



JI DETERMINATION REPORT FORM (F-JI-DRRep) - 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
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Proposed JI Project

Title and reference number of project	CMM utilisation on the Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompanya) (0079)
Host Party(ies)	Ukraine
Parties involved in the project	Netherlands
(Authorised) project participants	JSC "Komsomolets Donbassa Coal Mine" Carbon-TF B.V.
Small-scale project (yes/no)	No

Brief description of project

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

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

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

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

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

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:

- Emissions Trader ET GmbH, PDD for the "CMM utilisation on the Joint Stock Company named

Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompaniya)" project, version 02 dated 13 September 2007 and version 04 dated 14 April 2008

- 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
- International Emission Trading Association (IETA) & the World Bank's Prototype Carbon Fund (PCF): *Determination and Verification Manual*. <http://www.vvmanual.info>
- Ministry of Environmental protection of Ukraine Letter of approval Ukraine, 3 October 2007
- Ministry of Economic Affairs of the Netherlands: Letter of approval Netherlands, 26 November 2007
- CDM Executive Board, Tool for demonstration and assessment of additionality, version 03
- Approval by the Ukrainian Mining Authorities for the combustion units
- Letter of Endorsement №11439/10/310 dated 2006-12-22 from Ukrainian Ministry of Environmental Protection
- Emission reduction calculation - Excel Spreadsheets
- IRR analysis – excel spreadsheets

The following persons were interviewed

- Mikhaylov Aleksey, Leader specialist , DTEK, Ukraine
- Agramakov Alexander, Chief Engineer, JSC Komsomolets Donbassa Mine, Ukraine
- Sherbak Sergey, Mining Division superintendent, JSC Komsomolets Donbassa Mine, Ukraine
- Chernomorskiy Leonid, Mining area mechanic, JSC Komsomolets Donbassa Mine, Ukraine
- Serebrianiy Oleg, Deputy chief of mining area, JSC Komsomolets Donbassa Mine, Ukraine

The determination team consisted of the following personnel:

- 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.)

The determination of the project commenced in September 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 was made publicly available on the JI website and Parties, stakeholders and observers were through the UNFCCC Secretariat invited to provide comments during a 30 days period from 19 September 2007 – 18 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 Joint Stock Company named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompaniya)” project in Ukraine. The determination was performed on the basis of UNFCCC criteria for Joint Implementation and host Party criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

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

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

By burning and utilising methane gas instead of passively venting it, the project results in reductions of 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 total emission reductions from the project are estimated to be on the average 316 941 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 named Komsomolets Donbassa Coal Mine of DTEK (Donbasskaya Toplivnaya Energeticheskaya Kompaniya)” project in Ukraine, as described in the PDD of 14 April 2008, meets all relevant UNFCCC requirements for the JI and all relevant host Party criteria. For further details please refer to section 3 of the Determination Report and the Determination Protocol in Appendix A.

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):**

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

Michael Lehmann

Date and signature

23.06.2008

Michael Lehmann