VALIDATION REPORT

Magma Fincorp Limited

Energy from renewables

SGS Climate Change Programme
SGS United Kingdom Ltd
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United Kingdom

Date of Issue:	Project Number:
17/11/2009	CCP.VOL0492 VCS
Project Title:	
Energy from renewables	
Organisation:	**Client:**
SGS United Kingdom Limited	Magma Fincorp Limited

Summary:

Magma Fincorp Limited has commissioned SGS to perform the validation of the project: Energy from renewables

The project activity is the installation of two Wind Energy Generators (WEGs) of capacities 1.25 MW. Location of the WEGs are in Ranjangaon village, Sakri taluk, and Dhandane village, Nandurbar Taluk of Dhule district, Maharashtra, India. The project will be generating a total of 3445 MWh/year of Electricity by converting Wind energy available. Other than the both WEGs, the project activity consists of the transformers, the metering equipments for each generator and the corresponding substations for both the WEGs till the point of evacuation.

The project activity is transforming wind energy into electricity and is not consuming any fuel for its continuing operation and has no emissions directly related to the electricity production. However, in the time of non operation of wind mills, the energy is imported from the connected grid and reflected as imported. The emission reductions will be based on net exported. Since operation of WEGs does not emit any kind of GHGs or any kind of air pollutants, hence the electricity produced that is being exported to the grid is clean energy. Overall, the project activity is reducing the GHG emissions that would have been generated in the connected grid, which is predominantly based on fossil fuel, in the absence of project activity. .

Methodology used: AMS I-D, Grid connected renewable electricity generation

Version and Date: Version: 14, Date: 31/07/2009

The scope of the validation is defined as an independent and objective review of the Voluntary Carbon Standard (VCS) Project Description (PD) document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against VCS2007 requirements and associated interpretations. SGS has employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of VCUs.

The report is based on the findings of document reviews, the stakeholder consultation process and responses from the project participants to the findings raised in this report.

The report and the annexed validation describes a total of 16 findings which include:
- 4 Corrective Action Requests;
- 12 Clarification Requests; and

All findings have been closed satisfactorily.

Subject:			
VCS2007 Project Validation			
Validation Team:			
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Name: Siddharth Yadav Date: 31st December 2009			☐ Unrestricted Distribution
Revision Number:	**Date:**	**Number of Pages:**	
0	17-11-2009	49	

Abbreviations

CAR	Corrective Action Request
CDM	Clean Development Mechanism
CEA	Central Electricity Authority
CL	Clarification Request
ER	Emission Reduction
EIA	Environmental Impact Assessment
FAR	Forward Action Request
GHG	Green House Gas
MW	Mega Watt
MWh	Mega Watt Hour
MSEDCL	Maharashtra State Electricity Distribution Co. Ltd.
kW	kilo Watt
PLF	Plant Load Factor
VCS	Voluntary Carbon Standard
WEG	Wind Energy Generator

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1. Validation Conclusion

SGS United Kingdom Limited has been contracted by Magma Fincorp Limited to perform a validation of the project: Energy from renewables in India

The Validation was performed in accordance with the VCS2007 requirements and host country criteria, as well as, criteria given to provide for consistent project operations, monitoring and reporting.

SGS reviewed of the project description documentation, using a risk based approach and conducted follow-up interviews.

4 CARs and 12 CLs were raised. The response to CARs and CLs was satisfactory and these were closed.

In our opinion, the project meets all relevant VCS2007 requirements and all relevant host country criteria. The project correctly applies methodology AMS I-D, Grid connected renewable electricity generation version 14.

It is demonstrated that the project is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity.

The total emission reductions from the project are estimated to be 30,960 t of CO2e over a 10 year crediting period, averaging 3,096 tCO2e annually. The emission reduction forecast has been checked and it is deemed likely that the stated amount is achieved given the underlying assumptions do not change.

The project will hence be recommended by SGS to the VCS Association for registration within the VCS registry system.

Signed on Behalf of the Validation Body by Authorized Signatory

Signature: Siddharth

Name: Siddharth Yadav

Date: 31st December 2009

2. Introduction

2.1 Objective

Magma Fincorp Limited has commissioned SGS to perform the validation of the project: Energy from renewables with regard to the relevant requirements for VCS2007 project activities. The purpose of a validation is to have an independent third party assessment of the project design. In particular, project's baseline, monitoring plan (MP), compliance with relevant VCS2007, and host country criteria are validated in order to confirm that the project design as documented is sound and reasonable and meets the stated requirements and identified criteria. Validation is seen as necessary to provide assurance to stakeholders of the quality of the project and its intended generation of Voluntary Carbon Units (VCUs). VCS2007 criteria refer to the VCS criteria and the VCS2007 rules and modalities and related decisions by the VCS Board.

2.2 Scope and Criteria

The scope of the validation is defined as an independent and objective review of the project description documents, project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against VCS2007 requirements and rules and also associated interpretations. SGS has employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of VCUs.

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

2.3 VCS Project Description

The project activity is the installation of two Wind Energy Generators (WEGs) of capacities 1.25 MW. The locations of the WEGs are in Ranjangaon village, Sakri taluk, and Dhandane village, Nandurbar Taluk of Dhule district, Maharashtra, India. The project will be generating a total of 3445 MWh/year of Electricity by converting Wind energy available. Other than the both WEGs, the project activity consists of the transformers, the metering equipments for each generator and the corresponding substations for both the WEGs till the point of evacuation.

The project activity is transforming wind energy into electricity and is not consuming any fuel for its continuing operation and has no emissions directly related to the electricity production. However, in the time of non operation of wind mills, the energy is imported from the connected grid and reflected as imported. The emission reductions will be based on net exported. Since operations of WEGs do not emit any kind of GHGs or any kind of air pollutants, hence the electricity produced that is being exported to the grid is clean energy. Overall, the project activity is reducing the GHG emissions that would have been generated in the connected grid, which is predominantly based on fossil fuel, in the absence of project activity. .

The project activity falls under scope 1 and is a “Micro project” as the project activity expected to reduce 3096 tCO_2e annually, which is below the limit of $5000tCO_2e$.

2.4 Level of assurance

The level of assurance of the validation report is reasonable assurance engagements.

3. Methodology

3.1 Review of VCS PD and Additional Documentation

The validation is performed primarily as a document review of the publicly available project documents and other supportive documents. The assessment is performed by trained assessors using validation protocols.

A site visit is usually required to verify assumptions in the baseline.

Yes, a site visit was conducted by Lead Assessor on 12/05/2009 and results are summarized in Annex 1 of the report.

The Lead Assessor (approved Local Assessor in the host country) interacted with representative of project participant, consultant, representative from technology supplier and local residents.

3.2 Follow up interviews

Date	Name	Position	Short Description of Subject Discussed
12/05/2009 – 15-09-2009	Dhenuka	Consultant, E&Y	The findings issued in response to VCS requirements and VCS PD
15/09/2009 – 17/11/2009	Priya	Consultant, E&Y	The open findings

3.3 Resolution of any material discrepancy

As such, there were no significant material discrepancies. However, they have been discussed in detail in Annex 3 of this report and closure has been reached.

3.4 Use of the Validation Protocol

The validation protocol used for the assessment is partly based on the templates of the IETA / World Bank Validation and Verification Manual and partly on the experience of SGS with the validation of CDM projects. It serves the following purposes:

- it organises, details and clarifies the requirements the project is expected to meet; and
- it documents both how a particular requirement has been validated and the result of the validation.

The validation protocol consists of several tables. The different columns in these tables are described below.

Checklist Question	Ref.	Means of verification (MoV)	Comment	Draft and/or Final Conclusion
The various requirements are linked to checklist questions the project should meet.	Lists any references and sources used in the validation process.	Explains how conformance with the checklist question is investigated. Examples of means of verification are document review (DR) or interview (I). N/A means not applicable.	The section is used to elaborate and discuss the checklist question and/or the conformance to the question. It is further used to explain the conclusions reached.	This is either acceptable based on evidence provided (Y), or a Corrective Action Request (CAR) due to non-compliance with the checklist question (See below). Clarification Request (CLs) is used when the validation team has identified a need for further clarification.

The completed validation protocol for this project is attached as Annex A.2 to this report

3.5 Findings

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

In general, where insufficient or inaccurate information is available and clarification or new information is required the Assessor shall raise a **Clarification Request (CL)** specifying what additional information is required.

Where a non-conformance arises the Assessor shall raise a **Corrective Action Request (CAR).** A CAR is issued, where:

I. mistakes have been made with a direct influence on project results;
II. validation protocol requirements have not been met; or
III. there is a risk that the project would not be accepted as a VCS2007 project or that emission reductions will not be verified.

The validation process may be halted until this information has been made available to the assessors' satisfaction. Failure to address a CL may result in a CAR. Information or clarifications provided as a result of a CL may also lead to a CAR.

Observations may be raised which are for the benefit of future projects and future verification or validation actors. These have no impact upon the completion of the validation or verification activity.

CARs and CLs are raised in the draft validation protocol and detailed in a separate form (Annex A.3). In this form, the Project Developer is given the opportunity to "close" outstanding CARs and respond to CLs and Observations.

3.6 Internal Quality Control

Following the completion of the assessment process and a recommendation by the Assessment team, all documentation will be forwarded to a Technical Reviewer. The task of the Technical Reviewer is to check that all procedures have been followed and all conclusions are justified. The Technical Reviewer will either accept or reject the recommendation made by the assessment team.

4. Validation Findings

4.1 Project Design

The project activity title 'Energy from Renewables' is unique in nature and it has been checked at http://cdm.unfccc.int/Projects/projsearch.html that there is no project activity with this name. Further to confirm and to address double counting, CL#01 was raised. In response to CL#01 and undertaking by project proponent dated 29/05/2009 /8/ was provided declaring that project proponent (owner) have not applied in any other GHG programme. Therefore, CL#01 is closed out.

The project activity involves the installation of 2 Wind Energy Generators (along with transformers, metering equipments etc. to supply and monitor generated power to MSEDCL). The rated capacity of each WEG is 1.25 MWe as checked on site and also from the purchase orders /21/ and technical specifications/10/. The project activity is expected to generate 3,445 MWhe/year /5/ and /7/. In the absence of the project activity the electricity would have been generated in the connected grid and emissions would have occurred in the power plants connected to the grid as per the grid emission factor.

The emission reductions determined on the energy supplied to grid are assessed to be 3,096 tCO_2e/year /7/. The estimation of emission reductions is reasonable with a variation of ±10%, which is undertaken in the investment analysis of the project activity. The variation is likely to occur due to uncertainty associated with wind patterns in the region.

The project category in the VCS PD was not mentioned, therefore, CAR#02 was raised. It was confirmed in the revised VCS PD /2/ that project activity is Micro Project as it expects emissions reductions lower than 5000 tCO_2e annually. Upon receipt of satisfactory information in the revised VCS PD, CAR#02 was closed out. Further, the project activity is not grouped project activity.

The location of the project activity is clearly defined in the VCS PD /1/, however CAR#03 was raised as geographical coordinates were not mentioned. In response, the revised VCS PD/2/ submitted by project proponent contained this information, which was duly verified and found correct. Therefore, CAR#03 was closed out.

The VCS PD clearly describes the conditions prior to the project initiation. The project activity is green field project activity and in the absence of the project activity the power would have generated in the connected grid MSEDCL. The project proponent had choice to invest or not to invest as they are not taking benefit of power generated beyond the fact that it is sold to grid. Therefore, it is justified that in the absence of project activity there would not have been any power generation at the site but same electricity would have been generated in the power plants connected to MSEDCL.

The VCS PD clearly indicated the compliance with applicable laws and regulations associated with the project activity. However, to confirm the statements and information, CL#07 was raised. In response, project proponent provided the necessary clearances /12/ obtained, and review of provided documents revealed that the information was correct. Therefore CL#07 was closed out.

In the VCS PD the risks associated with GHG removal processes are clearly identified and found reasonable. The major risks are due to change in wind pattern and its availability over the years and any change in power purchase policies. A variation in wind availability is taken into account for investment analysis to check the robustness of financial indicator and found appropriate. The future power policies can not be envisaged at the moment, therefore, they are left as such.

It is apparent, that for the project activity the project proponent had choice to invest or not to invest as there is not direct routing of thus power generated to them. Further, in the absence of the project activity there were no emissions occurring in the control of project proponent. The emissions would have occurred in the MSEDCL, which is governmental body for Maharashtra.

The project activity, at the time of conception considered CDM funds /16/, but did not go ahead due to transaction costs associated with CDM. It has been checked that project activity is not registered with UNFCCC and to confirm the same CL#08 was raised. And undertaking by project proponent /15/ endorsed that this project activity is not put in any other GHG programme. Further, the timeline of project activity is depicted in response to CL#08, which provided different stages of efforts towards VCS validation and found acceptable /16/, /17/, /18/, /19/, /20/, /21/, /26/.

Taking note of the project proponent undertaking dated 29/05/2009 /15/ and also reviewing the rejected projects at UNFCCC website, it is confirmed that the project has not applied for other GHG programmes and therefore rejection in other GHG is out of question.

Yes, the project proponent has indicated that financial workings /6/, spreadsheet and documents are commercially sensitive information. However, during validation all the information was provided to validators for assessment and review. The major input values pertaining to project financials, baseline and monitoring plan are duly incorporated in the VCS PD (final version).

The project activity is found eligible under VCS as all the criteria as sufficiently described in the VCS PD /5/ and demonstrated. The project activity was contracted for validation on 11/11/2008 /9/, which is prior to 19/11/2008.

4.1.1 Choice of the Crediting Period

The project start date is defined as 31/03/2006 /14/, which the date when the project activity was completely commissioned and started emission reductions as checked from commissioning certificates. Further the selected start date is in line to VCS policy announcement 10/09/2008.

The crediting period start date is also considered the same and a period of 10 years is chosen, which is found appropriate. This will be further check by verifying DOE during verification activities in line to applicable VCS guidance or announcements at that point of time.

The lifetime of project activity is expected to be 20 years, which is typical with wind energy generators and larger than the initial crediting period.

CL#14 was raised to provide the schedule of the project activity from the conception. In response, all the events listed in the VCS PD section 7, were cross checked from the relevant sources and found to be consistent. The details of each referenced document /9/, /16/, /17/, /18/, /19/, /20/, /21/, /26/ is included in CL#14. Therefore, CL#14 closed out.

4.2 Baseline Selection and Additionality

The VCS PD Version 01 applied AMS I D Version 13, which is still valid under grace period. However, with the final version of VCS PD the project proponent have applied AMS I D Version 14, which is approved by CDM EB and endorsed by VCS Board. As checked from www.v-c-s.org the CDM approved methodologies are considered approved by VCS Board.

The project activity completely satisfies the criteria of the AMS I D and therefore this methodology is the most appropriate. The other methodology ACM0002 could have also been applied but considering the magnitude of emission reductions the application of AMS I D is justified.

The methodology is applied as such and there are no project specific deviations or any revision in the applied methodology in the context of the project activity. Yes, the VCS PD clearly outlines the GHG sources, sink and reservoir.

The project activity clearly outlines the green house gases in the baseline and project activity in the VCS PD. The methodology does not prescribe any leakage to be accounted. Further the equipments are new therefore, any leakage due to transfer of equipments is also ruled out. This is found appropriate.

The identification of baseline scenario is the continuation of power generation in the power plants connected to the grid i.e. MSEDCL, which is in line to the applied methodology. Further, the project activity is supplying power to grid, and considering the project proponent, have choice to invest or not to invest in the project activity, the identification of baseline is realistic, reasonable and conservative.

The VCS PD applies one of the additionality test prescribed by VCS 2007.1 standard, “project test.” Further, the small scale methodology AMS I D prescribes using CDM small scale modalities as under;

Project participants shall take into account the general guidance to the methodologies, information on additionality, abbreviations and general guidance on leakage provided at *http://cdm.unfccc.int/methodologies/SSCmethodologies/approved.html*

In accordance with CDM EB Meeting 35 Annex 34 "**Non-binding best practice examples to demonstrate additionality for SSC project activities"** require to demonstrate at least once barrier outlined there. It may be noted that AMS I D does not specify the usage of any other means for demonstrate of additionality. Therefore, the choice of using VCS approved additionality test is deemed appropriate.

While demonstrating the project test, VCS PD applies all the 3 steps viz., Regulatory surplus, Implementation barrier (Investment barrier) and Common practice. It has been ascertained that there is no mandate applicable from Government or state policy that forces project owner to compulsorily invest in the project. Therefore, it was established that there is no Regulatory surplus for the project activity.

The investment barrier, owing to lower returns from the expected benchmark, is found appropriate /6/. The input values used for financial analysis have been checked from the quoted sources and found appropriate. The project activity is verified to yield IRR of 5.98% as compared to benchmark of 10.25% /22/. It has further being assessed that in the event of higher electricity generation and PLF by a magnitude of 10% from the base value is able to stretch the IRR to 7.02% and 7.56% respectively, which is still below the identified benchmark. It is noteworthy to mention that a drop of 10% in the project cost and Operation and Maintenance cost would raise the IRR to 7.31% and 6.23% respectively.

The input values are ascertained to be before the project start date and the basis for investment decision. In all the realistic variation the IRR of the project activity is not able to cross the benchmark. Whereas, some of these variations are not plausible as the project cost is fixed. For tariff an increment of INR 0.15 per kWh is considered on annual basis till 13th year and after that it will remain fixed as per the Power Purchase Agreement /13/.

CL#08 was raised to include the chronology of events for the project activity. In response, it was found that project activity was considered by Board Resolution on 25th October 2005 /16/ and purchase orders were placed between November 11 to November 17, 2005 /21/. The wind mills were commissioned by 31/03/2006 as checked from commissioning certificates. On 1st April 2006 /17/ the project activity was taken over by Magma Leasing Limited and loan was sanctioned by 29th May 2006. It was found that there was an inherent delay in the formal transfer of assets which occurred by 30th March 2007 /19/.

The project owner entered into contractual obligation with consultant E&Y on 12th September 2008 and DOE was contracted on 11th November 2008 /9/.

All the documents have been verified for different milestones and it was noticed that project activity was involved in getting the project validated but it was largely hampered by transfer of assets. The board resolution clearly indicates that project was considered along with carbon benefits (CDM funds). Therefore, upon confirming the continuous effort and prior CDM consideration, CAR#08 was closed out.

CL#09 was raised to provide the documentary evidences and reference for all the input values used in the investment analysis.

The project cost was validated from purchase orders placed on 17th November 2005 /21/, which were also confirmed with technology supplier (Suzlon) and found appropriate. The operational parameters pertaining to electricity generation were also verified and found appropriate. Furthermore, the actual data for 3 years after the commissioning was also observed from actual invoices raised to MSEDCL, state electricity board in context of electricity generation and was found within 10% from the base electricity generation figure. It has already been demonstrated that the project activity is not able to cross the benchmark with 10% increase in the electricity generation. The benchmark was validated from http://www.rbi.org.in/scripts/WSSView.aspx?Id=9244 and found appropriate. In the initial version of IRR spreadsheet Minimum Alternate Tax (MAT) was applied, which was taken out in the final spreadsheet as MAT is applicable at corporate level and not project level. The exclusion of MAT is conservative as is enhances the financial indicator of the project. The final spreadsheet of the project financial analysis is duly verified for all the figures considered with the sources mentioned therein and found complete and correct. Therefore, CL#09 was closed out after satisfactory responses and evidences.

Therefore, it can be concluded that project activity without the benefits of VCS funds is fetching considerably lower returns which are not expected to reach the benchmark under realistic variations.

As part of Step 3, the common practice in the Maharashtra region, which is a federal state and has its own state power policies and government that majority of wind projects are being established on the assurances of CDM/VCS funds. A detailed analysis is presented in the VCS PD and adequate references are being mentioned therein. These sources have been verified at it has been ascertained that almost 77% of the wind project in the state of Maharashtra have gone ahead with CDM funds. The remaining project may have either gone ahead with VCS but the information is not available for project sizes comparable to project activity. It can be concluded that project activity is not a common practice in the region identified and there are no similar projects identified, due to small percentage and lack of data. The approach for common practice has been based on the guidance earmarked in the VCS 2007.1 standard.

CAR#16 was raised as Step 3 was not included in the initial VCS PD. In response, the final version of the VCS PD contained this step and the information was found satisfactory, therefore CAR#16 was closed out.

4.3 Application of Baseline Methodology and Monitoring Plan

The applied methodology AMS I D is duly approved by CDM EB and thereby is an approved methodology for VCS as well. The applicable criteria have been duly addressed and it is confirmed that methodology is correctly followed.

The monitoring plan for net electricity supplied to the electricity grid is appropriately defined and it will be measured continuously. The other parameter, which will remain fixed (0.8988 tCO2e/MWh) is the grid emission factor that has been derived from CEA database Version 04.

As per the methodology (paragraph 9) the baseline emissions are the product of electrical energy baseline $EG_{BL,y}$ expressed in kWh of electricity produced by the renewable generating unit multiplied by an emission factor.

The emission factor has been determined as per paragraph 10(a) of AMS I D Version 14

(a) A combined margin (CM), consisting of the combination of operating margin

(OM) and build margin (BM) according to the procedures prescribed in the 'Tool to calculate the

Emission Factor for an electricity system'.

The information is available in public domain /24/ at http://www.cea.nic.in/planning/c%20and%20e/Government%20of%20India%20website.htm for OM and BM, which has been the basis to derived CM giving weight of 0.75 to OM and 0.25 to BM, which is appropriate for wind projects as per ACM0002 methodology.

The baseline emissions are determined considering the electricity generation of 3445 MWh/year from the total installed capacity of 2.5 MWe. The assumptions in the spreadsheet and VCS PD are duly verified and found correct. Further, the actual data obtained after 3 years from the project activity reveals that the net energy generated by project activity lies within ±10% from the base value i.e. 3445 MWh/year.

In the VCS PD and the exclusion of GHG reservoir and sink is in line to methodology whereas sources are clearly defined in the baseline scenario. The project activity is not expected to generate emissions therefore there are no GHG sources considered, which is appropriate. The parameter, except for grid emission factor will be monitored ex post to determine the emission reductions.

The methodology does not explicitly prescribe a monitoring frequency for data to be monitored however the VCS PD is found to contain a detailed monitoring plan that shall ensure a proper verification.

The data presented in the VCS PD is taken from technology supplied for the purpose of estimation. However, to determine actual emission reductions it will be done on monitored data except for grid emission factor. The uncertainties attached with monitoring equipments will be taken care of by periodical and regular calibration. The data will ensure high quality as online monitoring occurs and meters will be calibrated. Further, the state electricity board will pay on these units, which implies that data is credible enough.

The frequency, responsibility and authority for registration, monitoring, measurement and reporting activities were discussed at the site visit and also found to be detailed enough in the VCS PD to allow a proper verification.

4.4 Calculation of GHG Emissions

The applied methodology does not prescribe any project emissions for wind projects and leakages are to be considered only if the equipments are transferred to or from other sites. The project equipments are purchased new, as verified from purchase orders dated 17th November 2005 for wind energy generators. Therefore, it can be concluded that VCS PD has appropriately considered the project emissions and leakages aspects in line to applied methodology.

The emission factor used in the project activity is derived from official sources /24/ as indicated in section 4.3 above and is found appropriate. The expressions to determine the baseline emissions, as discussed in section 4.3 and in VCS PD, are found appropriate and in line to applied methodology.

CL#11 was raised to provide the ER spreadsheet and sources of each assumption to determine emission reductions. In response, the ER spreadsheet was provided and found to contain error pertaining to uncertainty factors associated with wind. It was removed from the final spreadsheet as there was no credible basis to include that and exclusion is found conservative as it raised the revenue from the project activity.

After satisfactory resolution, CL#11 was closed out. The project activity is expected to generate approximately 3096 tCO2e/year /7/.

It is not expected that the emission reductions would exceed +10% under normal course of action, however the project financial indicator is still well below the benchmark, even under this circumstances.

4.5 Environmental Impacts

The project activity is verified that it does not fall under the umbrella of industries identified for mandatory EIA /25/. CL#12 was requested to confirm this. In response, the sources of information was provided and it was concluded that project activity do not require to take environmental clearance as part of EIA.

The environmental impacts of wind projects are generally considered positive and they are appropriately described in the VCS PD and found acceptable.

4.6 Comments by Local Stakeholders

CL#13 was raised to provide documentary evidences for stakeholders' consultation process undertaken for the project activity. It was verified that invitation letters /27/ were sent to the identified stakeholders for consultation process to be held on 24th November 2008. It has been checked from the random response sheets /27/ filled by the stakeholders' that project activity largely contributes to the environment. Upon receipt of information and evidences, CL#13 was closed out.

5. Document References

Documents (documents provided by the Client that relate directly to the GHG components of the project and background documents used to check project assumptions and confirm the validity of information

/1/ VCS PD 1.0 dated 02/04/2009
/2/ VCS PD 1.1 dated 24/06/2009
/3/ VCS PD 1.2 dated 09/09/2009
/4/ VCS PD 1.3 dated 27/10/2009
/5/ VCS PD 1.4 dated 16/11/2009 (Final PDD)
/6/ IRR Spreadsheet (Final Version)
/7/ ER Spreadsheet (Final Version)
/8/ Undertaking by PP dated 29/05/2009
/9/ Contract with SGS (for validation) dated 11/11/2008
/10/ Technical details of each WEG, letter from supplier
/11/ EIA Notification 2006 (http://www.envfor.nic.in/)
/12/ Clearance from MSEDCL dated 22/08/2005
/13/ Power Purchase Agreement dated 29/04/2006
/14/ Commissioning certificates (29/03/2006 and 31/03/2006)
/15/ Undertaking that project activity is not rejected under GHG and ownership dated 29/05/2009
/16/ Board resolution extract dated 28/10/2005
/17/ Transfer of Shrachi Infrastructure Limited to Magma Leasing Limited dated 01/04/2006
/18/ High court sanctioning of Merger dated 12/02/2007
/19/ Shareholders' consent to Merger dated 30/03/2007
/20/ Agreement with E&Y consultants for VCS PD dated 12/09/2008
/21/ Purchase orders (Wind generators and others) dated 17/11/2005
/22/ Benchmark by RBI at http://www.rbi.org.in/scripts/WSSView.aspx?Id=9244
/23/ Joint Meter Reading (for reference and understanding of metering and invoicing)
/24/ Weblink for CEA database at http://www.cea.nic.in/planning/c%20and%20e/Government%20of%20India%20website.htm (for grid emission factor)
/25/ ENVIRONMENT IMPACT ASSESSMENT NOTIFICATION S.O.60(E), dated 27/01/1994
/26/ Stakeholders consultations (photographs, attendance sheet, response sheet)
/27/ Proof of title (Attachment 1, 9 and 14)

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A.1 Annex 1: Local Assessment

This checklist is designed to provide confirmation of in-country data and information provided in the Project Design Document for Energy from Renewables.

It serves as a "**reality check**" on the project that is completed by a local assessor from SGS India

Issue	Findings	Source/Means of Verification	Further Action / Clarification / Information Required?
Are the conditions prior to the project initiation described in the VCS PD?	The project is green field and is appropriately defined in the VCS PD Version 01. In the absence of project activity the power would have generated in the grid, which is reasonable and in line to methodology.	SV and Interview	No
Are there risks which may substantially affect the project's GHG emission reductions or removal enhancements identified in the VCS PD?	The VCS PD clearly describes the risks associated with the project activity viz., fluctuation in the wind availability and power sector policies.	SV	No
Are quality management procedures and quality assurance procedures sufficiently described to ensure the delivery of high quality data?	Yes, the data will ensure high quality as online monitoring occurs and meters will be calibrated. Further, the state electricity board will pay on these units, which implies that data is credible enough.	SV	No
Discussion with local stakeholders' on random basis.	The local stakeholders consultation process was confirmed	SV and Interview	No
Physical verification of Site and each wind mill	The installed system was in line to VCS PD content	SV	No

A.2 Annex 2: Validation Protocol

Table 1 VCS PD

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
A. General Description of Project Activity					
A.1. Project Title					
A.1.1. Does the used project title clearly enable to identify the unique VCS activity?	1	DR	The undertaking from PP is requested.	CL#01	CL#01 Closed. OK
A.1.2. Are there an indication of a revision number and the date of the revision?	1	DR	The VCS PDD is dated 02/04/2009 but there is no indication of version no. This was requested on site visit to include it in future versions.	OK	OK
A.2. Type/Category of the project					
A.2.1. What is the project category which is part of a GHG programme that has been approved by the VCS Board?		DR	The project category was not mentioned in the VCS PDD.	CAR#02	CAR#02 Closed. OK
A.2.2. Is the project a Grouped project?	Sec. 5.6 of VC Standar d 2007.1	DR	The project is not a grouped project.	OK	OK
A.3. Estimation of Emission Reduction and Project Size					
A.3.1. How much emission reduction per year has been estimated from the project activity?	1	DR	The project activity estimates emission reduction 3096 tCO2e annually.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
A.3.2. What type of project, based on ER number, is this?	VCS Prog. Guidance 2007.1	DR	The project activity is Micro project as the estimated emission reductions are lower than 5000 tCOe. However, in the VCS PD Version 01 it was not mentioned therefore CAR#02 was raised.	CAR#02	CAR#02 Closed. OK
A.4. Brief description of the project technology					
A.4.1. Does the description of the technology to be applied provide sufficient and transparent input to evaluate its impact on the greenhouse gas balance and is the explanation how the project will reduce greenhouse gas emission transparent and suitable?	1	DR	Yes, the project consists of 2 wind mills (each 1.25 MWe) and would supply power to grid, thereby, reducing the emissions which otherwise would have occurred in the power plants associated with grid.	OK	OK
A.5. Project locations and specific extent					
A.5.1. Does the information provided on the location of the project activity allow for a clear identification of the site(s)?	1	DR	The information provided on location is appropriate except for geographical coordinates.	OK	OK
A.5.2. Are the latitude and longitude of the site indicated (decimal points)?	1	DR	The information in context of coordinates was missing in the PDD. Therefore, CAR#03 was raised.	CAR#03	CAR#03 Closed. OK
A.6. Duration of the Project / Crediting Period					
A.6.1. Is the project start date defined and reasonable?	1	DR	The start date of the project is 31/03/2006, the date on which project activity began reducing/removing GHG emissions as per policy update announcement dated 10/09/2008.	OK	OK
A.6.2. Is the crediting period start date is defined?	1	DR	The date on which the first monitoring period will commence is 31/03/2006 when the project was completely commissioned.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
A.6.3. Are the VCS project crediting period and life time of the project are reasonable?	1	DR	The chosen VCS project crediting period is 10 years, which is fine.	OK	OK
A.7. Conditions prior to project initiation					
A.7.1. Are the conditions prior to the project initiation described in the VCS PD?	1	DR	The project is green field and is appropriately defined in the VCS PD Version 01. In the absence of project activity the power would have generated in the grid, which is reasonable and in line to methodology.	OK	OK
A.8. Compliance with relevant local laws and regulations related to the project					
A.8.1. Are relevant local laws and regulations related to the project identified in the VCS PD?	VCS PD- 1.6	DR	The VCS PD clearly defines the applicable rules and regulations. CL#07 is requested to provide further details and documentary evidences.	CL#07	CL#07 Closed. OK
A.8.2. Is the demonstration of compliance with them described in the VCS PD?		DR	Yes, the demonstration is clearly described in the VCS PD.	OK	OK
A.9. Identification of Risks that may substantially affect the project's GHG emission reductions or removal enhancements					
A.9.1. Are there risks which may substantially affect the project's GHG emission reductions or removal enhancements identified in the VCS PD?	VCSPD 1.11	DR	The VCS PD clearly describes the risks associated with the project activity viz., fluctuation in the wind availability and power sector policies.	OK	OK
A.10. Demonstration to confirm that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction					
A.10.1. Is it demonstrated in the VCS PD that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction?	VCSPD 1.12	DR	The project activity is green field and in the absence of project activity the power would have generated in the relevant grid. The project activity does not release any GHG emissions therefore it is clear that there is no such intent.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
A.11. Demonstration that the project has not created another form of environmental credit					
A.11.1. Is it demonstrated in the VCS PD that the project has not created another form of environmental credit?	VCS PD1.13	DR	The project activity though considered CDM benefits in the beginning but did not went ahead with the same. CL#08 was raised for further substantiation.	CL#08	CL#08 Closed. OK
A.12. Project rejected under other GHG programmes (if applicable)					
A.12.1. Is the project rejected under another GHG programme?	1	DR	The project has not applied for other GHG programme and also not rejected under any GHG programme.	OK	OK
A.12.2. Is the Project rejected by other GHG programmes, due to procedural or eligibility requirements where the GHG programme applied?	1	DR	Not applicable	OK	OK
A.12.3. Is the GHG programme which rejected this project approved under VCS Programme	Sec.5.2.2 VCS Standard 2007.1	DR	Not applicable	OK	OK
A.12.4. Is it clearly stated in the VCS PD all GHG programmes for which the project has applied for credits and why the project was rejected?	1	DR	Not applicable	OK	OK
A.12.5. Are the actual rejection document(s) including explanation provided?	1	DR	Not applicable	OK	OK
A.12.6. Is the project validated against VCS 2007.1 requirements	1	DR	Not applicable	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
A.13. List of commercially sensitive information (if applicable)					
A.13.1. Is a list of commercially sensitive information provided by the project proponent?	Sec.5.2.2 VCS Standard 2007.1	DR	The financial workings (spreadsheets and evidences for input values) are considered commercially sensitive by project proponent that has been provided during validation. The information pertaining to baseline and monitoring plan are transparently described in the VCS PD and the additionality assumptions etc. are duly provided to DOE and input values have been included in the VCS PD.	OK	OK
B. Baseline and Monitoring Methodology					
B.1. Choice and Applicability					
B.1.1. Is the baseline methodology approved under the VCS?	Sec.5.1 VCS Standard	DR	The VCS PD Version 01 applied AMS I D Version 13, which is still valid under grace period. However, with the final version of VCS PD the project proponent have applied AMS I D Version 14, which is approved by CDM EB and endorsed by VCS Board.	OK	OK
B.1.2. Is the methodology approved by any other GHG programme approved by VCS Programme?	1	DR	As checked from www.v-c-s.org the CDM approved methodologies are considered approved by VCS Board.	OK	OK
B.1.3. Is the baseline methodology the one deemed most applicable for this project?	1	DR	The project activity completely satisfies the criteria of the AMS I D and therefore this methodology is the most appropriate. The other methodology ACM0002 could have also been applied but considering the magnitude of emission reductions the application of AMS I D is justified.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
B.1.4. Is the choice of the methodology correctly justified by the VCS PD and is the project in conformance with all applicability criteria of the applied methodology?	1	DR	The VCS PD provides clear justification to applicable criteria as per applied methodology.	OK	OK
B.1.5. Are the project specific deviations against the applied methodology discussed clearly?	Sec.5.1 VCS Standard	DR	No, there are not project specific deviations against the applied methodology.	OK	OK
B.1.6. Are the deviations project specific?	1	DR	No, there are not deviations at all.	OK	OK
B.1.7. Are the applied deviations impacting the conservativeness of methodology negatively?	1	DR	Not applicable as there are no deviations undertaken in the project activity of any nature.	OK	OK
B.1.8. Is there any revision in the methodology has been applied?	Sec.5.1 VCS Standard	DR	There is revision in the methodology applied but there has not been any impact on project activity. The project activity in the final version of VCS PD applies AMS I D Version 14.	OK	OK
B.2. GHGs sources, sink and reservoir for the baseline scenario and for the project					
B.2.1. Are all emission sources and gases related to the baseline scenario, project scenario and leakage clearly identified and described in a complete manner?	Sec.5.1 VCS Standard	DR	The project activity clearly outlines the green house gases in the baseline and project activity in the VCS PD. The methodology does not prescribe any leakage to be accounted. Further the equipments are new therefore, any leakage due to transfer of equipments is also ruled out. This is found appropriate.	OK	OK
B.2.2. Are the GHG sink and reservoir identified clearly for baseline scenario and project activity?	1	DR	Yes, the VCS PD clearly outlines the GHG sources, sink and reservoir.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
B.3. Identification of the Baseline Scenario					
B.3.1. Does the VCS PD discuss the identification of the most likely baseline scenario? Does the VCS PD follow the steps to determine the baseline scenario required by the methodology and is the application of the methodology and the discussion and determination of the chosen baseline transparent?	Sec.6.3 VCS Standard 2007.1	DR	Yes, the methodology defines the baseline to be energy generated by renewable unit (project activity) multiplied by baseline emission factor. The baseline emission factor for grid has been described in Annex 1 of the VCS PD and is conservative.	OK	OK
B.3.2. Does the application consider all potential realistic and credible baseline scenarios in the discussion taking into account relevant national and/or sectoral policies, macro-economic trends and political aspirations??	1	DR	Yes, the realistic baseline scenario for the project activity is continuation of generation in the connected grid.	OK	OK
B.3.3. Is the choice of the baseline compatible with the available data?	Sec.6.3 VCS Standard 2007.1	DR	The baseline emission factor has been adopted from CEA database version 4 which is transparently sourced in the VCS PD and the estimate of expected energy generation from the project activity are reasonable. The sourced information has been checked and found correct.	OK	OK
B.3.4. Is conservativeness addressed in the way of identifying the baseline?	1	DR	The data available on grid emission factor is sourced from publicly available information and is found appropriate and conservative. This is accepted.	OK	OK
B.3.5. Does the selected baseline represent the most likely scenario among other possible and/or discussed scenarios?	1	DR	Yes, the selected baseline represents the most likely baseline in the absence of project activity and is found appropriate.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
B.4. Additionality					
B.4.1. Does the VCS PD clearly demonstrate the additionality using additionality tests as defined by VCS 2007.1 standard?	Sect 5.8 VCS Stand 2007.1	DR	The VCS PD applies one of the additionality test, project test.	OK	OK
B.4.2. Is the discussion on additionality and the evidence provided consistent with the starting date of the project If the project has started before the validation is it discussed how the fund from VCU was taken into account in the decision to go ahead with the project activity.	Sect 5.8 VCS Stand 2007.1	DR	The project activity considered the CDM funds but eventually applied for VCS. The project activity relies on the assurance of Carbon Credits. CL#08 is raised to provide the efforts taken for VCS validation.	CL#08	CL#08 Closed. OK
B.4.3. Is the discussion on additionality consistent with the identification all potential realistic and credible baseline scenarios Do the identified alternative include technologies and practices that include outputs (e.g.) cement or services comparable with the proposed CDM project activity	1	DR	Yes, the discussion on additionality is appropriate. In the absence of project activity the project proponent had choice not to invest at all.	OK	OK
B.4.4. If the Test 1 ‘The Project Test’ has been used, then has it followed all steps including ‘Regulatory Surplus’?	Sect 5.8 VCS Stand 2007.1	DR	The project activity is using ‘The Project Test’ and it has been found that Step 3 Common Practice has been excluded in the VCS PD. CAR#16 is raised to include Step 3 and demonstrate the requirements.	CAR#16	CAR#16 Closed.

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
B.4.5. If an implementation barrier analysis has been used, has it been shown that the proposed project activity faces barriers that prevent the implementation of this type of proposed project activity but would not have prevented the implementation of at least one of the alternatives?	Sect 5.8 VCS Stand 2007.1	DR	The project activity is demonstrating the implementation barrier by describing the investment barrier. CL#09 is raised to provide IRR spreadsheet and documentary evidences to support the input values.	CL#09	CL#09 Closed. OK
B.4.6. Has it been shown in step three that the project is not common practice?	Sect 5.8 VCS Stand 2007.1	DR	In the VCS PD version 01 common practice was not included. CAR#16 is raised to include the same and provide documentary evidence to confirm that project activity is not common practice.	CAR#16	CAR#16 Closed.
B.5. Application of the Baseline Methodology					
B.5.1. Has the approved methodology been applied correctly for determining **baseline emissions**?	Sect. 5.8 VCS Stand 2007.1	DR	Yes, the methodology has been applied appropriately for determinations of baseline emissions.	OK	OK
B.5.2. Has the approved methodology been applied correctly for determining **project emissions**?	1	DR	Yes, the project activity is not having any project emissions and the application is in line to applied methodology.	OK	OK
B.5.3. Has the approved methodology been applied correctly for determining **leakage**?	1	DR	Yes, the methodology does not prescribe the leakages to be considered. Further, the project activity is new installation and it has been confirmed from purchase orders that there has not occurred the transfer of equipments.	OK	OK
B.5.4. Where applicable, has the approved methodology been applied correctly for the **direct calculation of emission reductions**	1	DR	Yes, the approved methodology has been applied correctly and direct determination of emission reductions shall be possible.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
B.6. Ex-ante Data and Parameters Used					
B.6.1. Are the data provided in compliance with the methodology?	1	DR	Yes, the data provided in the VCS PD is in line to the methodology requirements.	OK	OK
B.6.2. Is all the data derived from official data sources or replicable records and have these been correctly quoted?	1	DR	The VCS PD Version 01 was not having adequate information pertaining to input values used for determination of emission reductions. CL#11 was raised to provide the same.	CL#11	CL#11 Closed. OK
B.7. Data and Parameters Monitored					
B.7.1. Does the monitoring plan provide for the collection and archiving of all relevant data necessary for estimation or measuring the emission reductions within the project boundary during the crediting period?	Sect 6.5.1 VCS Stand 2007.1	DR	Yes, it is clearly defined in the VCS PD and the exclusion of GHG reservoir and sink is in line to methodology. The parameter, except for grid emission factor will be monitored ex post to determine the emission reductions.	OK	OK
B.7.2. Is the information given for each monitoring variable by the presented table sufficient to ensure the verification of a proper implementation of the monitoring plan?	1	DR	Yes, the methodology does not explicitly prescribe a monitoring frequency for certain parameters however the VCS PD is found to contain a detailed monitoring plan that shall ensure a proper verification.	OK	OK
B.8. Quality Control (QC) and Quality Assurance (QA) Procedures					
B.8.1. Is the selection of data undergoing quality control and quality assurance procedures complete?	1	DR	Yes, it is appropriately defined.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
B.8.2. Is the belonging determination of uncertainty levels done correctly for each ID in a correct and reliable manner?	Sect 6.5.2 VCS Stand 2007.1		The data presented in the VCS PD is taken from technology supplied for the purpose of estimation. .However, to determine actual emission reductions it will be done on monitored data except for grid emission factor. The uncertainties attached with monitoring equipments will be taken care of by periodical and regular calibration.	OK	OK
B.8.3. Are quality management procedures and quality assurance procedures sufficiently described to ensure the delivery of high quality data?	Sect 6.5.4 VCS Stand 2007.1	DR	Yes, the data will ensure high quality as online monitoring occurs and meters will be calibrated. Further, the state electricity board will pay on these units, which implies that data is credible enough.	OK	OK
B.8.4. Is it ensured that data will be bound to national or internal reference standards?	1	DR	Yes, the monitored data will serve the basis for invoices to be raised to state electricity board and the same data will be used for emission reduction determinations. It is not expected that there would occur any site specific adjustments.	OK	OK
C. Environmental Impacts					
C.1.1. Has an analysis of the environmental impacts of the project activity been sufficiently described?	Sect-05 of VCS-PD, temp.	DR	It has been assessed that project activity does not require environmental impact assessment as per the Notification Act. However, CL#12 was raised to confirm this.	CL#12	CL#12 Closed. OK
C.1.2. Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, is an EIA approved?	1	DR	No there are no host Party requirements for EIA for project activity.	OK	OK
C.1.3. Have the summary of environmental impacts assessment been provided in the project design?	1	DR	The environmental impacts are largely positive for wind power project and their summary is presented in the VCS PD, which is appropriate.	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
D. Stakeholder Comments					
D.1.1. Have relevant stakeholders been consulted?	1	DR	Yes, the relevant stakeholders have been consulted. CL#13 was raised to substantiate the information mentioned in the VCS PD.	CL#13	CL#13 Closed. OK
D.1.2. Have appropriate media been used to invite comments by local stakeholders?	Sec 05 of VCS PD	DR	Yes, the stakeholders have been invited through invitation and their comments were collected through response sheets.	OK	OK
D.1.3. Is the undertaken stakeholder process described in a complete and transparent manner?	1	DR	Yes, the stakeholders' consultation process is complete and transparently described. It was further confirmed on site visit.	OK	OK
D.1.4. Is a summary of the stakeholder comments received provided?	1	DR	Yes, in response to CL#13, the same was provided.	OK	OK
E. Schedule					
E.1.1. Are the chronological plans for the date of initiating project activities defined?	1	DR	Yes, they are defined in the VCS PD. CL#14 was raised to provide the evidences for these milestones.	CL#14	CL#14 Closed. OK
E.1.2. Are the date of terminating the project, frequency of monitoring and reporting and the project period, including relevant project activities in each step of the GHG project cycle mentioned?	Sec. 04 of VCS PD Temp	DR	The project was not terminated and all the other events are transparently described in the VCS PD	OK	OK

Checklist Question	Ref.	MoV*	Comments	Draft Concl	Final Concl
F. Ownership					
F.1. Proof of Title					
F.1.1. Is evidence of proof of title provided?	Sec 8.1 of VCS-PD	DR	CL#15 was raised to provide the proof of title. The provided document is an undertaking but the company who owns the project. Further, the company which placed the purchased order is being acquired by the project proponent. All the evidences are included in the CL#15 and verified.	CL#15	CL#15 Closed. OK
F.2. Projects that reduce GHG emissions from activities that participate in an emissions trading programme (if applicable)					
F.2.1. Is the project proponent of the project included in an emission trading programme?	1	DR	Not applicable	OK	OK
F.2.2. Does the project take place in a jurisdiction or sector in which binding limits are established on GHG emissions?	1	DR	Not applicable	OK	OK
F.2.3. Is evidence that the reductions or removals generated by the project have or will not be used in the Programme or jurisdiction for the purpose of demonstrating compliance provided?	Sec. 8.2 of VCS-PD Temp	DR	Not applicable	OK	OK

A.3 Annex 3: Overview of Findings

Findings Overview

Findings from validation of "Energy from renewables"
Each Table below represents a finding from the validation/verification assessment. The findings are numbered consecutively, approximately in the order that they have been identified.

Description of Table:

Type	Findings are either New Information Requests (CL) or Corrective Action Requests (CAR). CARs are items that must be addressed before a project can receive a recommendation for registration/issuance. CLs may lead to the raising of CARs. Observations are included at the end and may or may not be addressed. They are primarily to act as signposts for the verifying DOE.
Issue	Details the content of the finding
Ref	Refers to the item number in the Validation/ Verification Protocol
Response	Please insert response to finding, starting with the date of entry.

Rows for comments and further response will be appended to the table until the Findings has been addressed to the satisfaction of the Lead Assessor.
Please Note: This is an open list and more findings may be added as validation/verification progresses.

Date:	18/05/2009		Raised by:	Ashok Kumar Gautam			
No.:	01	Type:	CL	Issue:	Project title	Ref.:	VCS PD/1.1
Lead Assessor Comment:				Date: 18/05/2009			
Kindly provide documentary evidence that project activity with the title 'Energy from renewables' is not used earlier by PP.							
Project Participant Response:				Date: 24/06/2009			
The project activity with the title 'Energy from renewables' is not used earlier by PP for generating any form of environmental credit. The same has been confirmed by the PP in the form of an undertaking letter (Refer – Attachment 1)							
Acceptance and Close out by Lead Assessor:				Date: 18/08/2009			
Information Provided: Undertaking by PP dated 29/05/2009 Information Verified: Project Participant has provided an undertaking in the form of Attachment 1 which declares that the project activity with the title "Energy from renewables" has not been used earlier.					Verified Document Reference: As above		
Reasoning for not acceptance or acceptance and close out: Attachment 1 has been verified and thus the CL#01 is closed.							

Date:	18/05/2009		Raised by:	Ashok Kumar Gautam			
No.:	02	Type:	CAR	Issue:	Project category	Ref.:	VCS PD/1.3
Lead Assessor Comment:				Date: 18/05/2009			
The project size (micro, project or mega) is not explicitly defined in the section. Please define as per VCS PD requirement.							
Project Participant Response:				Date: 24/06/2009			
The project size has been explained in the section 1.2 of the VCS PD Version 1.1							
Acceptance and Close out by Lead Assessor:				Date: 18/08/2009			

Information Provided: Revised PDD Version 1.1 Information Verified: Revised PDD, version 1.1 has been verified and now the section 1.2 of the PDD defines the size of the project.	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: CAR 02 has been closed as PDD version 1.1 has now taken care of the size of the project in section 1.2.	

Date:	18/05/2009			Raised by:		Ashok Kumar Gautam	
No.:	03	Type:	CAR	Issue:	Project location	Ref.:	VCS PD/1.5
Lead Assessor Comment:						Date: 18/05/2009	
Please provide the geographical coordinates of the project activity (separately for both the WEGs) in the VCS PDD.							
Project Participant Response:						Date: 24/06/2009	
The geographical coordinates have been mentioned (separately for both the WEGs) in the section 1.5 of the VCS PD Version 1.1 . The details are substantiated using the letter provided by the supplier. (Refer Attachment 3)							
Acceptance and Close out by Lead Assessor:						Date: 18/08/2009	
Information Provided: Attachment 3 – letter provided by WEG supplier Information Verified: Attachment 3 has been provided, where the geographical co-ordinates for both the WEG sites have been mentioned and this can be verified from http://www.gorissen.info/Pierre/maps/googleMapLocation.php?lat=21.194480&lon=74.203260 and http://www.gorissen.info/Pierre/maps/googleMapLocation.php?lat=21.104070&lon=74.122790							Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The geographical co-ordinates have been provided in the section 1.5 of the PDD and have been verified from the website http://www.gorissen.info/Pierre/maps/googleMapLocation.php. Thus the CAR is closed							

Date:	18/05/2009			Raised by:	Ashok Kumar Gautam		
No.:	04	Type:	CL	Issue:	Validation policy	Ref.:	VCS PD
Lead Assessor Comment:				Date: 18/05/2009			
Kindly submit the documentary evidence that project is contracted with DOE prior to 19 November 2008. Please note that as per the policy announcement 10 September 2008 "VCS 2007 validations shall be completed within two years of the project start date, or shall be completed or contracted before 19 November 2008. In relation to contracts entered into before 19 November 2008, validation shall be completed by 19 November 2009 and proof of contracting prior to 19 November 2008 shall be provided." In order to complete the validation process by the stipulated deadline a single submission is expected from PP in timely manner to fulfill the validation requirements under VCS 2007.							
Project Participant Response:				Date: 24/06/2009			
The documentary evidence for the project contract with the DOE that was signed prior to 19 November 2008, is attached herewith (Refer Attachment- 2)							
Acceptance and Close out by Lead Assessor:				Date: 18/08/2009			
Information Provided: Attachment - 2 Information Verified: Attachment 2 as the form of the contract agreement has been verified.					Verified Document Reference: As above		

Reasoning for not acceptance or acceptance and close out: The contract agreement between Magma Fincorp Limited and SGS India Pvt Ltd has been verified and found that the agreement was made on 11th November, 2008 which is prior to 19th November, 2008 and is according to the Policy announcement 10th September, 2008. Thus the CL has been closed.

Date:	18/05/2009			Raised by:	Ashok Kumar Gautam	
No.:	05	Type:	CAR	Issue:	VCS PD template	Ref.: VCS PD/1.8/9
Lead Assessor Comment:					Date: 18/05/2009	
The indexing of section 1.8 and 1.9 of VCS PD is missing. Please correct. The text in the section 1.8 mention southern regional grid which is inconsistent with the other sections of VCS PD. Please clarify/correct.						
Project Participant Response:					Date: 24/06/2009	
The indexing of the sections have been included appropriately in the VCS PD Version 1.1 Necessary changes have been made in the section 1.8 of the VCS PD version 1.1						
Acceptance and Close out by Lead Assessor:					Date: 18/08/2009	
Information Provided: PDD, Version 1.1 Information Verified: The revised PDD has been verified.					Verified Document Reference: As above	
Reasoning for not acceptance or acceptance and close out: Corrections have been made in the VCS PDD Version 1.1 in section 1.7 and 1.8. Thus the CAR has been closed.						

Date:	18/05/2009			Raised by:	Ashok Kumar Gautam	
No.:	06	Type:	CL	Issue:	Project technologies	Ref.: VCS PD/1.9
Lead Assessor Comment:					Date: 18/05/2009	
Kindly provide the documentary evidence for the technical details mentioned in the section 1.9 Kindly provide an appropriate project boundary diagram (with two substations as found on site visit) in the VCS PD.						
Project Participant Response:					Date: 24/06/2009	
The proof for technical details (Refer Attachment -3) is attached herewith. The project boundary diagram has also been changed appropriately in the section 1.9 of the VCS PD version 1.1						
Acceptance and Close out by Lead Assessor:					Date: 18/08/2009	
Information Provided: 1. Attachment 3 – letter from WEGs supplier 2. VCS PD, Version 1.1 Information Verified: The letter has been verified wherein the technical specifications can be observed. The PD version 1.1 has also been verified					Verified Document Reference: As above	
Reasoning for not acceptance or acceptance and close out: The PD version 1.1, now describes the project boundary clearly with an appropriate diagram. The letter provided by supplier mentions specifications for both WEGs. However the PD version 1.1 specifies only one technical specification. PP needs to provide the technical specifications of both the WEG separately. Thus CL 06 is still open.						
Project Participant Response:					Date: 09/09/2009	
Insert response The specifications for both WEGs as indicated by the supplier have already been submitted to the DOE. Further, the PD has been revised accordingly.						

Information Provided: 1. VCS PD, Version 1.2 Information Verified: The PD version 1.2 has also been verified	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The specifications for both WEGs are now reflected in the PD version 1.2. Thus CL is closed.	

Date:	18/05/2009		Raised by:	Ashok Kumar Gautam		
No.:	07	Type: CL	Issue:	Compliance with laws	Ref.:	VCS PD/1.10
Lead Assessor Comment:				Date: 18/05/2009		
Kindly substantiate (with documentary evidence or references) a) The wind projects do not require permissions under Air and Water Act. b) There are no other requirements, like clearance for height etc., usage of land Kindly provide c) copy of PPA (full copy) d) Permission for grid connectivity e) Commissioning certificates (for both WEGs)						
Project Participant Response:				Date: 24/06/2009		
Response to issue a: As per the Environmental Impact Assessment Notification 2006 and 2009 (Refer : http://www.envfor.nic.in/) wind power projects do not require any kind of environmental impact assessment as they do not contribute to any kind of water or air pollution. (Refer Attachment 15) Response to issue b: The project proponent has sought all clearances to establish his wind farms. The clearances as per the standard practice have been procured by the site developer/equipment supplier. The list of the same is as follows: Clearance from MSEDCL dated 22 August 2005 (Refer Attachment 5) Geology and Mining clearance dated 10 May 2004 (Refer Attachment 16) Response to issue c: The full copy of the PPA (for both the WEGs have been attached herewith (Attachment 4) Response to issue d: A copy of the grid connectivity for both the machines have been attached herewith (Attachment 5) Response to issue e: The commissioning certificates for both the projects have been attached herewith (Attachment 6)						
Acceptance and Close out by Lead Assessor:				Date: 18/08/2009		
Information Provided: Attachment 15 – Notification from Ministry of Environment and Forest dated 19th January, 2009. Attachment 5 – Clearance from MSEDCL, dated 22nd August, 2005 Attachment 16 – Geology and Mining Clearance from Dept. of Geology and Mining, Govt of Maharashtra. Attachment 4 – Copy of PPA Attachment 5 – Copy of permission for the grid connectivity Attachment 6 – Commissioning certificate Information Verified: All the attachments have been verified.				Verified Document Reference: As above		
Reasoning for not acceptance or acceptance and close out: All the attachments have been verified. However project proponent needs to show *a)* The wind projects do not require permissions under Air and Water Act according to the Environmental Impact Assessment (EIA) Notification 2006. *b)* PP needs to justify how is the EIA notification 2009 relevant to the project, when it was commissioned on March, 2006. *c)* The PPA was in between SHRACHI SECURITIES LIMITED and MSEDCL. PP needs to clarify how SHRACHI SECURITIES LIMITED is related to the project proponent. Thus the CL 07 is still open.						

Project Participant Response:	Date: 09/09/2009
Insert response a) The project activity is not included under the Schedule I list of activities requiring Environmental Clearance. The supporting document has been submitted to the DOE. Please refer attachment No. 17. b) The MoEF Notification of 1994 and the 2001 amendment have been referred to in the PD version 1.2 and has been revised. c) The name change documents (from Shrachi Securities Limited to Magma Fincorp Limited) have been submitted to the DOE. Please refer to attachment No. 14. Further, the amended PPA between Magma Fincorp Limited and MSEDCL is attached. Please refer to attachment no. 18.	
Information Provided: a) The EIA notification of 1994 with 2001 amendment b) Attachment 14 – Fresh Certificate of Incorporation Consequent upon Change of Name c) Attachment 18 – First Amendment of PPA between MSEDCL and M/s Shrachi Securities Limited	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: a) The supporting documents have been verified. Thus issue a), b) and c) have been closed. CL 07 is closed out.	

Date:	18/05/2009			Raised by:		Ashok Kumar Gautam	
No.:	08	Type:	CL	Issue:	VCS requirements	Ref.:	VCSPD
Lead Assessor Comment:						Date: 18/05/2009	
Kindly provide documentary evidence a) that project has not created another form of environmental credit b) the project is not rejected under other GHG programs Please clarify why the project has considered only VCS validation as per VCS 2007.1 and explain the efforts taken up for its VCS validation as project was already commissioned in 31/03/2006.							
Project Participant Response:						Date: : 24/06/2009	

Response to issue a: The project activity has not created any form of environmental credit. The same has been confirmed by the project promoter (Refer Attachment 1) Response to issue b: The project activity has not been rejected under any other GHG programs. This has also been confirmed by the project promoter in the form of an undertaking letter (Refer Attachment 7) Project background: The company's board in its resolution decided to go ahead with the project on 28th October 2005. The board had resolved to proceed with the project through Clean Development Mechanism. With planned future investments, the company had decided to bundle the 2.5 MW wind installations as a single CDM project owing to the high transaction costs and this delayed the process of considering CDM considerable. CDM process: Once the management decided to install another set of machines, they decided to bundle all the projects together as CDM. For this the company had taken numerous initiatives by approaching consultants and even international organizations to assist them with CDM advisory and consultancy (Refer mails from the consultants). Some consultants who the company approached also advised that it would not be advisable for the company to take a small capacity of 2.5 MW as a stand alone CDM project (Refer forwarded mails) especially considering its old start date in spite of having serious CDM consideration at the conceptualization stage, and thus the project activity was only conceived but was not executed under CDM program. Consideration under the VCS program: With the apprehension of not knowing how to carry out the project, while in continuous search for consultants till February 2008, the company along side initiated search for other GHG reduction programs. Till May 2008, the promoter was unable to firm upon a consultant though they had various stages of contact and discussions with both local and international consultants and finally got advisory services from their current consultant who gave them concrete advice of seeking voluntary credits under the VCS programme for this project. Subsequent to this, a contract was signed on 11 November 2008 and the Validator was also at once appointed for VCS 2007.1 prior to the announced deadline (19 November 2008) Intention of GHG reduction: The promoter had gone ahead with the green investments in wind energy though it was not financially viable with a clear intention of seeking CDM benefits. With the current low VER process and hence a low income from VCU, the promoter is dependant on the VCU credits that would enable the project activity to cross the benchmark and enable the promoter to operate the wind machines throughout its life time. The promoter has been facing severe financial constraints since the project has generated only 65% of the guaranteed generation. It is therefore very much essential for the project to get VCU credits. (Refer chronology for detailed sequence of events)		
Acceptance and Close out by Lead Assessor:	Date: 18/08/2009	
Information Provided: Attachment 1- Undertaking from PP Attachment 7- Undertaking from PP Information Verified: The two undertakings from PP have been verified, which states that the project does not have any form of Environmental Credits and also it did not get rejected from other GHG programs.		Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The two undertakings from PP have been verified, which states that the project does not have any form of Environmental Credits and also it did not get rejected from other GHG programs. However PP needs to justify the delay in VCS consideration by providing documentary evidences of the events of VCS consideration in chronological order. CL 08 is open.		
Project Participant Response:	Date: 09/09/2009	

Insert response The detailed chronology of activities and the corresponding supporting documents are as follows and the same have been submitted to the DOE. The project was initially conceptualized by Shrachi Infrastructure Limited and they had considered CDM. Soon after commissioning of the machines, Shrachi Infrastructure Limited merged with Magma Leasing Limited. Therefore, the project activity ownership changed to Magma Leasing Limited {(Magma) – Refer Annex 1)}. Only after acquiring complete ownership of the project activity could Magma initiate the CDM process. The process of asset transfer from Shrachi Infrastructure Limited was initiated in April 2006, and the High Court sanctioned the transfer in Feb 2007 following which the stakeholders' approval was obtained soon after. Therefore, Magma acquired complete ownership of the project activity only post the transfer. After this, serious action was taken by Magma, the current project proponent, towards seeking Carbon Credits. With the acquired project dependent on Carbon credits, Magma started correspondences with various international and national consultants to start with the process without any further delay regarding taking ahead the CDM process in May-June 2007. In Feb 2008, one of the CDM consultants advised Magma on taking up the project activity through the voluntary market. Therefore, though the project activity was initially conceived for CDM benefits, due to the change in project ownership and the corresponding delay and as advised by CDM consultants, Magma decided to take the project activity through the VCS. A suitable CDM/VCS consultant was then identified and as advised by these consultants as well, Magma decided to take the project through VCS and the consultants were also then appointed. Please refer to the Chronology of events of the project as below: *Please note post the merger with Shrachi Infracsture Limited, the Company underwent name changes as below. Refer Annex

Milestones	Period	Supporting Document	Attachment
Board Resolution (Shrachi Infrastructure Limited)	28-Oct-05	Extracts of board note	8
Purchase Order	11-Nov-05	Copy of purchase order	9
Commissioning	29-Mar-06 31-Mar-06	Commissioning Certificate	6
Power Purchase Agreement	29-Apr-06	A copy of the PPA	4
Sanction of loan	29-May-06	Loan sanction documents	11
Transfer date (Shrachi Infrastructure Limited to Magma Leasing Limited)	1, April 2006	PPA - Amended and Refer page of the Memorandum & articles of Association of Magma Fincorp Limited	18 & 23
High Court Sanctioning (for Merger of Shrachi Infrastructure Limited and Magma Leasing Limited)	12, February 2007	PPA - Amended and Refer page of the Memorandum & articles of Association of Magma Fincorp Limited	18 & 24
Shareholder's Consent (Shrachi Infrastructure to Magma Leasing Limited)	30, March 2007	PPA - Amended	18
Magma's Internal mail on understanding the GHG reduction process	24-Apr-07	e-mail copy	19a
Magma Leasing Limited corresponding with international consultants for carbon funding for their projects	May - June 07	e-mail copy	19b
Magma's Internal mails on triggering the GHG reduction program	10-Sep-07	e-mail copy	19c
Correspondence with Symbiotic research and Magma	Dec 2007 - Jan 2008	e-mail copy	19d
Proposal from Vetas to Magma	December 13, 2007	e-mail copy	19e
Magma Participation in the Carbon Conference	12-Feb-08	e-mail copy	19f
Enquiry from Asia Carbon to Magma	25-Feb-08	e-mail copy	19g
Proposal from Emergent Ventures India Pvt Ltd to Magma	25 -Feb-08	Copy of the proposal	19h
E-mail correspondence with EVI and Magma	28 and 29th -Feb-08	e-mail copy	19i
Initial correspondence with consultants (Magma and EY)	28-May-08		19j
Agreement signed with consultants	12-Sep-08		19k
Raising validator quotes	29-Oct-08		
Proposal from SGS	11-Nov-08		
Appointment of Validator	11-Nov-08		
Stakeholder Consultation Process	24-Nov-08	e-mail copy	Stakeholder documents

<table>
<tr><td colspan="2">Information Provided:
a) Attachment 8 – Minutes of the Board Meeting
b) Attachment 9- Purchase Order
c) Attachment 6 – Commissioning Certificate
d) Attachment 4 – Copy of PPA
e) Attachment 11 – IREDA Loan Sanction Letter
f) Attachment 18 – Copy of Amendment to PPA
g) Attachment 23 – copy of Memorandum & articles of Association of Magma Fincorp Limited
h) Attachment 24 - copy of Memorandum & articles of Association of Magma Fincorp Limited
i) Attachment 19 a, b, c, d, e, f, g, h, i, j and k</td><td>Verified Document Reference:
As above</td></tr>
<tr><td colspan="3">Reasoning for not acceptance or acceptance and close out:
It is not clear how the CDM benefits were considered at the time of decision making (at or prior to start date) and how the project proponents were aware of CDM benefits?
There appears to be considerable delay from the start date, and even after commissioning of the project to secure CDM/VCS benefits, which were considered quite vital for the project?
It is also not clear what is the significance of local stakeholders consultation process after 2.5 years since commissioning and were there any efforts to procure Letter of Approval from Host Party if CDM was considered.
Please explain and substantiate with concrete documentary evidences.
CAR#08 Open</td></tr>
<tr><td>Project Participant Response:</td><td colspan="2">Date: 27/10/2009</td></tr>
</table>

Though the project was initially conceptualized by Shrachi Infrastructure Limited soon after commissioning of the machines, Shrachi Infrastructure Limited underwent a merger with Magma Leasing Limited {(Magma) Refer Annex 1)}, who are currently pursuing to seek Carbon credits for the project. The initial proponents (Shrachi Securities Limited) were facing a financial crunch during the initial stages of the project activity. Shrachi had indicated the same to the equipment suppliers, where they have indicated that in case funding for the project activity cannot be arranged, they would stop the project and Suzlon will have to return the advance payment made (Please refer attachment No 25). As anticipated, the loan sanctioning from IREDA happened only in May 2006. However, they could source funding from other sources – Magma's merger. Therefore, it is evident that the merger was crucial deciding factor for the project activity to continue. Further, Magma Fincorp Limited (then known as Magma Leasing Limited) conducted a feasibility of this project activity. They compared the returns against Magma's benchmark by adopting the Weighted Average Capital Cost (WACC) method.. Even with a higher side of all techno commercial parameters (sensitivity analysis), the returns were not meeting their benchmark. The financial viability of the project considered by Shrachi Securities Limited and by Magma Leasing Limited during the merger, both proved unviable without Carbon credit revenue. The process of asset transfer from Shrachi Infrastructure Limited was initiated in April 2006, and the High Court sanctioned the transfer in Feb 2007 following which the stakeholders' approval was obtained in March 2007. During this acquisition process, Magma conducted a feasibility assessment on the project activity and found that the returns did not meet the benchmark (Magma's benchmark based on the Weighted Average Cost of Capital). there Only after acquiring complete ownership of the project activity could Magma initiate the CDM process and with this start date, serious action was taken by Magma, towards seeking Carbon Credits. Magma had initiated action continuously in procuring carbon revenues for the project activity. At the time of merger, Magma Leasing Limited considered the carbon revenue benefits for the project activity. Magma started correspondences in April 2007 with various international and national consultants to start with the process without any further delay regarding taking ahead the CDM process. However, due to the change in project ownership the project suffered inherent delays since the conceptualization which were inevitable and Magma decided to take the project activity through the VCS. However with recent developments with respect to guidelines by UNFCCC as per the EB 49 Annex 22, there is less than 2 years of gap between the documented evidence (Start date – 30 March 2007 and September 2008 – Appointment of CDM Consultant). Further, the PP has been continuously corresponding with consultants from April 2007 itself. Therefore, assessment of real and continuing action can be justified with the new guidelines as well. Magma decided to take the project through VCS and the consultants were also then appointed. Following this, the stakeholder process was conducted as a requirement under the VCS standard and since, the consultant suggested that project activity be taken under the VCS route, the PP did not apply for a Host Country Approval (HCA not a requisite under VCS standards)

Acceptance and Close out by Lead Assessor:	Date: 03/11/2009
Information Provided: As above, Information Verified: The information was found OK.	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The information was found reasonable and acceptable therefore, CL 08 is closed out.	

Date:	18/05/2009			Raised by:	Ashok Kumar Gautam		
No.:	09	Type:	CL	Issue:	Additionality	Ref.:	VCS PD/ 2.5
Lead Assessor Comment:					Date: 18/05/2009		

Kindly provide documentary evidences for a) The project was seriously considered in mid 2005 (define clearly the date in VCS PD) b) The PO was places in November 2005 (define clearly the date in VCS PD) c) The PPA was signed in April 2006 d) The spreadsheet depicted the IRR as 8.44%, clarify if it is project or equity IRR? e) The appropriateness and source of benchmark as 10.5% f) The portion of funds taken up from IREDA and proof of six years repayment g) That no subsidy is obtained for the wind project in any form h) The plans of MNES to generate 10% power from renewable by 2012 i) The justification for the delay in initiating the validation process (as the VCS PD is dated 02/04/2009) from the investment decision. Kindly substantiate the in between efforts undertaken by PP to get the projects registered under VCS registry.	
Project Participant Response:	Date: 24/06/2009
Response to the issue a: The project was considered in the board meeting held on 28th October 2005. The same has been mentioned in the VCS PD Version 1.1. A copy of the board extracts has been attached herewith (refer Attachment 8) Response to the issue b: The PO placement date is on 17th November 2005. This has also been included in the VCS PD version 1.1. A copy of the purchase order has been attached herewith (refer Attachment 9) Response to the issue c The PPA was signed on 29th April 2006. A copy of the same has been provided along with the other attachments. (Refer Attachment 4) Response to the issue d: The IRR calculated for this project is project IRR. Response to the issue e: The benchmark set for this project activity is the Prime Lending Rate of Reserve Bank of India during the period September – October 2005. Please refer: http://www.rbi.org.in/scripts/AnnualReportPublications.aspx?Id=781 A copy of the interest rates is attached herewith (Refer Attachment 10) Response to the issue f: The loan amount and the repayment period can be verified with the IREDA loan sanction document. (Refer Attachment 11) Response to issue g: The project promoter has not availed any form of subsidy for this project activity. The same has been confirmed by the PP (Refer Attachment 7) Response to issue h: The Ministry of Nonconventional Energy Sources conducts Research Design and Development activities for renewable power, which aims to have a 10% contribution of renewable power to the grid by 2012. Reference: http://mnes.nic.in/annualreport/2006_2007_English/HTML/ch6_pg2.htm Response to issue i: The reason for the delay and the efforts taken by PP has been provided as a response to CL 8.	
Acceptance and Close out by Lead Assessor:	Date: 18/08/2009

Information Provided: Attachment 8 – Board resolution VCS PD version 1.1 Attachment 9 – Copy of purchase order Attachment 4 – Copy of PPA Attachment 10 – Copy of interest rate of commercial banks Weblink: http://www.rbi.org.in/scripts/AnnualReportPublications.aspx?Id=781 Attachment 11- Copy of loan sanction letter from IREDA Attachment 7 – Copy of undertaking Weblink: http://mnes.nic.in/annualreport/2006_2007_English/HTML/ch6_pg2.htm Information Verified: All the above information provided by PP has been verified from provided documentary evidences and the web-link mentioned.		Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: Replying to the issue e), the PP mentioned that the benchmark set for this project activity is the Prime Lending Rate of Reserve Bank of India during the period September – October 2005 and has also provided the weblink http://www.rbi.org.in/scripts/AnnualReportPublications.aspx?Id=781 and Attachment 10. However Attachment 10 is not matching with the mentioned weblink content. Please clarify. Pending CL 8. Thus the CL 09 is still open.		
Project Participant Response:	Date: 09/09/2009	
Insert response The document corresponding to the web link has been submitted to the DOE, The active web link has been included in the PD version 1.2. Please refer to attachment No. 20.		
Information Provided: 1) the new weblink http://www.rbi.org.in/scripts/WSSView.aspx?Id=9244 2) Attachment 20		Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: Please substantiate 1) Why MAT has been considered? Please provide the audited balance sheet of the company for last 3 years earlier to project start date 2) Why the sensitivity is not undertaken on PLF? 3) Why the 10% uncertainty on wind and 10% other uncertainty (what kind of uncertainty is this) is subtracted from generation. Why this uncertainty is on downside only? 4) Why the uncertainties indicated in point 3 are not part of PLF? 5) Please provide a revised IRR spreadsheet to evaluate the additionality of the project activity CL#09 is upgraded to CAR#09 and is kept open.		
Project Participant Response:	Date: 27/10/2009	
1) MAT has been removed from the IRR calculation sheet. 2) The sensitivity for the PLF has been incorporated in the IRR sheet. 3) The 10% uncertainty on wind and 10% other uncertainty is based on the projected arrived at by the technical consultant. Please refer attachment No 26. However, to take a conservative approach, the 10% wind uncertainty has been removed from the IRR calculation. The other uncertainty has been considered at 5%. The sensitivity on the plant load factor would account for the variation in these factors. The revised IRR working sheet has been submitted to the DOE. 4) Please refer response 3 as above. 5) The revised IRR sheet dated 4 November 2009 has been submitted to the DOE.		

Acceptance and Close out by Lead Assessor:	Date: 10/11/2009
Information Provided: The information is duly verified and found correct. Information Verified: CAR#09 (upgraded from CL) is closed.	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The information is found consistent and OK. Therefore, CAR 09 has been closed.	

Date:	18/05/2009			Raised by:	Ashok Kumar Gautam		
No.:	10	Type:	CAR	Issue:	Monitoring requirements	Ref.:	VCS PD
Lead Assessor Comment:					Date: 18/05/2009		
a) The information mentioned in monitoring equipment section of VCS PD (page 21) regarding the main and check meter is inconsistent with the actual situation. Please clarify. b) As the project activity is already commissioned please submit the JMR sheets and invoices (for 2 months every year, April/May months) since commissioning to understand the monitoring mechanism. c) In the QA/QC section of parameters the calibration requirements are not clearly defined. Please clarify.							
Project Participant Response:					Date: 24/06/2009		
Response to issue a: The monitoring of parameters using the main and check meter has been explained in the PD version 1.1 in line with the actual situation. Response to issue b: The JMR has been submitted herewith (Refer Attachment 12) Response to issue c: The calibration requirements are clearly defined in the PD version 1.1							
Acceptance and Close out by Lead Assessor:					Date: 18/08/2009		
Information Provided: VCS PD Version 1.1 Attachment 12 – JMR Information Verified: PD version 1.1 and JMR have been verified.						Verified Document Reference: As above	
Reasoning for not acceptance or acceptance and close out: The PD Version 1.1 have been verified and the revised PD has elaborately defined the monitoring equipments. The QA/QC has also been clearly defined. JMR from commissioning year to 2008 have been provided by the PP. CAR 10 has been closed.							

Date:	18/05/2009			Raised by:	Ashok Kumar Gautam		
No.:	11	Type:	CL	Issue:	ER	Ref.:	VCS PD
Lead Assessor Comment:					Date: 18/05/2009		
Please provide the a) spreadsheet for ER calculations b) The sources of assumptions (like PLF and other factors, as the case may be)							
Project Participant Response:					Date: 24/06/2009		
Response to the issue a: The ER calculations have been attached herewith (Enclosure 1) Response to issue b: The source for all assumptions in IRR and ER calculations has been included in the respective spread sheets.							
Acceptance and Close out by Lead Assessor:					Date: 18/08/2009		

Information Provided: Enclosure 1- ER calculation sheet. IRR Calculation sheet Information Verified: The two spreadsheets have been verified	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: a) PP needs to provide all the assumptions and sources (documentary evidences, web links as the case may be) of the value considered in ER spreadsheet. Eg. PLF, 90% grid availability, 95% machine availability etc. that were available to them during the Board Resolution/serious CDM/VCS consideration. b) All the weblinks provided by PP can't be viewed. Please indicate exact reference with in the website/link. The investment decisions have been made prior to commissioning, then how does PP consider some assumptions from some Act based on year 2006-2007, 2008-2009 financial year. Thus CL 11 is still open.	
Project Participant Response:	Date: 09/09/2009
Insert response a) The supporting document for the grid availability and machine availability at the time of decision making has been submitted to the DOE. Please refer to attachment No. 21. b) Please refer to the respective web links that have been included in the revised IRR spreadsheet. Please refer attachment No. 22.	
Information Provided: a) Attachment 21 – Various Capacity Unit Factors of WEGs b) Attachment 22 – Tax Supporting document	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: a) Attachment 21 supported all the assumptions mentioned in ER spreadsheet excluding the source of emission factors considered. PP needs to provide the exact weblink for the same. b) The revised IRR is missing from supporting documents provided by PP. Also PP needs to provide the authentic source of Attachment 22. Thus CL 11 is still open.	
Project Participant Response:	Date: 20/10/2009
Insert response a) The exact weblink for the emission factor from the CEA database has been included in the ER sheet. http://www.cea.nic.in/planning/c%20and%20e/Government%20of%20India%20website.htm b) The revised IRR is enclosed. The weblink for attachment 22 is included in the IRR sheet. The source for the same is http://www.pwc.com/en_SG/sg/mergers-and-acquisitions-asian-taxation-guide-2006/assets/maasiantaxguide-2006-in-r.pdf	
Reasoning for not acceptance or acceptance and close out: The information is duly verified from the sources and found correct. CL 11 has been closed.	

Date:	18/05/2009		Raised by:	Ashok Kumar Gautam			
No.:	12	Type:	CL	Issue:	Environmental impact	Ref.:	VCS PD/ 5
Lead Assessor Comment:				Date: 18/05/2009			
Kindly include the reference of relevant notification in the VCS PD illustrating wind projects are not to be considered for EIA.							
Project Participant Response:				Date: 24/06/2009			
The reference for non requirement of EIA notification has been included in the VCS PD version 1.1							
Acceptance and Close out by Lead Assessor:				Date: 18/08/2009			

Information Provided: VCS PD version 1.1 Information Verified: PD version 1.1 has been verified.	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The reference has been made in PD, however exact source/weblink of the referred document should be mentioned for easy reference. CL 12 is open	
Project Participant Response:	Date: 09/09/2009
Insert response Please refer the revised PD version 1.2 and attachment No. 17.	
Information Provided: 1. VCS PD version 1.2 2. Attachment-17- ENVIRONMENT IMPACT ASSESSMENT NOTIFICATION S.O.60(E), dated 27/01/1994 Information Verified: PD version 1.2 and attachment 17 have been verified.	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The reference has been made in PD and the attachment 17 is also indicates the same. CL 12 is closed	

Date:	18/05/2009			Raised by:	Ashok Kumar Gautam		
No.:	13	Type:	CL	Issue:	Stakeholders comments	Ref.:	VCS PD
Lead Assessor Comment:				Date: 18/05/2009			
Please provide a) The documentary evidences for stakeholder consultation process occurred on November 24, 2008 b) The documentary evidence as how the relevant were identified and informed about the process c) The summary of comments received and their resolutions, if any provided d) The copy of response sheets and photographs							
Project Participant Response:				Date: 24/06/2009			
Response to issue a: The stakeholder consultation process was conducted on 24 November 2008. The photograph showing the banner and the attendance sheets (have been included herewith) serves as proof for the same.(Refer Attachment 13.a) Response to issue b: A copy of the invitation letter sent to the stakeholders has been attached herewith. (Refer Attachment 13.c) Response to issue c: The summary of the comments have been documented in the form of feed back forms that were distributed to the stakeholders (Refer Attachment 13.b) Response to issue d: The response sheets and photographs have been attached herewith .(Refer Attachment 13.b and 13.d)							
Acceptance and Close out by Lead Assessor:				Date: 18/08/2009			
Information Provided: Attachment 13.a Attachment 13.b Attachment 13.c Attachment 13.d Information Verified: All the attachments have been verified.					Verified Document Reference: As above		

Reasoning for not acceptance or acceptance and close out: Please how the local stakeholder consultation process affected the consideration and implementation of the project activity as there is a time gap of almost 2 years. CL open	
Project Participant Response:	Date: 09/09/2009
Insert response Please refer the response for CAR no 8, where the detailed chronology has been listed. The CDM consultant was officially appointed in September 2008, only after which could the PP proceed with the CDM activities. After appointing the CDM consultant in September 2008, the stakeholder consultation process was conducted in November 2008.	
Information Provided: Attachment 13.a Attachment 13.b Attachment 13.c Attachment 13.d Information Verified: All the attachments have been verified.	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The PP responses satisfactorily the time gap of 2 years with documentary evidences, thus the CL 13 is closed.	

Date:	18/05/2009		Raised by:	Ashok Kumar Gautam			
No.:	14	Type:	CL	Issue:	Chronology of events	Ref.:	VCS PD
Lead Assessor Comment:				Date: 18/05/2009			
Please provide a) The chronology from the investment decision taken towards the project activity b) The commitment to the projects activity (financial) c) The commissioning of project activity d) The regulatory and/or other clearances obtained e) The efforts taken to undertake VCS registration Please justify how the income from VCU was serious as the project is commissioned almost 3 years back and still under validation.							
Project Participant Response:				Date: 24/06/2009			

Response to issue a:
The chronology of investment decision has been provided below:

Milestones	Period	Supporting Document	Attachment
Board Resolution	28-Oct-05	Extracts of board note	8
Purchase Order	11-Nov-05	Copy of purchase order	9
Commissioning	29-Mar-06	Commissioning Certificate	6
	31-Mar-06		
Power Purchase Agreement	29-Apr-06	A copy of the PPA	4
Sanction of loan	29-May-06	Loan sanction documents	11
Internal mail on understanding the GHG reduction process	24-Apr-07	e-mail	Forwarded mail -1
Internal mails on triggering the GHG reduction program	10-Sep-07	e-mail	Forwarded mail -2
Participation in the Carbon Conference	12-Feb-08	e-mail	Forwarded mail -5
Enquiry from Asia Carbon	25-Feb-08	e-mail	Forwarded mail -3
Proposal from Emergent Ventures India Pvt Ltd	28-Feb-08	Copy of the proposal	Forwarded mail -4
Initial correspondence with consultants	28-May-08		e-mail correspondence
Agreement signed with consultant	12-Sep-08		Copy of the agreement
Kick start meeting	29-Sep-08		Forwarded mail -7
Raising validator quotes	29-Oct-08		Forwarded mail -8
Proposal from SGS	11-Nov-08		2
Appointment of validator	11-Nov-08		
Stakeholder Consultation Process	24-Nov-08		13

Legend	
	Project Progress
	CDM Progress

Response to issue b: The financial commitment to the project activity was made on 17 November 2005, wherein the PP had placed the purchase order to the equipment supplier. The copy of the same has been provided herewith (Refer Attachment 9) Response to issue c: The project activity was commissioned in two phases as follows.

Phases	Capacity	Date of commissioning
Phase 1	1.25 MW	29th March 2006
Phase 2	1.25 MW	31st march 2006

A copy of the commissioning certificates have been enclosed herewith (Refer Attachment 6)
Response to issue d: All the necessary clearances have been submitted herewith. (Refer Attachment 5 and 16)

Acceptance and Close out by Lead Assessor:	Date: 18/08/2009
Information Provided: Attachments: 5, 8, 9, 6, 4, 11, 2, 13 and 16 Copy of the agreement with CDM consultant Information Verified: (all the referred attachments have been verified.	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: However the mentioned “forwarded mails” can’t be verified due to non-availability with the lead assessor. Please provide the same. The board considered the Carbon credit for the project on October, 2005, financial commitment has been made on November 2005, Commissioning of the project has been carried out on March 2006, and however Agreement with CDM consultant was on September, 2008. Almost 3 years after first financial commitment. PP needs to justify the same clearly. CL 8 is pending CL 14 is still open	
Project Participant Response:	Date: 09/09/2009
Insert response The corresponding supporting documents have been submitted to the DOE. Please refer to the attachments No. 19.	
Information Provided: Attachments: 5, 8, 9, 6, 4, 11, 2, 13, 16 and 19 Copy of the agreement with CDM consultant Information Verified: (all the referred attachments have been verified.	Verified Document Reference: As above
Reasoning for not acceptance or acceptance and close out: The information has been verified and PP responses the delay in an agreement with a consultant satisfactorily. Thus CL 14 is closed.	

Date:	18/05/2009			Raised by:	Ashok Kumar Gautam		
No.:	15	Type:	CL	Issue:	Proof of title	Ref.:	VCS PD
Lead Assessor Comment:				Date: 18/05/2009			
Kindly submit the proof of title in line with the VCS 2007 requirements.							
Project Participant Response:				Date: 24/06/2009			
As per VCS 2007.1 proof of title shall refer to document(s) demonstrating the project proponent’s right to the GHG emission reductions or removals and the ownership of the project. The promoter submits an undertaking letter that states that the project activity ‘ Energy from renewables ‘ is owned by the promoter. (Refer Attachment 1 & 9) Apart from this, the project activity related clearances and documents like purchase order, was signed between the concerned parties and the promoter which evidences the fact that the project is owned by the promoter. Company name of the project promoter: Magma Fincorp Limited (formerly Magma Leasing Limited) was incorporated in 1988 and commenced operations in 1989 (Reference: http://www.magma.co.in/aboutus_profile.htm). In early 2007, to strengthen the company’s services even more, Shrachi Infrastructure Finance Ltd. (SIFL), a non-banking retail financing company, merged with Magma to create a new financial services powerhouse: Magma Shrachi Finance Ltd. On August 2008, the company was renamed as Magma Fincorp (Refer Attachment 14)							
Acceptance and Close out by Lead Assessor:				Date: 18/08/2009			
Information Provided: Attachment: 1,9 and 14 Information Verified: The above attachments have been verified.					Verified Document Reference: As above		
Reasoning for not acceptance or acceptance and close out: Based on information provided and attachments referred, the title of the project activity is correct and is owned by Magma Fincorp. Thus the CL 15 is closed.							

A.4 Annex 4: Team Members Statements of Competency

Name: Gautam, Ashok SGS Affiliate: SGS India

Status

-	Lead Assessor	x	-	Expert	x
-	Assessor	x	-	Financial Expert	
-	Local Assessor	x	-	Technical Reviewer	

Scopes of Expertise

1. Energy Industries (renewable / non-renewable)	
Sub scope(s):	
2. Energy Distribution	
Sub scope(s):	
3. Energy Demand	
Sub scope(s):	
4. Manufacturing	
Sub scope(s):	
5. Chemical Industry	
Sub scope(s):	
6. Construction	
Sub scope(s):	
7. Transport	
Sub scope(s):	
8. Mining/Mineral Production	
Sub scope(s):	
9. Metal Production	
Sub scope(s):	
10. Fugitive Emissions from Fuels (solid, oil and gas)	
Sub scope(s):	
11. Fugitive Emissions from Production and Consumption of Halocarbons and Sulphur Hexafluoride	
Sub scope(s):	
12. Solvent Use	
Sub scope(s):	
13. Waste Handling and Disposal	**x**
Sub scope(s): Landfill gas, Wastewater and sludge treatment, Composting	
14. Afforestation and Reforestation	
Sub scope(s):	
15. Agriculture	
Sub scope(s):	

Approved Member of Staff by: Siddharth Yadav Date: 28/10/2009

Statement of Competence

Name:	Gupta, Ajoy	SGS Affiliate:	SGS India

Status

-	Lead Assessor	x	-	Expert	x
-	Assessor	x	-	Financial Expert	
-	Local Assessor	x	-	Technical Reviewer	x

Scopes of Expertise

1. Energy Industries (renewable / non-renewable) x

Sub scope(s): Hydro, Wind, Combined heat and Power & Waste Heat, Biomass Electricity Utilization

2. Energy Distribution

Sub scope(s):

3. Energy Demand

Sub scope(s):

4. Manufacturing

Sub scope(s):

5. Chemical Industry

Sub scope(s):

6. Construction

Sub scope(s):

7. Transport

Sub scope(s):

8. Mining/Mineral Production

Sub scope(s):

9. Metal Production

Sub scope(s):

10. Fugitive Emissions from Fuels (solid, oil and gas)

Sub scope(s):

11. Fugitive Emissions from Production and Consumption of Halocarbons and Sulphur Hexafluoride

Sub scope(s):

12. Solvent Use

Sub scope(s):

13. Waste Handling and Disposal

Sub scope(s):

14. Afforestation and Reforestation

Sub scope(s):

15. Agriculture

Sub scope(s):

Approved Member of Staff by:	Siddharth Yadav	Date:	28/10/2009

Statement of Competence

Name:Abhishek Mahawar SGS Affiliate:SGS India Pvt. Ltd.

Status

- Product Co-ordinator	☐	
- Operations Co-ordinator	☐	
- Technical Reviewer	☐	
- Expert	☒	
	Validation	Verification
- Local Assessor	☒	☒
- Lead Assessor	☐	☐
- Assessor / Trainee Lead Assessor	☐	☐

Scopes of Expertise

1. Energy Industries (renewable / non-renewable)	☒
2. Energy Distribution	☐
3. Energy Demand	☐
4. Manufacturing	☐
5. Chemical Industry	☐
6. Construction	☐
7. Transport	☐
8. Mining/Mineral Production	☐
9. Metal Production	☐
10. Fugitive Emissions from Fuels (solid,oil and gas)	☐
11. Fugitive Emissions from Production and Consumption of Halocarbons and Sulphur Hexafluoride	☐
12. Solvent Use	☐
13. Waste Handling and Disposal	☐
14. Afforestation and Reforestation	☐
15. Agriculture	☐

Approved Member of Staff by Siddharth Yadav Date: 31/03/2009