

<b>Name: Carol Grear</b>	<b>City: Ohio</b>
<b>Organisation: Ohio EPA</b>	<b>Country: USA</b>

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As a part of the overall Guangdong LNG project, which is a China-Australia Cooperation Project strongly supported by two governments, the proposed project cannot be considered additional.

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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The whole picture of this project (include 14 sub-projects)

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As mentioned above, the Overall Guangdong LNG project is a pilot one, which is planed 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,

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The Leaders of two countries express their strong support and high praises for Guangdong LNG project, 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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It's shown that since the project began, the leaders of both countries have been keeping an eye on it. Therefore, Guangdong LNG project is easy to be considered a Cooperation Project between two national governments, and then the proposed project consequently will be developed even without CDM revenues. It can also be confirmed by some most latest news: Phase I of Guangdong LNG Pilot Project put into operation on June 28, 2006, Premier Wen Jiabao and his Australian counterpart John Howard pushed the start-up button together during a ceremony at Dapeng Gas Terminal.( [http://english.people.com.cn/200606/29/eng20060629\\_278375.html](http://english.people.com.cn/200606/29/eng20060629_278375.html)). My translator also confirmed that the Num 1 unit (390MW) of Huizhou LNG power plant fired on July 21,2006, commissioning on August 15,2006 and put into commercial operation with Grid on September 21,2006.( <http://www.gd.gov.cn/govpub/gdyw/0200608160001.htm>.,<http://city.hz0752.com/n/200609/3508.shtml>)

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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regulatory requirements:

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

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**Organisation: Ohio EPA**

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11-10-06 1:53pm

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**Country: USA**

If the proposed project were registered, It will create a ture lies in CDM world!

As a part of the overall Guangdong LNG project, which is a China-Australia Cooperation Project strongly supported by two governments, the proposed project cannot be considered additional.

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

The history of this project

- 1.1995, NDRC (National Development and Reform Commission) started to develop natural gas plan and organize LNG pre-study.
- 2.Oct, 1998, State Council approved Guangdong start LNG pilot importing.
- 3.Dec, 1999, the State Council approved the 1st LNG project in China – Guangdong LNG Pilot Project Phase I
- 4.Oct, 2002 by international tendering and approval of State Council, Australia NWS LNG project was selected as supplier.
- 5.Oct, 2003, NDRC approved the FSR of Guangdong LNG Pilot Project Phase I.
- 6.June, 2006, Premier Wen Jiabao of Chinese State Council and Australian Prime Minister John Howard 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 Trunckline Project
- 2.4 newly-built power plants ( Dongbu, Huizhou, Qianwan, Zhujiang), including the proposed project
- 3.1 conversion power plant ( Meishi)
- 4.4 Town Gas (Shenzhen, Dongguan, Guangzhou, Foshan)
- 5.HK Customers ( HK Electric, HK&China Town Gas)
- 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 list as below:

1) The United States Energy Association (USEA), the website is:

<http://www.usea.org/OGIF%20Presentations%20for%20the%20website/Topic%2014-%20Chu%20Yanqun-%20CNOOC-%20English.pdf#search=%22%E5%B9%BF%E4%B8%9CLNG%E9%A1%B9%E7%9B%AE%E4%B%8B%E7%BB%8D%22>

2) North West Shelf Australia LNG is Australia, the website is:

<http://www.australialng.com.au/website.aspx?mp=4&pn=402>

3) LNG project reflects closer Canberra ties, from People Daily Online, the website is:  
[http://english.people.com.cn/200606/29/eng20060629\\_278375.html](http://english.people.com.cn/200606/29/eng20060629_278375.html)

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](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, including the proposed project, some remarks from leaders are listed 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."

President Hu Jintao's Address to the Federal Parliament of the Commonwealth of Australia Building A Better Future Together for the China-Australia Relationship of All-round Cooperation December 27, 2003. Seen from the website: <http://au.china-embassy.org/eng/zt/hjtcf/t57097.htm>

#### 2) Prime Minister John Howard

"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"

Remarked by John Howard, during a ceremony inaugurated the first liquefied natural gas (LNG) project in South China's Guangdong Province, June 28, 2006. Seen from the website:  
[http://english.people.com.cn/200606/29/eng20060629\\_278375.html](http://english.people.com.cn/200606/29/eng20060629_278375.html)

#### 3) Premier Wen Jiabao

"We are willing to continue high-level exchanges with Australia, enhance strategic dialogue, and actively promote free trade negotiations"

Said by Premier Wen Jiabao, during a ceremony inaugurated the first liquefied natural gas (LNG) project in South China's Guangdong Province, June 28, 2006. Seen from the website:  
[http://english.people.com.cn/200606/29/eng20060629\\_278375.html](http://english.people.com.cn/200606/29/eng20060629_278375.html)

It's shown that since the project began, the leaders of both countries have been keeping an eye on it. Therefore, Guangdong LNG project is easy to be considered a Cooperation Project between two national governments, and then the proposed project consequently will be developed even without CDM revenues. It can also be confirmed by some most latest news: Phase I of Guangdong LNG Pilot Project put into operation on June 28, 2006, Premier Wen Jiabao and his Australian counterpart John Howard pushed the start-up button together during a ceremony at Dapeng Gas Terminal. ([http://english.people.com.cn/200606/29/eng20060629\\_278375.html](http://english.people.com.cn/200606/29/eng20060629_278375.html)). My translator also confirmed that the Num 1 unit (390MW) of Huizhou LNG power plant fired on July 21, 2006, commissioning on August 15 2006 and put into commercial operation with Grid on September

21,2006.( <http://www.gd.gov.cn/govpub/gdyw/0200608160001.htm>,,<http://city.hz0752.com/n/200609/3508.shtml>)

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.