007 (t CO_2 equivalent)	**59 261**

- project emissions for the period of 01/01/2008 – 31/12/2012

Years	Project emissions (t CO_2 equivalent)
2008	54 064
2009	63 060
2010	44 309
2011	53 912
2012	53 912
Total project emissions in 2008-2012 (t CO_2 equivalent)	**269 257**

- project emissions for the period of 01/01/2013 – 31/12/2021

Years	Project emissions (t CO_2 equivalent)
2013	53 912
2014	53 912
2015	53 912
2016	53 912
2017	53 912
2018	53 912
2019	53 912
2020	53 912
2021	53 912
Total project emissions in 2013-2021 (t CO_2 equivalent)	**485 208**

(b) Leakage, as applicable, which are 0 tonnes of CO_2eq;

(c) Emissions or net removals for the baseline scenario (within the project boundary), CO_2eq:

- baseline emissions for the period of 01/01/2007 – 31/12/2007

Years	Project emissions (t CO_2 equivalent)
2007	258 808
Total project emissions in 2007-2007 (t CO2 equivalent)	**258 808**

- baseline emissions for the period of 01/01/2008 – 31/12/2012

Years	Estimated baseline emissions (t CO_2 equivalent)
2008	235 496
2009	243 398
2010	227 275
2011	235 077
2012	235 077
Total baseline emissions in 2008-2012 (t CO_2 equivalent)	**1 176 323**

- baseline emissions for the period of 01/01/2013 – 31/12/2021

Years	Estimated baseline emissions (t CO_2 equivalent)
2013	235 077
2014	235 077
2015	235 077

2016	235 077
2017	235 077
2018	235 077
2019	235 077
2020	235 077
2021	235 077
Total baseline emissions in 2013-2021 (t CO_2 equivalent)	**2 115 693**

(d) Emission reductions or enhancements of net removals adjusted by leakage (based on (a)-(c) above), CO_2eq.

- emission reductions for the period from 01/01/2007 – 31/12/2007

Year	Estimated project emissions (t CO_2 equivalent)	Estimated leakage (t CO_2 equivalent)	Estimated baseline emissions (t CO_2 equivalent)	Estimated emission reductions (t CO_2 equivalent)
2007	59 261	0	258 808	199 547
Total estimated emission reductions (t CO2 equivalent)	**59 261**	0	**258 808**	**199 547**

- emission reductions for the period from 01/01/2008 – 31/12/2012

Year	Estimated project emissions (t CO_2 equivalent)	Estimated leakage (t CO_2 equivalent)	Estimated baseline emissions (t CO_2 equivalent)	Estimated emission reductions (t CO_2 equivalent)
2008	54 064	0	235 496	181 432
2009	63 060	0	243 398	180 338
2010	44 309	0	227 275	182 966
2011	53 912	0	235 077	181 165
2012	53 912	0	235 077	181 165
Total estimated emission reductions (t CO_2 equivalent)	**269 257**	0	**1 176 323**	**907 066**

- emission reductions for the period from 01/01/2013 – 31/12/2021

Year	Estimated project	Estimated leakage (t CO_2	Estimated baseline	Estimated emission

	emissions (t CO_2 equivalent)	equivalent)	emissions (t CO_2 equivalent)	reductions (t CO_2 equivalent)
2013	53 912	0	235 077	181 165
2014	53 912	0	235 077	181 165
2015	53 912	0	235 077	181 165
2016	53 912	0	235 077	181 165
2017	53 912	0	235 077	181 165
2018	53 912	0	235 077	181 165
2019	53 912	0	235 077	181 165
2020	53 912	0	235 077	181 165
2021	53 912	0	235 077	181 165
Total estimated emission reductions (t CO_2 equivalent)	**485 208**	0	**2 115 693**	**1 630 485**

The estimates referred to above are given:

(a) On a periodic basis;

(b) From 01/01/2007 to 31/12/2021, covering the whole crediting period;

(c) On a source-by-source basis;

(d) For each GHG gas, which is CO_2;

(e) In tonnes of CO_2 equivalent, using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5 of the Kyoto Protocol;

The formula used for calculating the estimates referred above are consistent throughout the PDD.

Data sources used for calculating the estimates referred to above are clearly identified, reliable and transparent.

The estimation referred to above is based on conservative assumptions and the most plausible scenarios in a transparent manner.

The estimates referred to above are consistent throughout the PDD.

The annual average of estimated emission reductions over the crediting period is calculated by dividing the total estimated emission reductions or enhancements of net removals over the crediting period by the total months of the crediting period, and multiplying by twelve.

No outstanding issues concerning the estimated emission reduction were raised.

4.10 Environmental impacts (48)

All activities under the project do not envisage any negative impacts on the environment, therefore no EIA was specifically developed for this project.

Accordingly, the project also does not have any transboundary impact, as it is implemented in the Donetsk region (Ukraine) and does not include any impact that may occur in another region or another country.

No outstanding issues concerning the environmental impact were raised.

4.11 Stakeholder consultation (49)

SE "Mine Administration "Pivdennodonbasske No.1" informed the community through mass media. All comments relating to the project implementation were positive. No negative comments were received.

No comments on the project have been received from stakeholders.

No outstanding issues concerning the stakeholder consultation were raised.

4.12 Determination regarding small scale projects (50-57)

Not applicable

4.13 Determination regarding land use, land-use change and forestry (LULUCF) projects (58-64)

Not applicable

4.14 Determination regarding programmes of activities (65-73)

Not applicable

5 SUMMARY AND REPORT OF HOW DUE ACCOUNT WAS TAKEN OF COMMENTS RECEIVED PURSUANT TO PARAGRAPH 32 OF THE JI GUIDELINES

No comments, pursuant to paragraph 32 of the JI Guidelines, were received.

6 DETERMINATION OPINION

Bureau Veritas Certification has performed a determination of the Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise “Mine Administration “Pivdennodonbasske No.1” project at the SE “Mine Administration “Pivdennodonbasske No.1” facilities in citi Vuhledar in Donetsk region, 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 participants used the latest tool for demonstration of the additionality. In line with this tool, the PDD provides investment analysis, technological and organizational barriers analysis, as well as common practice analysis, to determine that the project activity itself is not the 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 determination revealed two pending issues related to the current determination stage of the project: the issue of the written approval of the project and the authorization of the project participant by the host Party. If the written approval and the authorization by the host Party are awarded, it is our opinion that the project as described in the Project Design Document, Version 2.0 meets all the relevant UNFCCC requirements for the determination stage and the relevant host Party criteria.

The review of the project design documentation (version 2.0) 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.

7 REFERENCES

Category 1 Documents:
Documents provided by CEP CARBON EMISSIONS PARTNERS S.A. that relate directly to the GHG components of the project.

/1/ Project Design Document “Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise “Mine Administration “Pivdennodonbasske No.1” version 1.0 dated 28/06/2012
/2/ Emissions reduction calculation Excel spreadsheet “Супровідний_документ_1.xls”
/3/ Project Design Document “Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise “Mine Administration “Pivdennodonbasske No.1” version 2.0 dated 30/07/2012
/4/ Investment analysis Excel spreadsheet “Супровідний_документ_2.xls”
/5/ Letter of Endorsement # 1995/23/7 dated 26/07/2012 of JI project “Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise “Mine Administration “Pivdennodonbasske No.1”

Category 2 Documents:
Background documents related to the design and/or methodologies employed in the design or other reference documents.

/1/ Report on Air Protection (form # 2-TP (air) for 2011
/2/ Report on Air Protection (form # 2-TP (air) for 2010
/3/ Report on Air Protection (form # 2-TP (air) for 2009
/4/ Report on Air Protection (form # 2-TP (air) for 2008
/5/ Report on Air Protection (form # 2-TP (air) for 2007
/6/ Report on Air Protection (form # 2-TP (air) for 2006
/7/ Report on Air Protection (form # 2-TP (air) for 2005
/8/ Report on Air Protection (form # 2-TP (air) for 2004
/9/ Passport waste heap “Mine “Pivdennodonbasska #1”
/10/ State certificate of Perpetual land use rights Series ЯЯ #061428
/11/ Register of technological equipment
/12/ Report on the use of fuel, heat and electricity (form # 11-MTP) for 2004
/13/ Report on the use of fuel, heat and electricity (form # 11-MTP) for 2005
/14/ Report on the use of fuel, heat and electricity (form # 11-MTP) for 2006
/15/ Report on the use of fuel, heat and electricity (form # 11-MTP) for 2007
/16/ Report on the use of fuel, heat and electricity (form # 11-MTP) for 2008

/17/ Report on the use of fuel, heat and electricity (form # 11-MTP) for 2009
/18/ Report on the use of fuel, heat and electricity (form # 11-MTP) for 2010
/19/ Report on the use of fuel, heat and electricity (form # 11-MTP) for 2011
/20/ Information about prey coal on “Mine Administration “Pivdennodonbasske No.1”
/21/ Information about the volume of use of electricity and coal mining mouth on mine " Pivdennodonbasske #1" for 2004-2012 years

Persons interviewed:

List persons interviewed during the determination or persons that contributed with other information that are not included in the documents listed above.

/1/ Evgeny Grachev - Chief Engineer
/2/ Grekov Vladimir - Deputy Director of Production
/3/ Boyarchenko Tatiana - Deputy Director of Economics and Finance
/4/ Basystyi Evgen - chief mechanic
/5/ Mospan Andriy - chief electrician
/6/ Nosko Sergyi - Chief Technologist
/7/ Peptseva Vitaliy - Chief Marksheider
/8/ Berlovsky Igor – head area mining activities on the development and capital construction
/9/ Moskvichev Vladimir - section chief technology complex surface
/10/ Sergey Ignatov - Head of Legal Department
/11/ Korneva Hope - Lead Engineer of Environment protect

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APPENDIX A: DETERMINATION PROTOCOL

Check list for determination, according JOINT IMPLEMENTATION DETERMINATION AND VERIFICATION MANUAL (Version 01)

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
General description of the project				
Title of the project				
-	Is the title of the project presented?	Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Mine Administration "Pivdennodonbasske No. 1"	OK	OK
-	Is the sectoral scope to which the project pertains presented?	Sector 3 – Energy demand Sector 8 – Mining/mineral production Corrective Action Request 30 Please clearly identify the area to which the project	CAR 30	OK
-	Is the current version number of the document presented?	PDD version 2.0	OK	OK
-	Is the date when the document was completed presented?	Date of completion: 28/06/2012 Corrective Action Request 01 Please correct the date format.	CAR 01	OK
Description of the project				
-	Is the purpose of the project included with a concise, summarizing explanation (max. 1-2 pages) of the: a) Situation existing prior to the starting date of the project; b) Baseline scenario; and c) Project scenario (expected outcome,	Corrective Action Request 02 Please add a brief description of the baseline and theoretical description of the chosen baseline.	CAR 02	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	including a technical description)?			
-	Is the history of the project (incl. its JI component) briefly summarized?	Corrective Action Request 03 Please specify the project start date and provide a document confirms it.	CAR 03	OK
Project participants				
-	Are project participants and Party(ies) involved in the project listed?	The list of the parties involved and project participants is provided in the tabular format in Section A3 of the PDD. Parties involved: Ukraine (Host country) the legal entity SE "Mine Administration "Pivdennodonbasske No. 1" Other Parties: Switzerland, a legal entity CEP Carbon Emissions Partners SA. Corrective Action Request 04: Please specify whether Parties involved are listed in the table section A.3 of the PDD project participant. The information listed in the table section A.3 does not correspond to that given in section D.4.	CAR 04	OK
-	Is the data of the project participants presented in tabular format?	The data of the project participants is presented in tabular format.	OK	OK
-	Is contact information provided in Annex 1 of the PDD?	The contact information is provided in Annex 1 of the PDD.	OK	OK
-	Is it indicated, if it is the case, if the Party involved is a host Party?	Ukraine, the Party involved, is the host Party.	OK	OK
Technical description of the project				
Location of the project				
-	Host Party(ies)	Ukraine	OK	OK
-	Region/State/Province etc.	Donetsk region	OK	OK
-	City/Town/Community etc.	Vuhledar city	OK	OK
-	Detail of the physical location, including information allowing the unique identification of	Coordinates: 47°46′45″ N 37°14′54″ E	CAR 05	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	the project. (This section should not exceed one page)	Corrective Action Request 05: Please section A.4.1.4. describe in accordance the format as provided version 04 "Guidelines for users of the PDD for JI projects."		
Technologies to be employed, or measures, operations or actions to be implemented by the project				
-	Are the technology(ies) to be employed, or measures, operations or actions to be implemented by the project, including all relevant technical data and the implementation schedule described?	A list and brief description of the measures to be implemented under the project are given in Section A.4.2 of PDD. Corrective Action Request 06: Please adjust the schedule for implementation of the project according to a summary of actions performed on the project.	CAR 06	OK
Brief explanation of how the anthropogenic emissions of greenhouse gases by sources are to be reduced by the proposed JI project, including why the emission reductions would not occur in the absence of the proposed project, taking into account national and/or sectoral policies and circumstances				
-	Is it stated how anthropogenic GHG emission reductions are to be achieved? (This section should not exceed one page)	Yes the PDD explain how is achieved the anthropogenic emissions of GHG by the proposed project provided.	OK	OK
-	Is it provided the estimation of emission reductions over the crediting period?	The estimation of emission reductions over the crediting period is provided. Corrective Action Request 07: Please provide a link to the file «Excel» with calculations	CAR 07	OK
-	Is it provided the estimated annual reduction for the chosen credit period in tCO2e?	The estimated annual reduction for the chosen credit period is provided in tCO_2e.	OK	OK
-	Are the data from questions above presented in tabular format?	Yes, the data is presented in tabular format.	OK	OK
Estimated amount of emission reductions over the crediting period				
-	Is the length of the crediting period Indicated?	Yes, the duration of the crediting period is 15 years (180 months).	CAR 08	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		Corrective Action Request 08: Please justify the chosen duration of the crediting period, with the justification of the term, and make the appropriate corrections to the PDD.		
-	Are estimates of total as well as annual and average annual emission reductions in tonnes of CO_2 equivalent provided?	The estimates of total as well as annual and average annual emission reductions in tonnes of CO_2 equivalent are provided in section A.4.3.1 of the PDD.	OK	OK
Project approvals by Parties				
19	Have the DFPs of all Parties listed as "Parties involved" in the PDD provided written project approvals?	State Environmental Investment Agency of Ukraine issued a letter of support from 26/07/2012 # 1995/23/7 for this project. Approval of the project, according to the PDD, will be provided after the approval of the determination by the AIE. Clarification Request 01: Section A.5 PDD must contain the name of DFP's (Parties involved) that will approve the project.	CL 01	OK
19	Does the PDD identify at least the host Party as a "Party involved"?	Yes, Ukraine is the host Party.	OK	OK
19	Has the DFP of the host Party issued a written project approval?	Corrective Action Request 09: The Letters of Approval from parties involved are absent.	CAR 09	OK
20	Are all the written project approvals by Parties involved unconditional?	Refer to CAR 09 above.	OK	OK
Authorization of project participants by Parties involved				
21	Is each of the legal entities listed as project participants in the PDD authorized by a Party involved, which is also listed in the PDD, through: − A written project approval by a Party involved, explicitly indicating the name of the legal entity? or − Any other form of project participant	Refer to CAR 09 above. Participants will be authorized after the relevant project approvals.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	authorization in writing, explicitly indicating the name of the legal entity?			
Baseline setting				
22	Does the PDD explicitly indicate which of the following approaches is used for identifying the baseline? − JI specific approach − Approved CDM methodology approach	The PDD describes the JI specific approach which is used for setting the baseline. Corrective Action Request 10: During the analysis of the PDD it was revealed that the project developer used JI specific approach for setting the monitoring plan, but it is not explicitly indicated. Please clearly describe in the PDD the approach chosen. Corrective Action Request 11: Please indicate the baseline setting date in accordance with the established format DD/MM/YYYY.	CAR 10 CAR 11	OK
JI specific approach only				
23	Does the PDD provide a detailed theoretical description in a complete and transparent manner?	Yes, the PDD provides a detailed theoretical description of the project in a complete and transparent manner.	OK	OK
23	Does the PDD provide justification that the baseline is established: (a) By listing and describing plausible future scenarios on the basis of conservative assumptions and selecting the most plausible one? (b) Taking into account relevant national and/or sectoral policies and circumstance? − Are key factors that affect a baseline taken into account? (c) In a transparent manner with regard to the choice of approaches, assumptions,	The PDD provides justification that the baseline is established by listing and describing plausible future scenarios on the basis of conservative assumptions and selecting the most plausible one.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	methodologies, parameters, date sources and key factors? (d) Taking into account of uncertainties and using conservative assumptions? (e) In such a way that ERUs cannot be earned for decreases in activity levels outside the project or due to force majeure? (f) By drawing on the list of standard variables contained in appendix B to "Guidance on criteria for baseline setting and monitoring", as appropriate?			
24	If selected elements or combinations of approved CDM methodologies or methodological tools for baseline setting are used, are the selected elements or combinations together with the elements supplementary developed by the project participants in line with 23 above?	To identify the baseline scenario and demonstrate additionality was used "Guidance on criteria for baseline setting and monitoring for Joint Implementation" version 03. Also taken into consideration the recommendations the "Tool for the demonstration and assessment of additionality" (Version 06.0.0). Corrective Action Request 12: The PDD (section B.1) is given by the reference to "Guidance on criteria for baseline setting and monitoring for Joint Implementation" version 03, but with different names of this document. Please correct. Corrective Action Request 13: Please provide a current link to the document that was used, "Tools for the demonstration and assessment of additionality" (Version 06.0.0)	CAR 12 CAR 13	OK
25	If a multi-project emission factor is used, does the PDD provide appropriate justification?	Not used	OK	OK
Approved CDM methodology approach only_Paragraphs 26(a) – 26(d)_Not applicable				
Additionality				

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
JI specific approach only				
28	Does the PDD indicate which of the following approaches for demonstrating additionality is used? (a) Provision of traceable and transparent information showing the baseline was identified on the basis of conservative assumptions, that the project scenario is not part of the identified baseline scenario and that the project will lead to emission reductions or enhancements of removals; (b) Provision of traceable and transparent information that an AIE has already positively determined that a comparable project (to be) implemented under comparable circumstances has additionality; (c) Application of the most recent version of the "Tool for the demonstration and assessment of additionality. (allowing for a two-month grace period) or any other method for proving additionality approved by the CDM Executive Board".	In section B.1 PDD provides analysis additionality of project whose purpose is to demonstrate that the design scenario is not part of a particular baseline, and that project will reduce GHG emissions compared to baseline. The analysis was performed based on the latest version of the "Tool to identify the baseline scenario and demonstrate additionality", which was approved by the CDM Executive Board and is completely usable for JI.	OK	OK
29 (a)	Does the PDD provide a justification of the applicability of the approach with a clear and transparent description?	According to the document "Tool for the demonstration and assessment of additionality" (Version 05.2) proving additionality performed by investment analysis	OK	OK
29 (b)	Are additionality proofs provided?	The additionality proofs are provided in the Section B.1 of the PDD.	OK	OK
29 (c)	Is the additionality demonstrated appropriately as a result?	To prove additionality was applied investment analysis of the project activity. <u>Corrective Action Request 14:</u> Please provide links to the file «Excel» with calculations investment analysis for the project activity.	CAR 14	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
30	If the approach 28 (c) is chosen, are all explanations, descriptions and analyses made in accordance with the selected tool or method?	All explanations, descriptive materials and analytical conclusions was presented in accordance with the chosen method.	OK	OK
Approved CDM methodology approach only_ Paragraphs 31(a) – 31(e)_Not applicable				
Project boundary (applicable except for JI LULUCF projects				
JI specific approach only				
32 (a)	Does the project boundary defined in the PDD encompass all anthropogenic emissions by sources of GHGs that are: (i) Under the control of the project participants? (ii) Reasonably attributable to the project? (iii) Significant?	Yes, project boundary is defined according to the all requirements.	OK	OK
32 (b)	Is the project boundary defined on the basis of a case-by-case assessment with regard to the criteria referred to in 32 (a) above?	Yes, the project boundary is defined on the basis of a case-by-case assessment with regard to the criteria referred to in 32 (a) above.	OK	OK
32 (c)	Are the delineation of the project boundary and the gases and sources included appropriately described and justified in the PDD by using a figure or flow chart as appropriate?	Yes, the project boundary is provided in the Figure 11 and Figure 12 and in tabular format in Table 11.	OK	OK
32 (d)	Are all gases and sources included explicitly stated, and the exclusions of any sources related to the baseline or the project are appropriately justified?	All gases and sources included are explicitly stated, and the exclusions of any sources related to the baseline or the project are appropriately justified.	OK	OK
Approved CDM methodology approach only_Paragraph 33_ Not applicable				
Crediting period				
34 (a)	Does the PDD state the starting date of the project as the date on which the implementation or construction or real action of the project will begin or began?	The starting date of the project is 28/01/2006, when the company SE “Mine Administration “Pivdennodonbasske No. 1” started implementation of activities to modernize production equipment under the Joint Implementation Project.	CAR 15 CL02	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		Corrective Action Request 15: Please correct the date format of the project. Clarification Request 02: Please provide confirmatory information about the beginning of the project.		
34 (a)	Is the starting date after the beginning of 2000?	Yes.	OK	OK
34 (b)	Does the PDD state the expected operational lifetime of the project in years and months?	15 years (180 months). Clarification Request 03: Please specify the expected term of the project life cycle and provide documented evidence of the term.	CL 03	OK
34 (c)	Does the PDD state the length of the crediting period in years and months?	15 years (180 months).	OK	OK
34 (c)	Is the starting date of the crediting period on or after the date of the first emission reductions or enhancements of net removals generated by the project?	The starting date of the crediting period is on the date of the first emission reductions generated by the project.	OK	OK
34 (d)	Does the PDD state that the crediting period for issuance of ERUs starts only after the beginning of 2008 and does not extend beyond the operational lifetime of the project?	Corrective Action Request 16: Please state that the crediting period for issuance of ERUs starts only after the beginning of 2008 and does not extend beyond the operational lifetime of the project.	CAR 16	OK
34 (d)	If the crediting period extends beyond 2012, does the PDD state that the extension is subject to the host Party approval? Are the estimates of emission reductions or enhancements of net removals presented separately for those until 2012 and those after 2012?	Corrective Action Request 17: Please specify that the extension of the crediting period beyond 2012 is subject to the host Party approval.	CAR 17	OK
Monitoring plan				
35	Does the PDD explicitly indicate which of the	To develop a monitoring plan was used JI specific approach.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	following approaches is used? − JI specific approach − Approved CDM methodology approach			
JI specific approach only				
36 (a)	Does the monitoring plan describe: − All relevant factors and key characteristics that will be monitored? − The period in which they will be monitored? − All decisive factors for the control and reporting of project performance?	The monitoring plan describes: - Data to be monitored - The frequency of monitoring annual / monthly - All important factors for monitoring and reporting on project activities - Reports on project activities, structure control, which will be introduced in implementing the monitoring plan. <u>Corrective Action Request 18:</u> During the inspection of the project have been identified, as well as in PDD that monitoring will occur periodically (smallest interval - monthly). The units for the parameters are to be presented this month, not per year. Please check it out and make the appropriate adjustments. <u>Clarification Request 04:</u> Please explain why the calculations do not take into account emissions by stage of events described in the PDD, for example, emissions of vehicles during stewing waste heap.	CAR 18 CL 04	OK
36 (b)	Does the monitoring plan specify the indicators, constants and variables used that are reliable, valid and provide transparent picture of the emission reductions or enhancements of net removals to be monitored?	Yes, the monitoring plan identifies parameters constant and variables, and whether they are reliable, valid and those that allow to obtain a clear picture of emission reductions that are subject to monitoring.	OK	OK
36 (b)	If default values are used: − Are accuracy and reasonableness carefully balanced in their selection? − Do the default values originate from	<u>Corrective Action Request 19:</u> For some parameters (for example, $OXID^{y}_{b,coal}$ - Carbon	CAR 19	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	recognized sources? − Are the default values supported by statistical analyses providing reasonable confidence levels? − Are the default values presented in a transparent manner?	oxidation factor for coal combustion) values used in accordance with the approved CDM methodology ACM0009, but its use in the text of PDD is not justified. Please correct.		
36 (b) (i)	For those values that are to be provided by the project participants, does the monitoring plan clearly indicate how the values are to be selected and justified?	Yes. All procedures for the selection and justification required values described.	OK	OK
36 (b) (ii)	For other values, − Does the monitoring plan clearly indicate the precise references from which these values are taken? − Is the conservativeness of the values provided justified?	Corrective Action Request 20: Please indicate parameters used from NIR is conservative.	CAR 20	OK
36 (b) (iii)	For all data sources, does the monitoring plan specify the procedures to be followed if expected data are unavailable?	Corrective Action Request 21: Please indicate in the PDD procedure that must be used if the expected data with any source are not available.	CAR 21	OK
36 (b) (iv)	Are International System Unit (SI units) used?	Yes.	OK	OK
36 (b) (v)	Does the monitoring plan note any parameters, coefficients, variables, etc. that are used to calculate baseline emissions or net removals but are obtained through monitoring?	Yes, the emission factors for projects on power loss reduction in power supply networks of Ukraine are used in calculations and are obtained through monitoring.	OK	OK
36 (b) (v)	Is the use of parameters, coefficients, variables, etc. consistent between the baseline and monitoring plan?	Yes, the use of parameters, coefficients, variables, etc. Is consistent between the baseline and monitoring plan.	OK	OK
36 (c)	Does the monitoring plan draw on the list of standard variables contained in appendix B of “Guidance on criteria for baseline setting and monitoring”?	The monitoring plan is developed in accordance with the “Guidance on criteria for baseline setting and monitoring”.	OK	OK
36 (d)	Does the monitoring plan explicitly and clearly	Yes, all the relevant parameters are described (refer to the	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	distinguish: (i) Data and parameters that are not monitored throughout the crediting period, but are determined only once (and thus remain fixed throughout the crediting period), and that are available already at the stage of determination? (ii) Data and parameters that are not monitored throughout the crediting period, but are determined only once (and thus remain fixed throughout the crediting period), but that are not already available at the stage of determination? (iii) Data and parameters that are monitored throughout the crediting period?	Section D.1 of the PDD).		
36 (e)	Does the monitoring plan describe the methods employed for data monitoring (including its frequency) and recording?	The Table in the Section D.1.1 of the PDD defines the frequency of monitoring and data sources for all parameters and data to be monitored. Corrective Action Request 22: Please provide documented information on how to collect and order of records as well as their storage, archiving and recovery if necessary.	CAR 22	OK
36 (f)	Does the monitoring plan elaborate all algorithms and formulae used for the estimation/calculation of baseline emissions/removals and project emissions/removals or direct monitoring of emission reductions from the project, leakage, as appropriate?	The PDD describes all algorithms and formulae used for the calculation of baseline and project emissions.	OK	OK
36 (f) (i)	Is the underlying rationale for the algorithms/formulae explained?	The underlying rationale for the algorithms/formulae is explained.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
36 (f) (ii)	Are consistent variables, equation formats, subscripts etc. used?	Yes, consistent variables, equation formats, subscripts etc. are used. Corrective Action Request 23: Please indicate the source of data for the parameters used for the calculations in these formulas	CAR 23	OK
36 (f) (iii)	Are all equations numbered?	Corrective Action Request 24: Please correct the numbering above formulas.	CAR 24	OK
36 (f) (iv)	Are all variables, with units indicated defined?	Yes.	OK	OK
36 (f) (v)	Is the conservativeness of the algorithms/procedures justified?	Yes, documentation analysis confirming conservative algorithms / procedures for monitoring	OK	OK
36 (f) (v)	To the extent possible, are methods to quantitatively account for uncertainty in key parameters included?	The level of data uncertainty is provided in the quality control and assurance table (refer to the section D.2 of the PDD). Taking into account that almost all data and parameters are based on the statistical data and calibrated measuring equipment recordings of a certain class of accuracy and tested by the official energy resources supplier and state bodies, their level of uncertainty is considered as low.	OK	OK
36 (f) (vi)	Is consistency between the elaboration of the baseline scenario and the procedure for calculating the emissions or net removals of the baseline ensured?	Yes.	OK	OK
36 (f) (vii)	Are any parts of the algorithms or formulae that are not self-evident explained?	Any parts of the algorithms or formulae that are not self-evident are explained.	OK	OK
36 (f) (vii)	Is it justified that the procedure is consistent with standard technical procedures in the relevant sector?	Yes, it is justified that the procedure is consistent with standard technical procedures in the relevant sector.	OK	OK
36 (f) (vii)	Are references provided as necessary?	All the references are provided as necessary.	OK	OK
36 (f) (vii)	Are implicit and explicit key assumptions explained in a transparent manner?	Yes.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
36 (f) (vii)	Is it clearly stated which assumptions and procedures have significant uncertainty associated with them, and how such uncertainty is to be addressed?	Used assumptions and procedures do not have any significant uncertainty associated with them.	OK	OK
36 (f) (vii)	Is the uncertainty of key parameters described and, where possible, is an uncertainty range at 95% confidence level for key parameters for the calculation of emission reductions or enhancements of net removals provided?	Level of uncertainty is indicated as low.	OK	OK
36 (g)	Does the monitoring plan identify a national or international monitoring standard if such standard has to be and/or is applied to certain aspects of the project? Does the monitoring plan provide a reference as to where a detailed description of the standard can be found?	The monitoring plan identifies national and international monitoring standards used for the proposed project. All relevant references are provided.	OK	OK
36 (h)	Does the monitoring plan document statistical techniques, if used for monitoring, and that they are used in a conservative manner?	n/a	OK	OK
36 (i)	Does the monitoring plan present the quality assurance and control procedures for the monitoring process, including, as appropriate, information on calibration and on how records on data and/or method validity and accuracy are kept and made available upon request?	Control procedures and quality assurance monitoring process described in section D.2 of the PDD. <u>Corrective Action Request 25:</u> Please provide documented information about the internal QA/QC Enterprise. <u>Corrective Action Request 26:</u> Please provide AIE schedule calibration of measuring equipment.	CAR 25 CAR 26	OK
36 (j)	Does the monitoring plan clearly identify the responsibilities and the authority regarding the	Yes, the monitoring plan in the Section D.3 of the PDD clearly identifies the responsibilities and authorities regarding	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	monitoring activities?	the monitoring activities.		
36 (k)	Does the monitoring plan, on the whole, reflect good monitoring practices appropriate to the project type? If it is a JI LULUCF project, is the good practice guidance developed by IPCC applied?	Corrective Action Request 27: The Section D.1.5 of the PDD requires from the project participants to indicate the information on data collection and archivation concerning environmental impact and to provide references on the relevant regulations of the host country. Please provide all the necessary information.	CAR 27	OK
36 (l)	Does the monitoring plan provide, in tabular form, a complete compilation of the data that need to be collected for its application, including data that are measured or sampled and data that are collected from other sources but not including data that are calculated with equations?	Yes all the parameters are provided in Sections D.1.1.1 and D.1.1.3 of the PDD.	OK	OK
36 (m)	Does the monitoring plan indicate that the data monitored and required for verification are to be kept for two years after the last transfer of ERUs for the project?	Methodology the monitoring described in the PDD requires that all information collected during monitoring was for archived electronically and kept at least 2 years after the crediting period. Corrective Action Request 28: Please provide documented information how to store the information collected during monitoring.	CAR 28	OK
37	If selected elements or combinations of approved CDM methodologies or methodological tools are used for establishing the monitoring plan, are the selected elements or combination, together with elements supplementary developed by the project participants in line with 36 above?	No elements or combinations of approved CDM methodologies or methodological tools are used in the monitoring plan.	OK	OK
Approved CDM methodology approach only_Paragraphs 38(a) – 38(d)_Not applicable				
Applicable to both JI specific approach and approved CDM methodology approach_Paragraph 39_Not applicable				
Leakage				

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
JI specific approach only				
40 (a)	Does the PDD appropriately describe an assessment of the potential leakage of the project and appropriately explain which sources of leakage are to be calculated and which can be neglected?	No leakages are envisaged by the proposed project activity.	OK	OK
40 (b)	Does the PDD provide a procedure for an ex ante estimate of leakage?	No leakages are envisaged by the proposed project activity.	OK	OK
Approved CDM methodology approach only_Paragraph 41_Not applicable				
Estimation of emission reductions or enhancements of net removals				
42	Does the PDD indicate which of the following approaches it chooses? (a) Assessment of emissions or net removals in the baseline scenario and in the project scenario (b) Direct assessment of emission reductions	Emissions baseline scenario and in the project scenario were assessed.	OK	OK
43	If the approach (a) in 42 is chosen, does the PDD provide ex ante estimates of: (a) Emissions or net removals for the project scenario (within the project boundary)? (b) Leakage, as applicable? (c) Emissions or net removals for the baseline scenario (within the project boundary)? (d) Emission reductions or enhancements of net removals adjusted by leakage?	The PDD provides ex ante estimates of the project and baseline scenarios, and also emissions reduction. The estimated results are provided in the Section E of the PDD, and also in the Excel spreadsheets.	OK	OK
44	If the approach (b) in 42 is chosen, does the PDD provide ex ante estimates of: (a) Emission reductions or enhancements of net removals (within the project boundary)? (b) Leakage, as applicable? (c) Emission reductions or enhancements of net removals adjusted by leakage?	Not applicable	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
45	For both approaches in 42 (a) Are the estimates in 43 or 44 given: (i) On a periodic basis? (ii) At least from the beginning until the end of the crediting period? (iii) On a source-by-source/sink-by-sink basis? (iv) For each GHG? (v) In tones of CO_2 equivalent, using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5 of the Kyoto Protocol? (b) Are the formula used for calculating the estimates in 43 or 44 consistent throughout the PDD? (c) For calculating estimates in 43 or 44, are key factors influencing the baseline emissions or removals and the activity level of the project and the emissions or net removals as well as risks associated with the project taken into account, as appropriate? (d) Are data sources used for calculating the estimates in 43 or 44 clearly identified, reliable and transparent? (e) Are emission factors (including default emission factors) if used for calculating the estimates in 43 or 44 selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice? (f) Is the estimation in 43 or 44 based on conservative assumptions and the most plausible scenarios in a transparent manner?	The estimates are provided on a periodic basis in tones CO_2 equivalent. The formulas used are consistent throughout the PDD.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	(g) Are the estimates in 43 or 44 consistent throughout the PDD? (h) Is the annual average of estimated emission reductions or enhancements of net removals calculated by dividing the total estimated emission reductions or enhancements of net removals over the crediting period by the total months of the crediting period and multiplying by twelve?			
46	If the calculation of the baseline emissions or net removals is to be performed ex post, does the PDD include an illustrative ex ante emissions or net removals calculation?	Yes, the PDD includes an illustrative ex ante emissions calculation. Preliminary calculations of emission reductions performed in table Excel, which is available to the AIE. Errors in calculations were not found.	OK	OK
Approved CDM methodology approach only_Paragraphs 47(a) – 47(b)_Not applicable				
Environmental impacts				
48 (a)	Does the PDD list and attach documentation on the analysis of the environmental impacts of the project, including transboundary impacts, in accordance with procedures as determined by the host Party?	Corrective Action Request 29: Information regarding transboundary impacts, which are included in the PDD should put transparent and justified.	CAR 29	OK
48 (b)	If the analysis in 48 (a) indicates that the environmental impacts are considered significant by the project participants or the host Party, does the PDD provide conclusion and all references to supporting documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party?	As stated in the PDD significant environmental impact associated with the implementation of the project is not expected. Therefore, a separate environmental impact assessment is not necessary.	OK	OK
Stakeholder consultation				
49	If stakeholder consultation was undertaken in accordance with the procedure as required by the host Party, does the PDD provide:	The procedures of Ukraine don't require any stakeholder consultation concerning the proposed project.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	(a) A list of stakeholders from whom comments on the projects have been received, if any? (b) The nature of the comments? (c) A description on whether and how the comments have been addressed?			
Determination regarding small-scale projects (additional elements for assessment)_Paragraphs 50 - 57_Not applicable				
Determination regarding land use, land-use change and forestry projects _Paragraphs 58 – 64(d)_Not applicable				
Determination regarding programmes of activities_Paragraphs 66 – 73_Not applicable				

Table 2 Resolution of Corrective Action and Clarification Requests

Draft report clarifications and corrective action requests by validation team	Ref. to checklist question in table 1	Summary of project participant response	Determination team conclusion
Corrective Action Request 01 Please correct the date format.	-	Date Format is checked and corrected. See PDD version 02	The issue is closed
Corrective Action Request 02 Please add a brief description of the baseline and theoretical description of the chosen baseline.	-	Summary baseline added in section A.2. See PDD version 02	The issue is closed
Corrective Action Request 03 Please specify the project start date and provide a document confirms it.	-	Project starting date is 28/09/2007 when a contract for equipment purchase was signed. Scanned copy of the document sent to the group with determination	The issue is closed
Corrective Action Request 04: Please specify whether Parties involved are listed in the table section A.3 of the PDD project participant. The information listed in the table section A.3 does not correspond to that given in section D.4.	-	Checked. Parties involved are listed in Table A.3 of the PDD are project participants. The information in the table section A.3 consistent with the information in Section D.4	The issue is closed

Corrective Action Request 05: Please section A.4.1.4. describe in accordance the format as provided version 04 "Guidelines for users of the PDD for JI projects."	-	Checked. Corrected Section A.4.1.4. presented in the format as provided in version 04 "Guidelines for users of the PDD for JI projects." See PDD version 02	The issue is closed
Corrective Action Request 06: Please adjust the schedule for implementation of the project according to a summary of actions performed on the project.	-	Checked. Corrected. Schedule the project meets the list of activities that are performed on the project. See PDD version 02	The issue is closed
Corrective Action Request 07: Please provide a link to the file «Excel» with calculations	-	Detailed information on the calculation of emission reductions can be found in Accompanying document 1. (file Excel). Links provided throughout the text PDD.	The issue is closed
Corrective Action Request 08: Please justify the chosen duration of the crediting period, with the justification of the term, and make the appropriate corrections to the PDD.	-	Corrected. Project participants estimated average life of the equipment is being implemented within the project activity, in nominal terms, at 15 years with proper maintenance. See PDD version 02	The issue is closed
Clarification Request 01: Section A.5 PDD must contain the name of DFP's (Parties involved) that will approve the project.	19	Corrected. Project "Implementation of energy efficiency and reduce greenhouse gas emissions at the SE "Mine Administration "Pivdennodonbasske No. 1" has received the support of the Government of Ukraine, namely letter of support # 1995/23/7, issued by the State Environmental Investment Agency of Ukraine 26/07/2012r . After determination of the project PDD and Determination Report will be submitted for consideration to the State Environmental Investment Agency of Ukraine in order to obtain a Letter of Approval. See PDD version 02	Pending resolution

Corrective Action Request 09: The Letters of Approval from parties involved are absent.	19	Letters of approval from Parties involved will be obtained after successful passage of the determination, in accordance with the applicable rules of the Parties. See PDD version 02	Pending resolution
Corrective Action Request 10: During the analysis of the PDD it was revealed that the project developer used JI specific approach for setting the monitoring plan, but it is not explicitly indicated. Please clearly describe in the PDD the approach chosen.	22	Corrected. For the proposed project, aimed at upgrading production and boiler equipment, and monitoring of programs and operational stewing waste heaps on SE “Mine Administration “Pivdennodonbasske No. 1” and, consequently, reduce GHG emissions to the atmosphere, none of the existing methodologies can not be applied. Project participant has chosen a specific approach based on the requirements of JI projects in accordance with paragraph 9 (a) Guidance on criteria for baseline setting and monitoring for Joint Implementation, Version 03 (JI Guidance on criteria for baseline setting and monitoring, Version 03). See PDD version 02	The issue is closed
Corrective Action Request 11: Please indicate the baseline setting date in accordance with the established format DD/MM/YYYY	22	Baseline date specified in the specified format DD/MM/YYYY. See PDD version 02	The issue is closed
Corrective Action Request 12: The PDD (section B.1) is given by the reference to "Guidance on criteria for baseline setting and monitoring for Joint Implementation" version 03, but with different names of this document. Please correct.	24	Checked and corrected. The PDD provides a link to the "Guidance on criteria for baseline setting and monitoring for Joint Implementation" version 03. See PDD version 02	The issue is closed
Corrective Action Request 13: Please provide a current link to the document that was used, "Tools for the demonstration and assessment of additionality" (Version 06.0.0)	24	Checked and corrected. Was used "Tools for the demonstration and assessment of additionality" (Version 06.0.0) with true links See PDD version 02	The issue is closed

Corrective Action Request 14: Please provide links to the file «Excel» with calculations investment analysis for the project activity.	29 (c)	Investment analysis of project activities is provided in Accompanying document 2. (file Excel). Links provided throughout the text PDD. See PDD version 02	The issue is closed
Corrective Action Request 15: Please correct the date format of the project.	34 (a)	Corrected. See PDD version 02	The issue is closed
Clarification Request 02: Please provide confirmatory information about the beginning of the project.	34 (a)	The starting date of the project was identified using the "Glossary of Joint Implementation Terms" version 03 and is considered 28/01/2006, when a contract for equipment purchase was signed. Scanned copy of the document sent to the group with determination See PDD version 02	The issue is closed
Clarification Request 03: Please specify the expected term of the project life cycle and provide documented evidence of the term.	34 (b)	Expected operational lifetime of the project, set in 15 years or180months from 01/01/2007 till 31/12/2021, the basis of the lifetime of new and reconditioned equipment. Documented evidence of this was provided by determination team during the site-visit as repair forms.	The issue is closed
Corrective Action Request 16: Please state that the crediting period for issuance of ERUs starts only after the beginning of 2008 and does not extend beyond the operational lifetime of the project.	34 (d)	Expected operational lifetime of the project in ERU generation belongs to the first commitment period of 5 years (January 1, 2008 – December 31, 2012) See PDD version 02	The issue is closed
Corrective Action Request 17: Please specify that the extension of the crediting period beyond 2012 is subject to the host Party approval.	34 (d)	Continued crediting period after 2012 subject to approval of the host Party and the calculations of emission reductions are presented separately for the period up to 2012 and for the period after 2012. See PDD version 02	The issue is closed

Corrective Action Request 18: During the inspection of the project have been identified, as well as in PDD that monitoring will occur periodically (smallest interval - monthly). The units for the parameters are to be presented this month, not per year. Please check it out and make the appropriate adjustments.	36 (a)	Monitoring waste heap will occur periodically (smallest interval-month). Calculation of GHG emissions resulting from the re-fire waste heap after his stewing measures are calculated for the year. Parameters are for the month indicated in the temperature shooting waste heaps on stage monitoring. Documented evidence of this was provided by determination team during the site-visit in a spreadsheet monitoring the thermal state waste heap.	The issue is closed
Clarification Request 04: Please explain why the calculations do not take into account emissions by stage of events described in the PDD, for example, emissions of vehicles during stewing waste heap.	36 (a)	Emissions from diesel fuel used process equipment in the stewing heap arise only in the event of a re-fire satiety, and less than 1% of the emissions generated during combustion waste heap, so they in the process of calculation can be neglected. See PDD version 02	The issue is closed
Corrective Action Request 19: For some parameters (for example, $OXID^{y}_{b,coal}$ - Carbon oxidation factor for coal combustion) values used in accordance with the approved CDM methodology ACM0009, but its use in the text of PDD is not justified. Please correct	36 (b)	Checked and corrected. Select data according to the "Guidance on criteria for baseline setting and monitoring for Joint Implementation" See PDD version 02	The issue is closed

Corrective Action Request 20: Please indicate parameters used from NIR is conservative.	36 (b) (ii)	National inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases in Ukraine is the official report submitted to the secretariat of the UN Framework Convention on Climate Change (UNFCCC) Used parameters selected from NIR designed to reflect the situation of Ukraine and selected indicators for Ukraine. See PDD version 02	The issue is closed
Corrective Action Request 21: Please indicate in the PDD procedure that must be used if the expected data with any source are not available.	36 (b) (iii)	If due to force majeure to perform temperature measurements are not possible, the results of the temperature shooting missed last month accepted such as in the month recovery measurements of temperatures. In SE “Mine Administration “Pivdennodonbasske No. 1” under normal operation the measures envisaged to prevent force-majeure circumstances that may affect the production, as well as measures to address the consequences of possible force majeure. See PDD version 02	The issue is closed
Corrective Action Request 22: Please provide documented information on how to collect and order of records as well as their storage, archiving and recovery if necessary.	36 (e)	Documents and reports the data to be monitored will be archived and stored by the project participants. This documentation and other monitoring data required for the determination and verification, as well as any other information relevant to the operation of the project must be kept at least two years after the last transfer of ERUs. Scanned copy of the order is attached.	The issue is closed

Corrective Action Request 23: Please indicate the source of data for the parameters used for the calculations in these formulas	36 (f) (ii)	1) Information on the number of extracted coal mines going on every day, on the basis of these data formed annual report. 2) Based on monthly reports formed an annual report on energy consumption. These counters from each mine. 3) Information on the number of generated heat is going to the mines, on the basis of these data formed annual report. Statement on the volume of production 4) Passport waste heap See PDD version 02	The issue is closed
Corrective Action Request 24: Please correct the numbering above formulas.	36 (f) (iii)	Checked and corrected. See PDD version 02	The issue is closed
Corrective Action Request 25: Please provide documented information about the internal QA/QC Enterprise.	36 (i)	Documented information was provided by group determination during site visit.	The issue is closed
Corrective Action Request 26: Please provide AIE schedule calibration of measuring equipment.	36 (i)	Scanned copy of the schedule of calibration of measuring equipment attached.	The issue is closed
Corrective Action Request 27: The Section D.1.5 of the PDD requires from the project participants to indicate the information on data collection and archivation concerning environmental impact and to provide references on the relevant regulations of the host country. Please provide all the necessary information.	36 (k)	Checked and corrected. See PDD version 02	The issue is closed
Corrective Action Request 28: Please provide documented information how to store the information collected during monitoring.	36 (m)	Corrected. See PDD version 02	The issue is closed
Corrective Action Request 29: Information regarding transboundary impacts, which are included in the PDD should put transparent and justified.	48 (a)	Checked and corrected. See PDD version 02	The issue is closed

Corrective Action Request 30 Please clearly identify the area to which the project	-	Corrected. See PDD version 02	The issue is closed