

# VCS PROJECT REVIEW REPORT

<b>Project ID</b>	1446
<b>Project Name</b>	Sichuan Furong Coal Mine Methane Utilization Project
<b>Project Proponent</b>	Sichuan Furong Group's Limited Industrial Company
<b>Methodology</b>	ACM0008 version 04, "Consolidated baseline methodology for coal bed methane and coal mine methane capture and use for power (electrical or motive) and heat and/or destruction by flaring"
<b>Sectoral Scope(s)</b>	8. Mining/Mineral production
<b>Validation/Verification Body (VVB)</b>	China Environmental United Certification Centre Co., Ltd
<b>Registry</b>	APX

<b>Assessment Criteria</b>	VCS Standard, v3.5; VCS Program Guide, v3.4; Registration & Issuance Process, v3.6; VCS Project Description template, v3.2; Validation Report template, v3.3; ACM0008 version 04
<b>Date of First Issue</b>	01 July 2015
<b>Date of Final Issue</b>	01 July 2015

## Summary:

An accuracy review of the Sichuan Furong Coal Mine Methane Utilization Project registration and issuance request has been conducted by VCS in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised no assessment findings and 1 minor finding, detailed below. The VVB need not address the minor finding during this review. Please note though that where VCS finds consistent minor findings by the VVB in future reviews, minor findings shall be escalated to assessment findings.

This findings report may be made publically available.

## 1 ASSESSMENT FINDINGS

None

## 2 MINOR FINDINGS

### Finding 1

Section 5.3.1 point 4) of the *VCS Standard* states that “*The threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations relative to the total reported GHG emission reductions and/or removals shall be five percent for projects and one percent for large projects*”.

The verification report on page 7 states that “*As per the “Application of materiality in verifications (Version 02.0)” which enters into force on 1 April 2015, the project is a large-scale CDM project activity expected achieving total emission reductions of 215,387 tons of CO<sub>2</sub>e per year; as such, a 2 per cent materiality threshold is applied (4,308 tons of CO<sub>2</sub>e)*”.

As the project is seeking issuance with VCS the VVB should audit against the relevant VCS requirements and not the CDM. Considering in this case the project is a normal VCS project and thus the materiality threshold applied is more conservative and would not impact the final outcome of the audit, only a minor finding is raised. The VVB is requested to audit projects VCS projects in accordance with the VCS rules in the future.

## 3 ASSESSMENT CONCLUSION

On 22 June 2015, VCS conducted the initial accuracy review of project 1446’s registration and issuance request. On 01 July 2015, VCS concluded the review with only one minor finding raised. The minor finding related to the fact that the VVB has erroneously applied the CDM requirement on materiality as opposed to the VCS requirement during the verification. However, in this case the applied materiality threshold is more conservatively and hence is not considered to have any impact on the final verification conclusion. The VVB is encouraged to take into consideration the non-conformance raised by the minor finding and to carry out all future audits of VCS projects in accordance with the VCS rules.