



CGN INNER MONGOLIA ZHURIHE PHASE I WIND FARM PROJECT



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(CTI)

Project Title	CGN Inner Mongolia Zhurihe Phase I Wind Farm Project
Version	02.0
Report ID	CTI/NB-2020-0926

Report Title	CGN Inner Mongolia Zhurihe Phase I Wind Farm Project
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Date of Issue	05/11/2021
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Summary:

Shenzhen CTI International Certification Co., Ltd (hereafter referred to as CTI) has been commissioned by Climate Bridge (Shanghai) Ltd. to perform a validation of the renewal of crediting period of “CGN Inner Mongolia Zhurihe Phase I Wind Farm Project” (Ref. No. 1182) (hereinafter referred to as the project activity) in P. R. China.

The scope of the validation of the renewal of crediting period is defined as an independent and objective review of the updated sections of the PD relating to the baseline, estimated emission reductions and the monitoring plan using the most recent version of baseline and monitoring methodology applicable for the project activity. The validation opinion is finalized based on the assessment of the project description through applying standard auditing techniques including but not limited to document reviews, follow up actions (e.g. site visit, telephone or e-mail interviews) and also the review of the applicable approved methodology and underlying formulae and calculations.

The assessment was performed in accordance with the VCS standards and guidance version 4.0 and UNFCCC requirement including an assessment of:

- The impact of new relevant national and/or sectoral policies and circumstances on the baseline taking into account relevant guidance from the Board with regard to renewal of the crediting period of the registered VCS project activity at the time of requesting renewal of crediting period of the project activity;
- The correctness of the application of the approved methodology and, where applicable, the approved standardized baseline for the determination of the continued validity of the baseline or its update, and the estimation of emission reductions for the applicable crediting period of the registered VCS project activity.

The project activity was registered as a CDM project activity on 23/12/2009 and renewed on 21/03/2019 which is available at <https://cdm.unfccc.int/Projects/DB/DNV-CUK1200642678.34/view?cp=1>. After the registration of CDM, the project has been registered as a VCS project which is available at <https://registry.terra.org/app/projectDetail/VCS/1182>.

The purpose of “CGN Inner Mongolia Zhurihe Phase I Wind Farm Project” (hereafter referred to as the Project) developed by CGN Wind Power Co., Ltd.. is to generate renewable electricity by utilizing wind power resource. The Project involves the installation of 25 wind turbines with a unit capacity of 2,000 kW. Total of 123,962 MWh clean electricity generated by the Project are expected to be delivered to the North China Power Grid (NCPG) annually. The project is located in Zhurihe Town, Xilinguole City, Inner Mongolia Autonomous Region, People's Republic of China. The coordinate of the project is north latitude 42°27'40" and east longitude 112°46'30". The project activity will achieve greenhouse gases (GHGs) emission reductions by avoiding CO₂ emissions from the business-as-usual scenario electricity generation of those fossil fuel-fired power plants connected to the NCPG.

The project activity contributes to sustainable development of the local community, the host country and the world.

The validation is not meant to provide any consulting towards the project participants. However, stated requests for clarifications and/or corrective actions may have provided input for improvement of the project design.

During this validation, no finding was identified in relation to relevant VCS standards, guidance and UNFCCC requirements and relevant host party criteria and the applied baseline and monitoring methodology etc.

In summary, it is CTI's opinion that the project activity "CGN Inner Mongolia Zhurihe Phase I Wind Farm Project" (Ref. No. 1182) in P. R. China, as described in the PD, version 02.1 dated 05/11/2021, meets all relevant VCS and UNFCCC requirements for the renewal of the crediting period.

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1 INTRODUCTION

1.1 Objective

Shenzhen CTI International Certification Co., Ltd (hereafter referred to as CTI) has been commissioned by Climate Bridge (Shanghai) Ltd. to perform a validation of the renewal of crediting period of “CGN Inner Mongolia Zhurihe Phase I Wind Farm Project” (Ref. No. 1182) (hereinafter referred to as the project activity) in P. R. China.

Shenzhen CTI International Certification Co., Ltd as the validation body of the project activity has been accredited as a DOE by UNFCCC and also meets the competence requirements as set out in ISO 14065:2007.

The objective of this validation is to ensure that reported information in the Project Description of “CGN Inner Mongolia Zhurihe Phase I Wind Farm Project” is complete and accurate in accordance with applicable VCS standards and relevant UNFCCC requirements.

1.2 Scope and Criteria

The validation scope is defined as an independent and objective review of the project description (PD). The PD is reviewed against the criteria stated in Article 12 of the Kyoto Protocol, the CDM modalities and procedures as agreed in the Marrakech Accords and the relevant decisions by the CDM Executive Board, including the approved baseline and monitoring methodology ACM0002 version 20.0. The validation was based on the requirements in the CDM Validation and Verification standard for project activities version 02.0 and VCS guideline and standard version 4.0.

The validation is not meant to provide any consulting towards the client. However, stated requests for forward actions and/or corrective actions may provide input for improvement of the Project monitoring towards reductions in the GHG emissions.

1.3 Level of Assurance

The validation report is based on the VCS-PD and supporting evidences made available to the validator and information collected through performing interviews and during the on-site assessment.

The validation conclusion is assured a reasonable level of assurance.

1.4 Summary Description of the Project

Project title	CGN Inner Mongolia Zhurihe Phase I Wind Farm Project
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UNFCCC reference number	1577
VCS reference number	1182
Project Participants	CGN Wind Power Co., Ltd.. (Project Owner, host country, P. R. China)
Location of the project	Zhurihe Town, Xilinguole City, Inner Mongolia Autonomous Region, People's Republic of China Geographic coordinates: East longitude: 112°46'30" North latitude: 42°27'40"
Project start date	Construction date: 01/05/2008 Operation start date: 04/03/2009
First Project Description (PD)	Version 01, dated 16/09/2020
Final Project Description (PD)	Version 02, dated 27/09/2020
Applied Methodology/Version	ACM0002, version 20.0, dated 28/11/2019
Scope/Technical Area	1/1.2

The project activity was registered as a CDM project activity on 23/12/2009 and renewed on 21/03/2019 which is available at <https://cdm.unfccc.int/Projects/DB/DNV-CUK1200642678.34/view?cp=1>. After the registration of CDM, the project has been registered as a VCS project which is available at <https://registry.verra.org/app/projectDetail/VCS/1182>.

The purpose of “CGN Inner Mongolia Zhurihe Phase I Wind Farm Project” (hereafter referred to as the Project) developed by CGN Wind Power Co., Ltd.. is to generate renewable electricity by utilizing wind power resource. The Project involves the installation of 25 wind turbines with a unit capacity of 2,000 kW. Total of 123,962 MWh clean electricity generated by the Project are expected to be delivered to the North China Power Grid (NCPG) annually. The project is located in Zhurihe Town, Xilinguole City, Inner Mongolia Autonomous Region, People’s Republic of China. The coordinate of the project is north latitude 42°27'40" and east longitude 112°46'30". The project activity will achieve greenhouse gases (GHGs) emission reductions by avoiding CO2 emissions from the business-as-usual scenario electricity generation of those fossil fuel-fired power plants connected to the NCPG. The project activity contributes to sustainable development of the local community, the host country and the world.

2 VALIDATION PROCESS

2.1 Method and Criteria

Validation was conducted using CTI's procedures in line with the requirements specified in the VCS Standard version 4.0, CDM M&P, the latest version of the CDM Validation and Verification Standard, and relevant UNFCCC requirements and applying standard auditing techniques. No sampling was utilized during the site visit as well as validation for project activity.

CTI completed a strategic review and risk assessment of the projects activities and processes in order to gain a full understanding of (if applicable):

- Project Details;
- Application of Methodology;
- Estimated GHG Emission Reduction and Removals;
- Monitoring;
- Safeguards etc.

CTI validate that the reported information in the Project Description are complete and accurate in question. This involved a site visit and a desk review of the Project Design. This Validation Report describes the findings of this assessment.

2.2 Document Review

Based on the requirements of competency, experience and qualified sectoral scopes, CTI appointed a validation team in accordance with CTI's internal procedures (see Appendix 2 Competence of team members and technical reviewers).

Function	Name	Technical competence	Task Performance*
Team Leader	Wang Guolian	1.2	☒ DR ☒ SV ☒ RP ☐ TR
Technical Reviewer	Lin Shunrong	1.2	☒ DR ☐ SV ☐ RP ☒ TR

*DR=Document review; SV=Site visit; RP=Reporting; TR=Technical review

The VCS project design Version 01 dated 16/09/2020, version 02 dated 27/09/2020. and version 02.1 dated 05/11/2021 were assessed as part of the validation. In addition, the registered VCS PD dated 24/12/2013, renewed CDM PDD version 2.0 dated 02/01/2019 and the CDM validation report for renewal of crediting period version 01 dated 03/01/2019 as well as relevant documents, were reviewed. A detailed documents reviewed are listed in Appendix 1 of the report.

2.3 Interviews

The key personnel interviewed are summarized in the table below:

Interviewed personnel	Role	Organization	Subject
Mr. Yang Wenguang	Plant Director	CGN Wind Power Co., Ltd..	Basic information, technology of the project, etc.;
Mr. Wu Zhanfeng	Vice Plant Director	CGN Wind Power Co., Ltd..	Monitor Data: meter readings, control and maintenance, QA&QC systems
Mr. Wang Min	Supervisor	CGN Wind Power Co., Ltd..	Status of the project activity and any modifications with respect to the registered PD.
Mr. Zhang Bo	Staff	Environmental Protection Bureau of Inner Mongolia Autonomous Region	Applicability to the latest methodology.
Ms. Liu Xiaoli	Villager	Sunitegu County	National and local policies and changes
Mr. Zhang Fan	Project Manager	Climate Bridge (Shanghai) Ltd.	Baseline of the project and its updates
			The lifetime of the project activity
			Emission Factors and their updates
			Monitoring plan and changes.

2.4 Site Inspections

The validation team performed the on-site validation (Zhurihe Town, Xilinguole City, Inner Mongolia Autonomous Region, People's Republic of China.) on 24/09/2020. The interviewed personnel and objective are listed in above table.

2.5 Resolution of Findings

As an outcome of the validation process, the team can raise different types of findings.

Where a non-conformance arises The validation team shall raise a Corrective Action Request (CAR). A CAR is issued, where reported information is not in line with the applicable CDM/VCS requirements.

The validation team shall raise a Clarification Request (CL) if information is insufficient or not clear enough to determine whether the applicable CDM/VCS requirements have been met.

All CARs and CLs raised during validation shall be resolved prior to submitting a request for registration.

There are no CARs and CLs raised for the project.

2.5.1 Forward Action Requests

As this is the validation for the project for renewal of crediting period, there are no FARs raised in the previous validation and verification process.

3 VALIDATION FINDINGS

3.1 Project Details

The following description of the project as per PD was verified during the on-site visit:

The project activity is a wind power project located in Zhurihe Town, Xilinguole City, Inner Mongolia Autonomous Region, People's Republic of China. which is to use wind resource for electricity generation. The installed capacity of the project activity is 50 MW, consisting of 25 wind turbines with unit capacity of 2,000 kW. The average annual power delivered to the grid by the project is expected to be 123,962 MWh. The Project can reduce GHG emissions by replacing the electricity generated by fossil fuel fired power plants North China Power Grid (NCPG). It's estimated that the project could achieve GHG emission reductions of 104,190 tCO₂e annually in the second crediting period.

The project activity was invested and operated by CGN Wind Power Co., Ltd.. which is the project proponent of project by checking the business license of the project.

By site visit checking the nameplate of the project, following technical parameter of project activity are confirmed:

Key Technology Parameter	Value
Type	80
No. of vanes	5,027
Rated Power (kW)	3
Rotor diameter (m)	13.5
Cut-in wind speed (m/s)	25
Cut-out wind speed (m/s)	80
Rated wind speed (m/s)	2,000
Height of rotor hub (m)	690
Load Factor (%)	28.30
Lifetime(years)	20

By checking the registered VCS PD and site visit interview with project owner, it is confirmed that the project started operation on 04/03/2009 which is the project start date according to the requirement of VCS. A deviation was identified for the crediting period of the Project. The project is registered under VCS Version 2007.1 and completed validation before 19/03/2020. As per VCS requirement, it remains eligible to apply the crediting period requirements under VCS 2007.1 which shall be a maximum of ten years and may be renewed at most twice. Therefore, the first renewable crediting period of the Project is updated from 04/03/2009-22/12/2009 to 04/03/2009-03/03/2019, which lasts for 10 years. However, as the project is also registered as a CDM project with a seven year twice renewable project crediting period and when considering that the start date of the VCS crediting started (04/03/2009) and considering 21 years for the total length of the crediting period, it is not eligible for VCU issuance beyond the end of those 21 years (the ending date is (03/03/2030). the validation team confirmed that the second VCS crediting period of the project is from 04/03/2019 to 03/03/2029 last for 10 years in line with the requirement of VCS.

As the installed capacity of the project is 50 MW which falls under large scale project according to the requirement of CDM. Also, due the annually estimated emission reductions are lower than 300,000 tCO₂, the project falls under project under VCS standard.

The project is located in Zhurihe Town, Xilinguole City, Inner Mongolia Autonomous Region, People's Republic of China. The geographical coordinators of project are 112°46'30" E longitude and 42°27'40" N latitude verified by the site visit.

Before the implementation of the project activity, the electricity generated by the project would be supplied by NCPG in the baseline scenario.

By checking laws and regulation, it is confirmed that the project activity is in complicate with all laws and regulations in China.

By checking information on the Internet, the project activity was registered as a CDM project activity on 23/12/2009. It is confirmed that the project activity has been validated by DNV based on the CDM PDD version 1.5 dated 12/03/2012 and reported in the validation report No. 2008-1235 version 02, completed on 07/12/2009. And it is confirmed that the crediting period as a CDM project was renewed on 21/03/2019 with renewed CDM PDD version 2.0 dated 02/01/2019 and the CDM validation report for renewal of crediting period version 01 dated 03/01/2019. All above information is available at <https://cdm.unfccc.int/Projects/DB/DNV-CUK1200642678.34/view?cp=1>. By checking statement issued by the project proponent, it is confirmed that in this crediting period, the project would either been issued under CDM or VCS. Until now, 144,678 tCO₂ were issued under CDM scheme covering the period from 23/12/2009 - 28/02/2011, 114,565 tCO₂ were issued under CDM scheme covering the period from 01/03/2011 - 31/05/2012. 268,802 tCO₂ were issued under CDM scheme covering the period from 01/01/2013 - 20/12/2016. CERs were request for issuance for the period from 01/06/2012 - 31/12/2012.

Except CDM and VCS, the validation team reviewed websites of other relevant registries, including, <https://registry.goldstandard.org/projects>, <http://www.irecstandard.org/>, etc. and no double counting of emission reductions or any other forms of environmental credits were identified for the project activity. Also, the project does not involved in ETS or other binding limits. Therefore, it is confirmed that the project does not participate in the other emissions trading program and no rejection from other GHG programs.

As the project is not a grouped project, the eligibility criteria for grouped project is not applicable; No leakage management as not an AFOLU project; No commercially sensitive information confirmed through site visit.

The project activity would contribute sustainable development in the region in following aspects confirmed by site visit:

1. GHG emission reduction

The project activity achieve obvious greenhouse gas (GHG) emission reductions by avoiding CO₂ emissions, as grid-connected fossil fuel-fired power dominates in the North China Power Grid.

2. Pollutants emission reduction through replacing fossil fuel combustion

The project is to replace grid-connected fossil fuel-fired power plants in the North China Power Grid, and thus reduce fossil fuel consumption and avoid pollutants emission, such as sulfur dioxide and dust, brought by fossil fuel combustion. Therefore, the project has obvious environmental benefit.

3. Employment opportunities

The conducting of the project offered job opportunities for local people.

4. Economy development

The region can achieve economic growth and booming of local tourism through the construction and operation of the project. Furthermore, the project contributes to local government with more tax revenues and poverty eradication.

Overall, it is confirmed that the PD is accurate, complete, and provides an understanding of the nature of the project.

3.2 Safeguards

3.2.1 No Net Harm

By checking the EIA summary and conclusion provided in the registered PD, it is confirmed that wind power is green power and the impact caused by wind power on the surrounding ecosystem and residents, water, and atmosphere etc. is very little, there would be no net harm caused due to the project activity. Also, the EIA of the project are approved by the government.

Also, no potential environment or social economic matter was found during the site visit. The project is renewable energy project and thus no net harm observed in air or water quality on-site.

3.2.2 Local Stakeholder Consultation

A survey was carried out In December 2007 through the information publication, distributing and collecting responses to questionnaires targeting on local residents, builders and members of the local authorities. The project owner introduced the Project, and then a survey was arranged through a questionnaire, which was designed to be easily filled in. The opinions expressed by the stakeholders were recorded and are available on request.

The stakeholder meeting and the survey showed that the project receives strong support from the local community. They all believe the project will promote local economic development and agree with the project development and construction.

Communications with Local stakeholders was being carried out at periodic intervals. There are no negative comments received for the project.

All such conclusion has been verified through site visit and check registered PD.

3.2.3 Environmental Impact

By checking the EIA summary and conclusion provided in the registered PDD, it is confirmed that wind power is green power and the impact caused by wind power on the surrounding ecosystem and residents, water, and atmosphere etc. is very little, there would be no net harm caused due to the project activity. Also, the EIA of the project are approved by the government.

Also, no potential environment or social economic matter was found during the site visit. The project is renewable energy project and thus no net harm observed in air or water quality on-site.

3.2.4 Public Comments

No public comments were received.

3.2.5 AFOLU-Specific Safeguards

Not applicable as non-AFOLU project.

3.3 Application of Methodology

3.3.1 Title and Reference

The approved methodology applied in the project activity is ACM0002 - “Grid-connected electricity generation from renewable sources” (version 20.0)

Related tools are:

Tool to calculate the emission factor for an electricity system (version 07.0)

Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period (version 03.0.1).

3.3.2 Applicability

The criteria and assessment of ACM0002 (version 20.0) are in the following table:

Criteria	Analysis	Assessment team’s opinion
This methodology is applicable to grid-connected renewable energy power generation project activities that: (a) Install a Greenfield power plant; (b) Involve a capacity addition to (an) existing plant(s); (c) Involve a retrofit of (an) existing	The project is a greenfield NCPG-connected renewable power generation project.	By site visit and checking FSR, it is confirmed that the project is a Greenfield power plant.

operating plants/units; (d) Involve a rehabilitation of (an) existing plant(s)/unit(s); or (e) Involve a replacement of (an) existing plant(s)/unit(s).		
The methodology is applicable under the following conditions: (a) The project activity may include renewable energy power plant/unit of one of the following types: hydro power plant/unit with or without reservoir, wind power plant/unit, geothermal power plant/unit, solar power plant/unit, wave power plant/unit or tidal power plant/unit; (b) In the case of capacity additions, retrofits, rehabilitations or replacements (except for wind, solar, wave or tidal power capacity addition projects) the existing plant/unit started commercial operation prior to the start of a minimum historical reference period of five years, used for the calculation of baseline emissions and defined in the baseline emission section, and no capacity expansion, retrofit, or rehabilitation of the plant/unit has been undertaken between the start of this minimum historical reference period and the implementation of the project activity.	The project is a new wind power project.	By site visit and checking FSR, it is confirmed that the project is a Greenfield power plant.
In case of hydro power plants, one of the following conditions shall apply: (a) The project activity is implemented in existing single or multiple reservoirs, with no change in the volume of any of the reservoirs; or (b) The project activity is implemented in existing single or multiple reservoirs, where the volume of the reservoir(s) is increased and the power density, calculated using	The project is a wind power project, not hydro power plant. Therefore, this is not applicable	By site visit and checking FSR, it is confirmed that the project is a wind power project, this is not applicable.

equation (7), is greater than 4 W/m²; or (c) The project activity results in new single or multiple reservoirs and the power density, calculated using equation (7), is greater than 4 W/m²; or (d) The project activity is an integrated hydro power project involving multiple reservoirs, where the power density for any of the reservoirs, calculated using equation (7), is lower than or equal to 4 W/m², all of the following conditions shall apply: (i) The power density calculated using the total installed capacity of the integrated project, as per equation (8), is greater than 4 W/m²; (ii) Water flow between reservoirs is not used by any other hydropower unit which is not a part of the project activity; (iii) Installed capacity of the power plant(s) with power density lower than or equal to 4 W/m² shall be: a. Lower than or equal to 15 MW; and b. Less than 10 per cent of the total installed capacity of integrated hydro power project.		
In the case of integrated hydro power projects, project proponent shall: (a) Demonstrate that water flow from upstream power plants/units spill directly to the downstream reservoir and that collectively constitute to the generation capacity of the integrated hydro power project; or (b) Provide an analysis of the water balance covering the water fed to power units, with all possible combinations of reservoirs and without the construction of reservoirs. The purpose of water balance is to demonstrate	The project is a wind power project, not an integrated hydro power plant. Therefore, this is not applicable	By site visit and checking FSR, it is confirmed that the project is a wind power project, this is not applicable.

the requirement of specific combination of reservoirs constructed under CDM project activity for the optimization of power output. This demonstration has to be carried out in the specific scenario of water availability in different seasons to optimize the water flow at the inlet of power units. Therefore, this water balance will take into account seasonal flows from river, tributaries (if any), and rainfall for minimum of five years prior to the implementation of the CDM project activity.		
The methodology is not applicable to: (a) Project activities that involve switching from fossil fuels to renewable energy sources at the site of the project activity, since in this case the baseline may be the continued use of fossil fuels at the site; (b) Biomass fired power plants/units.	The project does not involve switching from fossil fuel to renewable energy. The project is not biomass fired power plant.	By site visit and checking FSR, it is confirmed that the project is a Greenfield power plant, does not involved in switching from fossil fuel to renewable energy and biomass fired power plant.
In the case of retrofits, rehabilitations, replacements, or capacity additions, this methodology is only applicable if the most plausible baseline scenario, as a result of the identification of baseline scenario, is “the continuation of the current situation, that is to use the power generation equipment that was already in use prior to the implementation of the project activity and undertaking business as usual maintenance”.	The project is not retrofit, rehabilitation, replacement, or capacity addition project. Therefore, this item is not applicable.	By site visit and checking FSR, it is confirmed that the project is a Greenfield power plant.

According to the table above, The validation team confirm the project meets all the applicable criteria of ACM0002 version 20.0

Also, for related tools, The validation team confirm all applicable criteria have been met confirmed by site visit and checking FSR.

3.3.3 Project Boundary

Project boundary has been ascertained and confirmed during the site visit using ACM0002 version 20.0 – “The spatial extent of the project boundary includes the project power plant and all power plants connected physically to the electricity system that the CDM project power plant is connected to”.

Hence the project boundary includes the renewable energy power generation, sub-stations, grid and all power plants connected to grid. The project activity will evacuate power to the grid. The boundary also extends to the project power plant and all power plants connected physically to the electricity system that the VCS project power plant is connected to.

The calculation of net electricity supplied to grid is under purview of state electricity board and project activity Owner or project activity Implementer does not have any control on it. Thus, for project activity, net electricity supplied to grid is the monitoring parameter which is used for ER calculations.

The sources and GHG gases involved for proposed Project activity are as below

Source		Gas	Included?	Justification/Explanation
Baseline	Grid connected electricity generation.	CO ₂	Yes	Main emission source
		CH ₄	No	Minor emission source
		N ₂ O	No	Minor emission source
		Other	No	No other emissions are emitted from the project
Project	Greenfield Wind Power Project Activity.	CO ₂	No	No CO ₂ emissions are emitted from the project
		CH ₄	No	Project activity does not emit CH ₄
		N ₂ O	No	Project activity does not emit N ₂ O
		Other	No	Project activity does not emit other forms of GHG emissions

3.3.4 Baseline Scenario

The baseline scenario of the project activity is that the electricity delivered to the grid by the project activity would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources into the grid. According to the methodology ACM0002 version 20.0, the baseline emissions are the electricity produced by the project activity multiplied by the emission factor of NCPG.

For the second crediting period, the continued validity of the original baseline has been assessed in the updated PD. CTI confirms that there have been no changes in the relevant national and/or sectoral regulations on building a wind power project for exporting electricity to power grid since the previous crediting period. On the other hand, the baseline scenario for building a wind power project for exporting electricity to power grid was still valid according to methodology ACM0002 version 20.0.

The information presented in the updated PD has been validated by an initial document review of all data. Further confirmation has been made based on the review of information from similar projects and/or technologies. The sources referenced in the PD have been quoted correctly. The information was verified against credible sources, such as: China Energy Statistical Yearbook 2013-2018.

The steps from the Methodological Tool “Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period” version 03.0.1 as per VCS standard version 4.0 were applied to assess the continued validity of the baseline and/or to update the baseline at the renewal of a crediting period:

Step 1: Assess the validity of the current baseline for the next crediting period

VCS standard version 4.0 requires assessing the impact of new relevant national and/or sectoral policies and circumstances on the baseline. The validity of the current baseline is assessed using the following Sub-steps:

Step 1.1: Assess compliance of the current baseline with relevant mandatory national and/or sectoral policies

In China, the Renewable Energy Law has been put into effect since 2006, which encourages the development of renewable energy projects. However, although renewable energy projects have been developed rapidly in recently years, grid connected power generation in China is still dominated by fossil-fuel power plants. There are no new relevant national and/or sectoral policies and/or circumstances in the electricity generation sector applicable to the project activity, in comparison to the time of the submission of the project activity for validation, which would affect the compliance of the current baseline scenario. Hence in the absence of the project activity electricity would still have been generated in the existing fossil fuel power plants or by the addition of new fossil fuel power plants connected to the NCPG.

CTI confirms that no relevant mandatory national and/or sectoral policies applicable to the project activity came into effect after the submission of the project activity for validation.

Step 1.2: Assess the impact of circumstances

For the project activity, the baseline scenario identified at the validation of the project activity was the continuation of the current practice without any investment. The main investment environment or market characteristics especially the feed-in tariff, the policy in terms of market access permit have no significant change. The current practice for the baseline emissions is still the GHG emitted by NCPG: the equivalent electricity would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources within the NCPG.

By verifying China Energy Statistical Yearbook 2013-2018. It is confirmed that thermal power (which coal is the fuel) still domain the power supply in NCPG which is the same situation when project activity was under validation. Therefore, the main market characteristics have no change.

As the project is under normal operation which is in line with the original design thereby the condition used to determine baseline emissions in the previous crediting is still valid.

The conditions used to determine the baseline emissions in the previous crediting period are not valid: the emission factor calculation of NCPG in the first crediting period is basing on the data of 2004-2006. Before the time of requesting renewal of the crediting period, the China DNA have issued the latest “2017 Baseline Emission Factors for Regional Power Grids in China” on 20/12/2018, so the emission factor of NCPG and all values need to be updated for the second crediting period.

Step 1.3: Assess whether the continuation of use of current baseline equipment(s) or an investment is the most likely scenario for the crediting period for which renewal is requested

The current baseline scenario is the continuation of the current practice. In the absence of the project, the electricity would have been supplied by NCPG, and it will not request an investment by the project proponent or third party. So, this step is not applicable.

Step 1.4: Assessment of the validity of the data and parameters

The NCPG emission factor calculated ex-ante for the 1st crediting period needs to be updated, as per the “Tool to calculate the emission factor for an electricity system” version 07.0.

This parameter is properly described in the 3.3.6 of following report.

Conclusion on step 1:

CTI confirms that the current baseline is still valid as per methodology ACM0002 version 20.0. However, the grid emission factor needs to be updated for the subsequent crediting period.

Step 2: Update the current baseline and the data and parameters

Step 2.1: Update the current baseline

As the baseline scenario of the project activity is still sustained in this crediting period, no update would be required.

Step 2.2: Update the data and parameters

The NCPG emission factor will be updated as described in 3.3.6 of this report.

3.3.5 **Additionality**

Not applicable for the renewal of crediting period.

By checking relevant applicable laws and regulations at the time of renewal of crediting period, i.e. Renewable Energy Law of the People’s Republic of China which came into effect on 01/01/2006, Agenda for China’s 14th Five-Year Plan (2021-2025), the validation team confirms the project activity is in complicate with all laws and regulations in China and there are no surplus regulations required comparing with the first validation at time of renewal of crediting period.

3.3.6 **Quantification of GHG Emission Reductions and Removals**

The calculation of the emissions reductions exactly follows the procedures described in the methodology ACM0002 version 20.0 and relevant tool, e.g. the “Tool to calculate the emission factor for an electricity system” version 07.0.

CTI has assessed the calculation of project emissions, baseline emissions, leakage emissions and emission reductions. Corresponding calculations have been carried out based on calculation spreadsheet. The consistency of the parameters and equations presented in PD, as well as calculation spreadsheet etc., has been compared with the information and requirements presented in the methodology and respective tools.

The assumptions and data used to determine the emission reductions are listed in the PD and all the sources have been checked. Based on the information reviewed it is confirmed that the sources used are correctly quoted and interpreted in the PD. The values presented in the PD are considered reasonably based on the documentation and references reviewed and the results of the interviews.

The estimation of the emission reductions are considered correct as the calculations have been reproduced by the validation team with the attainment of the same results.

CTI confirms methodology ACM0002 version 20.0 and relevant tool, e.g. the “Tool to calculate the emission factor for an electricity system” version 07.0 have been correctly applied to calculate baseline emissions, project emissions, leakage and net GHG emission reductions and removals.

Detailed information on the verification of the parameters used in the equations is found below. The algorithms for the determination of the baseline and project are discussed in the following sections.

The emission reductions are calculated by the difference between baseline emissions (BE_y), project emissions (PE_y) and leakage.

(1) Baseline emissions

As per the methodology ACM0002 version 20.0 that the baseline emissions include only CO₂ emissions from electricity generation in fossil fuel fired power plants that are displaced due to the project activity. The baseline emissions are calculated by the Quantity of net electricity generation that is produced and fed into the grid as a result of the implementation of the CDM project activity in year y (MWh) ($EG_{PJ,y}$) multiplied by the Combined margin CO₂ emission factor for grid connected power generation in year y ($EF_{grid,CM,y}$).

Because the project activity is the installation of a new grid-connected renewable power plant/unit at a site where no renewable power plant was operated prior to the implementation of the project activity, the $EG_{PJ,y}$ equals to the Quantity of net electricity generation supplied by the project plant/unit to the grid in year y (MWh) ($EG_{facility,y}$). According to ACM0002, version 20.0, Quantity of net electricity generation supplied by the project plant/unit to the grid in year y (MWh) ($EG_{facility,y}$) is determined according to Baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation, version 03.0.

The Combined margin CO₂ emission factor for grid connected power generation in year y ($EF_{grid,CM,y}$) is calculated in a transparent and conservative manner as a combined margin (CM), consisting of the combination of operating margin (OM) and build margin (BM) according to the steps prescribed in the “Tool to calculate the emission factor for an electricity system”, version 07.0.

The PD version 02 completed on 27/09/2020 using the data for calculation of the grid emission factor at the time the PD was received for validation. The latest data available was from China Electric Power Yearbook 2014-2016, China Energy Statistical Yearbook 2014-2016. The calculation is in accordance with the calculation process of the combined margin emission factor published by the Chinese DNA: 2017 Baseline Emission Factors for Regional Power Grids in China published by the DNA of China on 20/12/2018.

The NCPG is selected as the electricity system of the project activity. Simple OM method (method a) is applied for calculating OM emission factor because according to the data from China Electric Power Yearbook 2012-2016, the low-cost/must-run resources in the latest five years (2011-2015) constitute less than 50% of the total grid generation. Ex-ante option with a 3-year generation-weighted average is chosen to account for $EF_{grid,OMsimple,y}$. Option B of simple OM is selected for the calculation based on the total net electricity generation of all power plants serving the system and the fuel types and total fuel consumption of the project electricity system (option A was denied because necessary data for Option A is not available). As a result, $EF_{grid,OMsimple,y}$ is calculated to be 0.9680 tCO₂e/MWh as a generation weighted average for the year 2013-2015.

Based on the most recent years energy balance of the NCPG, calculating the proportions of CO₂ emissions from the coal-fired, oil-fired and gas-fired power plants in total CO₂ emissions of thermal power plants and taking them as weight of each type of plant in the calculations;

Based on the most advanced commercialized technologies which applied by the coal-fired, oil-fired and gas-fired power plants, calculating the emission factor of thermal power plants in NCPG. This approach is more conservative as it assumes all recently built plants have the fuel efficiency as that of the most advanced commercialized technologies;

Calculating the $EF_{grid,BM,y}$ through multiplying the emission factor of thermal power plants by the percentage share of thermal power plants installed capacity addition within all recently built installed capacity. The proper year is selected so that it is the closest time when the last 20% of installed capacity was built.

As a result, the $EF_{grid,BM,y}$ is calculated to be 0.4578 tCO₂e/MWh.

Based on the weight w_{OM} and w_{BM} of 0.75:0.25 by default for the second crediting period, the combined margin emission factor is calculated to be 0.8405 tCO₂e/MWh.

The annual net electricity supplied to the grid is 123,962 MWh which is in line with the original design of the project. It's confirmed that the estimation of the figure is reasonable. Thereby, the baseline emissions could be calculated to be $123,962 \text{ MWh} * 0.8405 \text{ tCO}_2\text{e/MWh} = 104,190 \text{ tCO}_2\text{e}$. The validation team confirmed that the remission reductions calculation is corrected in the PD.

The values of the main parameters for calculating combined emission factor ($EF_{grid,CM,y}$) are crosschecked by The validation team and the data sources are listed in below table:

Data and Parameters	Description	Data source
$EF_{grid,OM,y}$	CO ₂ emission factor of operation margin of NCPG in 2017	2017 Baseline Emission Factors for Regional Power Grids in China
$EF_{grid,BM,y}$	CO ₂ emission factor of Built margin of NCPG in 2017.	2017 Baseline Emission Factors for Regional Power Grids in China

CTI confirms that all data sources and assumptions are appropriate, and calculations are correct, applicable to the proposed VCS project activity and will result in a conservative estimate of the emission reductions.

(2) Project emissions

The project is a wind power project. Therefore, the project emission is considered as zero based on ACM0002, version 20.0. Therefore, $PE_y = 0 \text{ tCO}_2\text{e}$.

(3) Leakage

According to the methodology, the project activity leakage do not take into account, then no leakage according to ACM0002.

(4) Emission reductions

Based on the calculations and results presented in the sections above the implementation of the project activity will result in an average ex-ante estimation of emission reduction conservatively calculated to be 104,190 tCO_2e per year for the selected 10 years crediting period. Total emission reductions during the second crediting period are estimated to be 1,041,900 tCO_2e .

3.3.7 Methodology Deviations

There are no methodology deviations for the project.

3.3.8 Monitoring Plan

The project applies methodology ACM0002 version 20.0. The original monitoring plan was updated based on ACM0002 version 20.0 requirements.

Parameters	Description	Measurement method and QA/QC procedures	Assessment conclusion
$EG_{\text{facility},y}$	Quantity of net electricity generation supplied by the project plant/unit in year y.	The parameter would be calculated by parameters $EG_{\text{export},y}$, $EG_{\text{import},y}$, $EG_{\text{project},y}$, $EG_{A-i,y}$, $EG_{B-i,y}$ and $EG_{C-i,y}$. The parameter $EG_{\text{facility},y}$ will be continuous measured and monthly recorded.	Consistent with methodology
$EG_{\text{export},y}$	Total electricity supplied to the grid by the Project, Project A (CGN Inner Mongolia	This parameter would be monitored by 2 set of bidirectional electricity meter (main meter and its backup meter) installed at the substation.	Consistent with methodology

	Zhurihe Phase II Wind Farm Project), Project B (CGN Inner Mongolia Zhurihe Phase III Wind Farm Project), and Project C (CGN Inner Mongolia Zhurihe Phase IV Wind Farm Project) during year y.	The meter readings will be continuous measurement and monthly recorded. Other sources such as receipt of sales will be available to double check this parameter.	
EG _{import,y}	Total electricity purchased from the grid by the Project, Project A (CGN Inner Mongolia Zhurihe Phase II Wind Farm Project), Project B (CGN Inner Mongolia Zhurihe Phase III Wind Farm Project), and Project C (CGN Inner Mongolia Zhurihe Phase IV Wind Farm Project) during year y.	This parameter would be monitored by 2 set of bidirectional electricity meter (main meter and its backup meter) installed at the substation. The meter readings will be continuous measurement and monthly recorded. Other sources such as receipt of sales will be available to double check this parameter. The total electricity purchased from the grid by the Project, Project A, Project B and Project C is deemed as the electricity purchased from the grid by the Project when calculating emission reductions, which is conservative.	Consistent with methodology
EG _{project,y}	Quantity of electricity supplied to the grid by Group project-i (i=1,2,3,4) of the Project in year y.	This parameter would be monitored by electricity meters (M1, M2, M3 and M4) installed at the transmission line of the project site. The meter readings will be continuous measurement and monthly recorded.	Consistent with methodology
EG _{A-i,y}	Quantity of electricity supplied to the grid by Group project-i (i=1,2,3,4) of Project A in year y.	This parameter would be monitored by electricity meters (M5, M6, M7 and M8) installed at the transmission line of the site of Project A. The meter readings will be continuous measurement and monthly recorded.	Consistent with methodology
EG _{B-i,y}	Quantity of electricity supplied to the grid by	This parameter would be monitored by electricity meters (M9, M10, M11 and	Consistent with methodology

	Group project-i (i=1,2,3,4) of Project B in year y.	M12) installed at the transmission line of the site of Project B. The meter readings will be continuous measurement and monthly recorded.	
EG _{C-i,y}	Quantity of electricity supplied to the grid by Group project-i (i=1,2,3) of Project C in year y.	This parameter would be monitored by electricity meters (M13, M14 and M15) installed at the transmission line of the site of Project C. The meter readings will be continuous measurement and monthly recorded.	Consistent with methodology

Based on the on-site visit, it is confirmed that 2 set of bidirectional electricity meters (one main meter and another backup meter) installed at the substation with accuracy of 0.2S are used to continuously measure the total electricity supplied to and purchased from the grid by the Project, Project A (CGN Inner Mongolia Zhurihe Phase II Wind Farm Project (UNFCCC ref. No. 3453), Project B (CGN Inner Mongolia Zhurihe Phase III Wind Farm Project, named CGN Inner Mongolia Suniteyouqi Phase 3 Windfarm Project in the registered PDD, UNFCCC Ref. 5746), and Project C (CGN Inner Mongolia Zhurihe Phase IV Wind Farm Project).

M1~M4 are installed in Line 1#~4# to monitor the electricity generation from the Project, M5~M8 are installed in Line 5#~8# to monitor the electricity generation from Project A. M9~M12 are installed in Line 9#~12# to monitor the electricity generation from Project B. M13~M15 are installed in Linem13#~15# to monitor the electricity generation from Project C. The accuracy of M1~M15 is no less than 0.5S.

The calibration of meters would be conducted annually based on the requirement of local and national standard. Quantity of net electricity generation supplied by the project plant/unit in year y would be calculated as:

$$EG_{\text{facility},y} = \frac{\sum_{i=1,2,3,4} EG_{\text{project}-i,y} \times EG_{\text{export},y}}{\sum_{i=1,2,3,4} EG_{\text{project}-i,y} + \sum_{i=1,2,3,4} EG_{A-i,y} + \sum_{i=1,2,3,4} EG_{B-i,y} + \sum_{i=1,2,3} EG_{C-i,y}} - EG_{\text{import},y}$$

The total electricity purchased from the grid by the Project, Project A, Project B and Project C is deemed as the electricity purchased from the grid by the Project when calculating emission reductions, which is conservative.

CTI confirms that the monitoring plan contains all necessary parameters which have been clearly described in PD and that the means of monitoring described in the plan complies with the requirements of the methodology.

An organizational structure is provided in PD. The functions such as data collection, aggregation, verification, calculation, archiving, as well as the maintenance of equipment etc. have been defined. Quality assurance and quality control procedures for recording, maintaining and data archiving etc. will be ensured according to VCS and CDM EB rules. The calibration of the meter will be implemented as per national standard. An emergency treatment process has been defined in PD when the meter is in malfunction. Data management and quality control system are quoted in PD. The monitoring staffs will be trained based on the training program described in PD.

3.4 Non-Permanence Risk Analysis

Not applicable for the present project activity.

4 VALIDATION CONCLUSION

CTI has performed a validation of renewal of crediting period of the “CGN Inner Mongolia Zhurihe Phase I Wind Farm Project” (Ref. No. 1182). The validation was performed on the basis of the updated sections of the PD relating to the baseline, estimated emission reductions and the monitoring plan using the most recent version of baseline and monitoring methodology applicable for the project activity. The final validation opinion was finalized in accordance with the VCS standard version 4.0, CDM VVS for project activities version 02.0 and the CDM PS for project activities version 02.0 including the assessment of:

- (a) The impact of new relevant national and/or sectoral policies and circumstances on the baseline taking into account relevant guidance from the Board with regard to renewal of the crediting period of the registered VCS project activity at the time of requesting renewal of crediting period of the project activity;
- (b) The correctness of the application of the approved methodology and, where applicable, the approved standardized baseline for the determination of the continued validity of the baseline or its update, and the estimation of emission reductions for the applicable crediting period of the registered VCS project activity.

The review of the project design documentation and the subsequent follow-up interviews have provided CTI with sufficient evidence to determine the validity of the original baseline. The project correctly applies the latest baseline and monitoring methodology ACM0002, “Grid-connected electricity generation from renewable sources” version 20.0. CTI is able to confirm:

- (a) The updated PD complies with the valid version of the applicable PD form and instructions therein for filling out the PD;
- (b) Information transferred to the later valid version of the PD form is materially the same as that in the registered PD;
- (c) The baseline and monitoring methodology was applied in accordance with the applicable requirements in the VCS standard and Project Standard;
- (d) The baseline, the estimated GHG emission reductions, and the monitoring plan in the updated PD comply with the applicable requirements in the VCS standard and Project Standard, and the valid version of the methodology that is applicable to the registered VCS project activity;
- (e) The next crediting period of the registered VCS project activity commences on the day immediately after the expiration of the current crediting period;
- (f) The names of project participants in the updated PD are consistent with the names of the project participants in the registered PD.

CTI also confirms that there have been no proposed methodology deviations for the second crediting period when submitting this report.

Given that the project is implemented as designed and the underlying assumptions do not change, the project is likely to achieve the estimated amount of annual emission reductions of 104,190 tCO₂e and a total estimated emission reduction of 1,041,900 tCO₂e over the 2nd renewable crediting period as specified within the final PD.

In summary, it is CTI's opinion that the project activity "CGN Inner Mongolia Zhurihe Phase I Wind Farm Project" (Ref. No. 1182) in P. R. China, as described in the PD, version 02.1 dated 05/11/2021, meets all relevant VCS and UNFCCC requirements for the renewal of the crediting period.

APPENDIX 1: REFERENCE LIST

1. VCS PD, Version 01, dated 16/09/2020; Version 02, dated 27/09/2020, version 02.1 dated 05/11/2021
2. ER calculation spreadsheet
3. CDM PDD, version 1.5, dated 12/03/2012
CDM PDD, version 2.0, dated 02/01/2019
4. CDM Validation Report, version 02, dated 07/12/2009
CDM Validation Report, version 01, dated 03/01/2019
5. VCS PD, dated 24/12/2013
6. VCS standard version 4.0, dated on 19/09/2019
7. Approved methodology ACM0002, version 20.0, dated 28/11/2019
8. Tool to calculate the emission factor for an electricity system, version 07.0
9. Baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation, version 03.0
10. Assessment of the validity of the original/current baseline and to update the baseline at the renewal of a crediting period, version 03.0.1
11. CDM Validation and Verification Standard for project activities version 02.0
12. CDM Project Standard for project activities version 02.0
13. CDM project cycle procedure for project activities version 02.0
14. Business license
15. Nameplate of the equipment
16. FSR

17. China Energy Statistical Yearbook 2013-2018
18. 2017 Baseline Emission Factors for Regional Power Grids in China dated 20/12/2018
19. China Electric Power Yearbook 2014-2016
20. 2006 IPCC Guidelines for National Greenhouse Gas Inventories

APPENDIX 2: COMPETENCE OF TEAM MEMBERS AND TECHNICAL REVIEWERS

Ms. Guolian WANG

Satisfies the requirements of competence management system of CTI, and is hereby appointed as:

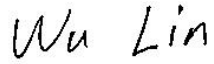
Qualification						
Status	GHG Auditor	Validator	Verifier	Team Leader	Technical Reviewer	Technical Expert
Date	√	√	√	√	√	√

Scope	Technical Area
SS 1: Energy industries (renewable/non-renewable sources)	TA 1.2: Energy generation from renewable energy sources
SS 3: Energy demand	TA 3.1: Energy demand
SS 5: Chemical industry	TA 5.1: Chemical industry
	TA 5.2: Caprolactam, nitric and adipic acid
SS 11: Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride	TA 11.1: Emissions of fluorinated gases
	TA 11.2: Refrigerant gas production
SS 12: Solvents use	TA 12.1: Chemical industry
SS 13: Waste handling and disposal	TA 13.1: Solid waste and wastewater
	TA 13.2: Manure

This appointment is valid for 3 years from its date of approval below and is bound by internal requirements of management system of the Certification Body of CTI.

Approved by:

Wu LIN

A handwritten signature in black ink that reads 'Wu Lin' in a cursive, slightly slanted script.

Technical Competent Manager

Shenzhen, 07/04/2020

Ms. Shunrong Lin

Satisfies the requirements of competence management system of CTI, and is hereby appointed as:

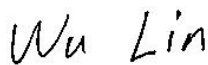
Qualification					
GHG Auditor	Validator	Verifier	Team Leader	Technical Reviewer	Technical Expert
√	√	√	√	√	√

Scope	Technical Area
SS 1: Energy industries (renewable/non-renewable sources)	TA 1.2: Energy generation from renewable energy sources
SS 14: Afforestation and reforestation	TA 14.1: Afforestation and reforestation
SS 15: Agriculture	TA 15.1: Agriculture

This appointment is valid for 3 years from its date of approval below and is bound by internal requirements of management system of the Certification Body of CTI.

Approved by:

Wu LIN



Technical Competent Manager

Shenzhen, 01/01/2018