

PROJECT REVIEW REPORT

Project ID	1037
Project Name	Guazhou Beidaqiao No.1 Wind Farm Project in Gansu Province, China
Program(s)	VCS
Verification Period	29/06/2012 – 31/12/2017,
Project Proponent	Hydrochina Guazhou Wind Power Co., Ltd.; Beijing MD Energy Technology Co., Ltd.
Methodology	ACM0002 – Grid-connected electricity generation from renewable sources (version 20.0)
Sectoral Scope(s)	01 – Energy industries (renewable/non-renewable)
Validation/Verification Body (VVB)	LGAI Technological Center, S.A. (Applus+ Certification)
Assessment Criteria	VCS Standard, v4.2
Date of First Issue	30 March 2022
Date of Final Issue	19 April 2022

Summary:

An accuracy review of the Guazhou Beidaqiao No.1 Wind Farm Project in Gansu Province, China, crediting period renewal and verification approval request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised four (4) assessment findings and 0 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 four (4) assessment findings must be addressed to the satisfaction of Verra.

This project review report will be made publicly available. Confidential information may be provided as separate attachments.

1. ASSESSMENT FINDINGS

Finding 1

Section 3.21.3 of the VCS Standard v4.2 states that “where projects reduce GHG emissions from activities that are included in an emissions trading program or any other mechanism that includes GHG allowance trading, evidence shall be provided that the GHG emission reductions or removals generated by the project have not and will not be otherwise counted or used under the program or mechanism. Such evidence may include:

- 1) A letter from the program operator, designated national authority or other relevant regulatory authority that emissions allowances (or other GHG credits used in the program) equivalent to the reductions or removals generated by the project have been cancelled from the program or national cap, as applicable.
- 2) Evidence of the purchase and cancellation of GHG allowances equivalent to the GHG emissions reductions or removals generated by the project related to the program or national cap.
- 3) Evidence from the program operator, designated national authority or other relevant regulatory authority stating that the specific GHG emission reductions or removals generated by the project or type of project are not within the scope of the program or national cap.

Since the project is located in a jurisdiction with an emission trading program (China ETS), the project proponent is requested to demonstrate that how emissions reductions will not be double counted by providing any of the evidence listed in Section 3.21.3 of the VCS Standard v4.2.

The VVB is also required to check and make a detailed assessment of the same.

VVB Response:

Verification Report

▪ Emissions trading programs and other binding limits

The verification team confirms that the Net GHG emission reductions or removals generated by the Project will not be used for compliance with an emissions trading program or to meet binding limits on GHG emissions in any Emission Trading program or other binding limits. The verification team checked the REC Mechanism database of China, Chinese Emission Trading System (Chinese ETS) and Chinese Certified Emission Reduction Mechanism, and found that the project activity is not accredited / registered under REC mechanism, Chinese ETS, or CCER mechanism. Also, CCER mechanism is currently suspended by Chinese government, the project activity will not and is not allowed to registered under CCER mechanism. Thus, the assessment team concluded that the project activity not involved on other emissions trading programs and other binding limits.

Furthermore, as per “Notice on Strengthening Enterprise Greenhouse Gas Emission Report Management” issued by National Development and Reform Committee of P.R.China, China has a national emissions trading scheme only cover the high-emission industries, including thermal power generation, petrochemical, chemical, building materials, iron and steel, non-ferrous, paper, aviation and other key emission industries that emitted at least 26,000 tons of CO₂e/year. By checking “List of key emissions in the national carbon emissions transaction quota management in 2019-2020” issued by Ministry of Ecology and Environment of P.R.China, the project activity is not included in the mandatory emission control scheme and thus no emission cap was enforced for the project activity.

▪ **Other forms of environmental credit sought or received and eligible to be sought or received**

The Project has no intend to generate any other form of GHG-related environmental credit for GHG emission reductions or removals claimed under the VCS Program.

Renewable energy certificates are available for trading in the host country. However, the same is not availed by the project proponent. The undertaking regarding the same is submitted by PP which is acceptable to the assessment team. The assessment team also checked the REC website and found the declaration to be correct.

Section 1.10 of the MR, Section 4.1 of the Verification Report has been updated accordingly.

RCP Validation Report

The assessment team confirms that the Net GHG emission reductions or removals generated by the Project will not be used for compliance with an emissions trading program or to meet binding limits on GHG emissions in any Emission Trading program or other binding limits. The assessment team checked the REC Mechanism database of China and Chinese Emission Trading System (Chinese ETS) and found that the project activity is not accredited / registered under REC mechanism or Chinese ETS. Also, Declaration in effect of the same has been submitted by PP to the assessment team and found to be correct. Thus, the assessment team concluded that the project activity not involved on other emissions trading programs and other binding limits.

Section 1.16.1 of the PD and Section 3.1 of the Validation Report has been updated accordingly.

Verra Response:

This finding is closed, and no further action is required.

Finding 2

Section 3.8.9 of the VCS Standard v4.2 states that “a full reassessment of additionality is not required when renewing the project crediting period. However, regulatory surplus shall be demonstrated in accordance with the requirements set out in the VCS Program rules and the project description shall be updated accordingly.” In section 3.3.5 of the validation report it is stated that “But the assessment team confirm there are no surplus regulations required comparing with the first validation at time of renewal of crediting period.” The VVB is required to make an objective assessment of the projects continued additionality with respect to regulatory surplus, as demonstrated by the project proponent using appropriate referencing or supporting documentation in the Validation Report

The VVB is also required to check and make a detailed assessment of the same.

VVB Response:

Such assessment has been made in the section 3.3.4 as the step required by Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period. Therefore, no more repeated assessment would be made in this part. In the section 3.3.5, only the conclusion would be presented.

Verra Response:

This finding is closed, and no further action is required.

Finding 3

Section 2.3 of the VCS Validation Report Template v4.1 requires the VVB to “describe the interview process and identify personnel, including their roles, who were interviewed and/or provided information additional to that provided in the project description and any supporting documents.”

The VVB is requested to provide more information on the interview process, that is, how did the VVB confirmed the actual capacity, implementation status, there were no design changes since last validation/verification? With objective evidence(s) and reasonable level of assurance?

VVB Response

A site visit was performed by the assessment team on 24/01/2022.

The actual capacity of the project has been confirmed by checking nameplate of the generators crosschecked with interview with the project owner.

The implementation status of the project has been checked through operation log as well as interview with the project owner.

The design of the project has been verified with eyewitness as well as documents such as operation logs, and confirmed to be consistent with the description in the PD.

During the site visit, question such as “What is the installed capacity of the project activity?”, “How was the operation status of the project?”, “Was the actual operation of the project consistent with the design?” have been asked, and the assessment team confirm the answers from the project owner are consistent with the information acquired by eyewitness and document review.

Therefore, the assessment team was able to confirm actual implementation status of the project is in accordance with the description of PD.

The interview subject summary has already been included in the section 2.3 of the Validation Report as repeated as below:

Basic information, technology of the project, etc.;

Monitor Data: meter readings, control and maintenance, QA&QC systems

Status of the project activity and any modifications with respect to the registered PD.

Applicability to the latest methodology.

National and local policies and changes

Baseline of the project and its updates

The lifetime of the project activity

Emission Factors and their updates

Monitoring plan and changes.

Verra Response:

This finding is closed, and no further action is required.

Finding 4

In Section 4.2.2 of the verification report, the VVB refers to VCS PD 28/04/2009. The VVB is requested to correctly refer to the latest version that is on the registry.

WVB Response:

The version number and date of registered VCS PD has been supplemented in section 4.2.2 of the Verification Report.

Verra Response:

This finding is closed, and no further action is required.

2. MINOR FINDINGS

Finding 1

No minor findings were raised.

3. ASSESSMENT CONCLUSION

On 29 March 2022, Verra completed the review of the registration approval request for project ID 1037, Guazhou Beidaqiao No.1 Wind Farm Project in Gansu Province, China, the results of which can be found above. The project review report was sent to Shenzhen CTI International Certification Co., Ltd with 4 assessment findings and no minor findings.

On 19 April 2022, Verra closed all the findings, and no further action is required.