

Public comments for pipe project 1867, Ningxia Xiangshan Weining Wind Farm Project

Please VCS consider these comment and get response from project participant.

Table of financial parameters lists loan interest as parameter and the PDD say the parameters in the table were the “main input values for the investment analysis”. The PDD doesn’t show calculation of IRR so cannot tell if loan interest was actually used in the calculation of IRR. It is not allowed to be. “The cost of financing expenditures (loan repayments and interest) shall not be included in the calculation of project IRR” - [CDM Investment Analysis Tool](#)

Benchmark IRR is cited from *Interim Rules on Economic Assessment of Electrical Engineering Retrofit Projects, State Power Corporation, China Electric Power Press, 2003*. This is 16 year old reference and is unclear whether this source is still relevant and was used in the investment decision (38.d of additionality tool).

Annual power supply value used in the investment analysis is 101,243MWh/y. The project details in the PDD say “The expected annual power delivered to the grid is 1,012,432.5 MWh”.

How worker annual salary contributes to investment analysis not known. Lists annual worker salary and 200 employees. 200 employees being claimed for initial startup (construction) or carried annually? 200 probably is not correct especially for annually. The Feasibility Study Report should be made available because it is the only source of these investment parameters.

The project is in Ningxia Hui Autonomous Region which is category IV resource zone. Category IV resource zone has had a [feed-in tariff of RMB 0.57 per kwh made effective 2017](#). PDD says that the tariff 0.42 RMB/kWh (Excluding VAT) of the proposed project has been used in FSR and PDD is the latest available tariff. PDD also cites CDM document using 2004 data to claim highest FIT in this area is .53. What is the actual FIT they will received? .57? Would they have known that when the (non public) Feasibility study report was written?

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