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Due to the comprehensive facts mentioned above, it’s no doubt that the proposed LNG power plant can be developed without any help from CDM, and then the proposed project cannot be considered additional. I also suggest the DOE of this project strictly incorporate “Tool for the demonstration and assessment of additionality” to assess the additionality of the proposed project.

Comment 1

Name: CarolGrear   City: Ohio
Organisation: Ohio EPA   Country: USA

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Before my comment is made, some background information of the overall Guangdong LNG project is stated as following to achieve a better comprehension.

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Comment 2

Name: Ailsa Brook   City: POLO
Organisation: CRROO   Country: Braize

The baseline scenarios may be not in compliance with all applicable legal and regulatory requirements:

When I read the CDM PDD of Huizhou& Qianwan LNG generation project, I found a few confused problems, which are conflicting compared with some point view in previous PDD using ACM0002 methodology. Some are pointed out as follow:

In Page 10 of the CDM PDD of Huizhou& Qianwan LNG generation project:

“…According to the version 01 of AM0029, the baseline alternatives with the best financial indicator, i.e. the lowest levelised cost, can be pre selected as the most plausible scenario. Then the 135 MW sub-critical coal-fired power plants have the lowest levelised cost, then the most plausible scenario. The sensitive analysis in the previous table confirms and supports that the 135 MW sub-critical coal-fired power plants is always the least levelised cost alternatives within reasonable
jointly attended the ceremony on the operation of the first-phase Guangdong LNG project.

The whole picture of this project (include 14 sub-projects)
1. LNG Terminal and Trunkline Project
2. 4 newly-built power plants (Dongbu, Huizhou, Qianwan, Zhujiang), including the proposed project
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6. LNG Transportation (COSCO and China Merchant)
7. LNG Ship-building (Shanghai Hudong Ship Yard)

The details of the background information can be found from many places, only three of them are listed as below:
1) The United States Energy Association (USEA), the website is:
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2) North West Shelf Australia LNG is Australia, the website is:
3) LNG project reflects closer Canberra ties, from People Daily Online, the website is:

As mentioned above, the Overall Guangdong LNG project is a pilot one, which is planned and supported by Chinese central government from the very beginning. Nearly all the activities are conducted by the State Council of China and Australia government. Furthermore, this project has been approved by NDRC in 2003, three years from now, and part of it has been completed. Being a part of the overall project, the proposed LNG power plant will be consequently developed even without CDM revenues.

What’s more, the Overall Guangdong LNG project is deeply related to the collaboration between China and Australia and symbolizes increasingly close China-Australia ties. The relevant news can be read everywhere, for example, (http://archives.cnn.com/2002/BUSINESS/asia/08/08/aust.chinalng.biz/), (http://www.fmprc.gov.cn/eng/zxxx/t260999.htm), (http://english.gov.cn/2006-06/28/content_321985.htm)

The Leaders of two countries express their strong support and high praises for Guangdong LNG project.

Some relevant point views are easily found in many registered or validated CDM PDD, only two of them are listed:
1) in the PDD (Page 9 and Page 10) of registered Jilin Tongyu Huaneng 100.05 MW Wind Power Project, http://cdm.unfccc.int/Projects/Validation/DB/1NWSH2PLH2G2ZQRRWHCVMSXZ9P91LQ/view.html

“…However, according to Chinese regulations, coal-fired power plants of less than 135MW are prohibited to be built in the areas covered by the large grids such as provincial grids (from: Notice on Strictly Prohibiting the Installation of Fuel-fired Generators with the Capacity of 135mw or below issued by the General Office of the State Council, decree no. 2002-6.), and the fossil fuel-fired power units with less than 100MW is strictly regulated for installation 2. For these reasons, the possible alternative baseline scenario of building a 25MW fuel-fired power plant conflicts with Chinese regulations. So, scenario 1) is not feasible as an alternative scenario…”

2) in the PDD (Page 11) of validated Guohua Huitengliang Windfarm Project, http://cdm.unfccc.int/Projects/Validation/DB/UV0KG7BGHK4TNW9L8U5DVJUHSJECCK/view.html

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including the proposed project, some remarks from leaders are list as below:

1) President Hu Jintao

“Australia is China’s ninth largest trading partner and the biggest supplier of wool. Over the years, China has purchased large amounts of iron ore and aluminium oxide from Australia which has such energy and mineral riches. Last year, the two countries signed a 25-year, 25-billion-Australian dollar deal on LNG in Guangdong, thus laying a solid foundation for bilateral energy cooperation.”


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“China and Australia want to strengthen co-operation ranging from the energy, mining and resources sectors to upstream exploration, new energy, renewable energy, clean energy and safe production”


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11-10-06 1:35pm
Name: CarolGrear City: Ohio
Organisation: Ohio EPA Country: USA
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The whole picture of this project (include 14 sub-projets)

Comment 2
11-10-06 1:53pm
Name: Ailsa Brook City: POLO
Organisation: CRROO Country: Braize
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that are not in compliance with all applicable legal and regulatory requirements in the step of identifying plausible baseline scenarios. So if abovementioned reflected the real case of legal and regulatory requirements, the baseline scenarios identified in the CDM PDD of Huizhou& Qianwan LNG generation project are not incorrect.

Due to the comprehensive facts mentioned above, it's no doubt that the proposed LNG power plant can be developed without any help from CDM, and then the proposed project cannot be considered additional. I also suggest the DOE of this project strictly incorporate “Tool for the demonstration and assessment of additionality” to assess the additionality of the proposed project.

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