

VCS PROJECT REVIEW REPORT

Project ID	1580
Project Name	<i>Solar Grouped project by ACME Group (EKIESL-VCS-Aug-16-01)</i>
Project Proponent	<i>Project Proponent</i>
Methodology	<i>AMS-I.D., Grid connected renewable electricity generation, version 18.0 ACM0002, Grid-connected electricity generation from renewable sources, version 17.0</i>
Sectoral Scope(s)	<i>1. Energy (renewable/non-renewable)</i>
Validation/Verification Body (VVB)	<i>Carbon Check (India) Private Ltd.</i>
Registry	<i>Markit</i>

Assessment Criteria	<i>VCS Standard, v3.6</i>
Date of First Issue	<i>14 July 2017</i>
Date of Second Issue	<i>18 July 2017</i>
Date of Final Issue	<i>19 July 2017</i>

Summary:

An accuracy review of the *Solar Grouped project by ACME Group (EKIESL-VCS-Aug-16-01)* 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 three assessment findings, no minor findings, detailed below. The VVB, in coordination with the project proponent, is hereby required to provide a response to the assessment findings presented in Section 1. The three assessment findings must be addressed to the satisfaction of VCS.

This findings report may be made publically available. Confidential information may be provided as separate attachments.

1 ASSESSMENT FINDINGS

Finding 1

Sections 5.3.6 and 5.3.7 of the *VCS Standard* require that VVBs produce a validation report and verification report using an appropriate template, including the *Joint Validation & Verification Report Template*, and adhere to all instructional text within the template.

Section 3.1 of the *Joint Validation & Verification Report Template* requires that VVBs identify, discuss and justify conclusions regarding the project proponents and other entities involved in the project.

The VVB is required to update section 3.1 of the joint validation & verification report to identify, discuss and justify conclusions regarding all of the project proponents identified in section 1.3 of the joint project description & monitoring report, and the other entity identified in section 1.4 of the joint project description & monitoring report.

VVB Response:

The VVB has updated section 3.1 of the joint validation & verification report to identify, discuss and justify conclusions regarding all of the project proponents identified in section 1.3 of the joint project description & monitoring report, and has also identified other entities as listed in section 1.4 of the joint project description & monitoring report.

VCS Response:

The updates made to the joint validation & verification report are sufficient to address this finding. No further action is required in respect of this finding.

Finding 2

Sections 5.3.6 and 5.3.7 of the *VCS Standard* require that VVBs produce a validation report and verification report using an appropriate template, including the *Joint Validation & Verification Report Template*, and adhere to all instructional text within the template.

Section 3.1 of the *Joint Validation & Verification Report Template* requires that VVBs identify, discuss and justify conclusions regarding the eligibility criteria for grouped projects.

Although section 3.1 of the joint validation & verification report provides an assessment of how each project activity instance has met the eligibility criteria, it does not provide an assessment of how the eligibility criteria meet VCS requirements for eligibility criteria. The VVB is required to update section 3.1 of the joint validation & verification report to justify conclusions regarding whether the eligibility criteria, set out in section 1.13 of the joint project description & monitoring report, meet the requirements for eligibility criteria as set out in 3.4.9 of the *VCS Standard*.

VVB Response:

The VVB has updated section 3.1 of the joint validation & verification report and has justified the conclusions that the eligibility criteria, set out in section 1.13 of the joint project description &

monitoring report, meets the requirements for eligibility criteria as set out in 3.4.9 of the VCS Standard.

VCS Response:

Although section 3.1 of the joint validation & verification report has been updated to include a conclusion about the eligibility criteria, additional information is required in this section to discuss and justify the compliance of each eligibility criteria with the applied methodology and requirements for grouped projects, per the *VCS Standard*.

VVB Response:

The VVB has now updated the joint validation & verification report with discussion and justification on the compliance of each eligibility criteria with the applied methodology and requirements for grouped projects.

VCS Response:

The updated information included in section 3.1 of the joint validation & verification report is sufficient to address this finding. No further action is required in respect of this finding.

Finding 3

CDM guidance suggests that for the demonstration of additionality, the common practice analysis should be conducted individually for each large-scale component project activity in a programme of activities.

Per section 2.5 of the joint project description & monitoring report and section 3.3.5(h) of the joint validation & verification report, the common practice analysis was conducted using the combined capacity of all large-scale project activity instances included in the project at the time of validation.

Please explain and justify how conducting the common practice analysis on the combined capacity of all large-scale project activity instances is in compliance with CDM guidance on the use of the *CDM Methodological tool: Common practice* for programmes of activity. Additionally, please explain and justify how the project will ensure that project activity instances added to the project subsequent to validation will be in compliance with this requirement.

VVB Response:

Considering that the three project activity instances in the state of Punjab are managed by a single SPV (namely Mihit Solar Power Pvt. Ltd.) and are in close proximity, the PP has now bundled them under a single project activity instance. Thus, the total number of initial project activity instance has now been revised to eleven (ten large-scale and one small-scale solar projects). This is deemed appropriate to the VVB.

Moreover, the PP has now conducted Common Practice Analysis for all the ten large-scale project activity instances on an individual basis. The VVB has reviewed the joint PD&MR and supporting documents and confirms the Common Practice Analysis has been carried out in an appropriate

manner. An updated assessment has been provided in the joint validation & verification report. This is in conformance to the CDM guidance on the use of the *CDM Methodological tool: Common practice* for programmes of activity and is deemed to be justified.

Furthermore, all the project activity instances added to the project subsequent to validation will be in follow the above procedure and hence will be in compliance with the CDM guidance.

VCS Response:

The updated information in the joint project description & monitoring report and the joint validation & verification report is sufficient to address this finding. No further action is required in respect of this finding.

2 MINOR FINDINGS

No minor findings.

3 ASSESSMENT CONCLUSION

On 14 July 2017, VCS issued three assessment findings after its review of the registration and issuance request by the *Solar Grouped project by ACME Group (EKIESL-VCS-Aug-16-01)*.

On 18 July 2017, VCS received responses to the findings and updated joint project description & monitoring report and joint validation & verification report documents.

On 18 July 2017, VCS closed Finding 1 and Finding 3. VCS requested that additional information be included in the joint validation & verification report regarding the VVB's assessment of the grouped project eligibility criteria in respect of Finding 2.

On 19 July 2017, VCS received a response to Finding 2 and an updated joint validation & verification report, including additional information about the assessment of grouped project eligibility criteria.

On 19 July 2017 VCS closed Finding 2 and no further action was required by the VVB.