

# PROJECT REVIEW REPORT

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

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| <b>Project ID</b>          | 1221   |
| <b>Project Name</b>        | Eglence I-II Hydroelectric Power Plant   |
| <b>Review Type</b>         | Verification   |
| <b>Program(s)</b>          | VCS  |
| <b>Verification Period</b> | 01 January 2021 to 09 April 2023   |
| <b>Project Proponent</b>   | Egenda Ege Enerji Uretim A.S.  |
| <b>Methodology</b>         | ACM0002: Consolidated baseline methodology for grid-connected electricity generation from renewable sources, v13.0 |
| <b>VVB</b>                 | RINA Services S.p.A.   |
| <b>Assessment Criteria</b> | VCS standard v4.7  |
| <b>Date of First Issue</b> | 10 Feb 2025  |
| <b>Review Conclusion</b>   | Approved   |
| <b>Date of Final Issue</b> | 20 Mar 2025  |

## FINDINGS

| #        | Finding Description  | VVB Response  | Status |
|----------|--|---|--------|
| <b>1</b> | <b>Need further Clarity on the crediting period</b>  |   |        |
|          | <p><u>Issue</u><br/>As per Sections 1.5 and 1.6 of the approved PD (Page No. 05, Version 6, Date of Issue: 25/09/2013), the PD defines the project crediting period as 10 years, renewable once. However, in Section 1.7 of the MR, PP has stated the crediting period as 10 years, renewable twice.</p> <p><u>Action Required</u><br/>The VVB shall verify the above information against the approved PD and ensure that PP states the correct information as per the approved PD.</p> <p><u>Program Rule(s)</u><br/>Section 2, VCS Standard v4.7</p>                                       | <p><b>Round 1</b></p> <p><u>VVB Response</u><br/>In accordance with the approved PD, the crediting period is revised as “renewable once” under Section 1.7 of the MR.</p> <p><u>Verra Response</u><br/><br/>Section 1.7 of the MR has been revised. This finding is closed.</p>   | Closed |
| <b>2</b> | <b>Section 1.12: Sustainable Development Contribution</b>  |   |        |
|          | <p><u>Issue</u><br/>As per Row No. 3, Table 3, Section 1.12 of the MR, PP has stated that the project generated 276,292.90 MWh of electricity under Current Project Contributions, which is significantly higher than the Contributions Over the Project Lifetime, i.e., 205,299 MWh/year.</p> <p><u>Action Required</u><br/>The VVB shall verify that PP accurately documents project contributions as follows:</p> <ul style="list-style-type: none"> <li>• Current Project Contributions: Ensure that PP reports only the contributions made during the most recent monitoring</li> </ul> | <p><b>Round 1</b></p> <p><u>VVB Response</u><br/>The referred 276,292.90 MWh of electricity generation is the total amount of electricity generation for this monitoring period and the 205,299 MWh/year is the annual electricity generation. Now it is clear that the total electricity generated during this MP is not higher than the overall electricity generated during first crediting period.<br/><br/>The corresponding annual electricity generation for this monitoring i.e., the latest, is stated under Section 1.12. Also to reflect the electricity generation amount and the emission reductions over the project’s lifetime, the approved first monitoring period’s and this monitoring period’s electricity generation and emission reduction amounts and are stated under</p> | Closed |

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|  | <p>period.</p> <ul style="list-style-type: none"> <li>Contributions Over the Project Lifetime: Ensure that PP correctly sums the current contributions with all previously approved contributions from past VCS monitoring reports.</li> </ul> <p><u>Program Rule(s)</u><br/>VCS Monitoring Report Template, v4.4</p> | Section 1.12 >> Contributions Over the Project Lifetime.                                     |  |
|  |   | <p><u>Verra Response</u><br/>Section 1.12 of MR has been revised. This finding is closed</p> |  |

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| <b>3</b> | <b>Section 2.3: Respect for Human Rights and Equity</b>  |  |        |
|          | <p><u>Issue</u><br/>As per the VCS Monitoring Report Template v4.4, Section 2.3.1, PP has not provided any justification for the absence of identified risks.</p> <p><u>Action Required</u><br/>The VVB shall ensure that PP justifies the absence of identified risks. Furthermore, the VVB shall verify this information and revise the VR accordingly.</p> <p><u>Program Rule(s)</u><br/>Section 2.3.1, VCS Monitoring Report Template v4.4</p> | <b>Round 1</b>   | Closed |
|          |  | <p><u>VVB Response</u><br/>The required justifications are now stated under Section 2.3.1., VR also updated.</p> |        |
|          |  | <p><u>Verra Response</u><br/>This finding is closed</p>  |        |

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| <b>4</b> | <b>Need further clarity in Project Description Deviations</b>  |   |        |
|          | <p><u>Issue</u><br/>As per Section 3.21 of the VCS Standard v4.7, project description deviations must be justified and assessed by the VVB. The MR states that the installed capacities were revised due to changes in electromechanical equipment but lacks sufficient justification on its impact on methodology applicability, additionality, and baseline scenario. The VVB's conclusion also lacks a detailed explanation of conformity with VCS rules.</p> | <b>Round 1</b>  | Closed |
|          |  | <p><u>VVB Response</u><br/>More details regarding the timing and the reasoning of the deviation are stated under Section 3.2.2. And the stated project description deviation is assessed in terms of methodology applicability, baseline scenario and the additionality in accordance with the Section 3.21 of the VCS Standard v4.7 and thereby Annex 3: CDM Guidelines on assessment of different types of changes from the project activity.</p> |        |
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|  | <p><u>Action Required</u></p> <p>The VVB shall:</p> <ul style="list-style-type: none"> <li>• Ensure that PP provides a clear justification explaining why the project description deviation does not impact the methodology's applicability, additionality, or the appropriateness of the baseline scenario.</li> <li>• Verify that the deviation assessment aligns with the VCS Standard requirements, specifically ensuring that the reasoning for the conclusion is clearly documented in the verification report.</li> <li>• Confirm that all required details, including the timing, reasons for the deviation, and its assessment, are consistently documented in the MR and all subsequent monitoring reports.</li> </ul> <p>Program Rule(s)<br/>Section 3.21 of the VCS Standard v4.7</p> | <p>As stated in the referred Annex 3, in case where the deviation leads to change in effective output of the plants, the additionality needs to be reassessed. However, as stated and described under Section 3.2.2 and proved with the Revised Generation Licenses, the effective output of the plants i.e., electricity generation figures did not change. They remain the same as used in the investment analysis of the approved PDD. Thus, there is no need to repeat the additionality of the project.</p> <p>In terms of methodology applicability and the baseline scenario, project still complies with the stated applicability conditions, and it still follows the baseline scenario as explained under Section 3.2.2 of MR.</p> <p>The revised generation licenses with the amendments are shared. The revised licenses can be compared with the approved PDD in terms of electricity generations. These licenses prove that the effective output of the plants did not change. Necessary explanations and details are given under Section 3.2.2 as per VCS Standard v4.7.</p> |  |
|  |   | <p><u>Verra Response</u></p> <p>This Finding is closed.</p>   |  |