

# VCS PROJECT REVIEW REPORT

|                                           |                                                                        |
|-------------------------------------------|------------------------------------------------------------------------|
| <b>Project ID</b>                         | PL1870                                                                 |
| <b>Project Name</b>                       | Gezin Solar Power Project                                              |
| <b>Project Proponent</b>                  | Lahit Elektrik                                                         |
| <b>Methodology</b>                        | AMS-I.D.: Grid connected renewable electricity generation Version 18.0 |
| <b>Sectoral Scope(s)</b>                  | 1.Energy (renewable/non-renewable)                                     |
| <b>Validation/Verification Body (VVB)</b> | Re Carbon                                                              |
| <b>Registry</b>                           | Markit                                                                 |

|                            |                    |
|----------------------------|--------------------|
| <b>Assessment Criteria</b> | VCS Standard, v3.7 |
| <b>Date of First Issue</b> | 19 June 2019       |
| <b>Date of Final Issue</b> | 15 November 2019   |

## Summary:

An accuracy review of the Gezin Solar Power Project registration request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised 11 assessment findings and no minor findings, detailed below. The VVB, in coordination with the project proponent, is hereby required to provide a response to the assessment findings presented in Section 1. The 11 assessment findings must be addressed to the satisfaction of Verra. Please note, however, that where Verra finds consistent minor findings by the VVB in future reviews, minor findings shall be escalated to assessment findings.

This findings report may be made publically available. Confidential information may be provided as separate attachments.

## 1 ASSESSMENT FINDINGS

### Finding 1

Section 5.2.3 of the *VCS Standard v3.7* states that: “The project shall be listed on the project pipeline before the opening meeting between the validation/verification body and the project proponent (such opening meeting representing the beginning of the validation process). The validation/verification body is responsible for checking that the project is listed on the project pipeline and shall not conduct the opening meeting or otherwise begin validation until such time as the project is listed.”

In the project summary section of the validation report, it is stated that the validation period began with the first meeting between the VVB and the project proponent on 05/12/2018, and the project was first listed on the pipeline 03/04/2019.

The VVB is requested to clarify why the validation began before the project was listed on the VCS project pipeline in conformance with the rule referenced above.

#### VVB Response:

It was seen through the previous services that the listing process has been taking quite long time. Therefore, the validation service had been initiated but CAR had been issued on this issue and this CAR and validation process hasn't been finalized until the project was listed on the VCS pipeline. Please see the CAR-1 in the Annex-1 Validation Protocol of the validation report.

#### Verra Response:

After review of the updated documentation, it is still unclear how the project meets the requirement of Section 5.2.3 of the *VCS Standard, v3.7* given that the project was listed after the initial validation meeting. Information provided in CAR-1 does not provide clarification or justification as to how the project meets the stated requirement.

Verra requests the VVB to further clarify why validation began before project listing, or to provide documentation to justify why the length of the listing process would hinder the ability to meet this requirement.

#### VVB Response:

In line with the attached email (the pdf file named as Email in the attachment) sent by Verra to the consultant of the project dated as 24<sup>th</sup> June 2019, it is clearly stated that the project would need to be listed on the VCS project pipeline prior to completing validation as indicated in the highlighted part of the email. Therefore, the CAR-1 was issued and this CAR and validation process hadn't been finalized and completed until the project was listed on the VCS pipeline. However, this issue was also noted and the validation process will not be initiated for the validation service of any other VCS project whose validation service agreement is signed as of 20<sup>th</sup> June 2019, the date initial VCS review findings of this project were sent.

#### Verra Response :

The requirement in 5.2.3 of the *VCS Standard v3.7* states that: “The project shall be listed on the project pipeline before the opening meeting between the validation/verification body and the project

proponent (such opening meeting representing the beginning of the validation process). The validation/verification body is responsible for checking that the project is listed on the project pipeline and shall not conduct the opening meeting or otherwise begin validation until such time as the project is listed.”

It is clear through documentation that this requirement has not been met. The email referenced does not address this concern, and both documents indicate validation activities started before the project was listed on the Verra pipeline.

However, as this does not impact the materiality of the project, this finding is closed.

## Finding 2

There are inconsistencies with the number of project activity instances and the entities included in the project throughout the project description and the validation report.

In Section 3.3.1 of the *VCS Standard v3.7* it states that: “Projects may include more than one project activity instance, such as a wind power project that includes a number of wind turbines. Inclusion of further project activity instances subsequent to initial validation of a non-grouped project is not permitted (see Section 3.4 for information on grouped projects). The baseline determination and additionally demonstration for all project activity instances shall be combined (e.g., multiple wind turbines shall be assessed in combination rather than individually)”

In Section 1.1 of the project description, the following four project activity instances are listed: Gezin 3, Gezin 4, Gezin 5, and Solarges power projects, the following affiliated groups, respectively: Lahit Elektrik Üretim A.Ş. Petrojes Elektrik Üretim A.Ş. and Solarges Elektrik Üretim A.Ş. However, within the same section the project description also states that only Gezin 3, 4, and 5 project activity instances are active.

Further, Section 1.1 of the project description states “Usage of distribution system agreement of GEZİN 3, GEZİN 4 and GEZİN 5 took place on 15/01/20184 and commercial generation started on 15/01/2018... Solarges has the necessary permissions and is under project development phase”.

However, Sections 1.5, 1.8, 2.5, 4.1, and 4.3 of the project description only discuss the Gezin 3, Gezin 4, Gezin 5 project activity instances.

Additionally, the summary and Sections: 1.4, 1.6, 2.1 and 2.2.8 of the validation report discuss all four project activity instances. However, it is noted that Gezin 3, Gezin 4, and Gezin 5 are the only three project activity instances producing electricity.

Further, Section 2.1 of the validation report states “The project will have CSUN270-60P Polycrystalline PV Modules and the total capacity of the project will be 3.83 MWe. The total numbers of PV modules of Gezin 3, Gezin 4 and Gezin 5 projects are 4334, 4312 and 4312, respectively.” However, there is no information provided on the capacity of the Solarges project activity instance.

Lastly, Table 2: Resolution of Corrective Action, Forward Action, and Clarification Requests in Annex 1 of the validation report discusses all four project activity instances within FAR-1, CL-9 and CAR-11.

Given the above discrepancies, Verra requests clarification from the VVB on the number of project activity instances and their associated project proponents included within the project, and whether or not this is a grouped project. Therefore, the VVB and project proponent are requested to update the project description and validation report to clearly discuss which project activity instances are included in the project, and update the documents accordingly.

#### VVB Response:

PD has been revised accordingly by the PP. The construction and installation activities within the context of Solarges project started after the validation site visit and the provisional acceptance of Solarges project was on 11-06-2019 which is after the submission of the validation report. Besides that, since provisional acceptance hadn't been completed and the electricity meter details weren't available during the course of validation, FAR-1 has been issued to be verified during the initial verification. In the meantime, since the provisional acceptance has been completed, please see the Section 3.1 of the revised validation report.

There are four bundled project activities as defined in the PD and validation report and those are in very close vicinity. Therefore, this isn't a grouped project and there won't be any additional project activities planned to be included.

#### Verra Response:

After review of the updated documentation, the project description and the validation report include the relevant information required by Section 3.3.1 of the *VCS Standard*, v3.7. This finding is closed.

### Finding 3

Section 3.19.1 of the *VCS Standard* v3.7 requires the project to use the *VCS Project Description Template* and follow all instructional text.

Section 1.11 of the *VCS Project Description Template* requires information about all jurisdictional laws and regulations that the project is compliant with and how the project is compliant with these laws. However, Section 1.1 of the project description does not include any discussion on how the project is compliant with the laws and regulations listed.

The project proponent is therefore requested to please update the project description to provide further clarification about the compliance of Gezin SPP to local laws, rules, and regulations.

#### VVB Response:

The main relevant laws and regulations were already available in the Section 1.11 of the PD. Besides that, the compliance with those has been discussed by PP in the Section 1.1 of the PD. Please see the revised PD.

#### Verra Response:

After review of the documentation the project description includes the relevant information required by Section 1.11 of the *Project Description Template*. This finding is closed.

#### Finding 4

Section 3.19.1 of the *VCS Standard, v3.7* requires the project to use the *VCS Project Description Template* and follow all instructional text. Additionally, Section 5.3.6 of the *VCS Standard, v3.7* requires VVBs to use the *VCS Validation Report Template* and follow all instructional text.

Section 1.13 of the *VCS Project Description Template* requires project proponents to discuss if any information related to the project has been claimed to be commercially sensitive, and if so describe what that information is related to.

Section 3.1 of the *VCS Validation Report Template* requires the VVB to discuss if any information related to the project has been claimed to be commercially sensitive by the project proponent, and if so describe what that information is related to, and how it was assessed by the VVB.

The project proponent and the VVB are requested to update Sections 1.13 and 3.1 of the project description and validation report, respectively, to include a discussion whether or not the project is claiming any information as commercial sensitive.

#### VVB Response:

Please see the Section 1.13 of the revised PD and Section 3.1 of the revised validation report.

#### Verra Response:

After review of the documentation the project description and the validation report have been updated to include the relevant information required in section 1.13 of *VCS Project Description Template* and Section 3.1 of the *VCS Validation Report Template*, respectively. This finding is closed.

#### Finding 5

Section 3.19.1 of the *VCS Standard, v3.7* requires the project to use the *VCS Project Description Template* and follow all instructional text. Additionally, Section 5.3.6 of the *VCS Standard, v3.7* requires VVBs to use the *VCS Validation Report Template* and follow all instructional text.

Section 5.3 of the *Project Description Template* requires the project proponent to discuss information about how local stakeholder engagement was conducted and how stakeholder engagement will continue through the lifetime of the project. Additionally, Section 4.3 of the *Validation Report Template* requires the VVB to discuss how similar information about stakeholder engagement was assessed.

Section 5.3 of the project description discusses the stakeholder consultation that was conducted, but it is unclear what procedures are in place to continue to engage with local stakeholder in an ongoing proactive manner.

The project proponent and the VVB are therefore requested to please provide clarification on what

procedures are in place to engage with stakeholders in an ongoing proactive manner. The project proponent is also requested to update the project description to include a discussion of this information. Additionally, the VVB is requested to update the validation report to discuss how this information was assessed.

**VVB Response:**

Please see the last paragraph of the Sections 1.1 and Section 5.3 of the revised PD and please see D30 in the Table-1 of Section 2.2 and the last paragraph of Section 4.3 of the revised validation report.

**Verra Response:**

After review of the updated documentation, it is still unclear how the project will proactively reach out to stakeholders periodically throughout the life of the project. Please provide a further explanation of the process of active stakeholder engagement such as routine postings on a local community board.

**VVB Response:**

The relevant evidences about the announcements and the communication forms in case of any comment/complaint were shared by PP and please see the provided attachments, Section 5.3 of the revised PD and Section 4.3 of the revised validation report.

**Verra Response:**

After review of the updated documentation Section 5.3 has been updated appropriately to demonstrate that stakeholder consultation is ongoing.

**Finding 6**

Section 5.3.6 of the *VCS Standard, v3.7* requires VVBs to use the latest version of the *VCS Validation Report Template* and follow all instructional text.

A review of the validation report submitted shows that it appeared that VVB has edited the sections of the template. More specifically, Section 2: Validation Process appears to have not been included.

The VVB is requested to please revise the validation report to ensure that it matches the *VCS Validation Report Template, v3.3*.

**VVB Response:**

The currently available validation report template in VCS website (<https://verra.org/project/vcs-program/rules-and-requirements>) has been utilized. Please see the Section 2 (including all subsections) and other Sections of the revised validation report and all Sections are compatible with the template.

**Verra Response:**

After review of the validation report it is confirmed the validation report now matches the appropriate template. This finding is closed.

**Finding 7**

Section 5.1.3 of the *VCS Standard, v3.7* requires all validations and verification be conducted to a reasonable level of assurance.

Section 1.3 of the validation report states that the reasonable level of assurance is “high”.

Given that there is no defined “high” level of assurance, the VVB is requested to clarify what the level of assurance was for the validation.

**VVB Response:**

The validation report has been revised. Please see the Section 1.3 of the revised validation report.

**Verra Response:**

After review of the validation report, Section 1.3 now meets the requirements of Section 5.1.3 of the *VCS Standard, v3.7*. This finding is closed.

**Finding 8**

Section 5.3.6 of the *VCS Standard, v3.7* requires VVBs to use the latest version of the *VCS Validation Report Template* and follow all instructional text.

Section 3.1 of the *VCS Validation Report Template* requires information on the following to be discussed:

- Project proponent and other entities involved in the project
- Project scale
- Conditions prior to project initiation

Section 3.1 of the validation report does not include the above information. Therefore, the VVB is required to update the validation report to include a discussion of this information and how it was assessed.

**VVB Response:**

Please see the Section 3.1 of the revised validation report.

**Verra Response:**

After review of the validation report Section 3.1 of the validation report includes the relevant and required information. This finding is closed.

### Finding 9

Section 5.3.6 of the *VCS Standard, v3.7* requires VVBs to use the latest version of the *VCS Validation Report Template* and follow all instructional text.

Sections 3.2.4 and 3.2.5 of the *VCS Validation Report Template* require a detailed discussion of the information on the parameters used to calculate the baseline, to calculate project emissions, and data and parameters used to monitor project activity to be included within the report.

Section 3.2.4 and 3.2.5 of the validation report provides some discussion of this information, but not enough for a third-party reader to determine how the VVB assessed the data and parameters included in the project description to be appropriate.

The VVB is therefore requested to update the validation report to include a more detailed discussion of this information and how it was assessed.

#### VVB Response:

Please note that Sections 3.2.4 and 3.2.5 are relevant with baseline scenario and additionality, respectively. There is observed requirement about the mentioned issues to be defined in these sections. Besides that, parameters used to calculate the baseline, to calculate project emissions, and data and parameters used to monitor project activity are already available in the Sections 3.2.6 and 3.2.8, respectively.

#### Verra Response:

After review of the updated validation report, Sections 3.2.4 and 3.2.5 provide sufficient information to determine how the relevant data was assessed. This finding is closed.

### Finding 10

Section 3.12.1 of the *VCS Standard, v3.7* states that “the project boundary shall be described (using diagrams, as required) and GHG sources, sinks and reservoirs shall be identified and assessed in accordance with the methodology applied to the project. The project shall justify not selecting any relevant GHG source, sink and reservoirs.”

Section 3.2.3 of the validation report is missing information on GHG sources, sinks, and reservoirs and their relationship with the applied methodology.

The VVB is requested to provide clarification in respect to the boundary of the project and include the necessary information regarding GHG sources and sinks, and update the validation report to discuss this information.

#### VVB Response:

The project boundary and GHG sources, sinks and gas information and the assessment result are available in the revised validation report. Please see the Section 3.2.3 of the revised validation report.

#### Verra Response:

After review of the validation report, Section 3.2.3 includes the relevant required information. This finding is closed.

#### Finding 11

Sections 3.19.1 of the *VCS Standard v3.7* requires the project proponent to use the *VCS Project Description Template* and adhere to all instructional text.

Section 5.3.6 of the *VCS Standard, v3.7* requires the VVB to use the *VCS Validation Report Template* and adhere to any instructional text.

Section 4.3 of the of the *VCS Project Description Template* requires the project proponent to discuss the monitoring plan which should describe all of the following information :

- Policies for oversight and accountability
- Procedures for internal auditing and QA/QC
- Procedures for handling non-conformances with validated monitoring plan

This information is missing from Section 4.3 of the project description.

Similarly, Section 3.2.8 of the of the *VCS Validation Report Template* requires the project proponent to discuss the monitoring plan which should evaluate all of the information listed in Section 4.3 of the project description, which is also not present in the validation report.

The project proponent and the VVB are therefore requested to update the project description and validation report to discuss the above requested information on the monitoring plan in detail, and how it was assessed by the VVB to be appropriate.

#### VVB Response:

Please see the revised PD and the validation report. All the details about the monitoring plan is available in the Section 4.3 of the revised PD and monitoring plan and its assessment result are available in the Section 3.2.8 of the revised validation report.

#### Verra Response:

After review of the project description and the validation report, all relevant information required for Section 4.3 and Section 3.2.8 of the project description and the validation reports, respectively is included This finding is closed.

## 2 MINOR FINDINGS

No minor findings were raised.

## 3 ASSESSMENT CONCLUSION

On 19 June 2019, VCS issued the first round of findings to Re Carbon.

On 29 July 2019, VCS received updated project description and validation reports from Re Carbon as well as responses to the findings. The updated documents did not address all of the findings issues by VCS.

On 28 August 2019, VCS issued the second round of finding to Re Carbon.

On 03 October 2019, VCS received updated project description and validation reports from Re Carbon as well as responses to the findings. The updated documents address all of the findings issues by VCS.

On 14 November 2019, VCS closed all findings and no further action was required from the VVB.