

# PROJECT REVIEW REPORT

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

<b>Review Type</b>	Crediting Period Renewal
<b>Project ID</b>	896
<b>Project Name</b>	Foz do Chapecó
<b>Program(s)</b>	VCS
<b>Verification Period</b>	N/A
<b>Project Proponent</b>	Foz do Chapecó Energia S.A.
<b>Methodology</b>	ACM0002, Consolidated baseline methodology for grid-connected electricity generation from renewable sources, version 20.0
<b>VVB</b>	Earthood Services Private Limited
<b>Assessment Criteria</b>	VCS Version 4.3
<b>Date of First Issue</b>	23 September 2022
<b>Review Conclusion</b>	05 December 2022
<b>Date of Final Issue</b>	08 December 2022

ASSESSMENT FINDINGS			
#	Description	Response	Status
1	<p><b>Inconsistent values for the <math>EF_{CM}</math>, <math>EF_{BM}</math>, and <math>EF_{OM}</math> and consequently the ERRs.</b></p> <p><b>Issue:</b></p> <p>Different values of <math>EF_{CM}</math>, <math>EF_{BM}</math>, and <math>EF_{OM}</math>, and consequently ERRs are indicated in the project description and the validation report.</p> <p><b>Action Item:</b></p> <p>The VVB must ensure that the <math>EF_{CM}</math>, <math>EF_{BM}</math>, <math>EF_{OM}</math>, and the estimated annual ERRs are consistent in the updated project description and validation report</p> <p><b>Program rule:</b></p> <p><i>Not applicable</i></p>	<p><b>Round1:</b></p> <p>VVB Response: The values indicated in the Validation report were consistent with ER calculations spreadsheet. The VCS PD has wrongly reported values and has now been amended accordingly.</p> <p>Verra Review:</p> <p>The <math>EF_{CM}</math>, <math>EF_{BM}</math>, <math>EF_{OM}</math>, and the estimated annual ERRs are consistent in the updated project description and validation report. This finding is now closed, and no further response is required.</p>	Closed
2	<p><b>The start date of the crediting period has already been issued</b></p> <p><b>Issue:</b></p> <p>The last monitoring period of the project ended on the same date as the second crediting period started, and therefore, there will be double counting.</p> <p><b>Action Item:</b></p> <p>The VVB must raise a FAR to ensure that the 1<sup>st</sup> date of the 2<sup>nd</sup> crediting period (14/10/2020) is not included in the verification request of the 2<sup>nd</sup> crediting period.</p> <p><b>Program rule:</b></p> <p>N/A</p>	<p><b>Round1:</b></p> <p>VVB Response: a FAR has been raised in order o avoid double counting in the next crediting period for this date 14/10/2020.</p> <p>Verra Review:</p> <p>A FAR has been raised in order to avoid double counting in the next crediting period for this date 14/10/2020. This finding is now closed, and no further response is required.</p>	Closed

**3 The project scale is incorrect.**

**Issue:**

The project scale included under Section 1.10 of the project description is incorrect and not in line with Section 3.9 of the VCS Standard v4.3.

**Action Item:**

The VVB must ensure that the project proponent includes under Section 1.10 of the project description a project scale in line with Section 3.9 of the VCS Standard v4.3.

**Program rule:**

VCS Standard v4.3, Section 3.9

**Round1:**

VVB Response: the information was correctly amended in the VCS-PD. The correct scale is large scale as it is estimated to reduce more than 300,000 tCO<sub>2</sub> per year. Information was already accurate in the Validation report.

**Verra Review:**

The project scale has been corrected. This finding is now closed, and no further response is required.

Closed

**4 Lack of clarity for why the electricity generation is predicted to increase**

**Issue:**

The values of electricity generation in the original project description showed a steady decrease with the values of EG<sub>facility,y</sub> for 2010: 577,400MWh; 2011: 4,936,896MWh; years 2012 to 2019: 3,784,320 MWh each year, and year 2020: 2,838,240. It is unclear why the value is now predicted to increase again to 3,742,272 MWh/year in the second crediting period.

**Action item:**

The VVB must explain why the EG<sub>facility,y</sub> in the second crediting period is predicted to increase considering the values in the 1<sup>st</sup> crediting period.

**Program rule:**

VCS project description template, Section 5.2

**Background:**

Section 5.2 states that in the first crediting period, the CM was 0.1988 tCO<sub>2</sub>/MWh and 3,784,320 MWh/year predicted generation indicating a higher PLF though not stated. In the second crediting period, the CM is 0,2231 tCO<sub>2</sub>/MWh and 3,742,272 MWh/year predicted generation (PLF 49.96% ).

**Round1:**

VVB Response: Although the assessment of generation for 1<sup>st</sup> CP was not part of the scope of this renewal, it is described in the registered VCS-PD that the estimates were based on actual generation for the former CP. However, during this renewal process, the estimates were based on a parameter called Average energy (plant load factor times installed capacity = MWavg) which is a parameter provided by ANEEL (National Electricity Agency – thus official data) based on long term estimation from 50 years’ hydrological regimes. This data does not take into account seasonal differences due to short period phenomena (such as El Niño for example) and therefore is more suitable for this estimative, as per Validation team experience.

Moreover, it needs to be noted that the estimated value for the full years (with exception of 2011) was very similar to the ones predicted now: 3,784,320 MWh/y from 2012 to 2019 versus 3,742,272 MWh each year for this CP (i.e. 1.1% difference). Regarding the alleged decrease in 2010 and 2020, these values took into account only a ratio of the generation (the period started on October 2010 and ended on October 2020). No actual decrease is observed for these years and therefore, the generation is not predicted to increase during the next crediting period, but to decrease as mentioned above.

Closed

	<p>If PLFs are to be compared, a PLF of 49.96% is being estimated for this period whereas in the former CP, the PLF, taking into account the whole period (10 years) was equal to 51.57%. This difference is marginal and it is due to the source of information mentioned above.</p> <p>Verra Review:</p> <p>The VVB has explained why the <math>EG_{facility,y}</math> in the second crediting period is predicted to increase considering the values in the 1<sup>st</sup> crediting period. This finding is now closed, and no further response is required.</p>
<p><b>5 Inconsistent number of findings</b></p> <p><b>Issue:</b></p> <p>The VVB mentions different number of CARs and CLs in the different sections of the validation report.</p> <p><b>Action Item:</b></p> <p>The VVB must ensure that the number of CARs and CLs mentioned in the verification report is consistent.</p> <p><b>Program rule:</b></p> <p>N/A</p>	<p><b>Round1:</b> <span style="float: right;">Closed</span></p> <p>VVB Response: The total of CL and CARs was amended along the Validation report to 4 and 3 respectively.</p> <p>Verra Review:</p> <p>The number of findings has been corrected. This finding is now closed, and no further response is required.</p>
<p><b>6 Inconsistent number of generators.</b></p> <p><b>Issue:</b></p> <p>The VVB states under Section 3.1 of the validation report that “The project consists in the installation of <b>three</b> (4) generators with 225 MVA (225 MVA x 0.95 (cos φ) = 213.75 MW) /12/ capacity each, resulting in a total installed capacity of 855 MW.” The number quoted is incorrect and inconsistent with the VCS PD.</p> <p><b>Action Item:</b></p> <p>The VVB must revise Section 3.1 of the validation report to indicate the correct number of generating units.</p> <p><b>Program rule:</b></p>	<p><b>Round1:</b> <span style="float: right;">Closed</span></p> <p>VVB Response: the correct number is four. Information was amended in the Validation report section 3.1.</p> <p>Verra Review:</p> <p>This information has been corrected. This finding is now closed, and no further response is required.</p>

VCS validation report Template, Section 3.1

**7 Inconsistent font style in the Validation report .**

**Issue:**

The VVB uses different font styles including italics in the validation report.

**Action Item:**

The VVB must use a consistent font excluding italics in the validation report.

**Program rule:**

N/A

**Round1:**

closed

VVB Response: The fonts were all changed in accordance with template instructions, with font size 12, Century Gothic , non italic.

**Verra Review:**

This finding is now closed, and no further response is required.