PROJECT REVIEW REPORT

Project ID	1188
Project Name	Shandong Wendeng Zhangjiachan Wind Farm Project
Program(s)	VCS Program
Verification Period	01 January 2016 – 25 February 2021
Project Proponent	Wendeng Zhangjiachan Wind Power Co., Ltd.
Methodology	ACM0002, Consolidated baseline methodology for grid-connected electricity generation from renewable sources, v12.2.0
Sectoral Scope(s)	1. Energy industries (renewable/non-renewable sources)
Validation/Verification Body (VVB)	Shenzhen CTI International Certification Co., Ltd.

Assessment Criteria	*VCS Standard, v4.0*
Date of First Issue	24 October 2021
Date of Final Issue	15 November 2021

Summary:

An accuracy review of the Shandong Wendeng Zhangjiachan Wind Farm Project verification approval request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised one assessment finding and no minor findings, detailed below. The VVB, in coordination with the project proponent, is hereby required to provide a response to the assessment finding presented in Section 1. The assessment finding must be addressed to the satisfaction of Verra.

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

1. ASSESSMENT FINDINGS

Finding 1

Section 3.20 of the VCS Standard, v4.1 states that GHG emission reductions/removals that are issued as VCUs cannot be issued as GHG allowances or other types of GHG credits under an emissions trading program, or as other forms of environmental credit such as renewable energy certificates.

China has initiated an emissions trading scheme in 2021.

Section 4.1 of the verification report states that the project is "not included in an emissions trading program or any other mechanism that includes GHG allowance trading."

The VVB is requested to clarify how the project is not included within China's emissions trading scheme.

VVB Response:

In respect of the China emissions trading scheme initiated in 2021, it is confirmed by the verification team that the project is not included within China's emissions trading scheme with the following clarification:

(1) The China Carbon Emission Trade Exchange (CCETE) was commenced in July 2021, established based on the "*Interim Measures for the Management of Carbon Emission Rights Trading*" (Decree no. 19, the Ministry of Ecology and Environment of China, 31/12/2020) . By reviewing the *Measures*, the verification team confirms CCETE is the voluntary market to allow and encourage the enterprises with intensive carbon emissions to trade the remaining carbon emission allowances created through technical innovation in order to completely achieve carbon emission obligations. Moreover, according to the *Measures*, these enterprises can purchase CCERs (Chinese Certified Emission Reductions) issued under the China Emission Trading System as offsets for the allowances, but which shall not exceed 5% of their allowances. Therefore, except trading the carbon emission allowances and a certain amount of CCERs, no other types of projects or GHG credits under an emissions trading system i.e. CDM, VCS and GS and or as other forms of environmental credit such as renewable energy certificates are permitted for involving in CCETE. Also as a voluntary mechanism, there is no mandatory requirement for the carbon emission reductions generated from the domestic renewable resources to be traded in the system. In addition, via checking the licence of the project proponent Wendeng Zhangjiachan Wind Power Co., Ltd. and interview though the on-site inspection, it is confirmed the business scope of the project proponent is to develop and implement wind farms, it is not belong to the intensive carbon emission enterprises with carbon emission allowances to be involved in CCETE.

(2) China Emission Trading System is also an voluntary mechanism initiated in 2012. It is confirmed by the verification team via checking the "*Interim Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Trading*" (Climate Change [2012] No. 1668, National Development and Reform Commission, 13/06/2012), firstly the projects shall be be registered under China Emission Trading System, and then can request for CCERs issuance. However, this trading mechanism has been suspended since 2017 as per the "*Announcement of the National Development and Reform Commission*" (Code 2 in 2017, National Development and Reform Commission, 03/14/2017). As confirmed by the verification team through checking the platform of China Emission Trading System, the project activity VCS

1188 is not a registered CCER project. Thus, the project cannot be included in the China's emissions trading scheme i.e. CCETE.

(3) Furthermore, a declaration has been provided by the project proponent on 25/10/2021 that the emission reductions during the monitoring period 01/01/2016-25/02/2021 will be requested for VCUs under VS program and will not be claimed under other GHG programs or mechanism.

Verra Response:

The VVB has clarified how the project is not included within China's ETS. This findings is now closed and no further action is required.

2. MINOR FINDINGS

No minor findings were raised.

3. ASSESSMENT CONCLUSION

On 24 October 2021, Verra sent the project review report to Shenzhen CTI International Certification Co., Ltd with one assessment finding regarding China's ETS.

On 15 November 2021, Verra closed all findings and approved the verification approval request.