

PROJECT REVIEW REPORT

Project ID	1216
Project Name	<i>Distribution of ONIL Stoves-Mexico</i>
Program(s)	VCS
Project Proponent	<i>C-Quest Capital LLC</i>
Methodology	<i>AMS-II.G., Energy efficiency measures in thermal applications of non-renewable biomass, Version 12.0</i>
Sectoral Scope(s)	<i>Sectoral Scope 3: Energy demand</i>
Validation/Verification Body (VVB)	<i>KBS Certification Services Pvt. Ltd.</i>
Assessment Criteria	<i>VCS Standard, v4.1, AMS-II.G., v12.0</i>
Date of First Issue	<i>01 October 2021</i>
Date of Final Issue	<i>31 December 2021</i>

Summary:

An accuracy review of the Distribution of ONIL Stoves – Mexico crediting period renewal approval request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised ten assessment findings and one 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 ten 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 2.2, row 3 of methodology AMS-II.G., v12.0 instructs the VVB to assess and confirm the efficiency of the cookstoves used in the project. Specifically, the VVB shall assess the options for testing and certification and supporting documentation presented by the project proponent.

Section 3.3.2 of the validation report discusses how the project meets applicability condition number 2 of the methodology, AMS-II.G., v12.0. However, the VVB states that the VVB confirmed this by means of a remote interview.

The VVB is requested to clarify how the VVB confirmed that all cookstoves have an efficiency of at least 20% by means of assessing options for testing and certification and supporting documentation presented by the project proponent.

Furthermore, in previous monitoring reports, the project proponent raised a project description deviation that increased the number of cookstoves included in the project. Throughout the first crediting period, the number of cookstoves increased from 13,859 (according to Section A.2. of the validated CDM PDD for CPA-01) to 31,178 (according to Section 3.2.1 of the latest, verified monitoring report).

As part of the justification of previous project description deviations, the project proponent mentioned that the project was still able to meet the energy demand threshold of 180 GWh/year, due to the annual energy savings from lower-than-expected stove efficiency and adoption rates.

Section 5.2 of the project description states that the cookstove efficiency parameter $\eta_{\text{new},i,j}$ is 24%. Since the previous monitoring and verification reports reported that the stove efficiency is lower than 24%, the project proponent and VVB are requested to clarify and justify if the average stove efficiency is still 24%.

PP: Stove efficiency mentioned in the PD is the efficiency declared by the manufacturer on the basis of efficiency test done by Aprovecho Research Centre. Moreover, the stated efficiency (24%) under section 5.2 is for ex-ante ER estimation and not for ex-post emission reduction calculation. The actual efficiency of the stoves would be a monitored value and shall be determined at the time of verification.

Under applicability criteria number 2 in section 3.3.2, the PD clearly states that the threshold efficiency of 20% shall be checked against manufacturer's specification on the cookstove efficiency. The same was submitted to the VVB. PP has conducted the WBT at the time of verification, the average efficiency for each stove is more than 20% for each vintage.

As per paragraph 3 of the applied methodology, the minimum rated efficiency of 20% has to be determined in accordance with Data/Parameter Table 14. One of the options to establish the rated efficiency of the stoves is "The efficiency of the project devices shall be based on certification by a national standards body, or an appropriate certifying agent recognized by that body". Since Aprovecho Research Centre is a recognized certifying agent for cookstove performance, report from same was used to establish the rated efficiency of project stoves.

It is mentioned under section 1.4 of the PD that the project has been designed to include multiple project activity instances i.e., improved cookstoves. As per VVS standard version 4.1 section 3.5.14, "Where a capacity limit applies to a project activity included in the project, no project activity instance shall exceed such limit". Each ICS installed under the project activity has maximum energy saving of 0.0143 GWh/year i.e., 0.008% of the threshold value. Therefore, none of the project activity instance will cross the energy demand threshold of 180 GWh/year.

VVB Response: VVB reviewed the verification reports available on the VERRA registry and verified that the efficiency of the ONIL stoves installed under the project activity is more than 20% till last verification. Moreover, the efficiency is a monitoring parameter and will also be monitored ex-post, VVB

concludes based on the desk review of previous verification reports wherein PP has demonstrated the compliance of application of monitoring requirement that the projects ICSs has the efficiency of more than 20%. The statement has been updated in the RCP validation report to further clarification as stated above.

It is mentioned under section 1.4 of the PD that the project has been designed to include multiple project activity instances i.e., improved cookstoves. As per VVS standard version 4.1 section 3.5.14, “Where a capacity limit applies to a project activity included in the project, no project activity instance shall exceed such limit”. Each ICS installed under the project activity has maximum energy saving of 0.0143 GWh/year i.e., 0.008% of the threshold value. Therefore, none of the project activity instance will cross the energy demand threshold of 180 GWh/year. The above statement of PP was supported by the ex-ante ER sheet, in which PP has demonstrated the compliance of type II energy saving threshold. It was validated that the project instance doesn’t breach the cap of 180 GWh/annum (thermal energy saving). Moreover, this shall also be verified by the verifying VVB as part of verification. Therefore, VVB at the time of RCP doesn’t has any reservation that project will breach the thermal energy cap as stated above.

Verra Response:

The project proponent states that the improved cookstoves have an efficiency of above 20%, evidenced by the manufacturer’s specifications. Further, the VVB confirmed that the project is below the maximum energy saving threshold of 180 GWh/year set out in the methodology.

The project proponent is requested to provide the manufacturer’s specifications and the spreadsheet that shows that each cookstove has an efficiency of above 20%. The VVB is requested to assess the updates as needed.

This finding remains open.

PP:

Manufacturer’s specification along with the latest WBT test results for each vintage have been provided to VVB for further submission. PP has provided the declaration letter also stating that “if the efficiency of the ICS included in the project falls below 20%, it will no longer eligible to be considered a project device”.

VVB Response:

PP has submitted the manufacturer’s specifications along with the latest WBT results undertaken by them for each vintage. By reviewing the documents, it was concluded by VVB that the results of WBT and manufacturer’s specification shows efficiency of more than 20%.

Verra Response:

Verra has reviewed the independent test certificate from Aprovecho Research Centre, stating that the minimum efficiency of the stoves in the proposed ICS project activity is 24%. As this is a monitored parameter, the PP has further proffered a declaration that stoves that fall below the 20% minimum thermal efficiency prescribed by the applied methodology would not be eligible for crediting. The PD has been updated as well as the VVB Validation Report. This finding closed and no further action is required

Finding 2

The project proponent mentions in Section 1.15.1 that Project 1216 is also registered as a CPA under CDM PoA 8521 as CPA 8521-P1-0001-CP1.

Verra notes that CDM PoA 8521 consists of two other CPAs (CPA 8521-P1-0002-CP1 and CPA 8521-

P1-0003-CP1).

The VVB is requested to clarify how the VVB assessed whether the cookstoves involved in the proposed VCS Project 1216 correspond with CPA 8521-P1-0001-CP1 solely and does not double count the cookstoves included in the other two CPAs under CDM PoA 8521.

PP: Each ICS can be identified by a unique combination of customer name and geographical location, as well as a serial number. The serial number is a unique number which will allow for a clear distinction between the stoves. No individual serial number can be repeated within the project, thus ensuring that each stove is counted only once in the proposed project

VVB Response: As responded by PP each ICS is distinguished by its unique identification number, geo location inter alia. Therefore, the double counting can be verified during the verification. To ensure that no double counting, VVB has issued a FAR. Refer the revised validation report.

Verra Response:

The project proponent and the VVB have confirmed that each ICS has a unique identification number.

Verra requests the project proponent and the VVB to confirm that the cookstoves that are currently included under VCS project 1216 are not currently included under CPA 8521-P1-0002-CP1 nor CPA 8521-P1-0003-CP1.

This finding remains open.

PP:

Declaration letter confirming that “all the stoves included under VCS project 1216 are not included under any CDM project activity or any project activity under GHG mechanism”, has been provided to VVB for further submission.

VVB Response:

PP has submitted the database of ICS distributed under the project activity according to which each ICS has been given a unique id through which it can be easily traced to the end user household. VVB checked the database of other projects and found that there is no duplicate serial number in the database of current project activity. Moreover, a FAR is already part of validation report to further ensure the cross verification with other projects of the PP in the same region as well as with projects under different GHG programmes at the time of verification by the verifying VVB. VVB would also like to clarify that the declaration to this effect has been furnished by PP with the responses.

Verra Response:

The database has been checked and it can be confirmed that the project stove has a unique numerical Serial Numbering which also indicates user details, location, and geodetic coordinates. The VVB report has been updated accordingly. The Verifying VVB will ensure that only Project 1216 stoves are credited under the project (FAR 01). The finding is closed, and no further action is required

Finding 3

In Section 1.4, the VVB describes HELPS International A.C. as the implementor of the project.

The VVB is requested to clarify HELPS International A.C.’s role in the project as an implementor, the relationship between this entity and the project proponent, and whether this affects the project proponent’s ownership of the project.

PP: At the time of registration of the PoA under CDM, CQC was the coordinating and managing entity (CME) of the PoA and HELPS International A. C was the implementer of the CPA. However, it voluntarily withdrew from the project in 2017 (Please refer to the Attached CDM Modalities of Communication Annex 2 PP withdrawal document). At present, C-Quest Capital LLC is the sole PP and the focal point for any communication related to the project activity. Same can be verified from the following

1. [PA8521 CDM-MOC-FORM form \(1\).pdf \(CQC- sole focal point form\)](#)
2. [PA8521 CDM-MOC-FORM Annex 2 form \(2\).pdf \(withdrawal form\)](#)

VVB Response: Please refer the above response of PP as this is more administrative issue rather the verification therefore VVB confirms the ownership as stated by PP by reviewing the CDM MOCs.

Verra Response:

The project proponent clarified the role of HELPS International A.C. in the implementation of the project and clearly demonstrated that C-Quest Capital LLC is the sole project proponent of this project. This finding is now closed, and no further response is required.

Finding 4

Section 3.3.2 of the *VCS Validation Report Template, v4.0* instructs the VVB to describe the steps taken to assess the project's compliance with the applicability condition. Section 2.2, row 7 of the methodology AMS-II.G. states that the project proponent shall explain the proposed method for sampling the distribution of project devices to avoid double counting of emission reductions.

Additionally, Section 2.1 of the *VCS Validation Report Template, v4.0* instructs the VVB to describe the method and criteria, including the sampling plan, used for undertaking the validation.

In Section 2.1 of the validation report, the VVB describes the method and criteria used for validation. However, no sampling plan and approaches and important assumptions and justification of said approaches were discussed. Similarly, no sampling plan or method was described the applicability condition in Section 3.3.2 of the validation report.

Since the project includes 30,869 cookstoves and there is limited information about the cookstove locations, the VVB is requested to clarify if any sampling plan occurred. If no sampling was involved, the VVB is requested to justify how the VVB assessed that the 30,869 cookstoves installed are unique and located in Mexico to a reasonable level of assurance. The VVB shall update Sections 3.3.2 and 2.1 of the validation report as needed.

PP: Section 2.2, row 7 of the applied methodology AMS II.G version 12 states that ***“The CDM-PDD or CDM-PoA-DD/CPA-DD shall explain the proposed method for distribution of project devices including the method to avoid double counting of emission reductions such as unique identifications of product and end-user locations (e.g. programme logo)”***. The same criteria have been addressed under section 3.2 of the PD. Each ICS can be identified by a unique combination of customer name and geographical location, as well as a unique serial number which is not repetitive. This means that each stove can be clearly identified using a combination of end user details as well as its serial number. No individual serial number can be repeated within the project or across any other project implemented by the project promoter in the area.

VVB has revised the said section in the Validation report.

PP has now submitted the complete set of database of all the 30,869 installed stoves consisting of details of client name, location, unique serial number. The same was reviewed by the VVB prior to pulling out samples. The end users of respective sample stoves were remotely interviewed by the VVB.

VVB Response: Refer the above clarification by PP and our response to double counting in previous response and raised FAR. Regarding the use of sampling in validation approach, VVB would like to clarify that the value of data/assumptions were validated 100% (viz database was validated from previous verification, fnrb from PoA DD, for **Bold** all values are in public domain) therefore sampling was not used. Moreover, this is validation and even PP has not used any sampling, in verification sampling comes in picture.

Verra Response:

The project proponent states that the cookstoves has a unique serial number and submitted the database of 30,869 cookstoves to the VVB. The VVB assessed the database to confirm that the cookstoves are unique.

The project proponent is requested to share the cookstove database with Verra. The VVB is requested to update the validation report to provide more information about how the end-users for the surveys was conducted. Specifically, the VVB is requested to describe the assessment process and how the sampling of end-users was conducted.

This finding remains open.

PP:

Stoves database has now been submitted to VVB for further submission.

VVB Response:

PP has submitted the database of ICS distributed under the project activity and its clear from it that each stove has a unique ID and can be easily traced to end user households. The same is being submitted with the response for further review of VERRA. As far as validation is concern on end users, elaborated information is included in the revised validation report, refer section 2.1 for the updated information.

Verra Response:

The project implementation status can be confirmed from the previous verifications. The PP has explained and submitted the entire database of the installed 37,962 ICSs at renewal of the crediting period. Since the ICSs can be uniquely identified and sampling will be conducted during monitoring to estimate **ny,i,j** and **μy**, as per the prescribed monitoring plan in the PD

However, the ex-ante calculations apply 30,869 ICSs against the database total of 37,962. The PP shall make the necessary adjustments in the calculations and section 4.1 (page 20) of the VCS PD. The VVB shall cross-check the revised calculations.

PP Response:

Database total of 37,962 stoves, that was shared by PP as response of the finding raised by VERRA was the complete database of the stoves installed under both the CPAs of the PoA 8521. PP submitted the full database to check the uniqueness of the stoves. Under VCS project 1216, there are 30,869 stoves operating in the project activity and database for the same has already been submitted to VERRA.

Further in the mail received from VERRA on dated 21-December-2020 it was mentioned that all the findings have been closed, but VVB realized that finding 4 was still not closed. In fact, there was a confusion in the number of stoves in the database and VVB had clarified the same and submitted the database of VCS project 1216 only to avoid the confusion. But now again PP received the same finding from VERRA that was already addressed by VVB on 21-December-2021. As PP had already requested

VERRA during the call on 06-November-2021 to expedite the review process as there is commitment for credits issuance. Therefore it will be appreciated if considering the provided database VERRA conclude the assessment and please expedite the process.

VVB Response: VVB would like to clarify that the numbers of ICS reported in the PD are consistent with the ICS included in project. However, PP had also submitted the PoA database to check any double counting in addition to project database. The project specific data base is consistent with the numbers reported in PD and attached once again. This was already clarified by VVB while we received the email dated 21 Dec 2021 from VERRA on the closure of project but while reviewing the PRR form, VVB observed the finding open. Now another round of review is strange to VVB as PP already communicated their timeline on this RCP.

Verra Response:

The PP and VVB have clarified that the database relevant to the Project 1216 contains the correct number of stoves as applied in the calculations (30,869 ICSs). This finding is now closed, and no further response is required.

Finding 5

Section 3.1 of the *VCS Project Description Template, v4.0* and Section 3.3.1 of the *VCS Validation Report Template, v4.0* instruct the project proponent to list all title and version number of any tools applied by the project and for the VVB to assess them.

Section 3.1 of the project description does not discuss two tools used by the project proponent on sampling and surveys and the assessment of the validity of the current baseline. The validation report does not discuss these tools either in Section 3.3.1.

The project proponent and VVB are requested to update Sections 3.1 of the project description and 3.3.1 of the validation report to include the information above.

PP: Relevant tools applied for the project activity have now been added in Section 3.1 of the revised PD.

VVB Response: Section 3.3.1 has been updated by VVB and reference of both tools added therein, it was an inadvertent omission.

Verra Response:

Section 3.1 of the project description and Section 3.3.1 of the validation report have been updated to include the tools used. This finding is now closed, and no further response is required.

Finding 6

Section 3.8.9(2)(d) of the *VCS Standard, v4.1* states that projects undergoing crediting period renewal shall contain updated information based upon the latest approved version of the methodology or its replacement.

Section 3.2 of the project description and Section 3.3.2 of the validation report do not discuss the project's compliance with the applicability conditions of the tools applied.

Since the project proponent shall use the latest version of the methodology and the methodology refers to latest version of the tools, the project proponent and VVB are requested to update Section

3.2 of the project description and Section 3.3.2 of the validation report to discuss the project's compliance with the tools' applicability conditions.

PP: PP has revised Section 3.2 to demonstrate compliance with applicability of the latest version of methodology including applicability of tools under section 3.4 "Baseline Scenario".

VVB Response: Validation report and PD has been updated to incorporate the applicability of the latest version of methodology including applicability of tools. Refer updated validation report/PD.

Verra Response:

Section 3.2 of the project description and Section 3.3.2 of the validation report have been updated to include information about the applicability of tools used. This finding is now closed, and no further response is required.

Finding 7

Section 3.4 of the *VCS Project Description Template, v4.0* instructs the project proponent to identify and justify the baseline scenario in accordance with the methodology and describe how each step is applied and clearly document the outcome of each step.

Similarly, Section 3.3.4 of the *VCS Validation Report Template, v4.0* instructs the VVB to describe the steps taken to validate the baseline scenario by assessing if the data, assumptions, evidence, policies, circumstances and procedures used are relevant and appropriate. The VVB is also instructed to provide details of steps taken to cross-check the data used.

Verra would like to raise the following findings linked to Section 3.4 of the project description and Section 3.3.4 of the validation report below:

- (i) In Step 1.2, Section 3.4 of the project description, the project proponent describes how each step is applied. However, the project proponent did not conclude how Mexico's projected wood supply is linked to and affects the baseline scenario. Additionally, the link to the Clean Cooking Alliance study is broken in both the project description and the validation report. The project proponent is requested to update Section 3.4 of the project description, and the VVB is requested to assess the updates accordingly.
- (ii) In Step 1.3, Section 3.4 of the project description, the project proponent states that traditional fuelwood stoves continue to be the baseline due to continued fuel stacking. However, the project proponent does not discuss any replacements of cookstoves or investments needed in the new crediting period. Rows 38, 39 and 40 of AMS-II.G., v4.0 specify that the project proponent shall demonstrate that the project devices are replaced or retrofitted/repared at the end of the stove lifespan to continue to generate GHG emission reductions. As mentioned in Section 1.11, the ONIL cookstoves may have a lifetime of more than 10 years with maintenance and metal part replacements. The project proponent is requested to clarify if investments have been made to replace the project's cookstove or replace metal parts and how it may affect the project baseline and continued eligibility. The VVB is requested to clarify how this has been assessed.
- (iii) In Step 1.1, Section 3.3.4 of the validation report, the VVB describes that the national and/or sectoral policies related to the project baseline were assessed. However, the VVB does not provide details of relevant policies that were reviewed. The VVB is requested to provide more information about how this was assessed.

PP:

(i) PP has updated the section 3.4 “Baseline scenario” describing all the steps in accordance to the tool 11 “Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period” in the revised PD. broken link has now corrected in the revised PD.

(ii) The life of ONIL stove as estimated by its manufacturer is beyond 10 years with regular maintenance and replacement of metal parts which are likely to break owing to rust and exposure to high temperatures. Apart from the metal parts, the basic structure of the stove is made of bricks and concrete which gives it a prolonged life if regular maintenance work is carried out. The project proponent has a written confirmation from the manufacturer on the extended life of stoves beyond the 10-year quoted period.

For the project stoves, the project proponent has been carrying out regular maintenance work throughout the first crediting period to ensure that the proportion of stoves which are operational and in good working condition stayed near 100 percent at any given point. For this, regular spot checks were conducted to identify whether households were using their stoves as per instructions provided by the manufacturer and maintenance work carried out where needed. This required the project proponent to replace the non-functional/broken metal parts at its own cost over time. However, these expenditures are spread in time and will continue to be an outflow as long as the project is active. Moreover, with multiple project implementations across the globe and years of experience in this field, the project proponent had envisaged a constant outflow of resources for stove maintenance right at the time of project implementation, and hence had made provision for it from the very start.. Also, given the fact that PP has been prompt in carrying out the replacements in past years, it is only fair to expect that all replacements of metal parts will not occur at one time and will be carried out as and when required over time.

The project proponent is of the view that the above costs will not have any impact on continued validity of baseline which is continued use of fuelwood for cooking as detailed in section 3.4 of PD, nor will this impact the continued eligibility of the project.

VVB:

All the missed-out requirements have been incorporated in revised VCS PD by the PP, VVB confirms that the revised VCS PD complies with all above requirements. Refer revised VCS PD and revised validation report. The response of PP in conjunction with the revised PD found meeting the criteria.

(i) PP has updated the section 3.4 “Baseline scenario” describing all the steps in accordance to the tool 11 “Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period” in the revised PD. The revisions were found addressing the comment.

(ii) The life of ONIL stove as estimated by its manufacturer is beyond 10 years with regular maintenance and replacement of metal parts which are likely to break owing to rust and exposure to high temperatures. Apart from the metal parts, the basic structure of the stove is made of bricks and concrete which gives it a prolonged life if regular maintenance work is carried out. The project proponent has a written confirmation from the manufacturer on the extended life of stoves beyond the 10-year quoted period. The above statement of PP is accepted, moreover any breakdown will result in non-use of ICS and shall be monitored ex-post and a discount factor will be applied in ex-post ER calculations. Based on the sectoral expertise of VVB, it is concluded that the usage rate is ex-post monitored parameter and any event of break down of ICS will be captured and discounted.

(iii) The validation report is revised to incorporate all information as requested.

Verra Response

The project proponent and VVB confirms that the life of ONIL stove as estimated by its manufacturer is beyond 10 years with regular maintenance and replacements.

According to Paragraph 36 of AMS-II.G., the project proponent shall document the lifetime of each type of the project devices in the [project description] based on the manufacturer’s specification. Additionally, Paragraph 38-40 of AMS-II.G. states that project proponents are allowed to replace old cookstoves within the same crediting period, and if the project devices are retrofitted/repairs, the project proponent must include details of the retrofits or repairs and demonstrate the extended lifespan of the stoves.

Since the project is undergoing crediting period renewal, the project proponent is requested to clarify if there will be anticipated device retrofits, repairs and device replacements in the upcoming crediting period. Additionally, the project proponent is requested to update Section 5.3 of the project description to include language of repairs and continuous stove efficiency monitoring to demonstrate the stoves’ useful life and efficiency in line with the methodology’s applicability conditions. The project proponent shall also share the manufacturer’s written confirmation of the cookstove’s extended warranty with Verra for internal review. The VVB is requested to assess this information as needed.

Verra would like to note that Box 5 does not specify that cookstoves undergoing the water boiling test are excluded from the requirement to provide information on lifetime with the following language “CDM project standard for project activities require that the project participants (PPs) describe the proposed CDM project activity in the PDD, including the information on the age and average lifetime of the equipment based on the manufacturer’s specifications and industry standards. Therefore, regardless of the option chosen in paragraph 37 of this methodology, the PPs shall provide this information.”

This finding remains open.

PP:

Information on Lifetime of the stoves is now included in section 5.3 of the PD. The same section also includes information regarding the extended lifetime of the stoves. The PP would like to emphasise that regular efficiency tests prior to each verification will be undertaken to establish the continued validity of stoves in terms of fulfilling the minimum efficiency requirement. Such tests will be done as per standard WBT protocols hence eliminating any doubt about the continued validity of stoves.

PP has revised section 5.3 of the PD for information related to regular repairs and stove efficiency, in line with the methodology’s applicability conditions. Manufacturer’s written confirmation has now been submitted to VVB for further submission.

VVB Response

PP has now included the statement on the lifetime of the stoves in section 5.3 of the PD and mentioned about the regular maintenance and minimum 20% efficiency of the stoves. VVB has also reported verifying during remote audit that the stoves at site are in proper working condition and are being used by the end users. The finding is closed.

Finding 8

Section 3.8.9(1) of the *VCS Standard, v4.1* states that “A full reassessment of additionality is not required when renewing the project crediting period. However, regulatory surplus shall be demonstrated in accordance with the requirements set out in the VCS Program rules, and the project

description shall be updated accordingly.”

Section 3.3.5 of the validation report does not discuss the regulatory surplus demonstrated in the project description.

The VVB is requested to update Section 3.3.5 of the validation report to assess the project’s regulatory surplus.

PP: Section 3.5 of the PD has been revised to demonstrate that there is no regulatory requirement to implement ICS in Mexico.

VVB Response: Validation report Section 3.3.5 has been revised and it was concluded that there is no regulatory requirement in host country which forces the PP to implement ICS, this is confirmed from the local and sectoral expertise of VVB.

Verra Response:

Section 3.5 of the project description and Section 3.3.5 of the validation report have been updated to include more information about the project’s regulatory surplus. This finding is now closed, and no further response is required.

Finding 9

Section 4.4 of the *VCS Project Description Template, v4.0* instructs the project proponent to describe the quantification of net GHG ERR and include all relevant equations and ex-ante calculation (estimate) to allow the reader to reproduce the calculation of the estimated net GHG ERRs.

Section 4.4 of the project description does not include any relevant equations nor ex-ante calculation estimates.

The project proponent is requested to update Section 4.4 of the project description to include relevant equations and ex-ante estimates. Additionally, the project proponent is requested to provide the ex-ante calculation (estimate) of baseline emissions or removals in the net GHG ERR table. The VVB is requested to assess the updates accordingly.

PP: Although, applicable equation related to the project activity have already been mentioned under section 4.4 of the PD, however calculation related to the ex-ante emission reduction have now incorporated in the revised PD. For detailed ex-ante estimates, separate ER calculation sheet has been provided to VVB.

VVB Response:

VVB confirms that the revised PD addresses the comments raised by VERRA, PP has also furnished a reproducible excel sheet and it is concluded that the ERs are calculated transparently and correctly.

Verra Response:

The project proponent updated Section 4.1 of the project description to include more information to include relevant equations and ex-ante estimates.

However, it the project proponent does not breakdown the calculation of parameter $B_{old,i,j}$ in Section 5.1 of the project description. According to ASM-II.AG., the parameter is calculated by dividing $B_{old,HH}$ with $N_{d,HH}$.

The project proponent is requested to share this information. The VVB is requested to assess this accordingly. The project proponent may submit a spreadsheet containing the calculation of the relevant parameters used to estimate the annual GHG emission reductions.

This finding remains open.

PP:

Parameter $B_{old,HH}/N_{d,HH}$ is for projects where two or more stoves are used in the baseline situation. For projects where single baseline stove is replaced by a single project stove, $N_{d,HH}$ is equal to 1 and $B_{old,HH}$ is equal to $B_{old,i,j}$. In the present project activity, only one stove per household is present. Therefore $B_{old,i,j}$ is equal to $B_{old,HH}$ and equation 10 is not applicable. This is evident from the periodic monitoring surveys and project database, where each of the household has reported using only one stove. Emission reduction calculation spreadsheet has been submitted to VVB

VVB:

The justification provided by PP is deemed reasonable in their case as they are providing 1 ICS/HH. Therefore, the breakdown is not required, moreover it has no impact on the ER calculation as the $B_{old,i,j}$ is directly used in ER calculations. This may be further cross checked with the calculation of B_{old} provided at page 17 of PD, which reveals that the family size for rural/urban is already accounted to calculate $B_{old,i,j}$. VVB also checked during remote audit the stove users are using one stove per household, therefore PP's justification that $B_{old,i,j}$ is equal to $B_{old,HH}$ as acceptable.

Verra Response:

The project activity shall install only one ICSs per HHs. Therefore, the B_{old} equation 10 in the applied methodology is not applicable. The finding is closed

Finding 10

In Section 2.3 of the validation report, the VVB described the interviews as part of the validation process.

Only one stakeholder was interviewed.

The VVB is requested to clarify if any external stakeholders (i.e. cookstove users, HELPS International A.C.) were interviewed. If not, the VVB is requested to justify why external stakeholders were not interviewed.

VVB Response: Since it was RCP and VVB focussed on appropriateness of updated baseline and monitoring process, now representative stakeholders including user of ICS are remotely interviewed and the detail is incorporated in revised validation report.

Verra Response:

Section 2.4 of the validation report has been updated to include information about the stakeholders that were interviewed as part of the remote site visit. This finding is now closed, and no further response is required.

2. MINOR FINDINGS

Finding 1

The project title in the Registry is “Distribution of ONIL Stoves – Mexico”.

The project title in the description and validation report is “Distribution of ONIL Stoves – Mexico, San Felipe Usila 1”.

The project proponent and VVB are requested to clarify which project title is correct.

PP: The project title is “Distribution of ONIL Stoves – Mexico, San Felipe Usila 1” and is correctly mentioned in the description and validation report. Same can be verified from the UNFCCC website also. VERRA may please correct the title in the registry.

VVB Response: This is error on registry therefore VVB requests VERRA to update title on project view page.

Verra Response:

The project proponent has confirmed the project title. The title is now updated in the Verra Registry. This finding is now closed.

3. ASSESSMENT CONCLUSION

On 01 October 2021, Verra completed the review of the VCS crediting period renewal request for Project 1216, Distribution of ONIL Stoves – Mexico, the results of which can be found above. The project review report was sent to KBS Certification Services Pvt. Ltd. with ten assessment findings and one minor finding.

On 08 December 2021, Verra closed all findings except Finding 4. The updated project review report was sent to KBS Certification Services Pvt. Ltd. for further response.

On 31 December 2021, Verra reviewed the responses to the pending finding(s). The VVB’s response to all finding(s) was sufficient, and Verra closed all findings. No further action is required.