

PROJECT REVIEW REPORT

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

Project ID	4335
Project Name	Grouped Commercial Electric Vehicles Project of Intelligent Link
Review Type	Registration and Verification
Verification Period	08 October 2021 to 30 April 2023
Program(s)	VCS Program
Project Proponent	Zhejiang Green Intelligent Link Co., Ltd.
Methodology	AMS-III.C “ <i>Emission reductions by electric and hybrid vehicles</i> ”, Version 16.0
VVB	Shenzhen CTI International Certification Co., Ltd.
Assessment Criteria	VCS Standard Version 4.5
Date of First Issue	30 November 2023
Review Conclusion	Approved
Date of Final Issue	29 February 2024

FINDINGS

#	Finding Description	VVB Response	Status
1	<p>Missing Tools applied</p> <p><u>Issue</u> Section 3.1 of the Joint Project Description and Monitoring Report (JPD-MR) does not include the applicable TOOL27 and TOOL07.</p> <p><u>Action Required</u> 1. The VVB must ensure that the project proponent includes the applicable TOOL27 and TOOL07 in Section 3.1 of the JPD-MR. 2. The VVB must validate this information and update validation report as needed.</p> <p><u>Program Rule(s)</u> <i>VCS Joint Project Description and Monitoring Report Template v4.2, Section 3.1</i> <i>VCS Joint Validation and Verification Report Template v4.2, Section 3.4.1</i></p>	<p>Round 1</p> <p><u>VVB Response</u> 1. The applicable TOOL27 and TOOL07 have been included in Section 3.1 and 3.2 of the JPD-MR by PP. 2. VVB has provided the related assessment in section 3.1 and 3.2 of the VVR.</p> <p><u>Verra Response</u> The tools have been included. This finding is closed.</p> <p>Round 2</p> <p><u>VVB Response</u></p> <p><u>Verra Response</u></p>	Closed
2	<p>Missing information on applicability condition of AMS-III.C</p> <p><u>Issue</u> The JPD-MR lacks specific information of the baseline vehicles in order to demonstrate compliance with para. 11 (b) of AMS-III.C, v.13.0 (i.e., <i>Project and baseline vehicle categories have comparable passenger/load capacity and power rating with a variation of no more than 20 per cent-comparing the baseline vehicle with the respective project vehicle of same category</i>).</p>	<p>Round 1</p> <p><u>VVB Response</u> 1. PP has further explained how the baseline vehicles and project vehicles are comparable in Section 3.4 of the JPD-MR. The content is below:</p>	Closed

<p><u>Action Required</u></p> <p>1. The VVB must ensure that the project proponent includes specific information of the baseline vehicles in order to demonstrate compliance with para. 11 (b) of AMS-III.C, v.13.0.</p> <p>2. The VVB must validate this information and update validation report as needed.</p> <p><u>Program Rule(s)</u></p> <p>VCS Joint Project Description and Monitoring Report Template v4.2, Section 3.2</p> <p>VCS Joint Validation and Verification Report Template v4.2, Section 3.4.2</p>	<p>The baseline scenario involves using fossil fuel trucks or vans for logistics transportation, while the project introduces electric trucks or vans as an alternative. Both the project and baseline vehicles are categorized as trucks and vans used in logistics. Additionally, the load capacities of the project and baseline vehicles vary by no more than 20 percent, as detailed in the table 3-1 of Joint-PD-MR. Thus, it is confirmed that the Project and baseline vehicles are comparable.</p> <p>2. VVB has provided related assessment to the capacity comparison in section 3.4.4 of the VVR.</p>	
	<p><u>Verra Response</u></p> <p>The baseline scenario has been justified. This finding is closed.</p>	
	<p>Round 2</p>	
	<p><u>VVB Response</u></p>	
	<p><u>Verra Response</u></p>	

<p>3 Further information and assessment on additionality</p>		
<p><u>Issue</u></p> <p>As per the information provided in Section 3.5 of the JPD-MR, the additionality of the project has sought to be demonstrated by an investment analysis, via NPV calculation which leads to -64.45million Yuan without considering carbon revenues.</p>	<p>Round 1</p> <p><u>VVB Response</u></p> <p>1. PP has addressed issues (a) to (d) as below: (a) The values of each of the input values used are indicated in the Section 3.5 of JPD-MR; (b) In NPV calculation</p>	<p>Closed</p>

<p>However:</p> <ul style="list-style-type: none"> (a) The values of each of the input values used are not indicated. (b) There is no sensitivity analysis conducted as per Section 7 of TOOL27. (c) It is stated that “the owner will prefer to operate fossil fuel vehicles, which is more economical but will emit more greenhouse gases”. However, this has not been demonstrated by means of an investment comparison analysis of both alternatives (such as NVP comparison). (d) The NVP calculation spreadsheet is missing. <p><u>Action item</u></p> <ol style="list-style-type: none"> 1. The VVB must ensure that the project proponent addresses issues a to d above. 2. The VVB must validate this information and update the JVR-VR as needed. 3. The NVP calculation spreadsheet must be provided for further reference and further information shall be included in the JPD-MR to allow a third party to replicate the NVP calculations. The VVB shall consider that as per the VCS Standard v.4.5 section 3.5.4-2: “The following information in project documents shall not be considered commercially sensitive and shall be provided in public versions of the project documents: demonstration of additionality”. <p><u>Program Rule(s)</u> TOOL27, v.12.0 VCS Standard v.4.5 section 3.5.4-2</p>	<p>spreadsheet and Section 3.5 of JPD-MR, sensitivity analysis has been conducted as per Section 7 of TOOL27; (c) In NPV calculation spreadsheet and Section 3.5 of JPD-MR, NPV comparison analysis of fossil fuel vehicles and project vehicles are conducted; (d) The NPV calculation spreadsheet is submitted as an attachment.</p> <ol style="list-style-type: none"> 2. The VVB has been updated with related assessment, refer to section 3.4.5 of the updated VVR. 3. NPV calculation sheet has been submitted as an attachment and further information has been included in the JPD-MR to allow a third party to replicate the NPV calculations <p><u>Verra Response</u></p> <p>The information on additionality demonstration has been provided. This finding is closed.</p>	
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4 Further information required on selection of values for $NCV_{BL,i}$ and $EF_{BL,i}$			
	<p>Issue The JPD-MR and ER spreadsheet use the following values for:</p> <p>(a) $NCV_{BL,i}$ = 44,300 J/g. As per Table 1.2 of IPCC 2006 Volume 2, Chapter 1 this value corresponds to upper limit.</p> <p>(b) $EF_{BL,i}$ = 0.0000693 g CO₂/J. As per Table 1.4 of IPCC 2006 Volume 2, Chapter 1 this is the default value.</p> <p>It is unclear why the most conservative values have not been selected.</p> <p>Action Required</p> <ol style="list-style-type: none"> The VVB must ensure that the project proponent, uses the most conservative option when selecting the default IPCC values. The VVB must validate this information and update the VR as needed. <p>Program Rule(s) IPCC 2006 Volume 2, Chapter 1</p>	<p style="background-color: #2c4e64; color: white; padding: 2px;">Round 1</p> <p>VVB Response</p> <ol style="list-style-type: none"> The parameters $NCV_{BL,i}$ and $EF_{BL,i}$ are used to calculate baseline emission. Therefore, for the PP, the lower limit values from the IPCC default value are chosen for conservatism. The value of $NCV_{BL,i}$ has been changed into 42,500 J/g for consideration of conservation. The value of $EF_{BL,i}$ has been changed into 0.0000675 g CO₂/J for consideration of conservation. All the calculation results are amended in the JPD-MR, ER of the 1st monitoring period and ex-ante ER. VVB has updated the section 3.4.8 and section 4.1 of the VVR for assessment of both updated values. <p>Verra Response The conservative values have been applied. This finding is closed.</p>	Closed

5 Further information on monitoring of $SECP_{J,km,i,y}$			
	<p>Issue The values used in the ER calculations for $SEC_{PJ,km,i,y}$ for each vehicle type are typed values (TAGs: Light Truck, Mini Truck, Light Van and Mini Van).</p>	<p style="background-color: #2c4e64; color: white; padding: 2px;">Round 1</p> <p>VVB Response</p> <ol style="list-style-type: none"> PP has provided specific electricity consumption per km per project vehicle category in year 2021, 2022 and 2023 in Section 5.2, Section 6.2, Section 7.1 and corrected 	Closed

<p><u>Action item</u></p> <ol style="list-style-type: none"> The VVB must ensure that the project proponent further elaborates how $SEC_{PJ,km,i,y}$ for each vehicle type has been monitored during the monitoring period. The VVB must validate this information and update the VR as needed. <p><u>Program rule(s)</u></p> <p>VCS Joint Project Description and Monitoring Report Template v4.2, Sections 6.2 and 7.1</p> <p>VCS Joint Validation and Verification Report Template v4.2, Sections 3.4.8 and 4.1</p>	<p>corresponding calculation results in the JPD-MR, ER of the 1st monitoring period and ex-ante ER.</p> <p>And PP has further elaborated in Section 6.2 and Section 7.1 of the JPD-MR about how $SEC_{PJ,km,i,y}$ for each vehicle category has been monitored during the monitoring period. The content added is below:</p> <p>For example, the mileage and power consumption data of light trucks will be exported from the platform. The average value of light trucks' electricity consumption per km is obtained by total power consumption divided by total mileage. It is the same as mini truck, light van and minivan.</p> <ol style="list-style-type: none"> VVB has updated the section 3.4.8 and 4.1 of VVR with updated assessment. 	
	<p><u>Verra Response</u></p> <p>The justification for $SEC_{PJ,km,i,y}$ for each vehicle type has been provided. This finding is closed.</p>	

6 Missing selection of methodological choices for $EF_{elect,y}$		
<p><u>Issue</u></p> <p>The JPDMR does not identify the methodological choices selected for the calculation of the emission factor for electricity consumption (i.e., $EF_{Elect,y}$) as per para. 14 of the applied TOOL07, v.07.0.</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> The VVB must ensure that the project proponent identifies all the methodological choices which have been selected for the calculation of the emission factor 	<p>Round 1</p> <p><u>VVB Response</u></p> <ol style="list-style-type: none"> The project proponent has identified the methodological choices of calculating the emission factor for electricity consumption as required by Section 6.2.1.1 of the TOOL05, the steps for calculation of the emission factor for electricity consumption have been provided in Section 5.2 of JPD-MR. 	<p>Closed</p>

	<p>for electricity consumption, as required by Section 6.2.1.1 of the TOOL05, v.03.0. Please also refer to para. 14 of the applied TOOL07, v.07.0.</p> <p><u>Program Rule(s)</u> TOOL05 v.03.0, Section 6.2.1.1 TOOL07, v.07.0, para. 14</p>	<p><u>Verra Response</u> The tool has been applied correctly. This finding is closed.</p>	
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