

PROJECT REVIEW REPORT

Project ID	2097
Project Name	Tepekisla Dam and Hydropower Plant Project
Program(s)	VCS
Verification Period	13 August 2015 – 31 May 2020
Project Proponent	Sanko Enerji Sanayi Ve Ticaret. A.S.
Methodology	ACM0002, Grid-connected electricity generation from renewable sources, v15
Sectoral Scope(s)	1. Energy (renewable/non-renewable)
Validation/Verification Body (VVB)	re Carbon
Assessment Criteria	VCS Standard, v4.0
Date of First Issue	15 June 2021
Date of Final Issue	<pending>

Summary:

An accuracy review of the Tepekisla Dam and Hydropower Plant Project request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised four assessment findings and 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 four assessment findings 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 7.2 of the *Registration and Issuance Process*, v4.0 states that where a new entity becomes a project proponent “the new entity accedes to the project via an accession representation and the original project proponent released from the project via a release representation.”

Section 3.2 of the monitoring report describes a project description deviation where a new entity has become the project proponent, but there is no accession representation submitted to the registry.

The project proponent is requested to adhere to Section 7.2 of the *Registration and Issuance Process*, v4.0 and submit an accession and a release representation.

VVB Response:

Please find the relevant explanation by PP in below:

The project proponent company of the Tepekisla Dam & Hydropower Plant Project was Ark Enerji which is a subsidiary of Sanko Group. It was taken over with all their liabilities by Sanko Enerji. Trade registry gazette that clarifies the taken-over process has been submitted. So, the document that has been referred, which is Section 7.2 of "Registration and Issuance Process" cannot be signed by these companies because the company (Ark Enerji) does not exist anymore.

Verra Response:

The response provided above is a sufficient justification for a lack of accession documentation. Therefore, this finding is closed.

Finding 2

Section 2.4 of the verification report describes an online site visit that occurred due to the COVID-19 pandemic but does not describe how the online site visit was performed (i.e. video conferencing, desk review of documents, et). While an onsite site visit of the project is not required by the VCS Program, Section 4.1.8 of the VCS Standard v4.0 states that “The level of assurance shall be reasonable.”

The VVB is requested to update Section 2.4 of the verification report to further describe the online site visit, and what activities were performed in order to reach a reasonable level of assurance.

VVB Response:

Although the site visit is not required by the VCS as stated in the finding, the online (remote) site visit still had been handled by VVB. The project owner representatives and local stakeholders had been interviewed as in above during the online (remote) site visit using MS Teams program and some photographic evidences like electricity meters, waste storage areas etc. have been taken along with the document review process to achieve the reasonable level of assurance during the verification. Please see the Sections 2.3 and 2.4 of the revised verification report.

Verra Response:

The updates to Section 2.4 of the verification report are sufficient. This finding is closed.

Finding 3

Section 4.1.14 of the VCS *Standard*, v4.0 states that VVBs shall use the relevant *Verification Report Template* and adhere to all instructional text within the template.

Section 3.3 of the *Verification Report Template* requires an assessment of all project description deviations and an overall conclusion as to whether the deviations impacted the materiality of the project.

Section 3.3 of the verification report does not provide a description of the start date deviation as mentioned in Section 3.2 of the monitoring report.

The VVB is requested to update Section 3.3 of the verification report to include an assessment of the change in start date as described in Section 3.2 of the monitoring report.

VVB Response:

Section 3.3 of the verification report has been revised accordingly. Please see the Section 3.3 of the revised verification report.

Verra Response:

The updates to Section 3.3 of the verification report are sufficient. This finding is closed.

Finding 4

The net ERRs identified in Section 5.4 of the monitoring report indicate that for the year 2016 emissions removals were almost double to the ERRs achieved in other years in the monitoring period. This is a significant difference that is not discussed in either the monitoring report or verification report.

The project proponent and VVB are requested to update the relevant Sections of the reports to discuss why the ERRs for the period of 2016 were significantly higher and how that does not impact the materiality of the project.

VVB Response:

According to the official records published by the General Directorate of Meteorology in Turkey, annual areal precipitation in the Black Sea Region, where the project is located, is significantly higher in 2016.¹ (Please see the figure with the name “Karadeniz Bölgesi Yıllık Alansal Yağışlar” in the provided web link). Although, emission reduction amount for 2016 is higher than other years, the achieved emission reduction amount in 2016 is still lower than the estimated amount as in all other years. Therefore, there could be decrease and increase in emission reduction amount throughout the long lifetime of the project activity considering the deviations in annual precipitation amount and it could be concluded that the increase in 2016 does not impact the materiality of the project.

Verra Response:

The justification provided above, and the updates to the relevant Sections are sufficient. This finding is closed.

¹ <https://mgm.gov.tr/veridegerlendirme/yillik-toplam-yagis-verileri.aspx>

2. MINOR FINDINGS

No minor findings were raised.

3. ASSESSMENT CONCLUSION

On 15 June 2021 Verra completed an accuracy review of project 2097 Tepekisla Dam and Hydropower Plant Project and raised the four findings detailed above.

On 15 June 2021 Verra submitted the review report to the VVB Re Carbon and the project proponent.

On 24 June 2021 the VVB Re Carbon and project proponent responded to the four findings.

On 9 July 2021 Verra determined the updated documents and responses from the VVB were sufficient to close the findings.

On 14 July 2021 Verra cleared the verification approval request for the project.