

PROJECT REVIEW REPORT

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

Review Type	Credit Period Renewal & Verification
Project ID	986
Project Name	Kumköy Hydroelectric Power Plant, Samsun
Program(s)	VCS
Verification Period	Credit Period Renewal: N/A Verification Approval: 01 April 2019 to 02 March 2021
Project Proponent	Entek Elektrik Üretimi A.Ş.
Methodology	Credit Period Renewal: ACM0002: Grid-connected electricity generation from renewable sources — Version 20 Verification Approval: ACM0002: Grid-connected electricity generation from renewable sources — Version 13
VVB	RINA Services S.p.A
Assessment Criteria	VCS Version 4
Date of First Issue	29 August 2022
Review Conclusion	Approved
Date of Final Issue	14 February 2023

FINDINGS			
#	Description	Response	Status
1	Quality Issues: Multiple sections in the PD, Validation Report (Val Rep) and Verification Report (VR) are not completed per template requirements <u>Issue</u> Some sections within the PD, Val Rep and VR contain incomplete information or do not follow the template requirements <u>Action item</u> The VVB must ensure the following sections are completed per the template requirements and updated per the requests below. Project Description: A. Section 1.14: This section does not meet template requirements. More information is needed. In particular, the project proponent (PP) must describe how the project complies with the identified laws. Currently only a list of laws is provided. Validation Report: B. Section 3.1: report and describe how the following were assessed: Project scale, conditions prior to project initiation, compliance with applicable laws and regulations, project ownership, project compliance with applicable laws, statutes and other regulatory frameworks, participation under other GHG programs (if the project is registered or seeking registration), and other forms of credit. The VVB must also include a conclusion per template requirements. C. Section 3.3.7: complete this section per the template requirements. Currently this section is missing, and the subsequent section numbers need to be adjusted.	Round 1: VVB Response: A: It is now confirmed that Section 1.14 is now revised in the PD. B-C: Section B.3.1 is now revised and Section B.3.3.7 is now added. All section numbers are corrected in Final Validation Report. D: When the site visit date was approaching, as Turkey, there was a possibility of going out at certain times depending on the age range or curfew due to the pandemic. For this reason, all verification and validation activities were carried out remotely in order not to put any project in a difficult situation during the pandemic period. This explanation is also added to Section 2.4 of the Final Verification Report. E: Section 4.1 of the Final Verification Report is now revised by adding the sustainable development contributions and overall conclusion. Verra Review: <u>Issue:</u> Many of the requested updates were made. However, some sections are still not completed per the template and standard requirements. <u>Action:</u> The VVB must ensure Section 3.1 of the Verification Report and Validation Report are updated to include a list of evidence checked to support their conclusion that the Project has not participated under other GHG Program or sought any other forms of credit. Currently, the verification report indicates that the VVB checked the VCS Registry/project page as evidence. The VCS registry does not provide up-to-date information or assessments on this topic and should not be used as the only source of information. Round 2: VVB Response: Section 3.1 is now revised and evidence web-pages are added to the references. It is now confirmed that the project has not participated under other GHG Program or sought any other forms of credit. Verra Review:	Closed

Verification Report: D. Section 2.4: justify why a remote audit was performed and how the VVB ensured a reasonable level of accuracy even if performing a remote site visit. E. Section 4.1: describe the steps taken to assess the sustainable development contributions, as well as provide an overall conclusion as to whether the project has been implemented as described in the PD. <u>Program rule(s) or methodology section</u> VCS Standard v4.1, Section 3.4.1, 4.1.13 and 4.1.14	This finding is now closed.
2 Methodology and Tools are not reported correctly <u>Issue</u> Section 3.1 of the PD indicates that: 1. ACM0002 v13 is applied, and then clarifies that v20 is applied in the second crediting period. This is unclear. 2. An outdated version of a tool is being applied. <u>Action item</u> The VVB must ensure that Section 3.1 of the PD is updated to: A. Remove mention of the previous version of ACM0002 applied during the first crediting period, and clearly indicate which version is being applied in the second crediting period (v20). B. Confirm that the latest versions of all tools are applied and reported. The PD indicates that Version 3 of “Tool to calculate the emission factor for an electricity system” is applied, despite version 7 being the latest version available. <u>Program rule(s) or methodology section</u> VCS Standard v4.1, Section 3.4.1 and 4.1.13, 3.8.9(d)	Round 1: VVB Response: A: The first paragraph starts by stating that the following were used during the first crediting period and the second paragraph starts by stating the following was used for the second crediting period. Thus, there is no inconsistency. As requested by the Standard, the information regarding the first crediting period is now deleted from PD. B: As explained the second paragraph includes all the most up to dated tools. Verra Review: This finding is closed. Closed

3 Baseline reassessment and a statement on regulatory surplus is missing from PD, while additionality was reassessed (though not required)

Issue

1. The PD does not demonstrate how the baseline was reassessed.

2. The PD and the Val Rep do not clearly state that a regulatory surplus has been achieved.

Action item

A1. The VVB must ensure that Section 3.4 is updated to reassess the baseline scenario in accordance with the procedure set out in the tool ("Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period"). Currently the baseline has not been reassessed.

A2. The VVB must update Section 3.3.4 in the Val Rep, following the requested PD update. It is not clear how the VVB can confirm that the baseline was reassessed correctly, when this is not demonstrated in the PD.

B1. The VVB must ensure that Section 3.5 of the PD is updated to discuss and justify if regulatory surplus has been achieved. This is missing. Currently additionality has been reassessed, despite this not being required.

B2. The VVB must update Section 3.3.5 in the Val Rep to provide a clear statement on whether the project has achieved regulatory surplus, and what evidence they used to reach this conclusion.

Program rule(s) or methodology section

VCS Standard v4.1, Section 3.4.1 and 4.1.13, 3.8.9(1) and 3.8.9(2)

Round 1:

VVB Response:

A1: It is now confirmed that according to "Assessment of the validity of the original/current baseline and update of the baseline at the renewal of the crediting period", the baseline is evaluated whether it needs to be revised.

A2: It has already been confirmed that the baseline was updated assessed according to the tool. As per the tool all steps are clarified and all revisions such as new grid emission factor is presented.

B1: The regulatory surplus is discussed now under Section 3.5 of the PD.

B2: The regulatory surplus is discussed now under Section 3.3.5 of the Validation Report.

Verra Review:

This finding is closed.

Closed

4 Quantification of GHG ERRs are not reproducible

Issue

PD sections 4.1 - 4.4 fail to provide enough information for a reader to follow the methodological choices made or reproduce the calculations.

Action item

The VVB must ensure that Section 4.1, 4.2, 4.3 and 4.4 of the PD are updated with information that allows a reader to follow the methodological choices and calculations (including equations, parameter definitions and values) used for each section.

Program rule(s) or methodology section

VCS Standard v4.1, Section 3.4.1 and 4.1.13, 3.14.2

Round 1:

VVB Response: These sections are very clean and complete. Under 4.1, first, the emission factor is described, which is taken from the official publication, not a calculation. Then the emission calculation equation is introduced. Then, under the following subsections, each parameter of this equation is either explained or calculated.

Verra Review:

Issue:

No updates were made. As such, PD sections 4.1 - 4.4 fail to provide enough information for a reader to follow the methodological choices made or reproduce the calculations.

Action:

1. The VVB must ensure that Section 4.1, 4.2, 4.3 and 4.4 of the PD are updated with information that allows a reader to follow the methodological choices and calculations (including steps, equations, parameter definitions and values) used for each section.

- For example, it is unclear to a reader how the PP arrived at 43,705 as the value for "Estimated baseline emissions or removals (tCO₂e)" during the 03/03/2021-31/12/2021 vintage. For reference, the math work in the MR should be reported in such a way that it is reproducible.

2. The VVB must also ensure that the PD is updated to calculate EF_{grid,CM,y} per the applied tool (TOOL07, v7.0). Section 4.1, 5.1, and any other applicable sections in the PD must also be updated to reflect this change and report EF_{grid,CM,y} and any other related calculations correctly.

3. The VVB must update the validation report to assess the above updates.

Background:

TOOL07, v7.0 states "The following default values should be used for wOM and wBM:

- Wind and solar power generation project activities: wOM = 0.75 and wBM = 0.25 (owing to their intermittent and non-dispatchable nature) for the first crediting period and for subsequent crediting periods;
- All other projects: wOM = 0.5 and wBM = 0.5 for the first crediting period, and wOM = 0.25 and wBM = 0.75 for the second and third crediting period, unless otherwise specified in the approved methodology which refers to this tool."

Closed

Round 2:

VVB Response:

The methodological choices and calculations are detailed in Section 4.1, 4.2, 4.3 and 4.4 in the PDD. However, OM-BM-CM calculation has not been made separately, since the emission factor for Turkey was declared by the government.

PP Response:

Now, the flow of Chapter 4 is revised. On the other hand, it should be noted that PP did not make any calculations for the combined margin, thus mentioning wOM and wBm is a bit irrelevant. As stated in the PD, the Ministry of Energy in Turkey makes the calculations and the official report published by them is used. As a result, the calculation of the combined margin is not part of the PD. Maybe this fact is unnoticed. As a result, the emission reduction calculation equation was directly used. As explained in the report, there are 3 parameters to be defined and calculated in that equation. In addition to that, all the definitions are complete in the PD. Then, under each sub-section each parameter is defined and calculated. Then, under Section 4.4, emission reduction, which is equal to the baseline emission, is calculated. Now, an example calculation is made and represented under Section 4.4. We hope that these revisions meet the expectations of the Verra review team.

Verra Review:

This finding is closed.