

PROJECT REVIEW REPORT

Project ID	917
Project Name	Aslancık Hydro Power Plant Project
Program(s)	VCS
Verification Period	08 March 2014 – 31 December 2019
Project Proponent	Aslancık Elektrik Üretim A.Ş. & Life İklim ve Enerji Ltd. Şti.
Methodology	ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”, v12.3.0
Sectoral Scope(s)	1. Energy (renewable/non-renewable)
Validation/Verification Body (VVB)	Re-Carbon
Assessment Criteria	VCS Standard, v4.0
Date of First Issue	14 June 2021
Date of Final Issue	14 July 2021

Summary:

An accuracy review of the Aslancık Hydro Power Plant Project 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 three assessment findings and no 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.

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

1. ASSESSMENT FINDINGS

Finding 1

Section 3.18.2 of the VCS Standard, v4.1 states that “Where the deviation impacts the applicability of the methodology, additionality or the appropriateness of the baseline scenario, the deviation shall be described and justified in a revised version of the project description. This shall include a description of when the changes occurred, the reasons for the changes and how the changes impact the applicability of the methodology, additionality and/or the appropriateness of the baseline scenario... change in project capacity where a different baseline scenario would be more plausible, the applied methodology would no longer be applicable, or there would be a significant impact on the investment analysis used by the project to demonstrate additionality.”

Section 2.3.2 of the monitoring report describes a project description deviation to account for increased capacity of the project. Section 3.3 of the verification report states that this deviation has not had “any adverse impact on the additionality of the project, since the net total electricity generation of the project activity is 36% lower than the estimated value during the monitoring period.”

The reason given for this assessment is that water flow was lower than anticipated this monitoring period.

This is not a sufficient demonstration that the capacity addition will not impact additionality.

The project proponent is requested to demonstrate how a 5 MW capacity change is not impacting the additionality of the project more thorough, PP may perform an investment analysis for the project at the new capacity of 98 MW. The VVB is requested to evaluate the new investment analysis of the project’s additional capacity.

VVB Response:

In line with the initial investment analysis which was executed during the validation process of the project (the validation had been handled by another VVB at that time) has annual electricity generation amount according to generation license of the project before capacity change (93 MW). According to this, equity IRR was calculated as 12.40% at the time of validation, which is lower than the calculated benchmark (17.50%) in registered PD. As it was requested, the annual electricity generation amount was revised according to new generation license after capacity change (98MW) in investment analysis and in this way new equity IRR has been calculated as 12.97% by PP which is still significantly lower than the calculated benchmark (17.50%) in registered PD. Besides that, the net total electricity generation of the project activity is 36% lower than the estimated value during the monitoring period. Consequently, 5 MW capacity change is not impacting the additionality of the project and it can be concluded that the project is still additional. Please see the generation licence of the project before and after the project and the relevant IRR calculation Excel spreadsheets prepared considering before and after capacity change and the Section 3.3 of the revised verification report.

Verra Response:

The VVB response and updated IRR calculation is sufficient. This finding is closed.

Finding 2

Section 3.4.3 of the VCS Standard, v4.0 states that the project proponent shall use the appropriate *Monitoring Report Template* and adhere to all instructional text within the template.

Section 5.4 of the *Monitoring Report Template* states that the project proponent shall “quantify the net GHG emission reductions and removals.”

Section 5.4 of the monitoring report does not provide evidence on how the emissions reductions and removals were quantified.

The project proponent is requested to update Section 5.4 to include the relevant equation required to quantify the net GHG emissions removals.

VVB Response:

The relevant equation has been included by PP to quantify the net GHG emissions removals and the monitoring report has been revised by PP accordingly. Please see the Section 5.4 of the revised monitoring report.

Verra Response:

Section 5.4 of the monitoring report has been updated to include the relevant equation. This finding is closed.

Finding 3

Section 2.4 of the verification report details the remote site visit, but does not state how interviews were conducted.

While a site visit is not required by the VCS Standard, v4.1, the VVB is requested to demonstrate how interviews were conducted, and that the method chosen was sufficient to achieve a reasonable level of assurance.

VVB Response:

Although the site visit is not required by the VCS as stated in the finding, the online (remote) site visit still had been handled by VVB. The project owner representatives and local stakeholders had been interviewed as in above during the online (remote) site visit using Zoom program and some photographic evidences like electricity meters, waste storage areas etc. have been taken along with the document review process to achieve the reasonable level of assurance during the verification. Please see the Sections 2.3 and 2.4 of the revised verification report.

Verra Response:

The description of the site visit by the VVB is sufficient. This finding is closed.

2. MINOR FINDINGS

No minor findings were raised.

3. ASSESSMENT CONCLUSION

On 14 June 2021 Verra completed an accuracy review of the verification approval request for project 917 Aslancık Hydro Power Plant Project and raised the three assessment findings detailed above.

On 14 June 2021 Verra submitted the project review report to the VVB Re Carbon and the project proponent.

On 22 June 2021 the VVB Re Carbon submitted responses to the three assessment findings detailed above.

On 14 July 2021 Verra concluded the updates to the relevant documents and responses from the VVB were sufficient to close the review. Verra closed the review.