



JI DETERMINATION REPORT FORM (F-JI-DRep) - Version 01

(By submitting this form, an accredited independent entity requests the publication of a determination pursuant to paragraph 33 of the JI guidelines in accordance with paragraph 34 of the JI guidelines.)

Name of accredited independent entity (AIE)

Det Norske Veritas Certification AS

Proposed JI Project

Title and reference number of project

CMM utilisation on the coal mine Shcheglovskaya-Glubokaya of the State Holding Joint-Stock Company "GOAO Shakhtoupravlenye Donbass" (0077)

Host Party(ies)

Ukraine

Parties involved in the project

Netherlands

(Authorised) project participants

State Holding Joint-Stock Company "GOAO Shakhtoupravlenye Donbass" Carbon-TF B.V.

Small-scale project (yes/no)

No

Brief description of project

In this project, CMM from the suction system of the coal mine Shcheglovskaya-Glubokaya is utilised for heat and power generation and the remaining CMM is flared. The actual coal production is about 980 000 tonnes per year and a steady mining activity of 980 000 tonnes is planned. The remaining coal reservoir is about 18 million tonnes.

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

In this project one new cogeneration unit (1 350 kW_{el}), five retrofitted boilers using CMM (3 x 7 600 kW and 2 x 700 kW), one upgraded ventilation heater module (3000 kW) and two new flares (2 x 5 000 kW) will be installed and will be fired with CMM. The new units are supposed to displace the main part of the heat generated by the old coal boilers and the new cogeneration unit will displace part of the power purchased from the grid.

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

Determination report

General information on determination

(Please describe:

- > The scope of the determination process, including all documentation that has been reviewed and 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 determination scope is defined as an independent and objective review of the Project Design Document (PDD) and other relevant documents. The information contained in these documents is reviewed against the Kyoto Protocol requirements for Joint Implementation (JI) projects, the guidelines for the implementation of Article 6 of the Kyoto Protocol (Decision 16/CP.7) as agreed in the Marrakech Accords, in particular the verification procedures under the JI supervisory committee, and decisions adopted by the JI supervisory committee.

The following documents have been reviewed:

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- CDM Executive Board, ACM0008 - Consolidated baseline methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring", Version 3, 22 December 2006
- Emissions Trader ET GmbH, PDD for the "CMM utilisation on the coal mine Scheglovskaya-Glubokaya of the State Holding Joint-Stock Company "GOAO Shakhtoupravlenye Donbass" project version 04 dated 13 September 2007 and version 07 dated 6 August 2009
- International Emission Trading Association (IETA) & the World Bank's Prototype Carbon Fund (PCF): *Determination and Verification Manual*. <http://www.vvmanual.info>
- CDM Executive Board, Tool for demonstration and assessment of additionality, version 03
- Letter of Endorsement № 11439/10/3-10 dated 2006-12-02 from Ukrainian Ministry of Environmental Protection
- Letter of approval by designated focal point of the Netherlands, 22 April 2008
- Letter of approval by designated focal point of Ukraine, 26 Mars 2008
- Emission reduction calculation – Excel Spreadsheet
- IRR Analysis-Excel Spreadsheet – Estimated 2006
- IRR Analysis-Excel Spreadsheet – Actual Present

The following persons were interviewed

- Vladimir Zhukov – Chief Engineer, Coal Mine Shcheglovskaya-Glubokaya Joint Stock Company
- Vladimir V. Kasianov – director, Eco-Aliance, Kiev
- Adam Hadulla, Emissions Trader

The determination team consisted of the following personnel:

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|----------------------|------------|---------------------------|
| • Mr Ole A. Flagstad | DNV Norway | Team leader/CDM-validator |
| • Ms Yulia Zhukova | DNV Russia | GHG auditor |
| • Mr David Creedy | DNV China | Sector expert |
| • Mr Michael Lehmann | DNV Norway | Technical reviewer |

Description of determination process

(Please refer to:

- The review of the JI PDD 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" below.)

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The determination of the project commenced in 2007. The determination consisted of the following three phases:

- i) a desk review of the project design documents
- ii) follow-up interviews with project stakeholders,
- iii) the resolution of outstanding issues and the issuance of the final determination report and opinion..

The determination has been carried out in line with the verification procedure under the Article 6 supervisory committee, as well as, in line with determination process outlined in the Validation and Verification Manual.

In order to ensure transparency, a determination protocol was customised for the project, according to the Validation and Verification Manual. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria.

For further details please refer to section 2 of the Determination Report.

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.)

The PDD of 13 September 2007 (version 04) was made publicly available on JI's climate change website (http://ji.unfccc.int/JI_Projects/Verification/PDD/index.html) and Parties, stakeholders and observers were through the JI website invited to provide comments during a 30 days period from 18 September 2007 to 17 October 2007.

No comments were received..

Conclusions, final comments and determination opinion

(The requirements of Article 6 of the Kyoto Protocol and the JI guidelines and further relevant requirements defined by the COP/MOP or the JISC with regard to determinations pursuant to paragraph 33 of the JI guidelines have to be met.

Please provide:

- > Conclusions on each of these requirements, describing how these requirements, 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.)

Det Norske Veritas Certification AS (DNV) has performed a determination of the "CMM utilisation on the coal mine Shcheglovskaya-Glubokaya of the State Holding Joint Stock Company "GOAO Shakhtoupravlenye Donbass" project in Ukraine. The determination was performed on the basis of UNFCCC criteria for Joint Implementation and host Party criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

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

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

By burning and utilising coal mine methane instead of passively venting it, the project results in reductions of CH₄/CO₂ emissions that are real, measurable and give long-term benefits to the mitigation of climate change. It is demonstrated that the project is not a likely baseline scenario.

Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity.

The project applies the approved CDM baseline methodology ACM0008 "Consolidated baseline methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring", version 03. However, the PDD does not apply the "Tool to determine project emissions from flaring gases containing methane" as required by ACM0008, version 03, and instead argues that a high combustion efficiency of 99,5% should apply

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for the flares. The flare is designed to comply with German regulation for landfills which requires a combustion efficiency of 99.9% with a combustion temperature between 850-1200°C. Given that a flare meeting these requirements is installed and gives the continuous measurement of the combustion temperature, the deviation of the flaring tool is found acceptable by DNV.

The total emission reductions from the project are estimated to be on the average 165 348 tCO₂e per year during 2008 - 2012. The emission reduction forecast has been checked and it is deemed likely that the stated amount is achieved given that the underlying assumptions do not change.

Adequate training and monitoring procedures have been implemented.

In summary, it is DNV's opinion that the "CMM utilisation on the Joint Stock Company "Coal Company Krasnoarmeyskaya Zapadnaya No1 Mine"" project in Ukraine, as described in the PDD of 6 August 2009, meets all relevant UNFCCC requirements for the JI and all relevant host Party criteria.

All requirements of Article 6 of the Kyoto Protocol and the JI guidelines and further relevant requirements defined by the COP/MOP or the JISC with regard to determinations pursuant to paragraph 33 of the JI guidelines are met:

- Yes
- No

List of documents attached to the determination report

(Please attach:

- ✓ The JI PDD of the project;
- ✓ Written approvals by all Parties involved in an alphabetical order; and
- ✓ Other relevant documents, e.g. any determination protocol used in the determination process, a list of persons interviewed by the AIE's determination team during the determination process; and

check mark below accordingly.)

- JI PDD of the project**
- Written approvals by the Parties involved**
- Other documents:**
 - Determination report and protocol**
 - List of persons interviewed**
 - Any other documents (please list):**
 - Excel sheet – Investment analysis – estimated 2006
 - Excel sheet – Investment analysis – actual present
 - Excel sheet – Emissions reductions
 - EU Declaration of conformity for KGUU – 5/8

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

Name of authorized officer signing for the AIE

Ole Andreas Flagstad

Date and signature

4 Dec 2009

Ole Andreas Flagstad