

PROJECT REVIEW REPORT

Project ID	535
Project Name	78 MW AKOCAK Hydroelectric Power Plant
Program(s)	VCS
Verification Period	01 January 2016 to 30 June 2020
Project Proponent	ÇANAKÇI HES ELEKTRİK ÜRETİM A.Ş. and GTE KARBON SÜRDÜRÜLEBİLİR ENERJİ EGT. DAN. VE TİC.A.Ş.
Methodology	ACM0002, Consolidated methodology for grid-connected electricity generation from renewable sources, Version 10
Sectoral Scope(s)	Sectoral Scope: 01. Energy (renewable/non-renewable)
Validation/Verification Body (VVB)	RINA Services S.p.A.
Assessment Criteria	VCS Standard, v4.1, ACM0002, v10
Date of First Issue	10 September 2021
Date of Final Issue	18 October 2021

Summary:

An accuracy review of the 78 MW AKOCAK Hydroelectric Power Plant 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 seven assessment findings and two minor findings, 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 seven assessment findings must be addressed to the satisfaction of Verra. The VVB need not address the minor findings during this review. Please note, however, that where Verra finds consistent minor findings by the VVB in future reviews, minor findings shall be escalated to assessment findings.

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

1. ASSESSMENT FINDINGS

Finding 1

Section 4.1.20(2) of the *VCS Standard, v4.1* states that “A validation/verification body may not verify more than six consecutive years of a project’s GHG emission reductions or removals...”

The VVB, RINA Services S.p.A., has verified ten consecutive years (i.e. the entire project crediting period) of a project’s GHG emission reductions or removals.

The VVB is requested to clarify how the VVB is in compliance of Section 4.1.20(2) of the *VCS Standard, v4.1* and justify how the project is able with verification without a rotation in VVB assessment.

PP Response:

Project is developed as per the previous VCS standard therefore, VCS 4.1 is not thought to be applicable to the proposed project. Also, Since we have recently issued a project with single verification of around 7.5 years, with the same DOE it was not considered to be applicable to the proposed projects.

Regardless of this, we have applied for deviation to VCS secretariat.

Verra Response:

Section 4.1.8(2) of the *VCS Standard, v4.1* states that the criteria for verification shall be the *VCS Version 4* (regardless of the VCS version or GHG program under which the project was validated). This means that the validation or verification shall ensure conformance of the project with the VCS Program rules, or rules and requirements of the approved GHG program, as applicable. Thus, the project proponent and VVB must comply with Section 4.1.20(2) of the *VCS Standard, v4.1*.

Verra received an exemption request from the project proponent regarding Section 4.1.20(2) of the *VCS Standard, v4.1*. The exemption request was reviewed and approved by Verra.

Thus, this finding is now closed, and no further response is required.

Finding 2

Section 3.18 of the *VCS Standard, v4.1* states that “projects may deviate from the validated project description... Such deviations shall be described and assessed by a validation/verification body during the next project deviation.”

Section 3.18.3 of the *VCS Standard, v4.1* states that the “deviation shall be assessed by a validation/verification body and the process, findings and conclusions shall be reported in the verification report.”

Section 3.2.2 of the *VCS Monitoring Report Template, v4.0* instructs the project proponent to describe any project deviations applied during this monitoring period and explain the reasons for the deviation. Similarly, Section 3.3 of the *VCS Verification Report Template, v4.0* instructs the VVB to identify and assess any project description deviations.

While the project proponent has described the changes to the project proponent in the monitoring report and the VVB has assessed the new information in the verification report, the project proponent is required to provide proof of the change in the project proponent, in the form of an *Accession Representation, v4.1* and *Partial Release Representation, v4.1*.

PP Response:

Signed documents provided.

Verra Response:

The project proponent provided the signed accession representation, partial release representation and registration representation, which formalizes the project proponent change described in Section 3.2.2 of the monitoring report and Section 3.3 of the verification report. This finding is now closed, and no further response is required.

Finding 3

Section 3.4.3 of the *VCS Standard, v4.1* states that “the project proponent shall use the VCS Monitoring Report Template...and adhere to all instructional text within the template”.

Section 1.1 of the *VCS Monitoring Report Template, v4.0* instructs the project proponent to describe the total GHG emission reductions or removals generated in this monitoring period.

Section 1.1 of the monitoring report does not describe the total GHG emission reductions or removals generated in this monitoring period.

The project proponent is requested to update Section 1.1 of the monitoring report accordingly. The VVB is requested to assess the updates as needed.

VVB Response:

Section 1.1 of the monitoring report is now revised and confirmed. The given information had already been given in summary and related parts of the verification report.

Verra Response:

Section 1.1 of the monitoring report has been updated to include information about the total GHG emission reductions or removals generated in this monitoring period. This finding is now closed, and no further response is required.

Finding 4

Section 3.4.3 of the *VCS Standard, v4.1* states that “the project proponent shall use the VCS Monitoring Report Template...and adhere to all instructional text within the template”.

Section 1.10 of the *VCS Monitoring Report Template, v4.0* instructs the project proponent to describe whether the project’s GHG emissions are generated from activities that are included in an emissions trading program or any other mechanism that includes GHG allowance trading.

While the project proponent states that the project does not produce other kinds of environmental credit, the project proponent does not describe if the project’s GHG emissions are part of an emissions trading program or any other mechanism that includes GHG allowance trading.

The project proponent is requested to update Section 1.10 of the monitoring report accordingly. The VVB is requested to assess the updates as needed.

VVB Response:

Section 1.10 of the monitoring report and Section 1.4 of the verification report have been revised.

Verra Response:

Section 1.10 of the monitoring report and Section 1.4 of the verification report have been updated to include information about whether the project's GHG emissions are part of an emissions trading program or any other mechanism that includes GHG allowance trading. This finding is now closed, and no further response is required.

Finding 5

Section 3.2.2 of the monitoring report mentions that the reservoir's installation capacity changed from 82.46 MWm/81 MWe to 84.18 MWm/82.5 MWe.

The project proponent and VVB state that since the annual generation has remained the same, the project's additionality does not change.

The *Tool for the demonstration and assessment of additionality*, v5.2 applied at project registration instructs the project proponent to conduct a sensitivity analysis as part of the investment analysis in the validated project description.

The project proponent and VVB are requested to clarify if the increased installation capacity affects parameters falls within the boundary of the sensitivity analysis conducted. If the increased capacity falls outside the boundary of the sensitivity analysis, the project proponent is requested to demonstrate that the increased installation capacity does not affect the project's additionality.

PP Response:

There is no additional installation, physical change or increase in expected annual generation. The amendment is made on generation licence only. The purpose of the amendment is to benefit from high flow rates occurring during spring. Therefore, there is no change in terms additionality.

Also, as can be seen from generation records, average generation and emission reduction is around 25% lower than the figures in PDD. Hence, there is no issue in terms of additionality and actually carbon revenues becomes more vital for the sustainability of the project.

Verra Response:

The project proponent shall provide more information demonstrating that the increased installation capacity does not impact the total electricity that the project would be able to generate. The project proponent and VVB are requested to clarify if the increased installation capacity falls within the boundary of the sensitivity analysis conducted. If the increased capacity falls outside the boundary of the sensitivity analysis, the project proponent is requested to demonstrate that the increased installation capacity does not affect the project's additionality. This finding remains open.

PR Response Round 2:

Revised Generation license is submitted as evidence. There is no change in turbine or construction or any other physical component of the plant. Purpose was to get allowance from grid operator to feed more electricity to the grid at high flow season and utilize full capacity of turbines. Proposed change will not cause any change in additionally of the projects since;

- Installed capacity has increased from 81 MWe to 82.5MWe (~1.85%). This is within the sensitivity analysis range ($\pm 30\%$ has been studied) and hence, capacity change does not affect additionality of the project.
- Average annual generation has been around 25% lower compared to the base case in the project description form. Hence, actual IRR is much lower than the expected IRR and there is no risk of affecting additionality due to the capacity change

- There is no change in estimated electricity generation compared to pre-amendment. This can be confirmed from amendment parts in generation license.

Document as evidence: Generation License, Monitoring Report, Verification Report

Verra Response:

The project proponent has provided more information demonstrating that the increased installation capacity does not impact the total electricity generated by the project, thereby not impacting the project's additionality. This finding is now closed, and no further information is required.

Finding 6

Section 3.4.3 of the *VCS Standard, v4.1* states that “the project proponent shall use the VCS Monitoring Report Template...and adhere to all instructional text within the template”.

Section 5.1 of the *VCS Monitoring Report Template, v4.0* instructs the project proponent to quantify the baseline emissions and/or removals, providing sufficient information to allow the reader to reproduce the calculation.

Section 5.1 of the monitoring report provides the equations used to calculate the baseline emissions and the total baseline emissions. However, the project proponent does not provide a breakdown of calculations for each year that was monitored.

The project proponent is requested to update Section 5.1 of the monitoring report to provide sufficient information to allow the reader to reproduce the calculation for all years under the monitoring period.

PP Response:

Breakdown of the baseline emissions have been added to Section 5.1.

Verra Response:

Section 5.1 of the monitoring report has been updated to include sufficient information to allow the reader to reproduce the calculation for all years under the monitoring period. This finding is now closed, and no further response is required.

Finding 7

Section 4.1.14 of the *VCS Standard, v4.1* states that “the validation/verification body shall use the VCS Verification Report Template... and adhere to all instructional text within the template”.

Section 4.1 of the *VCS Verification Report Template, v4.1* instructs the VVB to assess whether the project has participated or been rejected under any other GHG programs, has received or sought any other form of environmental credit or has become eligible to do so, and whether the GHG emission reductions or removals generated by the project have become included in an emission trading program or other mechanisms. Furthermore, the template instructs the VVB to assess if there were any material discrepancies between the actual monitoring system and plan, and the project's sustainable development contributions.

Section 4.1 of the verification report does not include this information.

The VVB is requested to update Section 4.1 of the verification report to include this information.

VVB Response:

These explanations have already given in section 1.4 and section 3.1 of the verification report.

Verra Response:

Section 1.4 of the verification report has been updated to include information about whether the project has participated or been rejected under any other GHG programs, has received or sought any other form of environmental credit or has become eligible to do so, and whether the GHG emission reductions or removals generated by the project have become included in an emission trading program or other mechanisms.

However, the VVB did not provide any information on how the VVB assess if there were any material discrepancies between the actual monitoring system and plan, and the project's sustainable development contributions.

This finding remains open.

VVB Response:

These explanations have already given in section 1.2 of the verification report.

Verra Response:

Section 4.1 of the verification report has been updated to include more information about the assessment if there were any material discrepancies between the actual monitoring system and plan, and the project's sustainable development contributions.

This finding is now closed, and no further response is required.

2. MINOR FINDINGS

Finding 1

Section 4.1.14 of the *VCS Standard, v4.1* states that “the validation/verification body shall use the VCS Verification Report Template... and adhere to all instructional text within the template”.

The cover page of the *VCS Verification Report Template, v4.0* instructs the VVB to provide the number of findings raised during verification.

The cover page of the verification report does not include the number of findings raised during verification.

VVB Response: This information had already been given under Section 2.5 of the verification report.

Finding 2

Section 4.1.14 of the *VCS Standard, v4.1* states that “the validation/verification body shall use the VCS Verification Report Template... and adhere to all instructional text within the template”.

The cover page of the *VCS Verification Report Template, v4.0* instructs the VVB to clearly state that the project complies with the verification criteria for projects set out in VCS Version 4.

VVB Response: This information had already been given in the last para of the cover page.

3. ASSESSMENT CONCLUSION

On 10 September 2021, Verra conducted a review of the verification approval request for Project ID 535, 78 MW AKOCAK Hydroelectric Power Plant, the results of which can be found above. The project review report was sent to RINA Services S.p.A. with seven assessment findings and two minor findings.

On 13 October 2021, Verra closed all findings except Findings 5 and 7. The project review report was sent to RINA Services S.p.A. for further response.

On 18 October 2021, Verra closed all findings, and no further response is required.