PROJECT REVIEW REPORT

Project ID	927
Project Name	13.75 MW wind power project in Davangere, Karnataka, India
Program(s)	VCS
Verification Period	31-March-2019 to 30-June-2021
Project Proponent	Sargam Retails Pvt. Limited
Methodology	AMS-I.D.: Grid connected renewable electricity generation, v18.0
Sectoral Scope(s)	1: Energy industries (renewable - / non-renewable sources)
Validation/Verification Body (VVB)	LGAI Technological Center, S.A. (Applus+ Certification)

Assessment Criteria	*VCS Standard, v4.1;* AMS-I.D., v 18.0
Date of First Issue	2 February 2022
Date of Final Issue	11 April 2022

Summary:

An accuracy review of the Project 927, 3.75 MW wind power project in Davangere, Karnataka, India verification approval request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised six assessment findings and zero minor finding, detailed below. The VVB, in coordination with the project proponent, is hereby required to provide a response to the assessment findings presented in Section 1. The four assessment findings must be addressed to the satisfaction of Verra.

This project review report will be made publicly available. Confidential information may be provided as separate attachments.

1. ASSESSMENT FINDINGS

Finding 1

Section 1.1 (Summary Description of the Implementation Status of the Project) of the Monitoring Report reads “The project activity leads to the installation of 10 Wind Turbine Generators (WTGs) of total generating capacity of 13.75 MW (5 nos of Suzlon make S 82 WTGs each having generating capacity of 1500 kW &5 nos of Suzlon make S 64 WTGs each having generating capacity of 1250 kW) ... “

The project proponent is requested to summarize the "relevant implementation dates (e.g., dates of construction, commissioning, and continued operation periods)" as required by the Monitoring Report Template.

VVB Response: Project Participant has now included the relevant implementation dates in Section 1,1 of MR.

Verra Response:

Section 1.1 of the monitoring report has been updated to include relevant implementation dates. This finding is now closed, and no further action is required.

Finding 2

In section 1.10 (Other Forms of Credit) of the Monitoring Report, the project proponent states “The project is registered under CDM with registration ID 3700. Project Proponent has submitted undertaking that they will not claim same GHG emission reductions of the project from CDM and VCS. PP would not use net GHG emission reductions by the projects for compliance with emission trading program to meet binding limits on GHG emissions.”

In section 4.1 (Project Implementation Status) of the Verification Report, text reads “An undertaking letter dated: 22-October-2021 has been submitted by PP for double counting with any other GHG program. PP also has given a written declaration that project has not claimed other form of GHG credit for the concerned monitoring period.”

The project proponent is requested to share a copy of the undertaking letter that declares that they will not double count. The VVB is requested to assess the updates and to update the verification report, as needed.

VVB Response: The undertaking letter dated 22-October-2021 is being submitted along with the response of PRR.

Verra Response:

The undertaking letter, which confirms that the project proponent will not double count, was received. This finding is now closed, and no further action is required.

Finding 3

Section 3.19.2 of the VCS Standard, v4.1 states that if a project includes a project description deviation in a monitoring report, “the deviation shall also be described in all subsequent monitoring reports.”

In section 4.1 (Project Implementation Status) of the Verification Report, text reads “The calibration of energy meter is done once in 5 years. PP has requested deviation in calibration frequency in accordance with regulation of the Central Electricity Authority for meter installation. Please refer description in Deviation section this report.”

Section 3.3 of the monitoring report states, “There has not been any project description deviation applied during the current monitoring period.” Section 3.3 does not describe any previous project description deviations as required by the VCS Standard, v4.1.

The project proponent is requested to update Section 3.3 to include any project description deviations included in this monitoring period and any previous monitoring reports. The VVB is requested to update Section 4.1 of the verification report to describe "any project description deviations applied to the project and describe the steps taken to validate each deviation” per the requirements of the verification report template.

Furthermore, both quarterly and once in 5-year calibration frequency was mentioned. The VVB is requested to clarify the frequency of meter calibration and ensure it is referenced consistently across documentation.

VVB Response: Project Participant has included the project description deviation request during the previous monitoring period (01-October-2016 to 30-March-2019) in Section 3.2.2 of the monitoring report as per requirement of Section 3.19.2 of the VCS Standard, v4.1. There were two project description deviations during the previous monitoring period. Further, project proponent has requested a fresh deviation during current monitoring period as described below:

Deviation requested during previous verification (01-October-2016 to 30-March-2019)

Deviation 1:

There is change in crediting period of the project activity from existing renewable crediting period to ten years fixed crediting period. This crediting period change does not affect the applicability of current methodology, additionality and baseline of the project activity.

The fixed crediting period of the project activity is now from 31-March-2009 to 30-March- 2019.
Apart from change in crediting period, there is no deviation has taken place in project description during the monitoring period

Deviation 2:

As per registered VCS PD (Version 02, Dated 22-July-2011), the calibration frequency is once in a quarter and the same is mentioned in PPA. However, calibration of meters is not in control of PP and the same is done by state electricity board. The state electricity board does not follow any fixed calibration frequency, hence deviation is requested for change in calibration frequency as once in five years. This calibration frequency is as per CEA notification (https://cea.nic.in/wp-content/uploads/2020/02/meter_reg.pdf). The updated version available from the year 2019 also upholds the same frequency of testing of meters. This can be found at https://cea.nic.in/wp-content/uploads/2020/02/CEA_metering_regulation_amendment_2019.pdf. VVB has also included the project description deviation in Section 3.3 of verification report as per requirement of VCS verification template.

Deviation requested during previous verification (31-March-2019 to 30-June-2021
Project Description Deviation during current monitoring period:
PP has requested project description deviation in calibration frequency during current monitoring period in the Section 3.2 of revised monitoring report
As per the Section 5.2 of the registered VCS RCP PD(version 03,Dated: 26-February-2021), the calibration of energy meters (including both main meter and check meter) would be carried on an annual basis

(https://registry.verra.org/mymodule/ProjectDoc/Project_ViewFile.asp?FileID=56839&IDKEY=qq934lkmsad39asjdkfj90qlkalsdkngaf98ulkandDfdvDdfhf78380981). However, according to the Power Purchase Agreement (PPA) signed with BESCOM, calibration should ideally be carried out on quarterly basis as per per PPA . Therefore, to maintain the practice expected by BESCOM Standard, the PP has done the quarterly calibration and therefore, PP has requested Project Description Deviation in the current monitoring period (31-March-2019 to 30-June-2021) for quarterly calibration of the meters . Wherever there has been delay, error factor has been applied.
The change in the calibration frequency in the current monitoring period (31-March-2019 to 30-June-2021) will not have any impact on the ER calculations. Both parties, the PP and the state electricity board - BESCOM accepts the meter reading and PP raise the invoice to BESCOM based on monthly JMR reading. Due to the financial obligations for the PP and the state electricity board - BESCOM, both parties ensure that the meters are running accurately. Hence, acceptable to VVB.
VVB has also included the project description deviation in Section 3.3 of verification report as per requirement of VCS verification template.

Verra Response:

- Section 3.2.2 of the monitoring report has been updated to include two sections, “Project Description Deviations in the previous monitoring period” and “Project Description Deviations in the current monitoring period”.

The project proponent is requested to add a footnote to “Deviation 1” that clarifies that the 10-year fixed crediting period was incorrectly applied, and that the current 10-year, twice renewable crediting period is correct.

The VVB is requested to assess the updates.

- Section 3.3 in the verification report states both “PP has not requested any project description deviation during the current monitoring period.” and “Project description deviation during current monitoring period:”.

The VVB is requested to remove the first sentence of Section 3.3 and clarify the different types of project description deviations discussed in this section. Furthermore, the VVB is also requested to add a footnote to “Deviation 1” that clarifies that the 10-year fixed crediting period was incorrectly applied, and that the 10-year, twice renewable crediting period currently applied is correct.

VVB Response: The Project Proponent has now added a footnote to the “Deviation 1” of Section 3.3 that clarifies that the 10-year fixed crediting period was incorrectly applied, and that the current 10-year, twice renewable crediting period is correct. The Section 3.3 of the verification report has been updated which describes different types of project description deviations. The VVB has also added a footnote in “Deviation 1” that clarifies that the 10-year fixed crediting period was incorrectly applied, and that the 10-year, twice renewable crediting period currently applied is correct.

Verra Response:

Section 3.2.2 of the monitoring report and Section 3.2 of the verification report was updated to include the above language. This finding is now closed and no further action is required.

Finding 4

The crediting period requirements under the *VCS Standard, v3.0* stated that a project proponent could select a 10-year twice renewable crediting period for non-AFOLU projects.

At the time of registration, the project proponent selected a crediting period between 31 March 2009 - 06 Jan 2011.

For the 01-October-2016 to 30-March-2019 monitoring period, the monitoring report states in Section 1.6 that the project proponent selected a twice renewable crediting period. However, according to

Deviation 1 in Section 3.2.2 of the monitoring report, the project proponent selected a 10-year fixed crediting period. Furthermore, the verification report for the same monitoring period states in Section 3.3 (Project Description Deviations) that the project proponent selected a ten-year fixed crediting period from 31-March-2009 to 30-March-2019.

For the 31-March-2019 to 30-June-2021 monitoring period, Section 4.1 of the verification report states "assessment team confirms that this is 1st verification in 2nd CP (overall 3rd verification) under VCS and covers the activity from 31-March-2019 to 30-June-2021 (inclusive of both dates). Thus, VCS 2nd crediting period should be 10 years till end date of crediting period. 31-March-2019 is the start date and 30-March-2029 will be the end date of the crediting period."

The VVB is requested to clarify the correct crediting period type.

VVB Response: According to Section 3.19.2 of the VCS Standard v4.0, Projects registered under other GHG programs are not eligible for VCU issuance beyond the end of the total project crediting period under those programs (see Section 3.8.7 for further information). In the Section 3.8.7 of the VCS Standard v4.0, it is stated that "Projects registered under other GHG programs are not eligible for VCU issuance beyond the end of the total project crediting period under those programs. For example, a CDM project with a seven year twice renewable project crediting period is not eligible for VCU issuance beyond the end of those 21 years. Where projects have been registered under more than one other GHG program, they are not eligible for VCU issuance after the date that is the earliest end date of all applicable project crediting periods." The present project activity VCS 927 - "13.75 MW wind power project in Davangere, Karnataka, India" is also registered under UNFCCC CDM Standard (project link: https://cdm.unfccc.int/Projects/DB/SGS-UKL1273659698.37/view). The second crediting period of the registered CDM project activity is 07-January-2018 to 06-January-2025 (https://tinyurl.com/4zn9cmz4) and the DOE form of the renewal of the crediting period.. So, technically, beyond 06-January-2025, the VCS project activity will not claim any VCUs. However, the VCS Project activity (VCS ID; 927) has renewed its crediting period and according to registered RCP PD (Version 03, Dated: 26-February-2021) of the same, the second crediting period is 31-March-2019 to 30-March-2029 (both dates included). According to Section 3.8.8 of the VCS Standard 4.0, "Where projects fail to renew the project crediting period, the project crediting period shall end and the project shall be ineligible for further crediting." However, the project is already renewed its crediting period and RCP PD for second crediting period has already has been registered.

Verra Response:

Based on the VVB responses, email correspondence between Verra and EKI Energy Services Ltd. and information provided above; it is clear that the stated 10 year, twice renewable crediting period is correct. This finding is now closed, and no further action is required.

Finding 5

Section 5.1 in the Monitoring Report Template requires project proponents to "Quantify the baseline emissions and/or removals, providing sufficient information to allow the reader to reproduce the calculation."

The project proponent is requested to provide additional and sufficient information that would allow a reader to understand and reproduce the calculation. The VVB is requested to assess the updates and to update the verification report, as needed.

VVB Response: Project Proponent has updated the Section 5.1 of MR and added the calculation procedure including step wise calculation of baseline emissions and explanation in accordance with the applied methodology and RCP PD. Verification report already contains the required information in

Section 4.4.

Verra Response:

Section 5.1 of the monitoring report has been updated to include sufficient information that would allow a reader to understand and reproduce the calculation. This finding is now closed, and no further action is required.

Finding 6
The project proponent is requested to edit the vintages provided in the Section 5.4 (Net GHG Emission Reductions and Removals) table, so that the first column includes the full day, month and year. The VVB is requested to assess the updates and to update the verification report, as needed.
VVB Response: Project Proponent has corrected the vintages in Table of Section 5.4 (net GHG Emission Reductions and Removals) in monitoring Report. Verification report already contains the required information in Section 5**.**
Verra Response: Section 5.4 of the monitoring report has been updated to yearly vintages in a day, month and year format. This finding is now closed, and no further action is required.

2. ASSESSMENT CONCLUSION

On 2 February 2022, Verra sent LGAI Technological Center, S.A. (Applus+ Certification), Sargam Retails Pvt. Limited, and EKI Energy Services Limited the project review report with six assessment findings and six minor finding.

On 25 March 2022, Verra closed finding 1, 2, 4, 5, and 6. Responses are required for any findings not closed (3).

On 11 April 2022, Verra closed all findings. No further action is required.