

CJSC Air Liquide Severstal

**2008 - July 2012 Monitoring Report
Construction of a new Air Separation Plant by
Air Liquide Severstal, Russia**



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2012

Construction of a new Air Separation Plant by Air Liquide Severstal, Russia

2012 MONITORING REPORT

Version 3, 27 September, 2012. Responsible for preparation and issuing - Bondarenko D.

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SECTION A General project activity information

A.1. Date and Version of Monitoring Report:

Project Title: “Construction of a new Air Separation Plant by Air Liquide Severstal, Russia”

This is version 3 of the Monitoring Report dated 27 September, 2012.

A.2. Key Documents:

Determination Report (Russia/0044-2/2010, v.2) by Bureau Veritas Certification issued on March 3, 2010.

Project Design Document, version 7, dated March 2, 2010

A.3. Short description of the project activity:

The company CJSC Air Liquide Severstal (ALS) commissioned, in December 2007, a state-of-the-art cryogenic air separation plant on the premises of the Severstal steel production complex in Cherepovets in the Vologda Region of Russia. The plant's purpose is to produce technical gases, especially high pressure oxygen and nitrogen, and deliver them to the steel plant. The facility has a maximum design capacity of 90,000 Sm³/hr¹ of high pressure purified oxygen. It can also produce other gases, such as high-pressure nitrogen (30,000 Sm³/hr), low-pressure nitrogen (30,000 Sm³/hr) and argon (1,470 Sm³/hr).

The key piece of equipment of the ALS facility is the cold box where the air separation takes place. The separated gases are liquefied, and the liquids are pumped to high pressure. Liquid oxygen and liquid nitrogen are pumped to a pressure of maximum 31 bar (30.6 atm), while Argon is pumped to a pressure of maximum 17 bar (16.8 atm). The project also includes the installation of three new air compressors, two of which are main air compressors that supplement the compressed air that ALS purchases, and one is a booster air compressor that recompresses the compressed air to a higher pressure.

A.4. Project approval by the parties:

The Decree of Ministry of Economic Development of the Russian Federation № 277 dtd. 16th May 2012 “About approving the list of projects, realizing in accordance with clause 6 of Kyoto Protocol to the United Nations Framework Convention on Climate Change”

Declaration of Approval of NL Agency Ministry of Economic Affairs, Agriculture and Innovation dtd 02 Feb 2012.

A.5. Monitoring period:

- Monitoring period starting date: January 1, 2008

¹ All gas volumes are presented in Sm³, i.e. under standard conditions of 20°C and 760 mmHg.

- Monitoring period closing date: July 31, 2012

A.6. Monitoring data:

Estimation of project emissions is provided with the next data:

- Project Design Document, version 7, dated March 2, 2010
- Monthly invoices for consumption of electricity, compressed air and steam sent by OAO Severstal and own monthly primary data on delivery of oxygen and nitrogen (Annex 3 of Monitoring Report)

2008 data was not finalized at the moment of PDD edition, 2008 monitoring data doesn't exceed the 2% materiality value of emission reductions in comparison with PDD data, hereinafter PDD 2008 annual values are used as more conservative.

A.7. Calibration of the measuring equipment:

Calibrations were provided by accredited organisation (ФБУ "Череповецкий ЦСМ"). Since 2012 there is a direct contract between ALS and ФБУ "Череповецкий ЦСМ", 2008-2011 was provided through an intermediary of STEK LLC.

SECTION B Key monitoring activities according to the monitoring plan

The Monitoring Plan detailed in section D of the PDD requires the measurement of six variables.

B.1. Electricity consumption by ALS plant ($EC_{ALS,y}$):

Electricity consumption (in MWh) is measured by the monthly invoices sent by OAO Severstal (Severstal). The invoices are based on the official electricity meter (manufacturer Energomera, model C6850, location GPP14), which is located on the Severstal premises.

For cross-checking purposes ALS has a meter (Model SEPAM, location RP113/RP114) on its premises. Monthly meter readings are taking by the subcontractor STEK and entered into an EXCEL spreadsheet, which is kept on the ALS server.

* 2008 annual value adjusted according to Section A.6. of Monitoring Report.

| | $EC_{ALS,y}$, MWh | | | | |
|-----------|--------------------|----------------|----------------|----------------|----------------|
| Month | 2008 | 2009 | 2010 | 2011 | 2012 |
| January | 33,493 | 21,760 | 33,309.6 | 22,599 | 32,496 |
| February | 31,608 | 26,886 | 30,694.4 | 28,782 | 30,914 |
| March | 33,86 | 30,194 | 33,357.2 | 31,531 | 31,295 |
| April | 29,111 | 29,618 | 30,420.4 | 31,252 | 26,807 |
| May | 33,964 | 20,967 | 33,458.8 | 32,190 | 26,533 |
| June | 32,127 | 29,067 | 31,045.1 | 31,828 | 30,469 |
| July | 33,354 | 32,190 | 28,808.6 | 32,781 | 32,601 |
| August | 31,71 | 33,416 | 32,840.4 | 30,313 | - |
| September | 29,864 | 32,322 | 31,886.4 | 30,031 | - |
| October | 32,579 | 33,748 | 32,094.2 | 32,977 | - |
| November | 27,262 | 31,628 | 31,754.8 | 30,475 | - |
| December | 23,615 | 33,187 | 33,409.6 | 33,065 | - |
| Total | 372,655* | 354,982 | 383,080 | 367,822 | 211,115 |

B.2. Consumption of compressed air by ALS plant ($Q_{AIR,ALS,y}$):

Compressed air consumption (in 1000 Sm³) is measured by the monthly invoices sent by Severstal. The invoices are based on meter readings from a Deltafluid flow meter, which is located on ALS premises. It is an EMERSON-ROSEMOUNT Model3051 meter and wears the tag FI030. ALS Instrumentation Operators are preparing a monthly report on the meter readings. The reports are reviewed and signed by the Plant Manager.

* 2008 annual value adjusted according to Section A.6. of Monitoring Report.

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| | Q_{AIR, ALS, y}, 1000 Sm³ | | | | |
|--------------|---|----------------|----------------|----------------|----------------|
| Month | 2008 | 2009 | 2010 | 2011 | 2012 |
| January | 56,222 | 114,145 | 46,681 | 13,269 | 39,845 |
| February | 48,348 | 31,010 | 54,422 | 18,632 | 45,245 |
| March | 49,962 | 17,400 | 53,576 | 11,595 | 23,395 |
| April | 29,554 | 6,148 | 42,417 | 34,990 | 31,176 |
| May | 60,703 | 4,286 | 55,469 | 34,309 | 39,845 |
| June | 57,619 | 41,875 | 19,248 | 51,133 | 32,385 |
| July | 94,577 | 35,788 | 73,586 | 57,543 | 42,277 |
| August | 68,906 | 54,612 | 58,847 | 94,994 | - |
| September | 38,685 | 54,672 | 34,283 | 64,867 | - |
| October | 25,045 | 69,176 | 37,991 | 59,318 | - |
| November | 0,016 | 42,834 | 42,344 | 35,561 | - |
| December | 56,967 | 46,089 | 58,488 | 49,472 | - |
| Total | 586,605* | 518,035 | 577,352 | 525,683 | 254,168 |

B.3. Steam consumption by ALS plant (Q_{ST, y}):

Steam consumption (in Gcal) is measured by the monthly invoices sent by Severstal. The invoices are based on meter readings from the “Logika” heat meter, model CTP 961. The meter is located on Severstal premises. ALS may request a control of it at any moment if there is doubt about the accuracy of the measurement.

* 2008 annual value adjusted according to Section A.6. of Monitoring Report.

| | Q_{ST, y}, Gcal | | | | |
|--------------|--------------------------------|---------------|---------------|---------------|--------------|
| Month | 2008 | 2009 | 2010 | 2011 | 2012 |
| January | 1,549 | 959 | 1,502 | 1,152 | 1,104 |
| February | 1,161 | 692 | 1,687 | 1,034 | 0,746 |
| March | 1,286 | 1,070 | 1,757 | 0,831 | 0,768 |
| April | 0,97 | 735 | 1,719 | 0,991 | 0,743 |
| May | 1,493 | 2,242 | 1,748 | 1,027 | 0,787 |
| June | 1,308 | 755 | 739 | 1,588 | 0,750 |
| July | 1,465 | 1,016 | 2,139 | 1,479 | - |
| August | 1,601 | 1,100 | 1,156 | 1,097 | - |
| September | 1,144 | 1,311 | 1,204 | 1,043 | - |
| October | 1,144 | 1,993 | 1,225 | 1,374 | - |
| November | 0,907 | 1,227 | 1,117 | 0,898 | - |
| December | 2,348 | 1,194 | 1,959 | 1,072 | - |
| Total | 16,376* | 14,294 | 17,952 | 13,584 | 4,899 |

B.4. Delivery of high-pressure oxygen from ALS cold box ($P_{GOX,y}$):

Oxygen delivery from the ALS cold box (in 1000 Sm³ O₂) is measured by the meter readings from a Deltafluid flow meter. The commercial counter is an EMERSON-ROSEMOUNT Model3051 meter and wears the tag FI001. In addition there is a process meter with the tag FI1510.

For cross-checking purposes, ALS Instrumentation Operators are preparing a monthly report on the meter readings. The reports are reviewed and signed by the Plant Manager.

* 2008 annual value adjusted according to Section A.6. of Monitoring Report.

| | $P_{GOX,y}$, 1000 Sm³ O₂ | | | | |
|--------------|--|----------------|----------------|----------------|----------------|
| Month | 2008 | 2009 | 2010 | 2011 | 2012 |
| January | 60,707 | 46,872 | 62,530 | 31,286 | 59,902 |
| February | 57,544 | 48,970 | 58,656 | 48,538 | 58,963 |
| March | 63,32 | 48,681 | 62,039 | 53,207 | 55,599 |
| April | 52,771 | 48,082 | 53,926 | 57,332 | 47,381 |
| May | 64,068 | 28,527 | 61,646 | 57,565 | 46,658 |
| June | 57,459 | 51,817 | 50,956 | 58,698 | 53,949 |
| July | 64,823 | 58,185 | 51,211 | 60,615 | 59,294 |
| August | 56,678 | 62,983 | 58,981 | 60,739 | - |
| September | 50,27 | 61,078 | 54,899 | 57,094 | - |
| October | 53,805 | 65,258 | 55,438 | 63,895 | - |
| November | 35,613 | 56,898 | 58,070 | 54,546 | - |
| December | 37,715 | 61,788 | 63,150 | 63,144 | - |
| Total | 650,566* | 639,137 | 691,502 | 666,658 | 381,745 |

B.5. Delivery of high pressure oxygen from ALS liquid oxygen storage tank ($P_{LOX,y}$):

Oxygen delivery from the LOX storage tank (in 1000 Sm³ O₂) is measured by the meter readings from a Deltafluid flow meter. It is an EMERSON-ROSEMOUNT Model3051 meter and wears the tag FI002.

For cross-checking purposes, ALS Instrumentation Operators are preparing a monthly report on the meter readings. The reports are reviewed and signed by the Plant Manager.

* 2008 annual value adjusted according to Section A.6. of Monitoring Report.

| | $P_{LOX,y}$, 1000 Sm³ O₂ | | | | |
|--------------|--|-------------|-------------|-------------|-------------|
| Month | 2008 | 2009 | 2010 | 2011 | 2012 |
| January | 1,275 | 0,561 | 1,111 | 0,705 | 0,798 |
| February | 1,051 | 0,031 | 1,683 | 0,852 | 1,126 |
| March | 1,027 | 0,707 | 1,657 | 0,156 | 0,316 |
| April | 0,569 | 0,012 | 1,727 | 0,550 | 1,795 |
| May | 1,492 | 1,126 | 1,907 | 0,519 | 0,869 |

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|-----------|----------------|--------------|---------------|--------------|--------------|
| June | 0,655 | 0,053 | 0,025 | 1,721 | 0,192 |
| July | 1,516 | 0,458 | 2,648 | 1,570 | 0,762 |
| August | 2,24 | 0,634 | 0,804 | 0,769 | - |
| September | 1,206 | 1,023 | 0,896 | 0,725 | - |
| October | 0,756 | 2,188 | 0,94 | 1,232 | - |
| November | 0,398 | 0,893 | 0,708 | 0,348 | - |
| December | 0,066 | 0,831 | 2,483 | 0,629 | - |
| Total | 10,483* | 8,517 | 16,589 | 9,775 | 5,858 |

B.6. Total delivery of high pressure gaseous nitrogen from ALS plant ($P_{GAN,y}$):

High-pressure Nitrogen delivery from the ALS cold box (in 1000 Sm³ N₂) is measured by the meter readings from a Deltafluid flow meter. The commercial counter is an EMERSON-ROSEMOUNT Model3051 meter and wears the tag FI010. In addition there is a process meter with the tag FI1500. For cross-checking purposes, ALS Instrumentation Operators are preparing a monthly report on the meter readings. The reports are reviewed and signed by the Plant Manager.

* 2008 annual value adjusted according to Section A.6. of Monitoring Report.

| | $P_{GAN,y}$, 1000 Sm ³ N ₂ | | | | |
|-----------|---|----------------|----------------|----------------|----------------|
| Month | 2008 | 2009 | 2010 | 2011 | 2012 |
| January | 16,807 | 15,241 | 18,100 | 9,741 | 20,435 |
| February | 15,929 | 14,424 | 18,602 | 15,648 | 20,186 |
| March | 15,569 | 15,513 | 17,276 | 16,902 | 17,972 |
| April | 12,017 | 16,134 | 17,829 | 16,868 | 14,762 |
| May | 17,309 | 8,935 | 20,610 | 17,427 | 14,508 |
| June | 15,684 | 13,244 | 18,939 | 17,370 | 18,156 |
| July | 17,731 | 15,982 | 18,547 | 17,383 | 19,723 |
| August | 15,515 | 18,096 | 18,666 | 17,872 | - |
| September | 14,385 | 17,176 | 17,068 | 16,942 | - |
| October | 15,768 | 18,235 | 16,527 | 18,890 | - |
| November | 11,231 | 15,747 | 17,973 | 18,973 | - |
| December | 13,137 | 18,091 | 18,354 | 21,528 | - |
| Total | 181,082* | 186,818 | 218,491 | 205,542 | 125,743 |

B.7. Archiving of Monitoring Data

All of the above records are maintained both electronically and on paper. They will be archived until two years after the end of the crediting period.

(a) Electricity consumption by ALS plant ($EC_{ALS,y}$)

The ALS Accounting Department retains the original invoice. The Excel file that is maintained by the STEK employee and scanned copies of the invoices are retained electronically on the server.

(b) Consumption of compressed air by ALS plant ($Q_{AIR,ALS,y}$)

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The ALS Accounting Department retains the original invoice and the reports signed by the ALS Plant Manager. The monthly reports prepared by the ALS Instrumentation Operator are retained electronically on the server.

(c) Steam consumption by ALS plant ($Q_{ST, y}$)

The ALS Accounting Department retains the original invoice.

(d) Delivery of high-pressure oxygen from ALS cold box ($P_{GOX, y}$)

The ALS Accounting Department retains the original invoice and the reports signed by the ALS Plant Manager. The reports prepared by ALS Instrumentation Operators are retained electronically on the server.

(e) Delivery of high pressure oxygen from ALS liquid oxygen storage tank ($P_{LOX, y}$)

The ALS Accounting Department retains the original invoice and the reports signed by the ALS Plant Manager. The reports prepared by ALS Instrumentation Operators are retained electronically on the server.

(f) Total delivery of high pressure gaseous nitrogen from ALS plant ($P_{GAN, y}$)

The ALS Accounting Department retains the original invoice and the reports signed by the ALS Plant Manager. The reports prepared by ALS Instrumentation Operators are retained electronically on the server.

B.8. Special event log

No special events affecting monitoring activities or monitored data occurred during 2008-July 2012.

SECTION C Quality assurance and quality control measures

| Variable | QA/QC procedures |
|----------------------|--|
| P1 $EC_{ALS, y}$ | The meter is located on Severstal premises. Vologda Energo checks the meter once a year. ALS has a meter (Model SEPAM, location RP113/RP114) on its premises and is able to contest the power consumption figures if deviations are observed. Monthly meter readings are taken by the subcontractor STEK and entered into an EXCEL spreadsheet, which is kept on the server. |
| P3 $Q_{AIR, ALS, y}$ | Calibration of the Deltafluid flow meter takes place at least every two years and was last done in May 2009. ALS Instrumentation Operators are preparing a monthly report on the meter readings. The calibration records are archived by the ALS Instrumentation Manager. |
| P5 $Q_{ST, y}$ | The meter on which the invoice is based is located on Severstal premises. The Plant Manager is checking the steam volume for consistency before the invoice is paid. |
| B1 $P_{GOX, y}$ | Calibration of the Deltafluid flow meter takes place at least every two years and was last done in May 2009. ALS Instrumentation Operators are preparing a monthly report on the meter readings. The calibration records are archived by the ALS Instrumentation Manager. |
| B2 $P_{LOX, y}$ | Calibration of the Deltafluid flow meter takes place at least every two years and was last done in May 2009. ALS Instrumentation Operators are preparing a monthly report on the meter readings. The calibration records are archived by the ALS Instrumentation Manager. |
| B4 $P_{GAN, y}$ | Calibration of the Deltafluid flow meter takes place at least every two years and was last done in May 2009. ALS Instrumentation Operators are preparing a monthly report on the meter readings. The calibration records are archived by the ALS Instrumentation Manager. |

SECTION D**SECTION E**

SECTION F Calculation of GHG emission reductions

F.1. Project emissions:

The Monitoring Plan in section D of the PDD contains six formulas to calculate the project emissions.

$$(1) EF_{ELEC, y} = EF_{ELEC, GEN, y} / (1 - TL_{ELEC, y} / 100)$$

Where

$EF_{ELEC, y}$ Carbon emission factor for consumption of grid-based electricity in year y

$EF_{ELEC, GEN, y}$ Carbon emission factor for generation of grid-based electricity in year y

$TL_{ELEC, y}$ Transmission losses for grid-based electricity in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|---------------------|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------------------|
| $EF_{ELEC, GEN, y}$ | t CO ₂ / MWh | 0,556 | 0,550 | 0,545 | 0,540 | 0,536 | Section B.1 of PDD (B13) |
| $TL_{ELEC, y}$ | % | 9,400 | 8,793 | 8,308 | 7,823 | 7,338 | Section B.1 of PDD (B14) |
| $EF_{ELEC, y}$ | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 | Calculated |

$$(2) PE_{ELEC, y} = EC_{ALS, y} * EF_{ELEC, y}$$

Where

$PE_{ELEC, y}$ Project emissions from electricity consumption by ALS plant in year y

$EC_{ALS, y}$ Electricity consumption by ALS plant in year y

$EF_{ELEC, y}$ Carbon emission factor for grid-based electricity in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|----------------|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------------------|
| $EF_{ELEC, y}$ | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 | Equation (1) |
| $EC_{ALS, y}$ | MWh | 372,655 | 354,983 | 383,079 | 367,824 | 211,115 | Section B.1 of this report |
| $PE_{ELEC, y}$ | t CO ₂ | 228,488 | 213,999 | 227,730 | 215,616 | 122,024 | Calculated |

$$(3) EC_{AIR, y} = Q_{AIR, ALS, y} * SFC_{ELEC, AIR}$$

Where

$EC_{AIR, y}$ Electricity consumption for compressed air consumed by ALS plant in year y

$Q_{AIR, ALS, y}$ Consumption of compressed air by ALS plant in year y

$SFC_{ELEC, AIR}$ Specific electricity consumption for compressed air

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| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|-------------------|----------------------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|
| $Q_{AIR, ALS, y}$ | 1000 Sm ³ | 586,605 | 518,035 | 577,352 | 525,683 | 254,168 | Section B.2 of this report |
| $SFC_{ELEC, AIR}$ | MWh / 1000 Sm ³ | 0,1041 | 0,1041 | 0,1041 | 0,1041 | 0,1041 | Section B.1 of the PDD (B7) |
| $EC_{AIR, y}$ | MWh | 61,049 | 53,913 | 60,086 | 54,709 | 26,452 | Calculated |

$$(4) PE_{AIR, y} = EC_{AIR, y} * EF_{ELEC, y}$$

Where

$PE_{AIR, y}$ Project emissions from consumption of compressed air by ALS plant in year y
 $EC_{AIR, y}$ Electricity consumption for compressed air consumed by ALS plant in year y
 $EF_{ELEC, y}$ Carbon emission factor for grid-based electricity in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|----------------|-------------------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| $EC_{AIR, y}$ | MWh | 61,049 | 53,913 | 60,086 | 54,709 | 26,452 | Equation (3) |
| $EF_{ELEC, y}$ | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 | Equation (1) |
| $PE_{AIR, y}$ | t CO ₂ | 37,431 | 32,501 | 35,720 | 32,070 | 15,289 | Calculated |

$$(5) PE_{ST, y} = Q_{ST, y} * EF_{GAS, ST}$$

Where

$PE_{ST, y}$ Project emissions from consumption of steam by ALS plant in year y
 $Q_{ST, y}$ Steam consumption by ALS plant in year y
 $EF_{GAS, ST}$ Carbon emission factor for steam generated by natural gas combustion

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|----------------|--------------------------|--------------|--------------|--------------|--------------|--------------|------------------------------|
| $Q_{ST, y}$ | Gcal | 16,376 | 14,294 | 17,952 | 13,586 | 4,898 | Section B.3 of this report |
| $EF_{GAS, ST}$ | t CO ₂ / Gcal | 0,1243 | 0,1243 | 0,1243 | 0,1243 | 0,1243 | Section B.1 of the PDD (B11) |
| $PE_{ST, y}$ | t CO ₂ | 2,036 | 1,777 | 2,231 | 1,689 | 0,609 | Calculated |

$$(6) PE_y = PE_{ELEC, y} + PE_{AIR, y} + PE_{ST, y}$$

Where

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PE_y Total Project Emissions in year y
 $PE_{ELEC,y}$ Project emissions from electricity consumption by ALS plant in year y
 $PE_{AIR,y}$ Project emissions from consumption of compressed air by ALS plant in year y
 $PE_{ST,y}$ Project emissions from consumption of steam by ALS plant in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|--------------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| $PE_{ELEC,y}$ | t CO ₂ | 228,488 | 213,999 | 227,730 | 215,616 | 122,024 | Equation (2) |
| $PE_{AIR,y}$ | t CO ₂ | 37,431 | 32,501 | 35,720 | 32,070 | 15,289 | Equation (4) |
| $PE_{ST,y}$ | t CO ₂ | 2,036 | 1,777 | 2,231 | 1,689 | 0,609 | Equation (5) |
| PE_y | t CO₂ | 267,955 | 248,277 | 265,681 | 249,374 | 137,922 | Calculated |

F.2. Baseline emissions:

The Monitoring Plan in section D of the PDD contains eight formulas to calculate the baseline emissions.

$$(7) EF_{ELEC,y} = EF_{ELEC, GEN,y} / (1 - TL_{ELEC,y} / 100)$$

Where

$EF_{ELEC,y}$ Carbon emission factor for consumption of grid-based electricity in year y
 $EF_{ELEC, GEN,y}$ Carbon emission factor for generation of grid-based electricity in year y
 $TL_{ELEC,y}$ Transmission losses for grid-based electricity in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|---------------------------------|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------------|
| $EF_{ELEC, GEN,y}$ | t CO ₂ / MWh | 0,556 | 0,550 | 0,545 | 0,540 | 0,536 | Section B.1 of PDD (B13) |
| $TL_{ELEC,y}$ | % | 9,400 | 8,793 | 8,308 | 7,823 | 7,338 | Section B.1 of PDD (B14) |
| $EF_{ELEC,y}$ | t CO₂ / MWh | 0,613 | 0.603 | 0.594 | 0,586 | 0,578 | Calculated |

$$(8) P_{OX,y} = P_{GOX,y} + P_{LOX,y}$$

Where

$P_{OX,y}$ Total delivery of high pressure oxygen from ALS plant in year y
 $P_{GOX,y}$ Delivery of high-pressure oxygen from ALS cold box in year y
 $P_{LOX,y}$ Delivery of high pressure oxygen from ALS liquid oxygen storage tank in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|-------------|----------------------|---------|---------|---------|---------|---------|----------------------------|
| $P_{GOX,y}$ | 1000 Sm ³ | 650,564 | 639,139 | 691,502 | 666,659 | 381,746 | Section B.4 of this report |
| $P_{LOX,y}$ | 1000 Sm ³ | 10,483 | 8,517 | 16,589 | 9,776 | 5,858 | Section B.5 of this |

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|-------------------------|----------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| | | | | | | | report |
| P_{OX,y} | 1000 Sm³ | 661,047 | 647,656 | 708,091 | 676,435 | 387,604 | Calculated |

$$(9) \text{BE}_{\text{ELEC},y} = \text{P}_{\text{OX},y} * \text{SFC}_{\text{ELEC}} * \text{EF}_{\text{ELEC},y}$$

Where

$$\text{BE}_{\text{ELEC}, y}$$
 Baseline emissions from electricity consumption in reference facility in year y

$P_{OX,y}$ Total delivery of high pressure oxygen from ALS plant in year y

SFC_{ELEC} Specific electricity consumption of the reference plant

EF_{ELEC, y} Carbon emission factor for grid-based electricity in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|---------------|-----------------------------|---------|---------|---------|---------|---------|-----------------------------|
| $P_{OX,y}$ | 1000 Sm ³ | 661,047 | 647,656 | 708,091 | 676,435 | 387,604 | Equation (8) |
| SFC_{ELEC} | MW h / 1000 Sm ³ | 0,0269 | 0,0269 | 0,0269 | 0,0269 | 0,0269 | Section B.1 of the PDD (B8) |
| $EF_{ELEC,y}$ | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 | Equation (1) |
| $BE_{ELEC,y}$ | t CO ₂ | 10,903 | 10,503 | 11,323 | 10,666 | 6,027 | Calculated |

$$(10) \text{BE}_{\text{AIR}, y} = \text{P}_{\text{OX}, y} * \text{SC}_{\text{AIR}} * \text{SFC}_{\text{ELEC}, \text{AIR}} * \text{EF}_{\text{ELEC}, y}$$

Where

$$BE_{AIR, y}$$
 Baseline emissions from consumption of compressed air in reference facility in year y

$P_{OX,y}$ Total delivery of high pressure oxygen from ALS plant in year y

SC_{AIR} Specific compressed air consumption of the reference plant

$SFC_{ELEC, AIR}$ Specific electricity consumption for compressed air

EF_{ELEC, y} Carbon emission factor for grid-based electricity in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|-----------------------------|--|-------------|-------------|-------------|-------------|-------------|---------------------------|
| P _{Ox,y} | 1000 Sm ³ | 661,047 | 647,656 | 708,091 | 676,435 | 387,604 | Equation (8) |
| SC _{AIR} | 1000 Sm ³ Air / 1000 Sm ³ O ₂ | 6,3187 | 6,3187 | 6,3187 | 6,3187 | 6,3187 | Section B.1 of the PDD |
| SFC _{ELEC,} AIR | MWh / 1000 Sm ³ | 0,1041 | 0,1041 | 0,1041 | 0,1041 | 0,1041 | Section B.1 of the PDD |

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| | | | | | | | |
|-----------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| | | | | | | | (B7) |
| EF _{ELEC, y} | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 | Equation (1) |
| BE _{AIR, y} | t CO ₂ | 266,534 | 256,751 | 276,813 | 260,754 | 147,326 | Calculated |

$$(11) BE_{ST, y} = P_{OX, y} * SC_{ST} * EF_{GAS, ST}$$

Where

| | |
|-----------------------|--|
| BE _{ST, y} | Baseline emissions from steam consumption in reference facility year y |
| P _{OX, y} | Total delivery of high pressure oxygen from ALS plant in year y |
| SC _{ST} | Specific steam consumption by reference plant |
| EF _{GAS, ST} | Carbon emission factor for steam generated by natural gas combustion |

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|-----------------------|--|--------------|--------------|--------------|--------------|--------------|------------------------------|
| P _{OX, y} | 1000 Sm ³ | 661,047 | 647,656 | 708,091 | 676,435 | 387,604 | Equation (8) |
| SC _{ST} | Gcal / 1000 Sm ³ O ₂ | 0,060 | 0,060 | 0,060 | 0,060 | 0,060 | Section B.1 of the PDD (B5) |
| EF _{GAS, ST} | t CO ₂ / Gcal | 0,124 | 0,124 | 0,124 | 0,124 | 0,124 | Section B.1 of the PDD (B11) |
| BE _{ST, y} | t CO ₂ | 4,930 | 4,830 | 5,281 | 5,045 | 2,891 | Calculated |

$$(12) BE_{HPGOX, y} = P_{OX, y} * SFC_{ELEC, HPGOX} * EF_{ELEC, y}$$

Where

| | |
|----------------------------|---|
| BE _{HPGOX, y} | Baseline emissions from electricity consumption by oxygen compressors in year y |
| P _{OX, y} | Total delivery of high pressure oxygen from ALS plant in year y |
| SFC _{ELEC, HPGOX} | Specific electricity consumption by oxygen compressors |
| EF _{ELEC, y} | Carbon emission factor for grid-based electricity in year y |

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|----------------------------|---|---------------|---------------|---------------|---------------|---------------|------------------------------|
| P _{OX, y} | 1000 Sm ³ | 661,047 | 647,654 | 708,091 | 676,433 | 387,603 | Equation (8) |
| SFC _{ELEC, HPGOX} | MWh / 1000 Sm ³ O ₂ | 0,1941 | 0,1941 | 0,1941 | 0,1941 | 0,1941 | Section B.1 of the PDD (B10) |
| EF _{ELEC, y} | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 | Equation (1) |
| BE _{HPGOX, y} | t CO ₂ | 78,663 | 75,775 | 81,696 | 76,956 | 43,480 | Calculated |

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$$(13) \text{BE}_{\text{HPGAN}, y} = \text{P}_{\text{GAN}, y} * \text{SFC}_{\text{ELEC}, \text{HPGAN}} * \text{EF}_{\text{ELEC}, y}$$

Where

$\text{BE}_{\text{HPGAN}, y}$ Baseline emissions from electricity consumption by nitrogen compressors in year y

$\text{P}_{\text{GAN}, y}$ Total delivery of high pressure gaseous nitrogen from ALS plant in year y

$\text{SFC}_{\text{ELEC}, \text{HPGAN}}$ Specific electricity consumption by nitrogen compressors

$\text{EF}_{\text{ELEC}, y}$ Carbon emission factor for grid-based electricity in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|--|---|---------------|---------------|---------------|---------------|---------------|------------------------------|
| $\text{P}_{\text{GAN}, y}$ | 1000 Sm ³ | 181,082 | 186,818 | 218,491 | 205,544 | 125,742 | Section B.6 of this report |
| $\text{SFC}_{\text{ELEC}, \text{HPGAN}}$ | MWh / 1000 Sm ³ N ₂ | 0,1941 | 0,1941 | 0,1941 | 0,1941 | 0,1941 | Section B.1 of the PDD (B10) |
| $\text{EF}_{\text{ELEC}, y}$ | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 | Equation (1) |
| $\text{BE}_{\text{HPGAN}, y}$ | t CO ₂ | 21,548 | 21,858 | 25,208 | 23,379 | 14,107 | Calculated |

$$(14) \text{BE}_y = \text{BE}_{\text{ELEC}, y} + \text{BE}_{\text{AIR}, y} + \text{BE}_{\text{ST}, y} + \text{BE}_{\text{HPGOX}, y} + \text{BE}_{\text{HPGAN}, y}$$

Where

BE_y Total baseline emissions in year y

$\text{BE}_{\text{ELEC}, y}$ Baseline emissions from electricity consumption in reference facility in year y

$\text{BE}_{\text{AIR}, y}$ Baseline emissions from consumption of compressed air in reference facility in year y

$\text{BE}_{\text{ST}, y}$ Baseline emissions from steam consumption in reference facility year y

$\text{BE}_{\text{HPGOX}, y}$ Baseline emissions from electricity consumption by oxygen compressors in year y

$\text{BE}_{\text{HPGAN}, y}$ Baseline emissions from electricity consumption by nitrogen compressors in year y

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|-------------------------------|-------------------|---------|---------|---------|---------|---------|---------------|
| $\text{BE}_{\text{ELEC}, y}$ | t CO ₂ | 10,903 | 10,503 | 11,323 | 10,666 | 6,027 | Equation (9) |
| $\text{BE}_{\text{AIR}, y}$ | t CO ₂ | 266,534 | 256,751 | 276,813 | 260,754 | 147,326 | Equation (10) |
| $\text{BE}_{\text{ST}, y}$ | t CO ₂ | 4,930 | 4,830 | 5,281 | 5,045 | 2,891 | Equation (11) |
| $\text{BE}_{\text{HPGOX}, y}$ | t CO ₂ | 78,663 | 75,775 | 81,696 | 76,956 | 43,480 | Equation (12) |
| $\text{BE}_{\text{HPGAN}, y}$ | t CO ₂ | 21,548 | 21,858 | 25,208 | 23,379 | 14,107 | Equation (13) |

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| | | | | | | | |
|-----------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| BE_y | t CO₂ | 382,578 | 369,717 | 400,321 | 376,800 | 213,831 | Calculated |
|-----------------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|

F.3. Leakage:

No leakage has been identified within the project.

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|-----------------|-------------------|------|------|------|------|------|--------------------------|
| LE _y | t CO ₂ | 0 | 0 | 0 | 0 | 0 | Section D.1.3 of the PDD |

F.4. Summary of the emissions reductions during the monitoring period:

$$(15) \text{ER}_y = \text{BE}_y - \text{PE}_y - \text{LE}_y$$

where

ER_y Emission reduction in year y

BE_y Total Baseline Emissions in year y

PE_y Total Project Emissions in year y

LE_y Leakage Emissions in year y, with LE_y = 0 for all years.

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 | Source |
|-----------------|----------------------|---------|---------|---------|---------|---------|--------------------------|
| BE _y | t CO ₂ | 382,578 | 369,717 | 400,321 | 376,800 | 213,831 | Equation (14) |
| PE _y | t CO ₂ | 267,955 | 248,277 | 265,681 | 249,374 | 137,922 | Equation (6) |
| LE _y | t CO ₂ | 0 | 0 | 0 | 0 | 0 | Section D.1.3 of the PDD |
| ER _y | t CO ₂ | 114,623 | 121,440 | 134,640 | 127,426 | 75,909 | Calculated |

Total values for the Verification period:

Baseline emissions (BE): 1743,247 t CO₂

Project emissions (PE): 1169,209 t CO₂

Emission reductions (ER): 574,038 t CO₂

F.5. Emissions reductions during the monitoring period by source:

| Variable | Unit | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------------------|----------------|----------------|----------------|----------------|----------------|
| Baseline Emissions | t CO ₂ | 382,578 | 369,717 | 400,321 | 376,800 | 213,831 |
| Consumption of grid-based electricity for compressed air provided to the low-pressure air separation units (SB1) | t CO ₂ | 266,534 | 256,751 | 276,813 | 260,754 | 147,326 |
| Consumption of grid-based electricity by the low pressure air separation units (SB2) | t CO ₂ | 10,903 | 10,503 | 11,323 | 10,666 | 6,027 |
| Fuel combustion for the production of steam provided to the low-pressure air separation units (SB3) | t CO ₂ | 4,930 | 4,830 | 5,281 | 5,045 | 2,891 |
| Consumption of grid-based electricity by the oxygen compressors (SB4) | t CO ₂ | 78,663 | 75,775 | 81,696 | 76,956 | 43,480 |
| Consumption of grid-based electricity by the nitrogen compressors (SB5) | t CO ₂ | 21,548 | 21,858 | 25,208 | 23,379 | 14,107 |
| Project Emissions | t CO ₂ | 267,955 | 248,277 | 265,681 | 249,374 | 137,922 |
| Consumption of grid-based electricity by air compressors for compressed air provided to the ALS plant (SP1) | t CO ₂ | 228,488 | 213,999 | 227,730 | 215,616 | 122,024 |
| Consumption of grid-based electricity by ALS plant (SP2) | t CO ₂ | 37,431 | 32,501 | 35,720 | 32,070 | 15,289 |
| Fuel combustion by steam boiler for the production of steam provided to the ALS plant (SP3) | t CO ₂ | 2,036 | 1,777 | 2,231 | 1,689 | 0,609 |
| Leakage Emissions | t CO ₂ | 0 | 0 | 0 | 0 | 0 |
| Emission Reductions | t CO ₂ | 114,623 | 121,440 | 134,640 | 127,426 | 75,909 |

SECTION G Overview Table

| Variable | Description | Units | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|--|----------------------------|---------|---------|---------|---------|---------|
| EC _{ALS, y} | Total electricity consumption by ALS plant | MWh | 372,655 | 354,983 | 383,079 | 367,824 | 211,115 |
| SFC _{ELEC, AIR} | Specific electricity consumption for compressed air | MWh / 1000 Sm ³ | 0,1041 | 0,1041 | 0,1041 | 0,1041 | 0,1041 |
| Q _{AIR, ALS, y} | Total consumption of compressed air by ALS plant | 1000 Sm ³ | 586,605 | 518,035 | 577,352 | 525,683 | 254,168 |
| EC _{AIR, y} | Total electricity consumption for compressed air consumed by ALS plant | MWh | 61,049 | 53,913 | 60,086 | 54,709 | 26,452 |
| Q _{ST, y} | Total steam consumption by ALS plant | Gcal | 16,376 | 14,294 | 17,952 | 13,586 | 4,898 |
| EF _{GAS, ST} | Carbon emission factor for steam generated by natural gas combustion | t CO ₂ / Gcal | 0,1243 | 0,1243 | 0,1243 | 0,1243 | 0,1243 |
| EF _{ELEC, y} | Carbon emission factor for grid-based electricity | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 |
| PE _{ST, y} | CO ₂ emissions from consumption of steam by ALS plant | t CO ₂ | 2,036 | 1,777 | 2,231 | 1,689 | 0,609 |
| PE _{AIR, y} | CO ₂ emissions from consumption of | t CO ₂ | 37,431 | 32,501 | 35,720 | 32,070 | 15,289 |

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| | | | | | | | |
|--------------------------|---|--|----------------|----------------|----------------|----------------|----------------|
| PE _{ELEC, y} | compressed air by ALS plant CO ₂ emissions from electricity consumption by ALS plant | t CO ₂ | 228,488 | 213,999 | 227,730 | 215,616 | 122,024 |
| PE _y | Total Project Emissions | t CO₂ | 267,955 | 248,277 | 265,681 | 249,374 | 137,922 |
| P _{GOX, y} | Total high-pressure gaseous oxygen delivery by ALS plant | 1000 Sm ³ | 650,564 | 639,139 | 691,502 | 666,659 | 381,746 |
| P _{LOX, y} | Total deliver of high pressure oxygen from ALS liquid oxygen storage tank | 1000 Sm ³ | 10,483 | 8,517 | 16,589 | 9,776 | 5,858 |
| P _{OX, y} | Total delivery of high pressure oxygen | 1000 Sm ³ | 661,047 | 647,656 | 708,091 | 676,435 | 387,604 |
| P _{GAN, y} | Total high-pressure nitrogen production by ALS plant | 1000 Sm ³ | 181,082 | 186,818 | 218,491 | 205,544 | 125,742 |
| SC _{ST} | Specific steam consumption by reference plant | Gcal / 1000 Sm ³ O ₂ | 0,0600 | 0,0600 | 0,0600 | 0,0600 | 0,0600 |
| SC _{AIR} | Specific compressed air consumption of the reference plant | 1000 Sm ³ Air / 1000 Sm ³ O ₂ | 6,3187 | 6,3187 | 6,3187 | 6,3187 | 6,3187 |
| SFC _{ELEC, AIR} | Specific electricity consumption for compressed | MWh / 1000 Sm ³ Air | 0,1041 | 0,1041 | 0,1041 | 0,1041 | 0,1041 |

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| | | | | | | | |
|----------------------------|---|---|---------|---------|---------|---------|---------|
| | air | | | | | | |
| SFC _{ELEC} | Specific electricity consumption of the cold box of the reference plant | MWh / 1000 Sm ³ O ₂ | 0,0269 | 0,0269 | 0,0269 | 0,0269 | 0,0269 |
| SFC _{ELEC, HPGOX} | Specific electricity consumption by oxygen compressors | MWh / 1000 Sm ³ O ₂ | 0,1941 | 0,1941 | 0,1941 | 0,1941 | 0,1941 |
| SFC _{ELEC, HPGAN} | Specific electricity consumption by nitrogen compressors | MWh / 1000 Sm ³ N ₂ | 0,1941 | 0,1941 | 0,1941 | 0,1941 | 0,1941 |
| EF _{GAS, ST} | Carbon emission factor for steam generated by natural gas combustion | t CO ₂ / Gcal | 0,1243 | 0,1243 | 0,1243 | 0,1243 | 0,1243 |
| EF _{ELEC, y} | Carbon emission factor for the consumption of grid-based electricity | t CO ₂ / MWh | 0,613 | 0,603 | 0,594 | 0,586 | 0,578 |
| EF _{ELEC, GEN, y} | Carbon emission factor for the generation of grid-based electricity | t CO ₂ / MWh | 0,556 | 0,550 | 0,545 | 0,540 | 0,536 |
| TL _{ELEC, y} | Transmission losses for grid-based electricity | % | 9,400 | 8,793 | 8,308 | 7,823 | 7,338 |
| BE _{ST, y} | CO ₂ emissions from steam consumption by reference plant | t CO ₂ | 4,930 | 4,830 | 5,281 | 5,045 | 2,891 |
| BE _{AIR, y} | CO ₂ emissions from consumption of | t CO ₂ | 266,534 | 256,751 | 276,813 | 260,754 | 147,326 |

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| | | | | | | | |
|------------------------|---|-------------------------|----------------|----------------|----------------|----------------|----------------|
| BE _{ELEC, y} | compressed air by reference plant CO ₂ emissions from electricity consumption by reference plant CO ₂ emissions from electricity consumption by oxygen compressors | t CO ₂ | 10,903 | 10,503 | 11,323 | 10,666 | 6,027 |
| BE _{HPCOX, y} | CO ₂ emissions from electricity consumption by oxygen compressors | t CO ₂ | 78,663 | 75,775 | 81,696 | 76,956 | 43,480 |
| BE _{HPCAN, y} | CO ₂ emissions from electricity consumption by nitrogen compressors | t CO ₂ | 21,548 | 21,858 | 25,208 | 23,379 | 14,107 |
| BE_y | Total baseline emissions | t CO₂ | 382,578 | 369,717 | 400,321 | 376,800 | 213,831 |
| ER_y | Emission Reductions | t CO₂ | 114,623 | 121,440 | 134,640 | 127,426 | 75,909 |

SECTION H Contact Information

| | |
|------------------|--|
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