Voluntary Carbon Standard 2007.1 Validation Report Template

18 November 2008

Validation Report:

Name of Verification company:	Date of the issue:
Germanischer Lloyd Certification GmbH	10 June 2011
Report Title:	**Approved by:**
Additional Validation Report of 65MW Dagushan Hydropower Project In China	Mr. Markus Weber
Client:	**Project Title:**
Gansu Zhangye Dagushan Hydropower Co., Ltd.	65MW Dagushan Hydropower Project In China

Summary:

The validation team assigned by GLC (Germanischer Lloyd Certification GmbH) has performed a validation of the 65MW Dagushan Hydropower Project in China (hereafter referred to as "the Project") of Gansu Zhangye Dagushan Hydropower Co., Ltd. (the project proponent). The Project locates on Heihe river, Su'nan Yugu Autonomous County, Gansu Province, P.R. China. The validation is on the basis of Voluntary Carbon Standard (VCS) 2007.1 and UNFCCC criteria for the CDM (with CDM Registration no. 3045), as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 12 of the Kyoto Protocol, as well as the host country criteria.

The Project is a newly-built hydropower project with 65MW total installed capacity. The Project has been registered as a CDM project (No. 3045) with the starting crediting period from 09th May 2010.

According to VCS 2007.1 dated 18/11/2008 and a Policy Announcement of Further Guidance for Projects that are registered in Two GHG Programs issued by the VCS Association on 19/03/2008, the Project registered under CDM program is eligible to claim Voluntary Carbon Units (VCUs) generated prior to the registration date under CDM program. The starting date of electricity generation for the Project is defined as 22nd July 2009 in Project Description (PD), which is earlier than the Project being registered as CDM project (i.e. 09th May 2010, the starting date of crediting period of the Project under CDM). Thus, the crediting period of the Project from 22nd July 2009 to 08th May 2010 is

eligible to claim the VCUs which is in compliance with the Policy Announcement from the VCS Association.

Based on this announcement the validation for the Project under CDM program is to cover a validation of clauses 1.12, 1.13, 1.14, 8.1 and 8.2 set out in the VCS Project Description template and as an addendum to the CDM validation report of the Project for completion of VCS validation. The validation team validated the above mentioned clauses accordingly. Please refer to the following:

1.12 Demonstration to confirm that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction.

The Project a newly built hydropower project, which generates electricity by utilizing renewable hydro resources. Thus, GHG emission reductions can be achieved by avoiding CO_2 emissions from electricity generation of fossil fuel fired power in the project boundary (Northwest China Power Grid). No project emissions or leakage has to be considered as per ACM0002/ Version 10.

During on-site visit, the validation team observed that no diesel generator was installed in the project. All of generated electricity came from the 3 hydropower generators. In addition, no equipment transfer occurred in the project. Thus, no project emission or leakage happened to the project. The project operation did not lead to GHG emissions. The validation team confirms that the Project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction.

1.13 Demonstration that the project has not created another form of environmental credit (for example renewable energy certificates).

The project has been applied for as a CDM project and was registered on 9th May 2010. The project started construction in year 2006 and began generating electricity on 22nd July 2009. The suggested crediting period for pre-CDM registration VCUs under VCS 2007.1 started from 22nd July 2009 to 8th May 2010 which complies with VCS policy and has no overlap with any other form of environmental crediting period.

In addition, through document review (i.e. FSR, approval of FSR) and on-site interviews, no other environmental credits to be generated can be observed.

1.14 Project rejected under other GHG programs (if applicable):

The only GHG program that the Project applied is CDM program and it was registered on 9th May 2010. (Link: http://cdm.unfccc.int/Projects/DB/RWTUV1256040897.46/view)

8.1 Proof of Title:

The owner of the project is Gansu Zhangye Dagushan Hydropower Co., Ltd. Host Country LoA issued by NDRC of China indicates that Gansu Zhangye Dagushan Hydropower Co., Ltd. is authorized as China's participant to voluntarily participate and carry out the Project and is permitted to transfer the CERs to buyer, so Gansu Zhangye Dagushan Hydropower Co., Ltd. has the ownership of reductions from the project.
(Link: http://cdm.unfccc.int/filestorage/E/5/J/E5JA20UOIDK8ZXQTBRW9HLNCM46PS3/Dagushan%20HCA_.pdf?t=WUV8MTMwNzUyMzcxOC45Ng==|f79Csw8XP_xpauoh_YupMOxbCi0=)

8.2 Projects that reduce GHG emissions from activities that participate in an emissions trading program (if applicable):

The Project was only registered under CDM. The verification team confirmed that the emission reduction in the claimed crediting period under VCS program cannot be participated in CDM programme since the starting date of crediting period of the Project

under CDM is defined as 9th May 2010. No certified emission reductions (CER) will be granted for the emission reductions before the defined starting date of crediting period. The validation team also checked other GHG programs such as the Gold Standard and no information of the project was found.	
Work carried out by:	**Number of pages:**
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