VCS PROJECT REVIEW REPORT

Project ID	*138*
Project Name	*Greater New Bedford LFG Utilization Project*
Project Proponent	*CommonWealth Resource Management Corporation*
Methodology	*ACM0001: Flaring or use of landfill gas, v16.0*
Sectoral Scope(s)	*13: Waste Handling and Disposal*
Validation/Verification Body (VVB)	*GHD Limited*
Registry	*Markit*

Assessment Criteria	*VCS Standard, v3.5, ACM0001, v16.0*
Date of First Issue	*7 April 2016*
Date of Second Issue	*2 May 2016*
Date of Final Issue	*17 May 2016*

Summary:

An accuracy review of the *Greater New Bedford LFG Utilization Project* crediting period renewal has been conducted by VCS in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised two 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 two assessment findings must be addressed to the satisfaction of VCS. The VVB need not address the minor finding(s) during this review. Please note, however, that where VCS 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 3.5.1 of the VCS Standard allows for methodology deviations "*where the deviations present a deviation from the criteria and procedures relating to monitoring or measurement set out in the methodology*". In addition, this section also states that "*deviations shall not negatively impact the conservativeness of the qualification of GHG emissions reductions unless the result in increased accuracy of such qualification*."

Table 2 in Section 5.1 of ACM0001 summarizes the GHG sources included and excluded from the project boundary. Included in the project activity section of Table 2 are emissions from electricity consumption due to the project activity, stating that they "may be an important emissions source".

On page 14 in Section 3.6 of the project description is a description of methodology deviation 5, which excludes the project emissions associated with the emergency generator on the basis that these emissions do not materially impact the conservativeness of the quantification of the GHG emission reductions. Though the project description states that analysis indicates that the deviation does not materially affect the conservativeness of the calculations, no analysis is included in the project description.

Please clarify how this is a deviation "from the criteria and procedures relating to monitoring or measurement set out in the methodology". Additionally, please clarify how the deviation does not impact the conservativeness of the quantification of GHG emission reductions or increases accuracy of same.

VVB Response: The Project Proponent has completed an assessment of the "worst-case" scenario for emissions related to the consumption of diesel fuel in the emergency generator. This assessment is presented in Section 4.2 of the Project Description (PD). The assessment shows that with an annual worst-case consumption rate of approximately 2,500 litres of diesel, the corresponding emissions are only approximately 26 tCO2e, representing roughly 0.024% of the total emissions which is well within the materiality threshold for this project.

GHD understands that despite the minor contribution to emissions that this source plays, excluding these emissions is not considered conservative. Therefore, the Project Proponent has included these project emissions and based their project emission calculations detailed under Section 4.4 of the VCS PD, on the previous year's emergency generator run time log (provided to the VVB) and the average fuel consumption for a 150 kW emergency generator from a credible source (also provided to the VVB), resulting in total project emissions of 2 tCO2e. This calculation method thereby increases the accuracy of the project emission calculations and provides a more accurate site-specific representation of the project emissions at the validation stage. In regards to the monitoring plan, parameters have been added to the PD showing the total generator run time and average fuel consumption.

The PD and ex-ante calculations as well as the Re-Validation Report have been updated in accordance with the above changes.

VCS Response:

The above response by the VVB and updated documentation submitted with the response now

include quantification of emission from the consumption of diesel fuel in the emergency generator in the project scenario. As this emission source is now calculated, no methodology deviations related to this is included in the project documentation and the finding is closed.

Finding 2

Section 4.8.3 of the *VCS Standard* requires that greenhouse gases shall be converted using 100 year global warming potentials (GWP) derived from the *IPCC's Second Assessment Report*.

The parameter GWP_{CH4} in Section 4.1 on page 20 of the project description has applied a GWP value of 25, while the CH_4 GWP included in the *IPCC's Second Assessment Report* is 21. Please clarify how it was determined that the value of 25 was appropriate to apply to this parameter.

VVB Response:

The Project used ACM0001, a methodology approved under the VCS Program and available through the VCS website. ACM0001 requires the project to use the GWP value of 25 as outlined in the PD and in the re-validation report. The GWP values were updated as a result of the Conference of Parties (COP) 19 from November 11 to 23, 2013 and the updated value for methane is specifically noted in ANEX III as 25. (http://unfccc.int/resource/docs/2013/cop19/eng/10a03.pdf)

The VVB also notes the use of 25 for the GWP of methane in the following VCS registered project as precedence:

- 1144 – Composting Project in Santa Catarina

Per Section 4.1.1 of the *VCS Standard*, Section 4.8.3 and all other requirements in Section 4 of the *VCS Standard* do not apply to ACM0001. The requirements only apply to "new methodologies applying for approval under the VCS Program".

Therefore, requiring the use of 21 would be a deviation for a non-project specific, non-measurement related parameter, which would be in violation of Section 3.5.1 of the *VCS Standard*. Thus no alterations to the PD or Re-Validation Report are made pertaining to this finding.

VCS Response:

Section 3.1.7 of the *VCS Standard v3.5* states "where projects apply methodologies from approved GHG programs, they shall comply with… any other relevant requirements set out with respect to the application of the methodology and/or tools referenced by the methodology under those programs. **Where the rules and requirements under an approved GHG program conflict with the rules and requirements of the VCS Program, the rules and requirements of the VCS Program shall take precedence**."

Therefore, as the VCS rules require methodologies to use GWPs derived from the *IPCC's Second Assessment Report*, this rule also holds true for methodologies from approved GHG programs.

The VVB is required to update project documentation applying a GWP for CH_4 of 21.

VVB Response: Applicable project documentation and calculations have been updated to apply a GWP of 21 for CH_4. The GWP shall be updated to 25 or the latest UNFCCC approved value as required by ACM0001 when permitted by VCS.
VCS Response: The above response by the VVB and updated documentation submitted with the response now apply a GWP of 21 for CH_4 and this finding is now closed.

2 MINOR FINDINGS

No minor findings were raised.

3 ASSESSMENT CONCLUSION

On 28 April 2016, GHD auditors submitted updated project documentation that now included quantification of emission from the consumption of diesel fuel in the emergency generator in the project scenario, allowing VCS to close out the first assessment finding. However, the second assessment finding was not closed, and a response was sent to the GHD audit team about this finding. On 17 May 2016 GHD auditors submitted project documentation further updated to now apply a GWP value of 21 for CH_4, allowing VCS to close the remaining open finding and the review.