

PROJECT REVIEW REPORT

This project review report includes findings raised during Verra's review of the project specified below. The VVB must address the findings before the project request can be considered for approval by Verra. The project review report will be made publicly available on the Verra Registry. Confidential information may be provided in separate attachments.

Project ID	1238
Project Name	AAC blocks project by Mohit Industries Limited
Review Type	Crediting period renewal and verification
Program(s)	VCS
Verification Period	1 Sept 2021 – 24 November 2022
Project Proponent	Big Bloc Construction Limited
Methodology	AMS-III.Z V6: "Switch, process improvement and energy efficiency in brick manufacture"
VVB	RINA Services S.p.a.
Assessment Criteria	Standard Version 4.7
Date of First Issue	17 February 2025
Date of Second Issue	14 August 2025
Review Conclusion	Closed
Date of Final Issue	30 December 2025

FINDINGS

#	Finding Description	VVB Response	Status
1	Increase in the production capacity <u>Issue</u> The monitoring report (MR) states that the production capacity was increased from 300,000 m3 per year to 360,000 m3/year. However: 1- The MR states that ERRs would only be accounted for the original 300,000 m3 capacity. Also, the discount was calculated on an annual basis production rate instead of on a maximum batch basis, which would better represent the production rate before the additional brick production due to the increased capacity. 2- The MR states that: "This should be noted that while calculating the monthly PLF based on the increased capacity, i.e. 360,000 cubic meter per annum, in some of the months the monthly PLF value has been gone up to close to 100%." However, in some months the production rate was more than 100% of the expanded production capacity. 3- The MR states that the expansion capacity has no impact on the additionality of the project, as additionality was demonstrated based on barriers. However, given that the plant will increase its income from selling the additional bricks produced, it is not clear why there is no impact on the barriers analysis. Further, it is not clear how the barriers are affecting the viability of the project, considering that the plant was expanded without claiming the benefit of the carbon credits. <u>Action Required</u> The VVB is required to ensure: 1. That the ERRs from the expansion capacity are	1.- <u>VVB Response</u> 1. The increased production after capacity enhancement is reflected in more number of batches as well as more units per batch. So, it would be difficult to make a correlation with number of batches pre and post capacity change. So, the approach applied by the project proponent on PLF/pro-rate basis is the most appropriate. Moreover, the project proponent has considered the entire quantity of raw material utilized for the whole quantity of ACC block produced during the monitoring period with the increased capacity (360,000 M3/year) for project and leakage emission calculation. This again makes the ER calculation more conservative. Hence, the approach applied by the PP to account the emission reduction for the decreased capacity (300,000 M3/year) is conservative and hence should be acceptable. 2. The details of the modifications done in the plant to increase the production capacity is now added by the PP in the revised PD as well as monitoring report. The assessment on the monthly PLF and annual PLF is now elaborated in section 3.2 of the revised verification report. 3. The financial analysis was not selected by the PP to demonstration additionality at the time of registration. The assessment on additionality is now elaborated in section 3.2 of the revised verification report.	Closed

	conservatively excluded from the calculation, and thus, no production batch could exceed the maximum estimated production before the expansion. Further, the VVB must ensure that the output calculation is based on the original plant layout and operating conditions. - The VVB must explain how the production rate can be higher than the maximum plant expanded capacity. Further, the VVB must ensure that the PD provides more information on what were the changes done to increase the capacity, such as an additional autoclave, additional, mixing chambers, etc. - The VVB must provide further explanation on how the additionality of the project was not impacted by the expansion of the capacity, given that the income of the project developer will increase from selling additional project bricks. In case that additionality is impacted, the VVB must ensure that the PP prepares a complete PD, and the VVB provides a complete validation of the revised PD. <u>Program Rule(s)</u> VCS Standard v4.7 section 3.21.2	<u>Verra Response</u> - The spreadsheet tab “ER Sheet (300000 Cu.mtr.Cap) still shows monthly PLF which is higher than 100% of the expanded production capacity. The VVB states that the reason behind this is a lower number of public holidays and availability of raw materials. However, given that the PLF is determined based on the actual production divided by the maximum production capacity (calculated based on the total working days), the value cannot exceed 100%. - Finding 2 is closed. - The VVB states that additionality is not impacted by the project given that the burned clay bricks are still the prevailing walling material, and that the share of the AAC blocks is negligible compared to the burned clay bricks. However, the VVB did not provide a clear reference to substantiate the penetration rate of the AAC blocks in the region. Also, the reference states that penetration rates differ in distinct geographical regions and also based on the type of building. <u>Action Required</u> The VVB is required to ensure: - That the ERRs are conservatively estimated based on a realistic PLF. - The VVB is required to provide a more detailed explanation on why it considers that the additionality is not impacted by the expansion of the project. The finding remains open. Round 2 <u>VVB Response (Pending)</u> - The verification team has observed that the high PLF in the initial months of capacity enhancement, particularly in the month of December 2021 was	
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		very temporary due the changes made in the plant in the manufacturing plant. The temporary increase in PLF beyond 100% is possible for a short period of time on account of sudden surge in demand or performance improvement of recent upgraded equipment in the plant. In the context of a brick factory, where production is often seasonal or responds to market demand, periods of high production leading to a PLF more than 100% is probable. However, a continuous PLF over 100% would be highly unusual and likely indicates a faulty assumption in the capacity calculation. As it could be noticed, the PLF for entire years (from September 2021 to August 2022) has been effectively calculated to be 87%. Thus, the verification team concludes that the PLF of 107% in the month of December 2021 is acceptable. This justification is also included in section 3.2 of the revised FVR submitted. 2. The additionality demonstration is now elaborated in the revised verification report to provide more information on penetration rate and prevailing barriers. This should be noted that the barrier analysis in the registered VCS PD was demonstrated based on the barriers faced in the entire host country, India, not region specific. Therefore, it's	
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		appropriate to consider the national context (entire host country) to re-assess additionality at the time of design change and renewal of crediting period of the project.	
		<u>Verra Response</u> This finding is closed based on VVB's confirmation.	
		Round 3	
		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	

2	Double claiming and Scope 3 emissions		
	<u>Issue</u> The MR section 3.11 states that the project is not double-claiming emission reductions and that the project does not affect the emissions footprint of other goods or services. However, it is not clear how the PP ensures that the consumers of the project bricks do not claim emission reductions from using lower carbon-intensive bricks in their inventories or the footprint of goods or services. <u>Action Required</u> The VVB must ensure that the MR provides more information on how the double claiming is avoided, and how the VVB verified the same. <u>Program Rule(s)</u> VCS Standard Section 3.24	Round 1 <u>VVB Response</u> The assessment on the same is now elaborated in section 4.1 of the revised verification report. <u>Verra Response</u> The revised monitoring report states that robust measures were established to ensure no double counting by consumers, however, those measures were not clearly explained. The VVB states that it checked other GHG Programs and that the quantity procured by each consumer would render it unfeasible to go through the registration and issuance process. However, the issue raised is regarding overlapping with Scope 3 emissions, that is, when consumers of the bricks also claim emission reductions from its supply chain, as required by the VCS Standard section 3.24. <u>Action Required</u> The VVB must ensure that the MR provides more information on how the double claiming of the emission reductions with the supply chain (Scope 3) emissions are avoided, and how the VVB verified the same. The finding remains open.	Closed
		Round 2	

		<u>VVB Response</u> (Pending) The project proponent has now included a statement on their website stating regarding this as required by the section 3.24.7 of the VCS standard, Version 4.7. <u>The information is included in the revised MR submitted by the project proponent. The assessment is also included in the revised verification report.</u>	
		<u>Verra Response</u> The link provided by the PP does not contain any information as required by section 3.24.7 of the VCS Standard v 4.7. The VVB must ensure that the PP provides the correct link and the same must be verified by the VVB.	
		Round 3	
		<u>VVB Response</u> The project proponent has now included a statement on their website under the <i>Environment</i> section, as required by the section 3.24.7 of the VCS standard, Version 4.7. The information is also included in section 1.11 of the revised MR. The weblink of the declaration is also updated in the revised verification report submitted.	
		<u>Verra Response</u> This finding is closed based on VVB's confirmation.	

3	Sustainable Development information		
	<u>Issue</u> The information provided in Table 1 of the MR regarding SD for target number 12.5 is not aligned with the information reported on the spreadsheet provided. <u>Action Required</u> The VVB must ensure that Table 1 is completed consistently with other project information. <u>Program Rule(s)</u> VCS MR template.	Round 1	Closed
		<u>VVB Response</u> Section 1.12 of the MR has now been updated with the required information by the project proponent.	
		<u>Verra Response</u> The value reported under target number 12.5 was updated to 174,904 MT of fly ash that was used to make the AAC blocks during the current monitoring period. This is the adjusted value of consumed fly ash based on the capacity before expansion. The finding is closed.	

4	Missing information in section 2	
	<u>Issue</u> The MR does not provide complete information under the following sections: 1. Section 2.1.4, as the MR does not provide information about grievances received during the current monitoring period. 2. Section 2.2: It is not clear how the section is “Not applicable”, considering the project activity could have negative environmental impacts on the people living in the area from the use of coal and other materials. Further, the MR does not provide an assessment of the impact of the raw materials used, such as its mining and transportation. 3. Section 2.3: The MR does not provide information on how discrimination and sexual harassment is being avoided, as well as proof to show that the “PP provides equal opportunities in the context of gender equity and pay for labor and work.” 4. Sections 2.3.2. and 2.3.3 does not include information to support the statements. <u>Action Required</u> The VVB must ensure that the MR is completed with enough details to demonstrate safeguards. Further, the VVB must ensure that the revised verification report includes an assessment of all point above. <u>Program Rule(s)</u> VCS Monitoring Report template.	Round 1 <u>VVB Response</u> 1. Section 2.1.4 of the MR has now been updated with the required information by the project proponent and necessary revisions are done in the verification report. 2. Section 2.2 of the MR has now been updated with the required information by the project proponent and necessary revisions are done in the verification report. 3. Section 2.3 of the MR has now been updated with the required information by the project proponent and necessary revisions are done in the verification report. 4. Section 2.3.2 and 2.3.3 of the MR have now been updated with the required information by the project proponent and necessary revisions are done in the verification report. <u>Verra Response</u> Finding 1 is closed. However, table under section 2.2 is not completed following the instructions, as the first column should include the risks, and the second the mitigation measures. However, the PP included the mitigation measures in the first column, without clearly describing the risks. For example, regarding risks identified for working conditions, the PP states that “PP has taken all measures to ensure proper working conditions by implementing EHS policy”. However, this is the mitigation measure, not the risk. Also, all declarations must be based on real on-site data. For example, the PP states that it is committed to no discrimination based on gender in job opportunities and wage distribution, however, there is no evidence provided, such as number of woman employed, Further, the assessment does not seem to include mining activities required to obtain the consumables, and its transportation and usage.
		Closed

		<u>Action Required</u> The VVB must ensure that the tables are completed following the instructions. The finding remains open. Round 2 <u>VVB Response</u> (Pending) Section 2.2 of the MR has now been updated with the required information by the project proponent. The necessary assessment is also incorporated in the revised verification report. <u>Verra Response</u> This finding is closed based on VVB's confirmation. Round 3 <u>VVB Response</u> (Pending) <u>Verra Response</u> (Pending)	
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5	Incorrect information in MR section 3.4		
	<u>Issue</u> Section 3.4 of the MR was completed marking both Yes and No. <u>Action Required</u> The VVB must ensure that the MR is completed correctly <u>Program Rule(s)</u> VCS Monitoring Report template.	Round 1 <u>VVB Response</u> The a typo error is now corrected by the project proponent in section 3.4 of the revised MR. <u>Verra Response</u> The inconsistent statement was corrected. The finding is closed.	Closed

6	Incorrect calculation of leakage emissions due to transportation of raw material		
	<u>Issue</u> The calculation of leakage emissions from the transportation of raw materials was performed considering only one trip for each kind of raw material transported during the monitoring period. However, Equation 5 on the approved PD requires	Round 1 <u>VVB Response</u> A specific type of raw material has been found to be procured from a specific location e.g. cement from Surat. So, accordingly the round-trip distance has been determined based on google earth application. The assessment on the same is already included in	Closed

	the calculation of the emissions for each freight transported f. Further, estimating that all raw material is transported on the same trip underestimates leakage emissions. <u>Action Required</u> The VVB must ensure that the emissions from raw material transportation are transparently calculated and are based on the equations and requirements in the approved PD, including the type of vehicle used, weight carried for each material, and number of trips. The VVB must ensure that the values are cross-checked with the purchased invoices as required by the PD page 46. <u>Program Rule(s)</u> Approved PD requirement	section 4.3 of the verification report. The calculation of the project emission due to transportation has been produced in the ER sheet applying the values of distance and the emission factor for the vehicle category selected. The vehicles used for the transportation are heavy vehicles, the assessment on which is now included in section 4.3 of the revised verification report. <u>Verra Response</u> Calculation of leakage emissions due to transportation was determined considering the emission factor for heavy-weight vehicles of 129 cCO₂/t-km, stating that vehicles with capacity greater than 3.5 tons are heavy weight in India. However, the PP applied the emission factors of CDM Tool 12, and this Tool defines light vehicles as those with a GVM less or equal to 26 tons. Thus, for those vehicles with a GVM of less than 26 tons, the default factor of 245 gCO₂/t-km must be applied. <u>Action Required:</u> The VVB must ensure that the emission factor applied are aligned with the requirements. The finding remains open. Round 2 <u>VVB Response</u> (Pending) The calculation of leakage emissions has been corrected in the revised ER sheet, using distinct emission factors for light and heavy-weight vehicles, as applicable. The assessment on the same is also revised accordingly in the revised verification report. <u>Verra Response</u> This finding is closed based on VVB's confirmation. Round 3 <u>VVB Response</u> (Pending) <u>Verra Response</u> (Pending)	
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7	Inconsistency between the MR and the spreadsheet		
	<u>Issue</u> 1. To calculate baseline emissions, the PP must determine the volume of cake (used to produce AAC bricks) produced. This was determined in the spreadsheet based on the number of cakes, and the value achieved was 113,961 m3 for the period between 1 Sept 2021 to 31 Dec 2021, and 262,454 m3 for the period 1 Jan 2022 to 24 Nov 2022 (check tab “Consumables”, cells H22 and H23). However, the reported values as per the monitoring report (page 26) are: 94,967 m3 from the period 1 Sept 2021 to 31 Dec 2021 and 218,712 m3 for the period 1 Jan 2022 to 24 Nov 2022. 2. Further, the PP and VVB state that the project would not account for ERRs from the additional capacity in the brick production. However, the calculation of baseline emissions as per tab “ER Sheet” does not include the reduction due to the project expansion, instead, baseline emissions are based on total production. <u>Action Required</u> The VVB is required to ensure consistent documentation. Further the VVB must provide detailed explanations of: - a.- How it cross-checked the values reported - b.- How it ensured the correct values were applied - c.- How it ensured that the calculations are within the materiality threshold, and that a reasonable level of assurance was achieved in the ERRs estimations. - d.- How the ERRs calculation was adjusted to disregard the effect of the plant expansion.	Round 1 <u>VVB Response</u> 1. There was a typo error in the values, which has now been corrected by the project proponent in section 4.2 of the revised MR. 2. The Project Proponent has now incorporated baseline calculation in the revised ER sheet based on the reduced production quantity calculated for the original capacity of 300,000 m3 per year. The assessment wherever applicable has been elaborated in the revised FVR submitted. <u>Verra Response</u> The documents were adjusted. The finding is closed.	Closed

	<u>Program Rule(s)</u> VVB Materiality requirements.		
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8	Cross-checking and reporting frequency		
	<u>Issue</u> 1.- The following parameters require a cross-check, but the information was not reported: - The total production of bricks, based on selling data information - The quantity of coal purchased and consumed based on invoices and inventory information - Cross-check of the electricity consumed based on invoices - Cross-check of cement purchased and consumed based on invoices and inventory data - Cross-check of fly ash purchased and consumed based on invoices and inventory data - Cross-check of lime purchased and consumed based on invoices and inventory data - Cross-check of gypsum purchased and consumed based on invoices and inventory data - Cross-check of cement purchased and consumed based on invoices and inventory data - Cross-check of aluminium purchased and consumed based on invoices and inventory data - Verification of the distance travelled based on invoices - Cross check of total freight based on invoices - Cross check of freight vehicles type based on weighbridge information 2.- The calculation spreadsheet does not provide all required information for a third party to replicate the calculations.	b.- <u>VVB Response</u> - The invoices for material procured are cross-checked by the verification team the assessment on which is already incorporated against each of the parameters where ever applicable. - The monthly values of the raw material procured are provided in the ER sheet by the project proponent which are directly used for the calculation. The source of the data and other related information are provided in the MR and the assessment against each parameter are already provided in the verification report. - The value for the parameter COEF was divided by 1,000 for calculating the leakage emissions in the ER sheet. - The monthly values of the parameters are provided in the ER sheet and the vintage wise values are provided in the MR due to space constraint. <u>Verra Response</u> - The VVB states that the reported values of the materials procured were sourced from the invoices, instead of using internal monitoring procedures and cross checking with the invoices, as required by the registered monitoring plan. Also, reported values of annual production of the facility should include the cross-checking procedures considering selling data and stock changes, which are not included in the information reported.	Closed

	a.- Calculation of project emissions based on raw material purchased and stock changes, for each of the raw materials used. b.- Further, it is unclear how the parameter COEF was applied considering that raw materials are reported in MT and coefficients are in kt. 3.- The methodology requires monthly reporting of the parameters. However, the reporting was done for every vintage year. <u>Action Required</u> The VVB must ensure that all information is transparently reported, including those required to cross-check the reported values, in a way that would allow third parties to replicate calculations. The VVB must provide a detailed explanation of the assessment performed to ensure that the reported values do not contain material errors. The VVB must ensure that all parameters are reported in the required frequency. <u>Program Rule(s)</u> VCS Materiality requirements for VVBs	2. Monthly reporting was included in the spreadsheet. This finding is closed. <u>Action Required:</u> The VVB must ensure that all information is transparently reported, including those required to cross-check the reported values, in a way that would allow third parties to replicate calculations. The finding remains open. Round 2 <u>VVB Response</u> (Pending) The Project Proponent has used plant-level data records, such as the logbook, as the primary data source. This data has been cross-checked with monthly stock records and raw material purchase invoices to ensure a complete material balance. Necessary revisions are carried out in the revised verification report where ever applicable <u>Verra Response</u> This finding is closed based on VVB's confirmation. Round 3 <u>Verra Response</u> (Pending)	
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9	Inconsistency in the values reported		
	<u>Issue</u> Some raw material consumption values reported in the MR section 4.2 are not consistent with the values reported in the spreadsheet. For example, (but not limited to these) coal consumed in the MR states 3.12 kt for the period 1 Sept 2021 to 31 Dec 2021 and 7.44 kt for the period 1 Jan 2022 to 24	Round 1 <u>VVB Response</u> There was a typographical error in the net production value of the facility, which has been corrected by the project proponent in Section 4.2 of the revised MR. However, the coal consumption value remains consistent in both the MR and the ER sheet.	Closed

	Nov 2022. However, the spreadsheet uses 2.5 kt and 7.59 kt for each of these periods. Further, in the spreadsheet provided, it is not clear the factor used to convert from kt and Mt.	Additionally, PP has applied the conversion factor by multiplying by 10 ³ to convert from kt to Mt.	
	<u>Action Required</u> The VVB must ensure that all reported values are consistent throughout the documentation. The VVB must provide a detailed explanation of the procedure carried out to ensure a reasonable level of assurance. <u>Program Rule(s)</u> -	<u>Verra Response</u> The spreadsheet was adjusted to the corrected values of the parameters. The finding is closed.	

10	Monitored parameters for coal		
	<u>Issue</u> As per the monitoring plan, the PP must monitor the EF and NCV of coal based on latest IPCC data. However, the PP still refers to 2006 IPCC, while this is not the latest available. <u>Action Required</u> The VVB must ensure that the PP applies the latest versions of the IPCC guidelines available. <u>Program Rule(s)</u> Approved PD requirements	Round 1	Closed
		<u>VVB Response</u> The project proponent has now updated the EF and NCV of coal based on latest IPCC report.	
		<u>Verra Response</u> (Pending)	
		Round 2	
		<u>VVB Response</u> The VVB confirmed that there were no changes in the default values applied in the latest IPCC guideline. The finding is closed.	

11	Calculation of project emissions from diesel consumption		
	<u>Issue</u> 1. The approved PD does not include the provision to monitor the diesel consumption for electricity generation but instead, requires the monitoring of the electricity generated. However, the PP included the	Round 1	Closed
		<u>VVB Response</u> 1. The deviation for the calculation of project emissions from diesel consumption was already taken in the previous verification and has now been included in section 3.2 of	

	calculation of project emissions from the diesel consumed, without requiring a PD deviation. 2. The Verification report states that: “It was confirmed that DG set was not being used during monitoring period owing to the fact there was a constant electricity supply from the grid as checked from electricity invoices.”. However, the PP did report diesel consumption during the monitoring period. <u>Action Required</u> 1. The VVB is required to ensure that the monitoring is aligned with the approved PD requirements, and if not, a PD deviation must be requested. 2. The VVB must provide a detailed assessment on how it verified the diesel consumption during the monitoring period, and why the VR states something different from the MR. <u>Program Rule(s)</u> Registered PD requirements	the revised MR. A separate monitoring parameter for diesel is also now included in the revised monitoring report. 2. There has been diesel consumption at project site for other purposes than electricity as well. The same is accounted in project emission. The assessment on the same is now included in the revised verification report. <u>Verra Response</u> 1. Previously approved deviations were included in the monitoring report, as required. This issue is closed. 2. The VVB states that there was diesel consumption at the project for other purposes other than electricity generation, however, the registered PD, section 3.2 states that there will be coal consumption on the autoclave boiler and diesel oil consumption in the diesel generators. This is also consistently reflected in the project boundary and project emissions in the registered PD. <u>Action Required:</u> The VVB must ensure that the project description is updated, and a project description deviation is requested, if necessary, to transparently report on all project fossil fuel consumption. The finding remains open. Round 2 <u>VVB Response</u> (Pending) The Project Proponent has taken the deviation for the same into account in Section 3.2 of the MR. <u>The assessment on the same is also included in section 3.2 of the revised verification report.</u> <u>Verra Response</u> This finding is closed based on VVB’s confirmation. Round 3 <u>VVB Response</u> (Pending) <u>Verra Response</u> (Pending)	
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12	Missing Assessment in the Verification Report section 4.2		
	<u>Issue</u> The verification report seems to repeat the same as the monitoring report, instead of providing information on how the VVB assessed the information reported. <u>Action Required</u> The VVB must ensure that the verification report provides a detailed explanation of the activities performed by the VVB to verify the reported information. <u>Program Rule(s)</u> VCS Standard 4.1.10	Round 1 <u>VVB Response</u> The assessment is now revised/elaborated in the revised verification report. The assessment on appropriateness and correctness of the ex-ante and ex-post parameters in line with registered PD has been provided in section 4.2 of the verification report. And the correctness of the formula/equations and the values used is provided in the section 4.2 of the verification report.	Closed
		<u>Verra Response</u> The VVB included the means of verification in the verification report. The finding is closed.	

13	Calibration		
	<u>Issue</u> 1. From the calibration information provided, there are some gaps in the calibration requirements. For example (but not limited) there is a gap in the calibration of the coal weighbridge from 9 Sept 2021 to 24 November 2021. 2. Some calibration information is missing in the MR, for example, the calibration of electricity meters. <u>Action Required</u> 1. The VVB must ensure that the reported values were measured using instruments calibrated as per the requirements. 2. All calibration information (calibration dates and requirements) must be included in the MR. <u>Program Rule(s)</u> Methodology AMS.III.Z	Round 1 <u>VVB Response</u> 1. The Project proponent has now considered calibration errors in the values recorded during the gap period (September, October and November 2021). The assessment on the same is also incorporated in the revised FVR. 2. The calibration details of the electricity meters have now been provided in the revised MR submitted by the project proponent.	Closed
		<u>Verra Response</u> Calibration information was included in the revised documents, and a conservative approach was applied to account for the delays in the calibrations. The finding is closed.	

14	Incomplete assessment of the specifications of the project bricks	
	<u>Issue</u> 1.- The PD section 1.8 defines the specifications of the project bricks. However, it is not clear if the AAC bricks is complying with the specifications, for example, regarding the % of each of the raw materials used. 2.- When proving regulatory surplus, the PD argues that the project uses more fly ash than that required by the regulations. However, this was not demonstrated in the monitoring report. <u>Action Required</u> The PP is required to include further information on the composition of each of the raw materials in the AAC blocks to show that the composition of the actual bricks is in accordance with table in PD section 1.8. Further, the PD must include an assessment that the AAC bricks produced during the monitoring period comply with the regulatory surplus argument used in the PD. The VVB is required to verify with the actual data that the composition is aligned with the PD requirements. <u>Program Rule(s)</u> Approved PD requirements	Round 1 <u>VVB Response</u> 1. The specification details have now been updated appropriately in section 3.1 of the revised MR submitted by the project proponent. 2. The demonstration of regulatory surplus is not necessary during verification and the same is not required to be included in the MR. <u>Verra Response</u> Information on the brick specifications, as stated in the PD, was included in the MR section 3.1 The VVB states that regulatory surplus is not necessary during verification, which is correct, however, it is not clear how the argument applied at registration (% of fly ash higher than that required by regulations) is ensured during the whole crediting period. However, based on actual brick composition, the regulatory surplus can be ensured, given that the percentage of fly ash is higher than 50% (minimum required by the national regulations). The finding is closed.
		Closed

Issues related to the crediting period renewal request:

15	Inconsistencies and incorrect information in the revised project description	
	<u>Issue</u> 1.- Section 1.4.1 of the PD refers to two GHG gases affected by the project: methane and CO2 from electricity displacement. However, it is unclear how these two sources of GHG are related to the project activity. Further, it refers to MSW and a landfill site that are not related to the project. 2. Page 54 of the revised PD states that: “Since the project is being implemented at a Greenfield location, paragraph 17 of the methodology AMS-III.Z Version 06 (Fuel Switch, process improvement and energy efficiency in brick manufacture) shall be used to determine baseline emission factor. The project activity uses paragraph 17 (c) to determine the baseline emission factor”. However, para 17 c) is not related to the above, as it states: “This methodology also refers to the latest approved versions of the following approved methodologies and tools “AMS-III.BG.: Emission reduction through sustainable charcoal production and consumption”, regulatory which is not related to the baseline emission factor. 3.- The PD section 4.1 states: “For this project activity, the lower range of the emission factor of 840 kgCO2/1000 for baseline bricks has been directly sourced from the document and used”. However, the range from the quoted literature is from 780 – 880 kg CO2/1000 clay brick, and thus, the selected value is not the lower range (as it was in the original registered PD). 4.- The revised PD section 4.1, first row in the table, the calculation of the emissions reductions is not aligned with the information of baseline, project and leakage emissions in the same row of the table. The same happens with the last row in the table. 5.- Section 4.2 of the revised PD (page 56) states that the sources of fossil fuel consumption include coal and diesel.	Round 1 <u>VVB Response</u> 1. Section 1.4.1 has now been updated with the required information. 2. There was a typo error in the para number, which has now been corrected in section 4.1 of the revised PD submitted by the project proponent. 3. Section 4.1 has now been revised to consider the latest information applicable for the 2nd crediting period. 4. Section 4.1 has now been updated with the correct information. 5. There was a typo error in the section, which has now been corrected in section 4.2 of the revised PD. 6. The statement has now been corrected in section 4.3 of the revised PD. 7. The distances of the raw material have now been corrected in section 4.3 and 5.2 of the revised PD. Please note that the source city and distance has kept same as the original approved PD by the project proponent. This is acceptable as the source city and distance for the raw material is subject to change during the actual operation of the project. 8. There was a typo error in the section, which has now been corrected in section 1.18 of the revised PD. 9. There was a typo error in the section, which has now been corrected in section 2.1.2 of the revised PD by the project proponent. <u>Verra Response</u> 1. References to MSW, electricity generation and methane from landfill site was removed from the revised
		Closed

	However, the calculations in page 59 include emissions from furnace oil, and its not clear if emissions from coal were included in the calculation. 6.- Section 4.3 of the PD, in the second row of the table, the explanation provided to the right has no relation to what is stated in the left. 7.- The revised PD states that the raw materials are sourced from the same cities as the original approved PD, however, the distances are very different. For example, the cement is transported from Magdalla, Gujarat as per the approved and revised PDs, however, the distance in the approved PD is 300 km for the round trip, while it is 750 km for the new revised PD. Same happens with other raw materials. 8. It is not clear why section 1.18 of the revised PD refers to the current monitoring period, while the PD must refer to the conditions for the crediting period. 9. In section 2.1.2 of the revised PD, it is unclear why this section of the revised PD refers to “the project activity that involves electricity generation using biogas produced by treating poultry litter with the primary objective of reducing emissions of GHGs in compared, as the project description is completely different to that described. <u>Action Required</u> The VVB must ensure that the revised PD is completed consistently and that the information provided and quotations, references, formulas, etc. are correct. <u>Program Rule(s)</u> =	document. This finding is closed. - The reference was adjusted. However, the baseline scenario is not aligned with the methodology requirements. This will be followed in Finding 25. - The revised documentation provides a different source to establish the baseline emission factor, however, it is not clearly referenced, and it is not clear how this complies with the VCS requirements. This will be followed under finding 25. - Calculations in section 4.4 were updated, however, the values obtained are still not consistent. This finding remains open. - The reference to furnace oil and natural gas was removed from the revised PD. This finding is closed. - The document was updated to provide a clear explanation. This finding is closed. - The distances were updated based on the information from the original PD. However, it is still unclear if the reported origin locations are updated based on the latest information available, as the information reported is not aligned with that reported as part of the verification. The finding remains open. - The document was updated; this finding is closed. - The revised PD was updated removing the reference to biogas an electricity generation. This finding is closed. <u>Action Required:</u> The VVB must ensure that all information is consistent in the project documents. The finding remains open as findings 4 and 7 are not closed. Round 2 <u>VVB Response</u> (Pending) - The values are now corrected in the in section 4.4 of the revised PD and Estimated ER sheet submitted by the project proponent. The values are also updated in	
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		the revised validation report. 7. The distances of the raw materials have been updated based on the plant record for the duration 01/11/2021 to 31/10/2022 (which is the latest complete annual cycle of data available before the commencement of this (2nd) crediting period), The revisions have been carried out in Sections 4.3 and 5.2 of the revised PD. The assessment is also revised in section 3.3.4 of the validation report.	
		<u>Verra Response</u> This finding is closed based on VVB's confirmation.	
		Round 3	
		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	

16	Incomplete project description		
	<u>Issue</u> 1.- Section 1.12 of the PD does not include a complete description of the equipment needed to produce the project bricks, such as the amount of each equipment installed, technical parameters of the different equipment, etc. 2.- Also, section 1.12 does not include a layout of the plant, including the location of the monitoring equipment. 3.- It is not clear why the specifications of the AAC blocks are worse than in the registered PD: for example, the original compressive strength was defined as greater than 3.75 N/mm² (as per the Indian Standard – IS 2185) and the latest version of the PD defines the compressive strength as greater than 3 N/mm². 4.- It is not clear why only the compressive strength is used to ensure that the service level of the AAC brick	Round 1 <u>VVB Response</u> 1. Description of the equipment has been provided in section 1.12 of the revised PD submitted by the project proponent. 2. Layout of the plant has been included in section 1.12 of the revised PD. 3. There was a typo error in the value of the compressive strength, which has now been corrected in section 1.12 of the revised PD. 4. The justification in the same is now elaborated in section 3.2 of the revised PD submitted by the project proponent. 5. Section 1.12 has now been updated with the required information. <u>Verra Response</u> 1. Section 1.12 was updated with a detailed description of equipment and steps involved in the process. 2. Layout was included.	Closed

	is comparable or better than the baseline brick, as required by para 11 of the methodology. 5.- There is no information regarding the additional equipment required to expand the capacity from 300,000 m3 per year to 360,000 m3 per year. <u>Action Required</u> The VVB must ensure that the PD is completed to provide a full description of the project equipment, together with the technical specifications and number of equipment installed. <u>Program Rule(s)</u> VCS PD Template	3. Minimum compressive strength was corrected aligned with the National requirements. 4. Section 3.2 of the revised PD just mentions that “it can be demonstrated that the service level of the project bricks is better than the baseline brick”, however, justification was not provided. This finding remains open under the applicability requirements (finding 22) and is closed here. 5. Explanation on the capacity expansion was included in the revised PD. The finding is closed.	
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17	Lifetime of the project activity		
	<u>Issue</u> The original approved PD states that the “estimated lifetime for the project is around 15 years”. However, the project is requesting a renewal of the crediting period for a period of additional 10 years, after 10 years of operation. Thus, it is not clear how it is expected to produce the bricks for 10 more years. Further, it is not clear why the statement on the lifetime of the project was removed from the revised PD without further explanation. <u>Action Required</u> The VVB is required to ensure that all information is reported transparently in the revised PD, including the information on the project lifetime. Further, the VVB must provide a complete assessment of the technical lifetime of the project equipment. <u>Program Rule(s)</u> =	Round 1 <u>VVB Response</u> Lifetime of the project activity has been included in section 1.12 of the revised PD. The assessment on the project lifetime is now included in section 3.1 of the validation report. <u>Verra Response</u> The revised PD does not provide a clear explanation regarding the change in the information on the project lifetime. Further, the revised validation report section 3.1 does not provide any further information regarding the assessment on the project lifetime. <u>Action Required:</u> The VVB must provide a detailed description of the assessment performed regarding the change in the project lifetime. The finding remains open. Round 2 <u>VVB Response</u> (Pending) The project proponent has considered the life of the project as 25	Closed

		years based on the specification provided by the equipment supplier. The information on the same is now incorporated in the revised MR submitted by the project proponent. The assessment on the same is now included in the revised validation report.	
		<u>Verra Response</u> This finding is closed based on VVB's confirmation.	
		Round 3	
		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	

18	Impact of the increased capacity on the additionality of the project		
	<u>Issue</u> The revised PD section 1.12 states that the increase in the capacity has no impact on the additionality of the project, however, given that there is an increase in the income from the selling of the AAC blocks, it is not clear why the additionality is not impacted.	Round 1 <u>VVB Response</u> The Project Proponent selected the barrier analysis approach at the time of project registration; therefore, the change in production capacity does not affect the project's additionality. The section 1.12 of the PD is now revised by the project proponent suitably. The assessment on the same is also elaborated in section 3.1 of the revised validation report.	Closed
	<u>Action Required</u> The VVB must provide further explanation on how the additionality of the project was not impacted by the expansion of the capacity, given that the income of the project developer will increase from selling additional project bricks. In case that additionality is impacted, the VVB must ensure that the PP prepares a complete PD, and the VVB provides a complete validation of the revised PD.	<u>Verra Response</u> Section 1.12 of the PD does not provide a convincing argument to ensure that the expansion of the project has no impact on the additionality. Even if additionality was proven using barrier due to prevailing practice, the VVB must ensure that the PD provides a convincing argument that the additionality is not impacted, and if impacted, how the barrier is still valid, as required in section 3.21.2 of the VCS Standard.	
	<u>Program Rule(s)</u> VCS Standard 3.21.2	<u>Action Required:</u> The VVB must ensure that the PD provides a convincing argument that the additionality is not impacted. The finding remains open.	
		Round 2	

		<u>VVB Response</u> (Pending) The justification is now elaborated in section 1.12 and 3.4 of the VCS PD. The necessary assessment on the same is also included in the revised validation report.	
		<u>Verra Response</u> This finding is closed based on VVB's confirmation.	
		Round 3	
		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	

19	Missing information on laws and regulations applicable to the project activity		
	<u>Issue</u> Section 1.15 of the PD lists only the permissions granted to the PP at the time of registration in 2012, plus an additional one due to plant expansion. However, the revised PD must include further information on laws and regulations that affect the project activity. <u>Action Required</u> The VVB is required to ensure that section 1.15 of the revised PD is completed with all applicable laws and regulations relevant to the project activity in the country/region. <u>Program Rule(s)</u> =	Round 1	Closed
		<u>VVB Response</u> The new approvals and permissions received for the project are now incorporated in the section 1.15 of the revised PD submitted by the project proponent.	
		<u>Verra Response</u> The VVB confirmed that the revised PD includes all laws, regulations and clearances from relevant Indian authorities. The finding is closed.	

20	Double claiming and Scope 3 emissions in revised PD		
	<u>Issue</u> The revised PD states that the project is not double-claiming emission reductions and that it does not affect the emissions footprint of other goods or services. However, it is not clear how the PP ensures that the consumers of the project bricks do not claim emission reductions from using lower carbon-intensive bricks in their inventories or the footprint of goods or services.	Round 1	Closed
	<u>Action Required</u> The VVB must ensure that the PD provides more information on how the double claiming is avoided, and how the VVB verified the same.	<u>VVB Response</u> The assessment on the same is now incorporated in section 3.1 of the revised validation report.	
	<u>Program Rule(s)</u> VCS Standard Section 3.24	<u>Verra Response</u> Section 3.1 of the verification report was updated to reflect that the project involves the production of AAC blocks and not power generation. However, it is still not clear how the VVB can ensure that the consumers of the project’s bricks will not claim emission reductions from the use of the bricks, as required by the VCS Standard section 3.24.	
		<u>Action Required:</u> The VVB must ensure that the PD provides more information on how the double claiming is avoided, and how the VVB verified the same. The finding remains open.	
		Round 2	
		<u>VVB Response</u> (Pending) The project proponent has now included a statement on their website stating regarding this as required by the section 3.24.7 of the VCS standard, Version 4.7. <u>The information is included in the revised PD submitted by the project proponent. The assessment is also included in the revised validation report.</u>	
		<u>Verra Response</u> The link provided by the PP does not contain any information as required by section 3.24.7 of the VCS Standard v 4.7. The VVB must ensure that the PP provides the correct link and the same must be verified by the VVB.	
		Round 3	
	<u>VVB Response</u> The project proponent has now included a statement on their website under the <i>Environment</i> section, as required by the		

		section 3.24.7 of the VCS standard, Version 4.7. The information is also included in section 1.8 of the revised PD. The weblink of the declaration is also updated in the revised validation report submitted.	
		<u>Verra Response</u> This finding is closed based on VVB's confirmation.	

21	Risk Analysis		
	<u>Issue</u> Sections 2.2 and 2.3 of the revised PD do not describe in full the risk analysis performed to ensure that there are no risks identified. Further, several sections are marked as “not applicable”, however, it is not clear why those were considered as not applicable. <u>Action Required</u> The VVB must ensure that all sections of the revised PD are completed following the template requirements. <u>Program Rule(s)</u> VCS PD Template	Round 1 <u>VVB Response</u> Section 2.2 and 2.3 has now been updated by the project proponent with the required information. <u>Verra Response</u> The updated PD contains more information on sections 2.2 and 2.3 related to project risks. However, the table explains the mitigation measures in the column related to “risks identified. For example, the measure “PP has implemented a policy on sexual harassment” is included in risk identified, not in the mitigation measures column. <u>Action Required:</u> The VVB must ensure that the PD is completed following all instructions. The finding remains open. Round 2 <u>VVB Response</u> (Pending) Section 2.2 and 2.3 of the PD has now been updated with the required information by the project proponent. The assessment on the same is also revised in the validation report. <u>Verra Response</u> This finding is closed based on VVB's confirmation. Round 3	Closed

		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	

22	Applicability of the methodology		
	<u>Issue:</u> 1.- In order to justify the applicability based on the methodology requirement Para 4, the PD states that the project has been implemented at an existing facility, hence not applicable. However, the applicability condition is for all projects, both greenfield and not, and refers to how emission reductions are achieved. 2.- When demonstrating compliance with applicability condition in the methodology Para 5, the PD states that it complies with Para 19 of the last version of the guideline. However, paragraph 19 of the Guideline does not apply to the project activity. Further, it is not clear how the Guidance requirements have been demonstrated. 3.- When describing compliance with para 10, the PD does not assess it in line with the methodology and CDM Tool 11 requirements, as the applicability conditions of the methodology shall be assessed in full at the time of crediting period renewal, as required in the VCS Standard section 3.9.8 (3). Further, the quoted documentation shall be valid at the time of the renewal request, however, the PD refers to a document from 2010.	Round 1 <u>VVB Response</u> 1. Applicability condition of Para 4 has now been updated with the required information. 2. There was a typo error in the reference number of Para, which has now been corrected in section 3.2 of the revised PD. 3. Applicability condition of Para 10 has now been updated with the required information. 4. There was a typo error in the value, which has now been corrected in section 3.2 of the revised PD. 5. Applicability condition of Para 12 has now been updated with the required information. 6. There was a typo error in the sentence, which has now been corrected in section 3.2 of the revised PD. 7. There was a typo error in the sentence, which has now been corrected in section 3.2 of the revised PD.	Closed
		<u>Verra Response</u> 1. Applicability condition of para 4 was updated. This finding is closed. 2. Para 5 of the methodology requires that new facilities must comply with the “General Guidelines for SSC CDM methodologies”. However, it is still not clear how section	

4.- Compliance with para 11: The PD states that "the compressive strength of the lowest class of clay bricks is 3.5 N/mm², while the compressive strength of AAC blocks as taken from laboratory test certificate of MIL is 3.0 N/mm², which is more than the compressive strength of lowest class of baseline bricks". It is not clear how this is in accordance with the requirement that states: "bricks that have compressive strengths lower than the lowest class bricks in the standard are not eligible under this methodology." Further, it is not clear why only the compressive strength is used to ensure that the service level of the ACC bricks is the same or better than the baseline clay bricks. Finally, the assessment of the compressive strength shall be done by an independent laboratory, and not the project's one. 5.- Compliance with para 12: The PD states that: "There is no local regulation by any government authority that regulates the brick manufacturers to install any specific technology of brick manufacturing". However, the original PD states that: "As per MOEF Notification dated 14th September 1999 and its amendments dated 27th August 2003 and 3rd November 2009, use of 50% fly ash in brick manufacturing units set up within 100 km of a coal or lignite based thermal power plant is mandatory." Thus, it is not clear why all local regulations were not assessed in the applicability condition. 6.- Compliance with applicability condition of Tool 3: The PD states that there is no fossil fuel consumption from this project activity. However, the project consumes coal for the production of steam, and the PD mentions as well the consumption of diesel and furnace oil.	4.11 of the mentioned guidelines, including the 4 steps procedure, were demonstrated in the determination of the baseline scenario, as the production values and arguments applied are not substantiated by peer-reviewed literature sources that are valid at the time of the renewal request. In the demonstration of Step 2, the VVB must ensure that all applicable laws and regulations are analysed and a complete assessment is required based on information at the time of the renewal of the crediting period, including regulations within 100 km of a thermal power plant. Further, the VVB must ensure that all requirements are followed, including Step 3, which include the requirement to rank alternatives taking into account barriers, which should be based on information available at the time of the renewal of the crediting period. This finding remains open. 3. The revised PD still does not address the requirement under para 10 of the methodology, as the report quoted in the revised PD to demonstrate surplus of raw material is from 2011 and 2012, which is outdated information. Also, the VVB must ensure that the documents use information in the region of the project activity, and not country-wise. This finding remains open. 4. Information regarding the compressive strength was included in the revised description, and the minimum required was updated. However, to ensure compliance with para 11 (a), that is, that project blocks shall be comparable or better than the baseline brick, the VVB must ensure that: a) the requirements of the latest Indian Standard is referenced in the PD b) all specifications required by the national regulations, including the Bureau of Indian Standards, are included in the revised PD and c) at least the dry compressive strength, wet compressive strength	
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	7.- Compliance with Tool 5, para 5 and 6: the PD states that the project activity instances do not have a non-renewable component. However, its not clear why the PD refers to instances if this is not a grouped project. Further, the PD states that the instances supply electricity to consumers, which is not aligned with the rest of the PD. <u>Action Required</u> The VVB must ensure that a complete and detailed assessment is provided for each of the applicability conditions of the methodology in a revised PD. Further, the VVB must provide its own detailed assessment on how it validated that the project complies with each of the applicability conditions of the methodology. <u>Program Rule(s)</u> VCS Standard section 3.9.8 (3)	and density must be monitored every 6 months, following the procedure set out in the standard IS2185 (part 3) or newer, from a nationally approved laboratory and d) all requirements set out in the UNFCCC clarification SSC_518. This finding remains open. 5. The revised PD was corrected to include information on the regulation that requires the use of at least 25% fly ash for units set up within 100 km of a coal or lignite power plant. The revised PD argues that there is widespread non-compliance of the regulation, however, there is no proper evidence provided of the non-compliance. Further, given that the regulations relate to brick manufacturing facilities within 100 km of a thermal power plant, the non-compliance must be assessed within the required area, and not at national level. On the other hand, the information provided in the revised validation report seems to argue that the regulation is not applicable given that it applies to conventional brick manufacturers and not manufacturers using fly ash, however, this argument is not clear and it is not aligned with the VCS requirement to reassess regulatory surplus at the renewal of the crediting period. Finally, it is not clear why this section of the PD refers to a requirement of 25% of fly ask, while page 47 of the revised PD refers to a requirement of 50% fly ash. The finding remains open. 6. The applicability condition was adjusted considering coal and diesel consumption. However, the validation report states that there is no fossil fuel consumption. This finding remains open. 7. The PD was updated based on the project activity. This finding is closed. <u>Action Required:</u>	
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		The VVB must ensure that all applicability conditions are justified and a complete assessment of all conditions must be included in the revised PD and VR. The finding is open. Round 2 <u>VVB Response</u> (Pending) 2. Applicability condition of Para 5 has now been justified with the required information in section 3.2 and 3.4 of the revised PD. The assessment in the same is also revised in the validation report. 3. The applicability condition under Para 10 has been defined based on updated information, as the Project Proponent (PP) has chosen Step 2, Approach 1 of the methodology. This approach specifies that the quantity of material must be at least 25% greater than the demand for such materials, or that alternative materials must be available for at least one year prior to project implementation. The project was implemented on 25/11/2012, which means the surplus availability must be demonstrated for the year prior to that. The PP has substantiated the surplus availability of waste materials (used as raw materials in the project activity) based on the Fly Ash Report 2021–22, published by the Central Electricity Authority, Government of India. According to Table XIX on page 44 of the report, the total utilization of fly ash in the year 2011–12 was 58.48%, indicating a surplus availability of 41.52%. This confirms compliance with the applicability condition as of the project implementation year. Additionally, as per Paragraph 10 of the methodology, the Project Proponent is also allowed to demonstrate that additive materials are readily available in sufficient quantities within the country. 4. Applicability condition of Para 11 has now been justified with the required information in section 3.2 of the revised PD. The assessment is also revised accordingly	
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		in the verification report. 5. The justification is now revised in the PD. The section 3.4, baseline scenario is also revised by the project proponent to address the discrepancies. 6. The same is now corrected in the revised validation report. <u>Verra Response</u> This finding is closed based on VVB's confirmation. Round 3 <u>VVB Response</u> (Pending) <u>Verra Response</u> (Pending)	
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23	Transparency in the calculations of baseline, project and leakage emissions in the PD		
	<u>Issue</u> The calculations of baseline, project and leakage emissions in the PD does not allow for a third party to replicate the calculations. Also, assumptions applied for the calculations were not transparently described in the submitted PD. Further, there are inconsistencies between the PD and the spreadsheet provided in how some values are determined, for example (but not limited), the emission from electricity imports, as the PD states that "The default emission factor of 1.3 tCO₂/MWh is used", however, the spreadsheet uses the grid emission factor. <u>Action Required</u> The VVB must ensure that the PD provides all calculations of baseline, project and leakage emissions to allow a third party to replicate all calculations. Further, the VVB must ensure that a calculation spreadsheet is provided for all calculations related to the crediting period renewal request. The VVB is required to provide a revised validation report	Round 1 <u>VVB Response</u> The project proponent has now provided a detailed description of the calculations for baseline, project, and leakage emissions in the revised PD. The project proponent has also corrected the calculations and ensured consistency of the values in both the revised PD and the ER sheet. The assessment on the same is also revised/elaborated in the validation report where ever applicable. <u>Verra Response</u> The calculations in the PD are still unclear. Further, as a response to the review round 1, the emission reductions achieved by the project more than doubled the original submission, and there is no explanation on the substantial increase from 21,917 tCO₂/year to 54,136 tCO₂/yr. This is even more unclear given that the PD and VR state that the same baseline clay emission factor would be applied during the second crediting period as that applied during the first crediting period, and that the emission reductions from the increase in the capacity would not be claimed (however, project emissions related to the increase in the transportation of raw material will be included).	Closed

	including all calculations procedures and how the VVB cross checked the information provided. <u>Program Rule(s)</u> PD template requirements	<u>Action Required:</u> The VVB must ensure that all calculations, procedures, assumption and validation procedures are clearly included in the revised documents. Further, explanations regarding the substantial increase in the achieved emission reductions must be included in the revised documents. The finding remains open. Round 2 <u>VVB Response (Pending)</u> In the initial submission, project emission due to FO was considered which is not applicable. Thus, project emission part on account of FO was removed during 1st round PRR response. Additionally, the electricity consumption was also revised to consider the latest actual consumption during November 2021 to October 2022 to make it consistent with other raw materials. The project emission due to consumption coal and diesel was also included in the response to round 1 PRR comments which was earlier not considered. The project emission was reduced from 60,450 tCO₂ to after these corrections.22,269 TC02. There were other revisions based on round 1 comments such as the quantity of raw materials and transportation distance of raw materials. The quantity of raw material consumed was earlier calculated based on the increased capacity and specific consumption as per the registered PD. The correction in this regard was done to considered the initial capacity of 300,000 M3 and actual plant record from November 2021 till October 2022. Similarly, round distance was also revised. All these factors resulted in the leakage emission to reduce from 59,173 tCO₂ to 31,450 tCO₂ (in the 1st PRR round) and to 30,579 (in the current-2nd PRR round) The emission factor for fire clay bricks was reduced to consider the lower value of as per the registered VCS PD. This resulted in reducing the baseline emission from 141,523 tCO₂ to 10,7811 tCO₂.	
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		The net increase in emission reduction has been from 21,917 tCo2 to 54,136 tCO2 (in the 1st PRR round) and to 55,007 (in the current-2nd PRR round). <u>Verra Response</u> This finding is closed based on VVB's confirmation. Round 3 <u>VVB Response</u> (Pending) <u>Verra Response</u> (Pending)	
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24	Project Boundary		
	<u>Issue</u> It is not clear why the revised PD does not include emissions due to the raw material production and transportation, as it was included in the original PD, and how this is aligned with the methodology. <u>Action Required</u> The VVB is required to ensure that all GHG sources are included in the project boundary. Further, the VVB must ensure that the validation report includes a detailed explanation of the assessment performed by the VVB to ensure that all GHG are included in the project boundary. <u>Program Rule(s)</u> Methodology AMS-III.Z	Round 1 <u>VVB Response</u> The emissions due to the raw material production and transportation have been included in section 3.3 of the revised PD by the project proponent. <u>Verra Response</u> The PD was revised to include the missing GHG sources, however, the validation report was not updated. <u>Action Required:</u> The VVB must ensure that the VR is updated accordingly The finding remains open. Round 2 <u>VVB Response</u> (Pending) The same is now updated in the revised validation report. <u>Verra Response</u> This finding is closed based on VVB's confirmation. Round 3 <u>VVB Response</u> (Pending) <u>Verra Response</u> (Pending)	Closed

25	Update baseline scenario and parameters		
	<u>Issue</u> 1. As per the VCS Standard section 3.9, when renewing the crediting period, the PD needs to update the baseline scenario and parameters. However, section 3.4 of the revised PD is a textual copy of the previous PD, including the same figures and references, even if those references refer to the situation before project registration, more than 10 years ago. 2. The parameters applied to define baseline emissions in the revised PD section 3.4, such as the baseline CO2 emission factor per clay brick, are the same as those in the original PD and sourced from a report from 2003 (link in footnote 16), which is not representative of the baseline situation at the time of the crediting period renewal. 3. Further, even if the source of the CO2 emissions factor of clay bricks is the same as that used in the original PD, given that the source provides a range, while the original PD applied the more conservative value within the range (lower emission factor per unit of clay brick), the revised PD applied the average value, resulting in a higher baseline than in the registered PD. <u>Action Required</u> The VVB must ensure that the baseline scenario and parameters are reassessed and updated based on the more recent information available. The VVB must ensure that the CDM Tool 11 is followed when reassessing the baseline scenario and to update the emission factors. Further, when doing so, the most conservative option shall be chosen. <u>Program Rule(s)</u> VCS Standard section 3.9.8	Round 1 <u>VVB Response</u> 1. The project proponent has now updated the parameters considering the latest information available in the revised PD submitted. The assessment on the same is now incorporated in the revised validation report. 2. The values are now updated in the revised PD submitted by the project proponent. 3. The values are now updated in the revised PD submitted by the project proponent and necessary assessment is provided in the revised validation report. <u>Verra Response</u> The assessment under Table B.4.1 remains unchanged from the original PD. The finding remains open. Further, under Step 2 the revised PD states that “All the baseline alternatives identified under step 1 above, are in compliance with local laws and regulations”, however, it is clear that clay bricks are not allowed in the 100 km radius. Finally, the prevailing practice barrier has not been demonstrated based on the requirement in the project region. Further on, the CDM Tool 11 to identify the baseline scenario and update the emission factors is incorrectly applied, between others, as the current identified baseline (manufacture of clay bricks) is not in compliance with all national regulations, as required under Step 1. <u>Action Required:</u> The VVB must ensure that the baseline scenario and parameters are reassessed and updated based on the more recent information available. The VVB must ensure that the CDM Tool 11 is followed when reassessing the baseline scenario and to update the emission factors.	Closed

		The finding remains open.	
		Round 2	
		VVB Response (Pending) The table B.4.1 in the revised PD is now updated by the project proponent, the assessment of which is also revised accordingly.	
		Please note the MoEF guideline mandates only the traditional fire clay brick manufactures to use up to 25% of fly ash if located within 100 km of the radius of a coal based thermal power plant. 85% of the bricks produced in India are still fire clay brick. Thus, the fire clay brick is still the baseline for the project. The assessment in section 3.3.4 is also revised.	
		However, since a brick manufacturer can only produce the brick using the clay up to a maximum of 75%, the verification team assessed that the issuance of VCUs shall be capped at maximum of 75% considering the actual scenario of presence of coal or lignite-based power plant and their operational status during the monitoring period. A FAR (FAR 01) is thus raised by the validation team in the report.	
		<u>Verra Response</u> This issue will be closed based on VVB's response to finding #26. This issue remains open for now.	
		Round 3	
		<u>VVB Response</u> This finding is closed based VVB's confirmation on finding #26.	
		<u>Verra Response</u> (Pending)	

26	Regulatory Surplus		
	<u>Issue</u> The PD section 3.5 states that: "There is no regulation in the state of Gujarat from the Central Government of India, which mandates the installation of an AAC blocks manufacturing	Round 1	Closed
		<u>VVB Response</u> There was a typo error in the section, which has now been corrected in section 3.5 of the revised PD. The assessment on	

	plant, nor is there any mandate that prevents the manufacturing of bricks through conventional processes. Thus, the project activity is not mandated by any state or national agency of India". However, the approved PD refers to an approved regulation that requires the use of fly ash: "As per MOEF Notification dated 14th September 1999 and its amendments dated 27th August 2003 and 3rd November 2009, use of 50% fly ash in brick manufacturing units set up within 100 km of a coal or lignite based thermal power plant is mandatory." Further, the approved PD states that "it should be noted that MIL's plant is located within 100 km radius of a coal-based thermal power plant". The PD must provide more information on this requirement. <u>Action Required</u> The PP must provide a detailed assessment on how the regulatory surplus has been demonstrated by the project activity. The VVB must ensure that all information is validated. Further, the revised validation report shall include a detailed description of the analysis and procedure performed to ensure the regulatory surplus of the project. <u>Program Rule(s)</u> VCS Standard section 3.9.8	regulatory surplus is now provided in detail in section 3.3.4 of the revised validation report. <u>Verra Response</u> Section 3.5 of the revised PD (page 58) still mentions that: "There is no regulation in the state of Gujarat from the Central Government of India, which mandates the installation of an AAC blocks manufacturing plant, nor is there any mandate that prevents the manufacturing of bricks through conventional processes", which is not correct, as mentioned in the finding. <u>Action Required:</u> The VVB must ensure that the PP addresses the issues in the revised documentation before submitting for the next round. The finding remains open. Round 2 <u>VVB Response</u> (Pending) The same is now corrected in the revised PD submitted by the project proponent. <u>Verra Response</u> Section 3.5.1 of the PD still states that the project activity is not mandated by law. Further, section 3.3.5 of the validation report still states that, "There is no regulation in the state of Gujarat from the Central Government of India, which mandates the installation of an AAC blocks manufacturing plant, nor is there any mandate that prevents the manufacturing of bricks through conventional processes." Round 3 <u>VVB Response</u> Please note that there is no prevailing law, statute, or other regulatory framework in the host country which enforce the project proponent to implement the AAC block project. The MNRE notification on usage of 25% fly ash in brick manufacturing units set up within 100 km of a coal or lignite based thermal power plant is applicable once a brick manufacturing plant is set up. In other	
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		words, setting up a brick manufacturing plant itself (be it fly ash based or clay based) is not mandated for anybody (including the project proponent) to implement. This is entirely voluntary. So, this is correct in this regard to say that the project is not mandated by law. Thus, the VVB is in the opinion that in section 3.5.1 of the PD, the 2nd checkbox point should be checked as “No” and none of the 3rd checkbox point should be checked as the 2nd checkbox point is checked as “No” In this context, the statement included in section 3.3.5 of the validation report, “There is no regulation in the state of Gujarat from the Central Government of India, which mandates the installation of an AAC blocks manufacturing plant, nor is there any mandate that prevents the manufacturing of bricks through conventional processes” is correct as per our understanding. There is some grammatical error in the sentence which is now rectified in section 3.3.5 of the validation report.	
		<u>Verra Response</u> This finding is closed based on VVB’s confirmation.	

27	Calculation of project and leakage emissions based on fixed ex-ante parameters in previous PD		
	<u>Issue</u> 1. The revised PD uses the same fixed ex-ante parameters for the calculation of project and leakage emissions as in the registered PD, without further explanation on why the parameters are not updated in the revised PD. For example, the specific carbon emission factors applied for the production of lime, gypsum and other raw materials used for the production of AAC blocks were not updated in the	Round 1 <u>VVB Response</u> 1. The ex-ante parameters are now updated where ever applicable in the revised PD submitted by the project proponent. The assessment on the same is also now elaborated in the revised validation report. 2. When the quantity of raw material is now updated by the project proponent considering the actual plant data in the last year of the previous crediting period, as the actual source city of the raw material and distance is subject to	Closed

	revised PD. However, specific production emission factors are expected to change after 10 years. 2. The same applies for the distances travelled to obtain the raw materials, the number of trips required, type of vehicle used, and the calculation of project emissions from raw material transportation, as no new information was provided in the revised PD. However, it is expected that the sources and amount of raw materials could change in the last 10 years. <u>Action Required</u> The VVB must ensure that all parameters fixed ex-ante are reassessed at the time of the renewal of the crediting period and adjusted based on the most recent technologies and information available. <u>Program Rule(s)</u> VCS Standard section 3.9.8	change during the course of operation of the project and the leakage emission has to be calculated based on the actual scenario, the consideration of these values for ex-ante calculation is assessed to be acceptable by the validation team. <u>Verra Response</u> The coefficients applied in the revised PD were kept the same as in the original registered PD, however, the annual consumption of raw materials seem to be lower than the original PD, even if the plant capacity was expanded and the PP stated that project emissions would still be accounted for the total production. <u>Action required:</u> The VVB must ensure that all parameters fixed ex-ante are reassessed at the time of the renewal of the crediting period, information on the sources of values used must be provided in the PD and all changes must be explained for a third person to be able to replicate all calculations. The finding remains open. Round 2 <u>VVB Response</u> (Pending) The annual consumption of raw materials is considered based on plant records for the duration from 01/11/2021 to 31/10/2022, which is the latest complete annual cycle of data available prior to the commencement of the second crediting period. As a result, the raw material consumption appears lower during the second crediting period. Additionally, there is no update to the NCV and emission factors in the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2 ¹. Therefore, the coefficients remain the same for diesel and coal consumption.	
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¹ https://www.ipcc-nggip.iges.or.jp/public/2019rf/pdf/2_Volume2/19R_V2_1_Ch01_Introduction.pdf

		<u>Verra Response</u> This finding is closed based on VVB's confirmation.	
		Round 3	
		<u>VVB Response</u> (Pending)	
		<u>Verra Response</u> (Pending)	

28	Incomplete and unclear information in the V&V report		
	<u>Issue</u> 1. It is not clear why the VR refers to “major equipment installed including turbines, generators as well as the monitoring equipment i.e., energy meters”, as this seems not to be related to the project. 2. The VVB states that “The RINA team had also interviewed the local stakeholders who were found to be happy with the overall development that has been occurred in their area due to implementation of the project. “However, there are no local stakeholders listed in the people interviewed. 3. Not clear why the VR refers to: “Methane (CH4) emissions from the MSW previously disposed of at the landfill site and will be incinerated in the Project scenario; and CO2 emissions from the production of the equivalent amount of electricity replaced by the Project that would otherwise be provided by the fossil fuel-fired power plants of UAE Grid.” 4. Not clear why the VR states that: “The project proponent is an independent power producer”. 5. Not clear why the VR states that the project is located in the Village: Gurevepalli / Marrimakulapalli, District: Anantpur, State: Andhra Pradesh; while the PD states that it is located in Village-Khatalwada, Tehsil - Umargaon in Valsad District of Gujarat. 6. Why the VR refers to “the project activity that involves electricity generation using biogas produced by	Round 1 <u>VVB Response</u> 1. The same is now corrected in the revised validation report. 2. The stake holder interviewed are now included in the revised validation report. 3. T The same is now corrected in the revised validation report. 4. The same is now corrected in the revised validation report. 5. The same is now corrected in the revised validation report. 6. The same is now corrected in the revised validation report. 7. The same is now corrected in the revised validation report 8. The same is now corrected in the revised validation report <u>Verra Response</u> The VVB corrected the VR as required. The finding is closed.	Closed

	treating poultry litter”, while this is not in accordance with the project description. 7. Not clear why the VR states that: “The project activity instances do not have a non-renewable component”. 8. Not clear why the VR states: “Project activity instances supply electricity to consumers and hence the tool is applicable” and “There are no captive renewable power generation technologies are installed to provide electricity in the baseline scenario.” <u>Action Required</u> The VVB must ensure that the information in the VR is assessed in detail to check the viability of the information reported, and not just copy the information from the PD. <u>Program Rule(s)</u> VCS Standard section 4.1		
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