



# JI DETERMINATION REPORT FORM

(version 02)

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

**Accredited independent entity (AIE) submitting form** Bureau Veritas Certification Holding SAS

## Proposed JI activity

**Reference number and title of proposed JI activity** "Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant"

**Host Party(ies)** Ukraine

**Parties involved in the JI activity** Netherlands

**Coordinating entity (applicable to JI PoA only)** n/a

**Project participants** PJSC "Donetsksteel" – Iron and Steel Works", Global Carbon BV

**Type of JI activity:**  **large scale**     **small scale**     **LULUCF**     **PoA**

The project consists of two subprojects:

1. Implementation of Pulverized Coal Injection (PCI) for Blast Furnace 1 (BF 1). In the result of implementation of this measure a significant saving of coke needed for pig iron production (estimated reduction is about 30%) is expected due to injection of pulverized coal into the furnace. Coke production requires much more energy than PC production. Therefore, positive ecological effect will be achieved due to the substitution of coke with pulverized coal. In the result of the project it becomes possible to increase a part of metal scrap in the metal stock mix. This will also result in decrease of coke consumption. At the moment PCI technology has been implemented only at CJSC "Donetsksteel" – metallurgical plant". Therefore, this project can be considered to be the first of a kind on the territory of Ukraine;
2. Implementation of automatic process control system (APCS) for Open Hearth Furnaces (OHF). In the result of implementation of this measure, significant saving of fuel, electricity and other resources is expected due to technological processes optimization and exclusion of human factor. Implementation of APCS for Open Hearth Furnaces is a unique project which has no analogues in Ukraine. This can be confirmed by relevant patents (No 35552, 26512, 20930), which are owned by CJSC "Donetsksteel" – metallurgical plant".

For both subprojects it is assumed that capacity of furnaces after the project implementation is the same as for the baseline conditions.

The aim of this project is to reduce GHG due to modern technologies usage in iron and steel production processes. To meet the aims mentioned above, it was envisaged to implement two energy efficient subprojects:

1. Implementation of Pulverized Coal Injection (PCI) for Blast Furnace 1 (BF 1);
2. Implementation of automatic process control system (APCS) for Open Hearth Furnaces (OHF).

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

**Yes**

**No**

**General information on determination**

Please describe:

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

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

The documentation that has been reviewed is listed below:

1. PDD 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 1.0 date 24<sup>th</sup> of June 2010
2. PDD 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 2.0 date 1<sup>st</sup> of July 2010
3. PDD 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 3.0 date 18<sup>th</sup> of April 2011
4. PDD 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 3.1 date 6<sup>th</sup> of June 2011
5. PDD 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 3.2 date 8<sup>th</sup> of June 2011
6. PDD 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 3.3 date 24<sup>th</sup> of June 2011
7. PDD 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 3.4 date 3<sup>rd</sup> of November 2011
8. Excel spreadsheet 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 1.0 date 24<sup>th</sup> of June 2010
9. Excel spreadsheet 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 2.0 date 1<sup>st</sup> of July 2010
10. Excel spreadsheet 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 3.1 date 6<sup>th</sup> of June 2011
11. Excel spreadsheet 'Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant' version 3.2 date 8<sup>th</sup> of June 2011
12. Letter of Approval ref No 2010JI30 issued on 7 October 2010 by the Netherlands NFP

On 15/07/2010 Bureau Veritas Certification performed interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of CJSC "Donetsksteel" – metallurgical plant", Global Carbon BV:

1. A.V. Dorofeev – deputy chief engineer of energy saving.
2. L.V. Karanovich – chief directory specialist of financing of investment projects
3. V.A. Trotsai – deputy chief power engineering
4. V.F. Mariushchenko – deputy chief of ПКО
5. G.I. Levitskaia – chief of standardization and certification department
6. V.A. Petrova – acting deputy chief metrologist
7. N.N. Astakhov – chief of steel melting production bureau of technical department
8. I.V. Volovnenko – chief specialist of blast production of technical department
9. G.L. Doroshenko – chief of the bureau OOC
10. D.V. Komkov – chief of the team of ТТЛ СЭН
11. L.F. Streltsov - chief accountant

- N.G. Shuliashko – chief of materials accounting department
- 12.
  13. A.D. Terikh – chief of cost accounting department
  14. V.S. Kostyrko - chief of УИТ
  15. G.S. Lysenko – deputy chief of УИТ
  16. L.T. Semko – engineer I OM
  17. A.A. Furzinov – chief of ЦСП
  18. O.N. Cherednichenko - Chief Specialist of ЧПРЗ
  19. L.D. Gumeniuk – chief of БТО ОН

Determination team:

Kateryna Zinevych – Team Leader, Lead Verifier

Vera Skitina, Team Member, Lead Verifier

Olena Manziuk – Team Member, Verifier

Ivan Sokolov – Internal Technical Reviewer

Igor Alekseenko – technical specialist

### **Description of determination process**

Please briefly describe and refer to:

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

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

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

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

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

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

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

1) The findings of the desk review of the original project design documents and the findings from interviews during the follow up visit are summarized. A more detailed record of these findings can be found in the Determination Protocol in Appendix A.

2) Where Bureau Veritas Certification had identified issues that needed clarification or that represented a risk to the fulfilment of the project objectives, a Clarification or Corrective Action request, respectively, have been issued. The Clarification and Corrective Action Requests are stated, where applicable, in the following sections and are further documented in the Determination Protocol in Appendix A.

3) The conclusions for determination subject are presented.

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

Please:

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

Comments were not received.

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

Please provide:

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

Bureau Veritas Certification has performed a determination of the "Implementation of energy efficient measures at "Donetsksteel" – metallurgical plant" Project in Ukraine. The determination was performed on the basis of UNFCCC criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.

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

Project participant/s used the latest tool for demonstration of the additionality. In line with this tool, the PDD provides barrier analysis and 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 3.4 meets all the relevant UNFCCC requirements for the determination stage and the relevant host Party criteria.

The review of the project design documentation (version 3.4) and the subsequent follow-up interviews have provided Bureau Veritas Certification with sufficient evidence to determine the fulfillment of stated criteria. In our opinion, the project correctly applies and meets the relevant UNFCCC requirements for the JI and the relevant host country criteria.

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

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

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

- PDD/PoA DD of the proposed JI activity**
- Determination report**
- Written approvals by the Parties involved, listed in the JI PDD/PoA DD**
- Other relevant documents:**
  - Determination protocol**
  - List of persons interviewed**
  - Any other documents** (please list): Emission Reductions Calculation Spreadsheet ver. 3.2 dated 8<sup>th</sup> June 2011

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

Authorized officer signing for the AIE

Flavio Gomes



Date and signature

03.11.2011