



VERIFICATION/CERTIFICATION REPORT

VOLUNTARY CARBON STANDARD 2007.1



INNER MONGOLIA JINGNENG SAIHAN WIND FARM PHASE I PROJECT IN CHINA

VERIFICATION PERIOD:

1 January 2009 to 28 February 2010

REPORT No. 2011-9402

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DET NORSKE VERITAS



VERIFICATION/CERTIFICATION REPORT

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Summary:

DNV Climate Change Services AS (DNV) has performed the verification of emission reductions reported for the CDM project activity "Inner Mongolia Jingneng Saihan Wind Farm Phase I Project" in China, managed by Beijing International New Energy Co., Ltd. for the period from 1 January 2009 to 28 February 2010. The project activity was validated by Bureau Veritas Certification Holding SAS (validation report No: BVC/CHINA-Val/0090/2008, version 02 dated 26 February 2010) and it was registered as CDM project activity on 1 March 2010 under the UNFCCC reference number 2567. As emission reductions occur prior to the registration of the project as the CDM project activity, these emission reductions can not be claimed as Certified Emission Reductions (CERs). These emission reductions are thus claimed as Voluntary Carbon Units (VCU) under the Voluntary Carbon Standard (VCS) 2007.1. This is in accordance to the eminent VCS Guidance for projects that are registered in two GHG programs.

In DNV's opinion, the emissions reductions reported for "Inner Mongolia Jingneng Saihan Wind Farm Phase I Project" in the VCU monitoring report version 02 dated 1 July 2011 are fairly stated. DNV is able to verify that the emission reductions from Inner Mongolia Jingneng Saihan Wind Farm Phase I Project during the period from 1 January 2009 to 28 February 2010 amount to 122 925 tCO₂e tonnes of CO₂ equivalent.

DNV does not assume any responsibility towards the issuance and utilization of VCUs hereby verified and certified. Request for issuance of VCUs shall be made by the project proponent to an approved VCS Program Registry based on the requirements set out under the most recent version of the VCS Program Guidelines clause on VCS Registration. The verification of reported emission reductions is based on the information made available to DNV and the engagement conditions detailed in this report. Hence, DNV can not be held liable by any party for decisions made or not made based on this report.

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Abbreviations

BM	Build Margin
CAR	Corrective Action Request
CDM	Clean Development Mechanism
CEF	Carbon Emission Factor
CER	Certified Emission Reduction(s)
CM	Combined Margin
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
DNV	Det Norske Veritas AS
DOE	Designated Operational Entity
EB	Executive Board
ER	Emission Reduction
NCPG	North China Power Grid
GHG	Greenhouse Gas(es)
GWP	Global Warming Potential
IETA	International Emissions Trading Association
IPCC	Intergovernmental Panel on Climate Change
LoA	Letter of Approval
MP	Monitoring Plan
MR	Monitoring Report
NDRC	National Development and Reform Commission
OM	Operating Margin
PDD	Project Design Document
PLF	Plant Load Factor
PP	Project Participant
PPA	Power Purchase Agreement
UNFCCC	United Nations Framework Convention for Climate Change
VCS	Voluntary Carbon Standard
VCU	Voluntary Carbon Units
VER	Verified Emission Reductions



1 INTRODUCTION

Beijing International New Energy Co., Ltd. has commissioned DNV Climate Change Services AS (DNV) to carry out the verification of emissions reductions reported for the CDM project activity “Inner Mongolia Jingneng Saihan Wind Farm Phase I Project” (UNFCCC Reference Number: 2567) for the verification period from 1 January 2009 to 28 February 2010, under the Voluntary Carbon Standard (VCS) program as per VCS 2007.1 standard /30/. This verification aims to assess and verify the emission reduction occurred before the registration of “Inner Mongolia Jingneng Saihan Wind Farm Phase I Project” as a CDM project activity. Thus, this verification report contains (i) the findings from the verification according to Voluntary Carbon Standard 2007.1 /30/ and (ii) a VCU verification statement for the emission reductions.

The project activity was registered as CDM project (UNFCCC reference number 2567) on 1 March 2010 with the CDM crediting period starting on 1 March 2010. Additional information regarding the referred project is available at the UNFCCC website: <http://cdm.unfccc.int/Projects/DB/BVQI1241775281.35/view>. The emission reductions occurring prior to the registration date are claimed as Voluntary Carbon Units (VCU) under VCS 2007.1 and in accordance to the *Further Guidance for Projects that are Registered in two GHG Programs* /32/. These emission reductions can not be claimed as Certified Emission Reductions (CERs).

1.1 Objective

Verification of “pre-registration” emission reductions from a project activity is the independent review and *ex-post* determination by a Verification Entity or Designated Operational Entity (DOE) of the monitored reductions in GHG emissions that have occurred as a result of the implementation of an already registered CDM project activity during the period from the date when the project started to operate until the date when the project was actually registered as a CDM project activity by the CDM Executive Board (EB) and thus the start date of the CDM project activity.

The validation of a project against the criteria of VCS 2007.1 may be carried out by an entity accredited under a GHG Program recognized by the VCS Program, such as the CDM. DNV is a DOE approved under the CDM for all sectoral scopes and DNV can thus perform VCS validation and VCS verification for the sectoral scope relevant for this project activity.

The objective of this verification was to verify the voluntary emissions reductions reported for “Inner Mongolia Jingneng Saihan Wind Farm Phase I Project” for the period 1 January 2009 to 28 February 2010.

1.2 Scope and Criteria

1.2.1 Scope of the verification

The scope of the verification is:

- Verify whether the reductions generated by the project are in line with the Voluntary Carbon Standard Verification Protocol and the information provided by the project



- participants contains all the necessary information to evidence the project's compliance with all criteria in the Voluntary Carbon Standard (VCS 2007.1) /30/.
- Verify that the project was implemented as described in the CDM Project Design Document (CDM PDD) (version 3 dated 23 February 2010) during the verification period /2/.
 - Confirm that the monitoring system was implemented and fully functional to generate voluntary emission reductions (VCU) without any double counting during the whole verification period.
 - By checking the monitoring records and the emissions reduction calculation, express a conclusion whether reported data are accurate, complete, consistent, and transparent, with a high level of assurance and free of material error or misstatement.
 - Validation of VCS requirements not covered by the CDM validation.

According to the VCS 2007.1 /30/, the verification also includes an independent third party assessment of the project design. In particular, the project baseline, monitoring plan and the project compliance with relevant applicable protocols and criteria (i.e. UNFCCC, VCS, host Party and others) are to be validated in order to confirm that the project design, as documented, is sound and reasonable and meets the applicable criteria.

The project design, its eligibility as CDM project activity and the correct application of the CDM approved baseline and monitoring methodology ACM0002 (Version 7) were all already validated by Bureau Veritas Certification Holding SAS and the project was registered on 1 March 2010 as CDM project activity with the reference number 2567. The validation opinion by Bureau Veritas Certification Holding SAS is that the "Inner Mongolia Jingneng Saihan Wind Farm Phase I Project" as described in the CDM PDD of 23 February 2010 (version 3) meets all relevant UNFCCC requirements for the CDM and all relevant host country criteria and correctly applies the approved baseline and monitoring methodology ACM0002 (Version 7) /3/. Based on the validation opinion of DOE Bureau Veritas Certification Holding SAS and also based on the registration of the project as a CDM project activity by CDM EB/UNFCCC, DNV assumes that the project design as documented is sound, reasonable and meets the relevant UNFCCC and host Party criteria.

As the VCS recognizes the CDM as a GHG Program that meets its VCU Verification Criteria, this verification report thus only addresses VCS specific and unique criteria in terms of project design, applicability to the adopted methodology and additionality that have not been so far addressed in the validation report as per CDM requirements /3/.

1.2.2 Validation Criteria for VCS requirements not covered by CDM validation

As the project has been validated under the CDM, a further validation shall be completed of clauses 1.12, 1.13, 1.14, 8.1 and 8.2 of the VCS Project Description template /33/ (<http://v-c-s.org/sites/v-c-s.org/files/VCS%20PD.doc>) as required by the current VCS 2007.1 "Further Guidance for Projects that are Registered in Two GHG Programs" /32/. This validation was completed as part of the current VCU verification (refer to Appendix B).

1.2.3 Verification Criteria

The verification team has focused on the identification of significant reporting risks and verifying the mitigation measures for these based on the recommendations in the CDM



Validation and Verification Manual version 1.2 /25/, ISEA3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information /28/ and/or ISO/FDIS 14064-3 “Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions and employed a risk-based approach /29/.

According to the requirements and guidance of VCS 2007.1 /31/, the criteria of this verification include the relevant applicable rules and steps for CER verification under the CDM excluding:

- The public availability of the VCU Monitoring Report;
- The public availability the Verification Report and VCU Certification Statement.

1.3 VCS Project Description

1.3.1 Project Category

According to the VCS 2007.1 Guidelines /31/ and the list of Sectoral Scopes of the UNFCCC, the project is applicable under the following activity categories:

- Category 1 – Renewable energy (wind, PV, solar, thermal, biomass, liquid biofuels, geothermal, run-of-river hydro).

According to Annex A of the Kyoto Protocol, the project is applicable under the sectoral scope 1

- Energy Industries (renewable/ non-renewable sources).

1.3.2 Geographic Location

The project is located in Saihantala Town, Suniteyou Qi, Xilinhot City, Xilinguole League, Inner Mongolia Autonomous Region, People’s Republic of China. The project activity has the geographical coordinates of north latitude 42°34'23.24" and east longitude 112°49'36.88" as per the registered CDM PDD /2/.

1.3.3 Project Background

The project is a wind farm plant developed by Beijing International New Energy Co., Ltd.. Its total installed capacity is 49.5 MW consisting of 30 wind turbines with 0.75 MW each (Goldwind S50/750kW) and 18 wind turbines with individual capacity of 1.5 MW(Goldwind 77/1500kW). The details of the turbines with respect to their numbers, type and capacity have been verified to be consistent with the details provided in the CDM PDD /2/ through the physical observation at project site.

The electricity generated is supplied to the NCPG (which is dominated by coal-fired power plants) under Power Purchase Agreement (PPA) signed between Beijing International New Energy Co., Ltd. and Inner Mongolia Power Grid Company /6/.

While the project activity is the installation of a newly grid-connected wind power plant, the project reduces GHG emissions by displacing electricity that would have been generated in the existing fossil fuel power plants in the grid or by the addition of new generation. The project’s emission reductions are determined by multiplying the quantity of net electricity supplied by the project (EG_y) with an estimated *ex-ante* fixed grid emission factor ($EF_{grid,CM,y}$) of 1.0549 tCO₂e/MWh.



The CDM baseline and monitoring methodology used is ACM0002 – “*Consolidated baseline methodology for grid-connected electricity generation from renewable sources*” (Version 7) /26/.

Title of the project activity:	Inner Mongolia Jingneng Saihan Wind Farm Phase I Project
UNFCCC CDM Refer. No:	2567
UNFCCC CDM registration date:	1 March 2010
CDM Baseline and monitoring Methodology:	ACM0002, Version 7
CDM Project Participants:	Beijing International New Energy Co., Ltd. (Host party, China) Gaoxin Building, 1# Guang an men wai Nan bing he Road, Beijing, China Ms. Wang Yue wangyue@bjnewenergy.com
Location of the project activity:	Saihantala Town, Suniteyou Qi, Xilinhote City, Xilinguole League, Inner Mongolia Autonomous Region, People’s Republic of China
CDM Crediting period:	1 March 2010 to 28 February 2017 (first renewable crediting period)
VCS Crediting period:	1 January 2009 to 28 February 2010
VCS Verification period:	1 January 2009 to 28 February 2010
Project Commissioning date:	31 December 2008

1.4 Level of assurance

As the VCS 2007.1 only recognizes verified emission reductions, DNV has focused on providing a reasonable level of assurance that the emission reduction calculation methodology used is appropriate and correctly applied, and that emission reductions have been accurately monitored.

In accordance with the recommendation in the CDM Validation and Verification Manual version 1.2 /25/, DNV may discount verified emission reductions or request a discount of these by using conservative assumptions for uncertainties in emission reduction calculations that cannot be fully quantified or that cannot give a desired level of assurance. For verifying VCUs, the desired level of assurance was based on the combined quantitative assessment of the accuracy of monitoring project performance and the identification of material risks.



2 VERIFICATION METHODOLOGY

The VCS verification of the emission reductions has assessed all factors and issues that constitute the basis for emission reductions from the project according to the applicable large-scale CDM methodology ACM0002 (Version 7) /26/, including the net electricity supplied by the project activity to the NCPG (EG_y) and the fixed grid emission factor ($EF_{grid,CM,y}$).

VCS Verification Team:

Role	Last Name	First Name	Country	Type of involvement					
				Desk review	Site visit	Reporting	Supervision of work	Technical review	TA 1.2 competence
Team leader (Verifier)	Hou	Bao Jun	China	✓	✓	✓	✓		✓
Verifier	Huang	Wen Hu	China	✓		✓			✓
Technical reviewer	Li	Lei	China					✓	✓

Duration of the verification:

VCU MR received 1 June 2011
 Preparation: 2 June 2011 - 14 June 2011
 On-site Verification: 15 June 2011
 Reporting, calculation checks and QA/QC: 16 June 2011 - 29 August 2011

2.1 Review of Documentation

The VER/VCU Monitoring Report version 01 dated 1 June 2011 for the monitoring period 1 January 2009 to 28 February 2010 has been provided to DNV /1/. The emission reduction calculations were provided in a spreadsheet /4/, and the daily log /19/, monthly reading records /18/ and monthly electricity sales receipts of electricity exported to and imported from the power grid /17/ were assessed as a part of the verification. In addition the CDM Project Design Document (CDM PDD) /2/, the revised CDM monitoring plan approved on 9 June 2011 /5/ and the CDM project validation report /3/ were reviewed.

2.2 Site Visits

On 15 June 2011, DNV verifier Hou Bao Jun performed the site visit at “Inner Mongolia Jingneng Saihan Wind Farm Phase I Project” in Saihantala Town, Suniteyou Qi, Xilinhot City, Xilinguole League, Inner Mongolia Autonomous Region, People’s Republic of China.



During the site visit, representative of DNV has interviewed key personnel from the plant /35/ and verified that the actual implementation of the project was as described in the registered CDM PDD /2/ and the VER/VCU Monitoring Report /1/. This included confirming the operational stages of the project with physical and documented evidences. DNV's assessment included in particular the verification of original daily log sheet /19/, monthly monitoring records /18/, VCU calculation spreadsheet /4/. Moreover, the electricity sales receipts for the exported and imported electricity /17/ and the calibration records for monitoring meters /9/ /10/ /11/ /12/ were checked.

The verification of reported data was carried out by means of:

- Checking the monthly reading records for the total electricity import from the grid and export to the grid, the electricity export to the grid by the proposed project and project B and the electricity purchase from the grid by the spare 10 kV line during the period of 1 January 2009 to 28 February 2010 /18/.
- Cross-checking daily log sheet on the electricity exported and imported by the proposed project and project B during the period of 1 January 2009 to 28 February 2010 /19/.
- Cross-checking Electricity sales receipt for the electricity exported to the grid by the proposed project and the project B, Electricity sales receipt for the electricity purchased from the grid during the period of 1 January 2009 to 28 February 2010 /17/.
- Verifying the testing certificates and calibration records for the meters /9/ /10/ /11/ /12/.
- Verifying the effectiveness of the data quality assurance or quality control.

The persons interviewed during the audit are listed in the reference section of this project /35/.

2.3 Assessment

The analysis of documentation, interviews and site visit allowed the assessment of the following processes and assumptions (including QA/QC related issues):

Electricity exported to- and imported from the grid is verified to be continuously monitored. The quantity of electricity exported to the grid was cross-checked with the sale receipts for exported electricity /17/. The emission reductions generated by the project activity during this VCU monitoring period are equal to the amount of net electricity supplied to the grid multiplied by the grid emission factor (1.0549 tCO₂/MWh) identified ex-ante in the registered CDM PDD /2/.

The verification of reported data and information was carried out by means of:

- Checking individual measuring records for electricity monitored by meters /17//18//19/;
- Confirmation of the correct compilation of emission reduction calculation spreadsheet (values included in the spreadsheet were individually checked against the records /17//18//19/);
- Verifying the effectiveness of the data quality assurance and quality control;



- Confirmation that the registered CDM project activity meets the additional requirements of VCS 2007.1 /30/.

2.4 Report of Findings

Findings established during the verification may be that:

- i) The verification is not able to obtain sufficient evidence for the reported emission reductions or part of the reported emission reductions. In this case these emission reductions shall not be verified and certified;
- ii) The verification has identified material misstatements in the reported emission reductions.

While aiming to resolve any outstanding issues which need to be clarified about the project design, findings established during the verification can either be seen as a non-fulfilment of the VCS Verification Criteria or where a risk to the fulfilment of project objectives is identified. Emission reductions with material misstatements shall be discounted based on the verifiers' *ex-post* determination of the achieved emission reductions.

Corrective action requests (CAR) are issued, where:

- i) Mistakes have been made with a direct influence on project results requiring adjustments of the VERs/VCUs monitoring report;
- ii) Applicable methodological specific requirements have not been met.

A request for clarification (CL) may be used where additional information is needed to fully clarify an issue.

A forward action request (FAR) should be issued, where:

- i) The actual project monitoring and reporting practices requires attention and /or adjustment for the next consecutive verification period, or
- ii) An adjustment of the MP is recommended.

In the context of FARs, risks have been identified, which may endanger the delivery of high quality emissions reductions in the future, i.e. by deviations from standard procedures as defined by the monitoring plan. As a consequence, such aspects should receive a special focus during the next consecutive verification. A FAR may originate from lack of data sustaining claimed emission reductions.

Two corrective action request (CAR) and three clarification requests (CLs) were raised in this verification under the Voluntary Carbon Standard (VCS) 2007.1 and have been adequately addressed by the project participants by revising the VCU monitoring report (refer to Appendix A). No forward action request (FAR) has been identified.

DNV was able to verify that the GHG emission reductions reported for the "Inner Mongolia Jingneng Saihan Wind Farm Phase I Project" in the VCU monitoring report version 02 dated 1 July 2011 are fairly stated /1/.

3 VERIFICATION FINDINGS

This section summarises the findings from the verification of the voluntary emission reductions reported for the "Inner Mongolia Jingneng Saihan Wind Farm Phase I Project" for the period from 1 January 2009 to 28 February 2010. The findings of the verification are documented in more detail in the initial verification checklist given in Appendix A.



3.1 Remaining Issues from Previous Validation or Verification

This is the verification of the Voluntary Carbon Units (VCU) under the Voluntary Carbon Standard (VCS 2007.1) for “pre-registration” CDM project activity of Inner Mongolia Jingneng Saihan Wind Farm Phase I Project. No previous VCS verification report is found. No FAR was identified with respect to remaining issues from the CDM validation stage /3/.

3.2 Project Implementation

As per para 198 of VVM version 1.2 /25/, as part of the site visit DNV was able to confirm that the project implementation is in accordance with the project description contained in registered CDM PDD of 23 February 2010 /2/ and the revised CDM monitoring plan approved by the CDM EB on 9 June 2011 /5/.

The first wind turbine of the Project has been put into operation on 31 December 2008. And all the 48 wind turbines have been put into operation on 15 May 2009 /21/. The project activity was registered as CDM project on 1 March 2010. Hence, and the selected VCS monitoring period from 1 January 2009 to 28 February 2010 is reasonable.

The project activity involves implementation and operation of a 49.5 MW wind power project that comprises 30 wind turbines with individual capacity of 0.75 MW (Goldwind S50/750 kW) and 18 wind turbines with individual capacity of 1.5 MW(Goldwind 77/1500 kW). The electricity is sold to West Inner Mongolia Power Grid, which is an integral part of the North China Power Grid /6/.

In the registered CDM PDD of 23 February 2010, the net electricity supplied to the grid by the proposed project will be calculated through electricity supplied by the project to the grid minus electricity purchased from the Grid at the project site. However, when the proposed project was put into operation, the proposed project shares the transformer and gateway meters with another wind farm project named as Inner Mongolia Jingneng Saihan Wind Farm Phase II Project (hereafter refer to Project B). Meanwhile, a spare 10 kV line is used for supplying electricity in emergent cases that the main power line fails to supply power. So the monitoring plan has to be revised accordingly .The monitoring practice followed the revised monitoring plan approved on 9 June 2011 /5/.

The electricity purchased in emergency by the spare 10 kV line was monitored by the meter M3 installed on the spare 10 kV line (serial No: 10669106) ($EG_{im-spare,y}$).

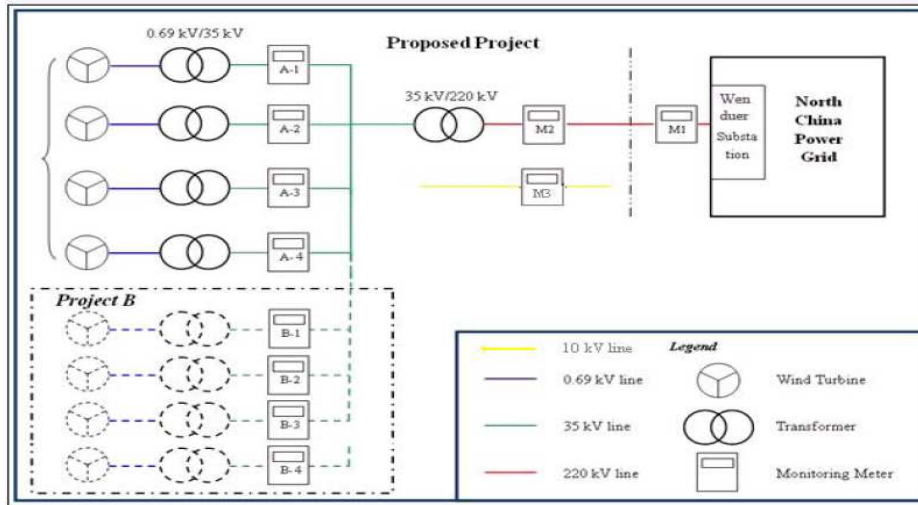
All the monitoring meters included two meters (M1 and M2), eight auxiliary meters and the meter (M3) installed on the spare 10 kV line.

The bidirectional main meter M1 (serial No: 95303611) and the bidirectional backup meter M2 (serial No: 95303617) can record total electricity supplied to the grid ($EG_{export,y}$) and purchased from the grid ($EG_{import,y}$) via the main power line by the project and *Project B* during year *y*.

The 48 sets of wind turbines of the project has been divided into 4 groups, and each group is connected with a 35kV transmission line and installed with a meter at the low voltage side of 35kV/220kV transformer. These 4 groups were monitored by meters (A-1, A-2, A-3, A-4) to calculate the electricity supplied to the grid by Group A-*i* (*i*=1, 2, 3, 4) of the Project activity. Similarly, Four meters (B-1, B-2, B-3, B-4) have been installed to calculate the electricity supplied to the grid by Group B-*i* (*i*=1, 2, 3, 4) of the *Project B*.

The M1 and M2 meters have the 0.2s accuracy. The M3 meter have the 2.0s accuracy. The A-1, A-2, A-3, A-4, B-1, B-2, B-3, B-4 meters has the 0.5s accuracy. The electricity meters are locked to guarantee the integrity of the instruments. This is in line with the revised monitoring plan approved on 9 June 2011 /5/:

The locations of measuring equipment can be shown as the below figure:



The net electricity delivered to the grid by the project (EG_y) is calculated by the following formula (1):

$$EG_y = \frac{\sum_{i=1,2,3,4} EG_{A-i,y}}{\sum_{i=1,2,3,4} EG_{A-i,y} + \sum_{i=1,2,3,4} EG_{B-i,y}} \times EG_{\text{export},y} - EG_{\text{import},y} - EG_{\text{im-spare},y}$$

Where:

EG_y = Net electricity supplied to the grid by the project in the year y.

$EG_{\text{export},y}$ = Total electricity supplied to the grid via the main power line by the *project* and *Project B* in the year y.

$EG_{\text{import},y}$ = Total electricity purchased from the grid via the main power line by the *project* and *Project B* in the year y.

$EG_{A-i,y}$ = Electricity supplied to the grid by Group A-i (i=1,2,3,4) of the *Project* in the year y.

$EG_{B-i,y}$ = Electricity supplied to the grid by Group B-i (i=1,2,3,4) of the *Project B* in the year y.

$EG_{\text{im-spare},y}$ = Electricity purchased from the grid by the Project through the spare 10 kV line in the year y.

It is shown from the EG_y calculation formula that the electricity imported from the grid of the project was used the total electricity purchase from the grid by the project and the project B ($EG_{\text{import},y}$). Therefore, it is conservative. During the VCU monitoring period from 1 January 2009 to 28 February 2010, a total of 11 6528.10 MWh of net electricity of the proposed project was delivered to the grid.

All the data were collected in accordance with the procedures in ACM0002 (Version 7) /26/.



The emission reductions are determined by multiplying the net amount of electricity output by the project by the *ex-ante* fixed grid emission factor of 1.0549 tCO₂e/MWh. The reported emission reductions for the project from 1 January 2009 to 28 February 2010 are 122 925 tCO₂e.

DNV verified that the project is fully implemented according to the description in the registered CDM PDD of 23 February 2010 /2/ and the revised CDM monitoring plan approved on 9 June 2011 /5/.

The verification team confirms, through visual inspection, that all physical features of the proposed CDM project activity including data collection systems and storage have been implemented in accordance with the registered CDM PDD /2/ and the revised CDM monitoring plan approved on 9 June 2011 /5/.

3.2.1 Eligible GHGs

The project activity contributes to reductions in the emissions of carbon dioxide (CO₂) by generating electricity using a renewable source thus displacing electricity generation based on fossil fuels in the NCPG.

3.2.2 Project Start Date and Emission Reduction Start Date

The starting date of the project activity is 22 December 2007 as per the registered CDM PDD /2/ and its CDM validation report /3/. The project started to implement on 31 December 2008 when the first wind turbines were put into operation /21/. The emission reduction start date thus is defined to be 1 January 2009 which is reasonable.

3.2.3 Public Funding and Grants

The validation of the CDM project did not reveal any information that indicated that the project received any public funding /2//3/.

3.2.4 Project Boundary/GHG Assessment Boundary

The spatial extent of project boundary is defined as the project power plant and all the power plants physically connected to the NCPG, which consists of Beijing, Tianjin, Hebei, Shanxi, Shandong, Inner Mongolia power grids.

3.2.5 Baseline Determination

As the project design was previously assessed by the DOE Bureau Veritas Certification Holding SAS as part of the CDM validation phase (in particular in terms of the project's baseline, the monitoring plan, and the project's compliance with relevant UNFCCC and host Party criteria) and the project was registered as an eligible CDM project activity, it is thus confirmed that:

- i) The project correctly applies the approved baseline and monitoring methodology ACM0002 (Version 7) titled "*Consolidated baseline methodology for grid-connected electricity generation from renewable sources*" /26/.
- ii) The baseline scenario is provision of equivalent electricity that would, in the absence of the project activity, being generated by the operation of the grid-connected power plants within the NCPG. The baseline and monitoring methodologies have been correctly applied and the assumptions made for the selected baseline scenario are sound.



3.2.6 Project Additionality

As the project was registered by the CDM EB as an eligible CDM project activity, it is thus confirmed that the project is not a likely baseline scenario, and that emission reductions resulting from the project are additional.

Detailed information regarding project additionality is available at:

- i) CDM PDD version 3 of 23 February 2010 /2/.
- ii) Bureau Veritas Certification Holding SAS, CDM validation report version 02 dated 26 February 2010 /3/.

It is in DNV's opinion that the project is additional to any emission reductions occurring in absence of the project.

3.2.7 GHG Emission

As the project has been registered by the CDM EB as an eligible CDM project activity, it is confirmed that the approach for determining baseline emissions are appropriate and in accordance with the selected baseline and monitoring methodology /26/.

The calculation of the baseline emission factor was performed as required by the methodology. The parameters were calculated *ex-ante*. The Operating Margin (OM) emission factor calculation was based on the *Tool to calculate the emission factor for an electricity system* /27/. The simple OM method was selected to calculate the operating margin emission factor since the low cost/ must run resources constitute less than 50% of total grid generation in average of the five most recent years. The Build Margin (BM) emission factor was also calculated *ex-ante* based on the most recent information available at the time of CDM PDD webhosting. Details about the data used for calculation of OM and BM emission factors were presented in the CDM PDD and validation report /3/. The grid emission factor calculated *ex-ante* from OM and BM emission factors above mentioned and applied for baseline emission reductions estimated was 1.0549 tCO₂/MWh.

The reported GHG emission reductions from the project are 122 925 tCO₂e during the period from 1 January 2009 to 28 February 2010.

3.2.8 Secondary Effects

Regarding secondary effects (leakage), although no leakage calculation is needed, as explained in the applicable methodologies; leakage does not need to be considered in applying this methodology /26/.

3.2.9 Impacts on Sustainable Development

As the project was registered by the CDM EB as an eligible CDM project activity, it can be confirmed that the project's social and environmental impacts have been sufficiently addressed. In addition, the DNA of China has provided confirmation that the project assists in achieving sustainable development, through the Letter of Approval (LoA) issued in March 2010 /7/.

3.3 Completeness of Monitoring

According to the revised CDM monitoring plan approved on 9 June 2011 /5/, the following parameters are to be monitored:



- EG_y - Net electricity supplied to the grid by the project in the year y.
- $EG_{export,y}$ - Total electricity supplied to the grid via the main power line by the *project* and *Project B* in the year y
- $EG_{import,y}$ - Total electricity purchased from the grid via the main power line by the *project* and *Project B* in the year y.
- $EG_{im-spare,y}$ - Electricity purchased from the grid by the Project through the spare 10 kV line in the year y.
- $EG_{B-i,y}$ - Electricity supplied to the grid by Group B-i (i=1,2,3,4) of the *Project B* in the year y.
- $EG_{A-i,y}$ - Electricity supplied to the grid by Group A-i (i=1,2,3,4) of the *Project* in the year y.

The monitoring plan indicated in the revised monitoring plan accepted on 9 June 2011 /5/ requires monitoring of the following data and parameters:

Table 1 Monitoring Verification Table

	Assessment/ Observation
Data / Parameter: (as in the revised monitoring plan):	$EG_{export,y}$ - Total electricity supplied to the grid via the main power line by the <i>project</i> and <i>Project B</i> in the year y $EG_{import,y}$ - Total electricity purchased from the grid via the main power line by the <i>project</i> and <i>Project B</i> in the year y.
Measuring frequency:	Continuous measurement
Reporting frequency:	Monthly recording
Is measuring and reporting frequency in accordance with the monitoring plan and monitoring methodology? (Yes / No)	Yes
Type of monitoring equipment:	Main electricity meter M1(Type: ZMQ202C, SN: 95303611) (backup electricity meter M2(Type: ZMQ202C, SN: 95303617))
Is accuracy of the monitoring equipment as stated in the CDM PDD? If the CDM PDD does not specify the accuracy of the monitoring equipment, does the monitoring equipment represent good monitoring practise?	The revised monitoring plan specified the accuracy of the meter is 0.2s. The actual main meter and its back-up meter both are with the accuracy of 0.2s. The monitoring equipment represent good monitoring practise
Calibration frequency /interval:	The revised monitoring plan specified the metering equipment will be calibrated annually. The actual calibration frequency is in line with the revised monitoring plan.
Is the calibration interval in line with the monitoring plan of the CDM PDD? If the CDM PDD does not specify the frequency	The revised monitoring plan specified the metering equipment will be calibrated annually. The actual calibration frequency is in line with



of calibration, does the selected frequency represent good monitoring practise?	the revised monitoring plan. The used calibration frequency complies with the current prevailing rules (JJG1055-1997) in China.
Company performing the calibration:	<i>Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center</i> is authorized by Quality Technical Supervision Bureau of Inner Mongolia Autonomous Region (issued on 2 January 2004, valid till 1 January 2009 and issued on 2 January 2009, valid till 2 January 2014). Hence, <i>Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center</i> has qualification to implement the calibration on electric meters /13//14/.
Did calibration confirm proper functioning of monitoring equipment? (Yes / No):	Yes
Is(are) calibration(s) valid for the whole reporting period?	Yes. The calibration information for M1 and M2 is in the below table 2. The valid periods of the calibrations can cover the proposed VCU monitoring period 1 January 2009 to 28 February 2010.
If applicable, has the reported data been cross-checked with other available data?	Yes. The monthly reading records /18/ from the project owner were cross-checked by the electricity sales for the data in the VCU monitoring report.
How were the values in the VCU monitoring report verified?	The daily log of the total electricity supplied to the grid via the main power line by the Project and <i>Project B</i> from M2 /19/; Monthly reading records from bidirectional meter M1 of the total electricity supplied to the grid via the main power line by the Project and <i>Project B</i> /18/; Electricity sales receipt for the claimed VCU monitoring period for cross-checking the data /17/. In order to conservation, the minimum date between in the reading reading record and the sale receipt was used. All the data is in compliance with the figures stated in the VCU monitoring report. All original records have been verified by DNV on the project site during the site visit.
Does the data management (from monitoring equipment to emission reduction calculation) ensure correct	Yes. Data of electricity exported is recorded on a continuous basis; Operational manager collected the information



transfer of data and reporting of emission reductions and are necessary QA/QC processes in place?	and data. The collected information was documented and sent to the CDM manager and responsible staff of the Beijing International New Energy Co., Ltd. monthly. The CDM manager was responsible to report to the General Manager of the company. The General Manager would make the confirmations on monitoring, calculation data and reports.
In case only partial data are available because activity levels or non-activity parameters have not been monitored in accordance with the registered monitoring plan, has the most conservative assumption theoretically possible been applied or has a request for deviation been approved?	Not applicable.

	Assessment/ Observation
Data / Parameter: (as in the revised monitoring plan):	EG _{im-spare,y} —Electricity imported from the grid by the proposed project through a spare 10 kV line in the year y
Measuring frequency:	Continuous measurement
Reporting frequency:	Monthly recording
Is measuring and reporting frequency in accordance with the monitoring plan and monitoring methodology? (Yes / No)	Yes
Type of monitoring equipment:	Electricity Meter M3(SN: 10669106)
Is accuracy of the monitoring equipment as stated in the CDM PDD? If the CDM PDD does not specify the accuracy of the monitoring equipment, does the monitoring equipment represent good monitoring practise?	The revised monitoring plan specified the accuracy of the meter is 2.0. The actual meter's accuracy is 2.0. The monitoring equipment represent good monitoring practise
Calibration frequency /interval:	The revised monitoring plan specified the metering equipments will be calibrated annually. The actual calibration frequency is in line with the revised monitoring plan.
Is the calibration interval in line with the monitoring plan of the CDM PDD? If the CDM PDD does not specify the frequency of calibration, does the selected frequency represent good monitoring practise?	The revised monitoring plan specified the metering equipments will be calibrated annually. The actual calibration frequency is in line with the revised monitoring plan. The used calibration frequency complies with the current prevailing rules (JJG1055-1997) in China.



Company performing the calibration:	<i>Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center</i> is authorized by Quality Technical Supervision Bureau of Inner Mongolia Autonomous Region (issued on 2 January 2004, valid till 1 January 2009 and issued on 2 January 2009, valid till 2 January 2014). Hence, <i>Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center</i> has qualification to implement the calibration on electric meters /13/ /14/.
Did calibration confirm proper functioning of monitoring equipment? (Yes / No):	Yes
Is(are) calibration(s) valid for the whole reporting period?	Yes. The calibration information for M3 is in the below table 2. The valid periods of the calibrations can cover the proposed VCU monitoring period 1 January 2009 to 28 February 2010.
If applicable, has the reported data been cross-checked with other available data?	Yes. The electricity sales receipts are confirmed by both local power distributor and the project owner /17/ .
How were the values in the VCU monitoring report verified?	Yes. Monthly reading records from meter M3 of electricity purchased from the grid by the proposed project through a spare 10 kV line /18/; Electricity sales receipt for the claimed VCU monitoring period for cross-checking the data /17/. All the data is in compliance with the figures stated in the VCU monitoring report. All original records have been verified by DNV on the project site during the verification.
Does the data management (from monitoring equipment to emission reduction calculation) ensure correct transfer of data and reporting of emission reductions and are necessary QA/QC processes in place?	Yes. Data of electricity imported from a spare 10 kV line is recorded every month by local power distributor. Electricity sales receipts were also issued accordingly in an approach which is agreed by both local power distributor and the project owner.
In case only partial data are available because activity levels or non-activity parameters have not been monitored in accordance with the registered monitoring plan, has the most conservative assumption theoretically possible been applied or has a request for deviation been approved?	Not applicable.



	Assessment/ Observation
Data / Parameter: (as in the revised monitoring plan):	$EG_{A-i,y}$ –Quantity of electricity supplied to the grid by Group A-i (i=1,2,3,4) of the proposed project in year y.
Measuring frequency:	Continuous measurement
Reporting frequency:	Monthly reporting
Is measuring and reporting frequency in accordance with the monitoring plan and monitoring methodology? (Yes / No)	Yes
Type of monitoring equipment:	Electricity Meter A-1 (type: DTSD341, SN:9020390), A-2 (type: DTSD341, SN: 9020463), A-3 (type: DTSD341, SN:9020465) and A-4 (type: DTSD341, SN:9020392)
Is accuracy of the monitoring equipment as stated in the CDM PDD? If the CDM PDD does not specify the accuracy of the monitoring equipment, does the monitoring equipment represent good monitoring practise?	The revised monitoring plan specified the accuracy of the meter is not lower than 0.5s. The actual main meters are with the accuracy of 0.5s. The monitoring equipment represent good monitoring practise
Calibration frequency /interval:	The revised monitoring plan specified the metering equipments will be calibrated annually. The actual calibration frequency is in line with the revised monitoring plan.
Is the calibration interval in line with the monitoring plan of the CDM PDD? If the CDM PDD does not specify the frequency of calibration, does the selected frequency represent good monitoring practise?	The revised monitoring plan specified the metering equipments will be calibrated annually. The actual calibration frequency is in line with the revised monitoring plan. The used calibration frequency complies with the current prevailing rules (JJG1055-1997) in China.
Company performing the calibration:	<i>Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center</i> is authorized by Quality Technical Supervision Bureau of Inner Mongolia Autonomous Region (issued on 2 January 2004, valid till 1 January 2009 and issued on 2 January 2009, valid till 2 January 2014). Hence, <i>Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center</i> has qualification to implement the calibration on electric meters /13/ /14/.
Did calibration confirm proper functioning of monitoring equipment?	Yes



(Yes / No):	
Is(are) calibration(s) valid for the whole reporting period?	Yes. The calibration information is in the below table 2. The valid periods of the calibrations can cover the proposed VCU monitoring period 1 January 2009 to 28 February 2010.
If applicable, has the reported data been cross-checked with other available data?	Yes. The monthly reading records from the project owner are cross-checked by the daily log in the VCU monitoring report/19/.
How were the values in the VCU monitoring report verified?	The daily log for electricity supplied to the grid by Group A-i (i=1,2,3,4) from meter A-1,A-2,A-3 and A-4 /19/; Monthly reading records from bidirectional meter A-1,A-2,A-3 and A-4 of electricity supplied to the grid by Group A-i (i=1,2,3,4)/18/; All the data is in compliance with the figures stated in the VCU monitoring report. All original records have been verified by DNV on the project site during the verification/19/.
Does the data management (from monitoring equipment to emission reduction calculation) ensure correct transfer of data and reporting of emission reductions and are necessary QA/QC processes in place?	Yes. Data of electricity exported is recorded on a continuous basis; Operational manager collected the information and data. The collected information was documented and sent to the CDM manager and responsible staffs of the Beijing International New Energy Co., Ltd. monthly. The CDM manager was responsible to report to the General Manager of the company. The monthly reading records cross checked with the electricity sales receipt. The General Manager would make the confirmations on monitoring, calculation data and reports.
In case only partial data are available because activity levels or non-activity parameters have not been monitored in accordance with the registered monitoring plan, has the most conservative assumption theoretically possible been applied or has a request for deviation been approved?	Not applicable.

	Assessment/ Observation
Data / Parameter:	EG _{B-i,y} -Quantity of electricity supplied to the



(as in the revised monitoring plan):	grid by Group B-i (i=1,2,3,4) of the <i>Project B</i> in year y.
Measuring frequency:	Continuous measurement
Reporting frequency:	Monthly reporting
Is measuring and reporting frequency in accordance with the monitoring plan and monitoring methodology? (Yes / No)	Yes
Type of monitoring equipment:	Electricity Meter B-1(type: DTSD341, SN: 4690001), B-2(type: DTSD341, SN: 4690002), B-3(type: DTSD341, SN: 4690003) and B-4 (type: DTSD341, SN: 4690003)
Is accuracy of the monitoring equipment as stated in the CDM PDD? If the CDM PDD does not specify the accuracy of the monitoring equipment, does the monitoring equipment represent good monitoring practise?	The revised monitoring plan specified the accuracy of the meter is not lower than 0.5s. The actual meters are with the accuracy of 0.5s. The monitoring equipment represent good monitoring practise
Calibration frequency /interval:	The revised monitoring plan specified the metering equipments will be calibrated annually. The actual calibration frequency is in line with the revised monitoring plan.
Is the calibration interval in line with the monitoring plan of the CDM PDD? If the CDM PDD does not specify the frequency of calibration, does the selected frequency represent good monitoring practise?	The revised monitoring plan specified the metering equipments will be calibrated annually. The actual calibration frequency is line with the revised monitoring plan. The used calibration frequency complies with the current prevailing rules (JJG1055-1997) in China.
Company performing the calibration:	<i>Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center</i> is authorized by Quality Technical Supervision Bureau of Inner Mongolia Autonomous Region (issued on 2 January 2004, valid till 1 January 2009 and issued on 2 January 2009, valid till 2 January 2014). Hence, <i>Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center</i> has qualification to implement the calibration on electric meters /13/ /14/.
Did calibration confirm proper functioning of monitoring equipment? (Yes / No):	Yes
Is(are) calibration(s) valid for the whole reporting period?	Yes. The calibration information is in the below table 2. The project B was commenced on 27 October 2009 which can be validated from the daily



	log/19/ and the quality supervision and test report issue by the Inner Mongolia Power Construction Engineering Quality Supervision Center /22/. The meter B-1, B-2, B-3 and B-4 were used from 27 October 2009. So the valid periods of the calibrations can cover from the date of the commence of the project B (27 October 2009) to the end of this VCU monitoring period 28 February 2010.
If applicable, has the reported data been cross-checked with other available data?	Yes. The monthly reading records from the project owner are cross-checked by the daily log for the data in the VCU monitoring report.
How were the values in the VCU monitoring report verified?	The daily log for electricity supplied to the grid by Group B-i (i=1,2,3,4) from meter B-1,B-2,B-3 and B-4 /19/; Monthly reading records from bidirectional meter B-1, B-2 ,B-3 and B-4 of electricity supplied to the grid by Group B-i (i=1,2,3,4 /18/; All the data is in compliance with the figures stated in the VCU monitoring report. All original records have been verified by DNV on the project site during the verification.
Does the data management (from monitoring equipment to emission reduction calculation) ensure correct transfer of data and reporting of emission reductions and are necessary QA/QC processes in place?	Yes. Data of electricity exported is recorded on a continuous basis; Operational manager collected the information and data. The collected information was documented and sent to the CDM manager and responsible staffs of the Beijing International New Energy Co., Ltd. monthly. The CDM manager was responsible to report to the General Manager of the company. The monthly reading records cross checked with the electricity sales receipt. The General Manager would make the confirmations on monitoring, calculation data and reports.
In case only partial data are available because activity levels or non-activity parameters have not been monitored in accordance with the registered monitoring plan, has the most conservative assumption theoretically possible been applied or has a request for deviation been approved?	Not applicable.



All the meters were calibrated separately according to the calibration reports /9/ /10/ /11//12/. DNV can confirm that all the validity of the calibration covers the proposed VCU monitoring period 1 January 2009 to 28 February 2010.

Table 2 The calibration information for the all monitored meters

Meters serial number	Accuracy	Calibration date	Valid due date
Main meter M1 (SN: 95303611)	0.2s	22 August 2008	21 August 2009
		17 June 2009	16 June 2010
Backup meter M2 (SN: 95303617)	0.2s	22 August 2008	21 August 2009
		17 June 2009	16 June 2010
Meter M3 (SN: 10669106)	2.0	1 September 2008	31 August 2009
		31 August 2009	30 August 2010
Meter B-1 (SN: 4690001)	0.5s	13 October 2009	12 October 2010
Meter B-2 (SN: 4690002)			
Meter B-3 (SN: 4690003)			
Meter B-4 (SN: 4690003)			
Meter A-1 (SN:9020390)	0.5s	22 October 2008	21 October 2009
Meter A-2 (SN: 9020463)		7 September 2009	6 September 2010
Meter A-3 (SN:9020465)			
Meter A-4 (SN: 9020392)			

Thus, DNV can confirm that the calibration interval is in line with the revised monitoring plan approved on 9 June 2011 /5/. The meter calibrations were carried out by Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center, which are all qualified third Party /13/. The calibration process obeys the national industrial standard (JJG1055-1997) /34/. Therefore, DNV can confirm that the calibration results are acceptable.

3.4 Accuracy of Emission Reduction Calculations

The GHG emission reductions were calculated correctly on the basis of the approved baseline and monitoring methodology ACM0002Version 7 /26/, the formulae given in the VCU monitoring report of version 02 dated 1 July 2011 /1/ and also based on the validation opinion stated in the CDM validation report issued by the DOE Bureau Veritas Certification Holding SAS for the registered CDM project activity /3/.



The emission reductions ER_y by the project activity during the VCU monitoring period is the difference among the baseline emission, project emissions or leakage.

$$ER_y = BE_y - PE_y - L_y$$

3.4.1 Baseline emissions

Baseline emissions (BE_y in tCO_2) are the product of the baseline emission factor (EF_y in tCO_2/MWh) times the net electricity supplied by the proposed project to the grid (EG_y in MWh).

The net electricity supplied by the proposed project activity to the grid (EG_y) is calculated by the formula (1):

$$EG_y = \frac{\sum_{i=1,2,3,4} EG_{A-i,y}}{\sum_{i=1,2,3,4} EG_{A-i,y} + \sum_{i=1,2,3,4} EG_{B-i,y}} \times EG_{\text{export},y} - EG_{\text{import},y} - EG_{\text{im-spare},y}$$

The electricity supplied to the grid by the project was calculated based on the ratio of the electricity supplied to the grid by Group A-i and Group B-i. The total electricity imported from the grid to the project and the project B was used as the value $EG_{\text{import},y}$ in the formula. DNV determines it is conservative. Therefore, the net electricity supplied to the grid by the project is the electricity supplied to the grid by the project minus the electricity imported from the grid to Group A-i and Group B-i ($EG_{\text{import},y}$), then minus the electricity imported from the grid by the proposed project through the spare 10 kV line ($EG_{\text{im-spare},y}$). This calculation is reasonable and conservative.

Furthermore, on comparison of data regarding the total electricity supplied to the grid via the main power line by the Project and *Project B* through meter readings, the lower of the values between the sale receipt and monthly reading records have been used for calculating the CERs /17/ /18/, which is deemed conservative. DNV was able to verify the calculating process and conclusion to be transparent /4/.

The net electricity supplied for this period EG_y from the data list below was 116528.10 MWh.

Table 3 The monthly PLF of the project

Period	$EG_{A-i,y}$ (MWh)	$EG_{B-i,y}$ (MWh)	$EG_{\text{export},y}$ (MWh)	$EG_{\text{import},y}$ (MWh)	$EG_{\text{im-spare},y}$ (MWh)	EG_y (MWh)	PLF
01 January 2009-31 January 2009	4 668.3	0	4 483.46	55.19	6.5	4 421.77	0.13
01 February 2009-28 February 2009	5 178.6	0	5 034.70	45.09	6	4 983.61	0.16
01 March 2009-31 March 2009	5 620.86	0	5 485.16	42.74	6.5	5 435.92	0.15
01 April 2009-30 April 2009	4 771.62	0	4 685.26	26.69	7	4 651.57	0.13
01 May 2009-31 May 2009	12 145.77	0	12 030.71	8.31	6.5	12 015.90	0.33
01 June 2009-30 June 2009	10 949.19	0	10 838.23	18.24	7	10 812.99	0.31



01 July 2009-31 July 2009	6 362.79	0	6 262.40	21.93	7.5	6 232.97	0.17
01 August 2009-31 August 2009	7 166.88	0	7 062.97	30.11	7.5	7 025.36	0.19
01 September 2009-30 September 2009	9 427.95	0	9 317.69	20.91	7	9 289.78	0.26
01 October 2009-31 October 2009	13 733.79	2.1	13 570.39	22.06	7.5	13 538.76	0.37
01 November 2009-30 November 2009	13 381.62	1 663.41	14 683.26	26.73	7	13026.12	0.38
01 December 2009-31 December 2009	9 769.83	5 013.33	14 123.88	46.92	6.5	9 280.71	0.27
01 January 2010-31 January 2010	11 857.02	5 375.16	16 400.61	84.02	7.5	11 193.32	0.32
01 February 2010-28 February 2010	5 244.96	3 713.01	8 221.19	188.24	6	4 619.33	0.16
Total	120 279.18	15 767.01	132 199.91	637.18	96	11 6528.10	0.24

Hence, $BE_y = EG_y \times EF_y$

$BE_y = 11\,6528.10 \text{ MWh} \times 1.0549 \text{ tCO}_2\text{e/MWh} = 122\,925 \text{ tCO}_2\text{e}.$

3.4.2 Project emissions

The project emissions are regarded as zero according to the methodology ACM0002 Version 7 /26/.

3.4.3 Leakage

There are no leakages that need to be considered in applying the methodology ACM0002 Version 7/26/.

3.4.4 Emission reductions

Therefore, the emission reductions in this VCU monitoring period are:

$ER_y = BE_y - PE_y - L_y = 122\,925 - 0 - 0 = 122\,925 \text{ tCO}_2\text{e}.$

The annual estimated emission reductions are 131 331 tCO₂ as per registered CDM PDD /2/. According to the length of this VCU monitoring period 1 January 2009 to 28 February 2010 (424 days), the estimated emission reductions should be 152 560 tCO₂ ($152\,560 = 424/365 \times 131\,331$). The actual emission reductions during this VCU monitoring period are 122 925 tCO₂, which is 19.42% lower than the estimation in the registered CDM PDD /2/.

As shown in the table above, the PLF of the project activity during the VCU monitoring period from 1 January 2009 to 28 February 2010 is 0.24, which is lower than the expected PLF of 0.29 in the registered CDM PDD /2/. Based on the sectoral experience, DNV considered that such slight deviation was due to the fluctuation of wind source. Therefore, the emission reduction during this VCU monitoring period is deemed reasonable and will not reduce the additionality of this project.

DNV confirms that appropriate methods and formulae for calculating baseline emissions, project emissions and leakage have been followed for this project activity and the



assumptions, emission factors and default values that were applied in the calculations have been justified.

As outlined above, the input data for calculating the emission reductions, the calculating process and the result are complete and transparent. Therefore, DNV is able to confirm the accuracy of the emission reductions.

3.5 Quality of Evidence to Determine Emission Reductions

DNV confirms that a complete set of data for this VCU monitoring period is available to be monitored and are in accordance with the registered CDM PDD /2/ and the revised CDM monitoring plan accepted by the CDM EB on 9 June 2011 /5/.

All necessary documentation were collected, referenced and aggregated and were easily accessible in hard-copy and electronic format. Measurements are performed by calibrated equipment, and the key data were cross-checked via the sources. No assumptions are used that have any material influence on reported emission reductions.

DNV compared the electricity exports and imports data reported in the VCU monitoring report for selected months with monthly reading records kept at the project office that were visited. The reported data matched the monthly reading records of electricity generation, which were kept at the project office.

Critical parameters used for the determination of the emission reductions are:

- The daily log for electricity exported to and imported from the grid /19/;
- Monthly readings records from bidirectional meters of the total electricity supplied to the grid via the main power line by the Project and *Project B*, the total electricity purchased from the grid by the proposed project and *project B* /18/;
- Electricity sales receipt from the grid company for the claimed VCU monitoring period /17/.

All the data is in compliance with the figures stated in the VCU monitoring report /1/.

The original data were transferred to the spreadsheet and are appended as an attachment to this report /17/.

All paper-based information will be stored by the Beijing International New Energy Co., Ltd. and all the material will have a copy for backup. And all data including calibration records is kept at least for 2 years after the end of the last CDM crediting period of the project as per the para 208 (a) of VVM version 1.2 /25/.

3.6 Management System and Quality Assurance

Beijing International New Energy Co., Ltd. is responsible for the operation and maintenance of the project, the monitoring equipments, and data collection. The management system for the project has been verified to be in place by DNV on site. The organization structure with the responsibilities, personnel competencies, monitoring procedure and monitoring management have been properly identified and put into operation.

DNV confirms that the responsibilities and authorities in the management and operational system for monitoring and reporting are in accordance with the responsibilities and authorities



stated in the registered CDM PDD /2/ and the revised CDM monitoring plan accepted on 9 June 2011 /5/

Data was collected according to the well defined data collection procedures:

- Data of electricity generated is automatically recorded on a continuous basis;
- At the end of each month, the monitoring data will be filled in a spreadsheet and stored on a hard disk and CD-ROM, and the paper-based printout should be also archived. Furthermore, the project owner collects the sales receipts for the electricity supplied to the grid as a cross-check.
- Quality of the meter reading is assured through calibrated meters;
- The General Manager of the company would make the confirmations on monitoring, calculation data and reports.

The monitoring and reporting of electricity data is also in accordance with the well established operational procedures.

All monitoring meters have been calibrated and maintained periodically to ensure the accuracy of measurement. All data has been archived in paper form (hard copy) and was checked during site visit as per the para 208 (a) of VVM version 1.2 /25/.

The site visit confirmed that the management system for the CDM project is in place /15/, such as the management structure of the CDM project, the CDM project management and CDM training /16/. The CDM training for the staff was organized by the project owner and carried out by Beijing International New Energy Co., Ltd.. The new staff coming will be trained by the experienced staff and then get the competence criteria of CDM in the project. By interviewing with some staff, site visit and records check, it can be confirmed that the monitoring management system is implemented following the monitoring manual /24/.



4 VERIFICATION STATEMENT

DNV Climate Change Services AS (DNV) has performed the verification of the emission reductions reported for the CDM project activity “Inner Mongolia Jingneng Saihan Wind Farm Phase I Project” (UNFCCC Registration Reference. No. 2567) for the period from 1 January 2009 to 28 February 2010. As these emission reductions occur prior to the registration of the project as CDM project activity, these emission reductions cannot be claimed as Certified Emission Reductions (CERs). The emission reductions are thus claimed as Voluntary Carbon Units (VCUs) under the Voluntary Carbon Standard (VCS) 2007.1.

Beijing International New Energy Co., Ltd. is responsible for the collection of data in accordance with the validated monitoring plan and the reporting of GHG emissions reductions from the project.

It is DNV’s responsibility to express an independent verification statement on the reported GHG emission reductions from the project. DNV does not express any opinion on the selected baseline scenario or on the validated and registered CDM PDD, since the project design was previously assessed by Bureau Veritas Certification Holding SAS as part of the CDM validation and registration of the project. DNV recognizes the validation opinion of Bureau Veritas Certification Holding SAS that the project design as documented is sound, reasonable and meets the relevant UNFCCC and host Party criteria. DNV also recognizes that the project was registered as a CDM project activity on 1 March 2010 under the UNFCCC reference number 2567.

DNV conducted the verification on the basis of the CDM monitoring methodology ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources” (Version 7), the monitoring plan included in the CDM PDD of the project and the VCU monitoring report version 02 dated 1 July 2011. The verification included i) checking whether the provisions of the monitoring methodology ACM0002 (Version 7) and the monitoring plan in the CDM PDD (version 3 dated 23 February 2010) were consistently and appropriately applied and ii) the collection of evidences supporting the reported data.

DNV’s verification approach draws on an understanding of the risks associated with reporting of GHG emission data and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give reasonable assurance that reported GHG emission reductions are fairly stated.

In DNV’s opinion, the GHG emissions reduction for the registered CDM project activity “Inner Mongolia Jingneng Saihan Wind Farm Phase I Project” as reported in the VCU Monitoring Report version 02 dated 1 July 2011 are fairly stated and the project design meets all VCU Verification Criteria.

The GHG emission reductions were correctly calculated on the basis of the approved monitoring methodology of ACM0002 (Version 7) and the monitoring plan contained in the validated CDM PDD for the project.



DNV Climate Change Services AS is able to verify that the emission reductions from the "Inner Mongolia Jingneng Saihan Wind Farm Phase I Project" during the period 1 January 2009 to 28 February 2010 amount to 122 925 tonnes of CO₂ equivalent.

DNV does not assume any responsibility towards the issuance and utilization of the VCUs hereby verified. Request for issuance of VCUs shall be made by the project proponent to an approved VCS Program Registry based on the requirements set out under the most recent version of the VCS Program Guidelines clause on VCS Registration.

The verification of reported emission reductions is based on the information made available to DNV and the engagement conditions detailed in this report. DNV cannot be held liable by any party for decisions made or not made based on this report.

Beijing and Oslo, 29 August 2011

Hou Bao Jun
CDM Verifier
DNV Beijing, China

Edwin Aalders
Approver
DNV Climate Change Services AS



5 REFERENCES

Documents provided by the Project Participants that relate directly to the GHG components of the project. These have been used as direct sources of evidence for the periodic verification conclusions, and are usually further checked through interviews with key personnel.

- /1/ Easy Carbon Consultancy Co., Ltd.: *VCU Monitoring Report of Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*, version 01 dated 1 June 2011 and version 02 dated 1 July 2011
- /2/ Easy Carbon Consultancy Co., Ltd.: *Project Design Document (CDM PDD) for Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*, version 3 dated 23 February 2010.
<http://cdm.unfccc.int/Projects/DB/BVQI1241775281.35/view>
- /3/ Bureau Veritas Certification Holding SAS: *Validation Report of the CDM project - Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*, validation report No: BVC/CHINA-Val/0090/2008, version 02 dated 26 February 2010.
- /4/ Easy Carbon Consultancy Co., Ltd.: *Emission Reduction calculation spreadsheet for Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*, version 01 dated 1 June 2011 and version 02 dated 1 July 2011.
- /5/ Easy Carbon Consultancy Co., Ltd.: *Revision of Monitoring Plan of Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*, approved on 9 June 2011 .
China Environmental United Certification Center Co., Ltd: *Validation opinion on the Revision in Monitoring Plan*, version 01, dated 8 April 2011.
- /6/ Beijing International New Energy Co., Ltd. & Inner Mongolia Power Grid Company (on behalf of NCPG): *Power Purchase Agreement for Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*, effected on 1 January 2009 and valid to 31 December 2010. Effected on 1 January 2011 and valid to 31 December 2011.
- /7/ National Development and Reform Commission (DNA of China): *Letter of approval (LoA) for Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*, dated March 2009.
- /8/ Inner Mongolia Electricity Design Institute: *Feasibility study report of Inner Mongolia Jingneng Saihan Wind Farm Phase I Project* dated September 2007.
- /9/ Inner Mongolia Electricity Science Research Institute *Electricity Measurement and Testing Center: Calibration report of metering in Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*
M1 SN: 95303611 and M2 SN: 95303617 with accuracy 0.2s
These meters were calibrated on 22 August 2008 valid till 21 August 2009, on 17 June 2009 valid till 16 June 2010.
- /10/ Inner Mongolia Electricity Science Research Institute *Electricity Measurement and Testing Center: Calibration report of metering in Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*
1) A-1 SN: 9020390 with accuracy 0.5s



- 2) A-2 SN: 9020463 with accuracy 0.5s
- 3) A-3 SN: 9020465 with accuracy 0.5s
- 4) A-4 SN: 9020392 with accuracy 0.5s

These meters were calibrated on 22 October 2008 and valid till 21 October 2009, on 7 September 2009 and valid till 6 September 2010.

- /11/ Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center: *Calibration report of metering in Inner Mongolia Jingneng Saihan Wind Farm Phase I Project*

- 1) B-1 SN: 4690001 with accuracy 0.5s
- 2) B-2 SN: 4690002 with accuracy 0.5s
- 3) B-3 SN: 4690003 with accuracy 0.5s
- 4) B-4 SN: 4690004 with accuracy 0.5s

These meters were calibrated on 13 October 2009 and valid till 12 October 2010.

- /12/ Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center: *Calibration report of metering*

M3 SN: 10669106 with accuracy 2.0 was calibrated on 1 September 2008 valid till 31 August 2009, on 31 August 2009 valid till 30 August 2010

- /13/ Quality Technical Supervision Bureau of Inner Mongolia Autonomous Region: *Certificate of metrological authorization [2004] No 15021 to Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center*, issued on 2 January 2004, valid till 1 January 2009.

- /14/ Quality Technical Supervision Bureau of Inner Mongolia Autonomous Region: *Certificate of metrological authorization [2009] No 15021 to Inner Mongolia Electricity Science Research Institute Electricity Measurement and Testing Center*, issued on 2 January 2009, valid till 2 January 2014.

- /15/ Beijing International New Energy Co., Ltd. and Easy Carbon Consultancy Co., Ltd.: *CDM Project Monitoring Manual*, version 1 dated January 2010.

- /16/ Beijing International New Energy Co., Ltd. and Easy Carbon Consultancy Co., Ltd.: *CDM training program and training records*, dated 7 April 2009.

- /17/ Beijing International New Energy Co., Ltd.: *Electricity sales receipt for the electricity exported to the grid by the proposed project and the project B* from 1 January 2009 to 28 February 2010.

Inner Mongolia Power Grid Company,: *Electricity sales receipt for the electricity purchased from the grid*, from 1 January 2009 to 28 February 2010

- /18/ Beijing International New Energy Co., Ltd.: *Monthly reading records for the total electricity import from the grid and export to the grid, the electricity export to the grid by the proposed project and project B*, from 1 January 2009 to 28 February 2010.

Inner Mongolia Power Grid Company: *The electricity purchase from the grid by the spare 10 kV line*, from 1 January 2009 to 28 February 2010

- /19/ Beijing International New Energy Co., Ltd.: *Daily log sheet, operational and maintenance records*, from 1 January 2009 to 28 February 2010

- /20/ Beijing International New Energy Co., Ltd.: *The declaration of transaction under VCS during the period from 1 January 2009 to 28 February 2010*, dated 30 June 2011.

- /21/ Inner Mongolia Power Construction Engineering Quality Supervision Center: *The*



- quality supervision and test report for the Inner Mongolia Jingneng Saihan Wind Farm Phase I Project, dated 28 September 2009*
- /22/ Inner Mongolia Power Construction Engineering Quality Supervision Center: *The quality supervision and test report for the Inner Mongolia Jingneng Saihan Wind Farm phase II Project (project B), dated 26 July 2010*
 - /23/ Beijing Administration for Industry and Commerce: *Business license of Beijing International New Energy Co., Ltd. dated 10 February 2011*
 - /24/ Beijing International New Energy Co., Ltd. and Easy Carbon Consultancy Co., Ltd.: *CDM Project Monitoring Manual, version 1 completed in January 2010.*
- Background documents related to the design and/or methodologies employed in the design or other reference documents.*
- /25/ CDM Executive Board: *Validation and Verification Manual, version 1.2, EB 55 Annex 1, dated 30 July 2010.*
 - /26/ CDM Executive Board: *“Consolidated baseline methodology for grid-connected electricity generation from renewable sources” ACM0002, Version 7, adopted EB47, dated 11 June 2009.*
 - /27/ CDM Executive Board: *Tool to calculate the emission factor for an electricity system, version 2, EB 50 Annex 14.*
 - /28/ ISEA3000 (Revised): *Assurance Engagements other than Audits or Reviews of Historical Financial Information.*
<http://www.ifac.org/IAASB/ProjectHistory.php?ProjID=0008>
 - /29/ ISO/FDIS 14064-3 *“Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions and employed a risk-based approach.*
<http://www.iso.org/iso/en/CatalogueDetailPage.CatalogueDetail?CSNUMBER=38700&tscopelist=PROGRAMME>
 - /30/ Voluntary Carbon Standard – VCS 2007.1: *Voluntary Carbon Standard - Specification for the project-level quantification, monitoring and reporting as well as validation and verification of greenhouse gas emission reductions or removals*
 - /31/ Voluntary Carbon Standard – VCS 2007.1: *Voluntary Carbon Standard Program Guidelines, dated 19 November 2007.*
 - /32/ Voluntary Carbon Standard – VCS 2007.1: *Further Guidance for Projects that are Registered in Two GHG Programs, dated 19 March 2008.*
 - /33/ Voluntary Carbon Standard: *Project Description Template, dated 19 November 2007.* Available at: <http://v-c-s.org/sites/v-c-s.org/files/VCS%20PD.doc>.
 - /34/ State Technical and Supervision Bureau: *Technical Norm of the calibration of ACWatt-hou Meters at place of installation (JJG1055-1997), approved on 20 November 1997.*

Persons interviewed during the initial verification, or persons who contributed with other information that are not included in the documents listed above.



- /35/ Ms. Qu Zhan Director Beijing International New Energy Co., Ltd.
Mr. Wang Youfa, Manager for the wind Farm Beijing International New Energy Co., Ltd.
Mr. Ni Zhiqiang, Staff Beijing International New Energy Co., Ltd.
Mr. Li Runwei, Staff Beijing International New Energy Co., Ltd.
- /36/ Ms. Wangyuan, Project Manager, Easy Carbon Consultancy Co., Ltd.

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APPENDIX A

CORRECTIVE ACTION REQUESTS, CLARIFICATION REQUESTS AND FORWARD ACTION REQUESTS

Corrective action requests

CAR ID	Corrective action request	Response by Project Participants	DNV's assessment of response by Project Participants
CAR 1	The implementation of the actual monitoring data and parameters, monitoring program and equipment described in the MR are not consistent with the monitoring plan in the registered CDM PDD (version 3 dated 23 February 2010).	The proposed project shares the transformer and gateway meters with another wind farm project named as Inner Mongolia Jingneng Saihan Wind Farm Phase II Project (hereafter refer to <i>Project B</i>). Meanwhile, a spare 10 kV line is used for supplying electricity in emergent cases that the main power line fails to supply power. The revision of monitoring plan has been submitted to EB and approved by EB on 09/06/2011. The actual monitoring implementation is in line with the revised monitoring plan.	OK During the site visit, it was found that the proposed project shares the transformer and gateway meters (M1 and M2) with another wind farm project named as Inner Mongolia Jingneng Saihan Wind Farm Phase II Project (hereafter refer to <i>Project B</i>). Meanwhile, a spare 10 kV line is used for supplying electricity in emergent cases that the main power line fails to supply power. The revision MR has been approved by EB on 9 June 2011. The actual implementation is consistent with the revised MR. Therefore, the CAR 1 is closed.
CAR 2	In the VCU MR, it is stated that <i>The revision of the monitoring plan for the current monitoring period has been submitted to EB.</i> It is requested to clarify status of the revision of monitoring plan and EB decision on the revision of monitoring plan.	The revision of the monitoring plan has been approved by EB on 09/06/2011. And it has been stated in the MR version 02 dated 01/07/2011.	OK The revision of the monitoring plan has been approved by EB on 09 July 2011. Therefore, the CAR 2 is closed.

Clarification requests

CL ID	Clarification request	Response by Project Participants	DNV's assessment of response by Project Participants
CL 1	All the calibration date for all meters (used in this VCU monitoring period) and the calibration standard need to be indicated in the MR.	All the calibration information of all the monitoring meters has been clearly stated in the MR version 02 dated 01 July 2011.	OK. All the calibration information of all the meters has been added in the updated MR (version 02, dated 1 July 2011) which covered the monitor period 1 January 2009 to 28 February 2010.

CL ID	Clarification request	Response by Project Participants	DNV's assessment of response by Project Participants
			Therefore, CL 1 is closed.
CL 2	The declaration of the accreditation and transaction of VCS between the project owner and the VCU buyer should be provided.	The declaration of the accreditation and transaction of VCS from the project owner has been submitted to DOE.	OK The project participants have declared that emission reductions during the VCU monitoring period from 1 January 2009 to 28 February 2010 will only be transacted under the VCS program, and the VCU will be credited only one time /20/. Therefore, CL 2 is closed.
CL 3	The total electricity supplied to the grid via the main power line by the Project and Project B from 1 January 2009 and 31 January 2009 is 4 483.46 MWh in the sale receipt, however it is 4 492.38MWh in the ER spreadsheet. The difference needs to be clarified.	That is a data entry mistake in the ER spreadsheet version 01 dated on 01 June 2011. Actually, during the period from 01 January 2009 to 31 January 2009, the meter reading of the total electricity supplied to the grid via the main power line by the Project and <i>Project B</i> is 4 492.38MWh while the value in the sales receipt is 4 483.46 MWh. After the cross-check between the meter reading and the value in the sales receipt, the data 4 483.46 MWh has been applied in the ER spreadsheet version 02 dated on 01 July 2011. Hence, the net electricity supplied to the Grid by the Project activity during this VCU monitoring period has changed to 116 528.10 MWh while the emission reductions have changed to 122 925 tCO ₂ e. The relevant revision has been done in the MR version 02 dated on 01 July 2011.	OK The total electricity supplied to the grid via the main power line by the Project and <i>Project B</i> has been revised to 4 483.46MWh which is consistent with the value in the sales receipt in the ER spreadsheet. The emission reductions have updated to 122 925 tCO ₂ e. Therefore, CL 3 is closed.

Forward action requests from previous verification

FAR ID	Forward action request	Summary of how FAR has been addressed in this reporting period	Assessment of how FAR has been addressed
N/A	N/A	N/A	N/A

Forward action requests from this verification

FAR ID	Forward action request	Response by Project Participants	DNV's assessment of response by Project Participants
N/A	N/A	N/A	N/A

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APPENDIX B

CLARIFICATION OF CLAUSES 1.12, 1.13, 1.14, 8.1 AND 8.2 OF THE VCS PD

Clarification of clauses 1.12, 1.13, 1.14, 8.1 and 8.2 of the VCS PD

The project has been undergoing the validation and verification for the VCS monitoring period (1 January 2009 to 28 February 2010) under the VCS 2007.1 by an accredited validator and verifier (DNV). This clarification is annexed to cover all the requirements set out in the VCS2007.1 for project validation together with the validated CDM PDD (version 3 dated 23 February 2010), according to the Policy Announcement from the VCS Association /32/.

Clarification of clauses 1.12, 1.13, 1.14, 8.1 and 8.2 of the VCS PD are as follows:

1.12 Demonstration to confirm that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction.

Clarification: As a wind energy project, the project activity will produce clean electricity using wind power resources and will generate GHG emission reductions by avoiding CO₂ emissions from electricity generation of fossil fuel fired power plants. Operation of this project does not lead to GHG emissions. It is confirmed that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction.

1.13 Demonstration that the project has not created another form of environmental credit (for example renewable energy certificates).

The project is located in China and is developed and operated by Beijing International New Energy Co., Ltd., which has been validated by DNV via the LoA of China /7/ and PPA /6/. It has been verified by DNV that there is no mandatory program defined for renewable energy in China, and there are no carbon trading scheme in China. Thus, it can be confirmed that there is no other environmental credit which has or will be produced by or obtained for the project /20/.

1.14 Project rejected under other GHG programs (if applicable):

The project has been registered as a CDM project and it does not fall into rejected projects under other GHG programs.

8.1 Proof of Title:

Evidences of proof of title have been verified via documentation proving ownership of the plant and equipment at the on-site visit, such as business license /23/. The project's design and implementation have been verified in compliance with all relevant and national legislations in China. The declaration letter from the project owner Beijing International New Energy Co., Ltd. /20/ has been obtained. It has been confirmed that the project owner will not apply for other VERs (VER+, GS etc.). It also has been confirmed that the Beijing International New Energy Co., Ltd. will only sell the VCU once /20/.

8.2 Projects that reduce GHG emissions from activities that participate in an emissions trading program (if applicable):

The proposed project is not included in an emissions trading program, and does not take place in a jurisdiction or sector in which binding limits are established on GHG emissions. The

proposed project does not reduce GHG emissions from activities that participate in an emissions trading program, so this clause is not applicable.