

VCS PROJECT REVIEW REPORT

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| Project ID | 426 |
| Project Name | Wastewater Treatment with Biogas System in Palm Oil Mill at Sawi, Chumporn,Thailand |
| Project Proponent | Natural Energy Harvesting Co.,Ltd |
| Methodology | AMS III.H Methane Recovery in Wastewater Treatment, version 18 AMS I.D.: Grid Connected Renewable Electricity Generation, version 18 |
| Sectoral Scope(s) | 1 & 13 |
| Validation/Verification Body (VVB) | KBS Certification Services |
| Registry | APX |

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| Assessment Criteria | AMS III.H Methane Recovery in Wastewater Treatment, version 18 AMS I.D.: Grid Connected Renewable Electricity Generation, version 18 VCS Standard v3.7 |
| Date of First Issue | 01 MAY 2018 |
| Date of Final Issue | 12 JUN 2018 |

Summary:

An accuracy review of the Wastewater Treatment with Biogas System in Palm Oil Mill at Sawi, Chumporn, Thailand crediting period renewal request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised 3 assessment findings and 1 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 3 assessment findings must be addressed to the satisfaction of Verra. The VVB need not address the minor findings during this review. Please note, however, that where Verra 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. Confidential information may be provided as separate attachments.

1 ASSESSMENT FINDINGS

Finding 1

The *Program Definitions: VCS Version 3* defines the Project Proponent as, “The individual or organization that has overall control and responsibility for the project, or an individual or organization that together with others, each of which is also a project proponent, has overall control or responsibility for the project. The entity(s) that can demonstrate project ownership in respect of the project.” Further, project ownership is defined as “The legal right to control and operate the project activities. Distinct from proof of right.” Lastly, proof of right is defined as “The document(s) demonstrating the entity’s right to all and any GHG emission reductions or removals generated by the project or program during the crediting period or verification period, as the case may be. Distinct from project ownership and program ownership”

Section 1.12.1 of the project description states that the ownership of the project proponents can be verified through the operation license or service agreement or emission reduction purchasing agreement. As per the definition of project proponent, project ownership and proof of right, a service agreement or emission reduction purchasing agreement is not a demonstration of project ownership, but of proof of right.

The project proponent, as defined as the entity operating the project, for the first crediting period was The Natural Palm Oil (Chumporn) Co.,Ltd, but the project proponent listed on the project description for the crediting period renewal is Natural Energy Harvesting Co., Ltd.

Please updated Section 1.12.1 of the project description to clarify how each entity claiming to be project proponent demonstrates project ownership. If one of the entities cannot claim project ownership and thus cannot be defined as project proponent please update the project description to redefine this entity as an “other entity.”

Please clarify if Natural Energy Harvesting Co., Ltd is the project proponent. If the name of the organization has changed, please discuss so in Sections 1.1 and 1.3 of the project description. If a different legal entity operates the project please submit a new registration representation for the new project proponent and submit a partial release representation for the entity. Any changes to the project description must be assessed in the validation report.

PP Response

1) The role of South Pole Carbon Asset Management is changed from the Project Proponent to be other entity as the ER project developer/consultant. The ERPA, as a proof of ownership, is also removed from the evidence to proof of ownership in section 1.12.

2) Refer to the 1st Monitoring report, the project owner changed its company name from **Natural Palm Oil (Chumporn) Co.,Ltd.** to **The Natural Palm Group Co.Ltd.**. This new company is a combination of Natural Refinery Co.,Ltd., Natural Palm Oil (Chumporn) Co.,Ltd. and Natural Electric (Chumporn) Co.,Ltd.. This new company was registered on 30th December 2009 with the

cancellation of the old company on the same day.

Later on in 2013 , the new company **Natural Energy Harvesting Co.,Ltd** has been registered on 25th April 2013. This company has the operating license for the biogas production and selling , issued on 8th March 2017. And another operating license issued on 30th November 2016 for the electricity generation from biogas , which the PPA will be issued in 2018.

More description of company change is provided in section 1.1 and 1.3 as footnotes. All the related documents are provided to DOE as evidences. And the new registration deed is also submitted to VCS during the first request for registration.

VVB Response:

- 1) The entity “South Pole Carbon Asset Management Ltd.” has now been considered as “other entity” in the revised VCS PD. The entity is the Emission Reduction project developer/consultant for the project activity, which was also confirmed during the site visit.
- 2) The initial company name “*Natural Palm Oil (Chumporn) Co.,Ltd.*” was changed to “*The Natural Palm Group Co.Ltd.*” as confirmed from the 1st Monitoring report. This new company is a combination of “*Natural Refinery Co.,Ltd.*”, “*Natural Palm Oil (Chumporn) Co., Ltd.*” and “*Natural Electric (Chumporn) Co.,Ltd*”, which was registered on 30th December 2009 with the cancellation of the old company on the same day. Subsequently, the “*Natural Energy Harvesting Co.,Ltd*” was registered on 25th April 2013 /10/. This company has the operating license for the biogas production and selling, issued on 8th March 2016 /8/. And another operating license issued on 30th November 2016 /8/ for the electricity generation from biogas. The operating license for the biogas production, selling and electricity generation has been checked by the assessment team and further confirmed through the interviews with the PP during the site visit /11/. The PPA which is also expected in year 2018 was discussed during the site visit. Further based on our local expertise, we confirm that the “*Natural Energy Harvesting Co.,Ltd*” is the project proponent for the project activity, as was also confirmed during the site visit.

The same has been updated under the Section 1.4 of the revised Validation report. Please refer the revised Validation report.

VCS Response:

The project description and validation report have been updated to clarify that Natural Energy Harvesting Co. Ltd is the project proponent. An accession representation has been provided adding Natural Energy Harvesting Co. Ltd to the project and a partial release representation had been provided to remove The Natural Palm Oil (Chumporn) Co Ltd as a project proponent. This is sufficient to close this finding and no further response is required.

Finding 2

Section 5.3.6 of the *VCS Standard v3.7* requires that, “The validation/verification body shall use the *VCS Validation Report Template*, and adhere to all instructional text within the template.” Section 2.4 of the validation report template requires the VVB to “Describe the method and objectives for on-site inspections performed. Include in the description details of all project activity locations visited, the physical and organizational aspects of the project inspected and the dates when such site inspections took place”

Section 2.4 of the validation report provides a list of the activities that were performed as part of the site inspection but does not provide the dates on which the activities were performed.

Please update section 2.4 of the validation report to provide the dates on which the on-site inspection activities were performed.

VVB Response:

The additional details on the site visit have been provided under Section 2.3 & 2.4 of the revised Validation report. Please refer the revised Validation report.

VCS Response:

Section 2.4 of the updated validation report provides the dates on which the on-site inspection activities were performed, which is sufficient to close this finding. No further response is required.

Finding 3

Section 5.3.6 of the *VCS Standard v3.7* requires that, “The validation/verification body shall use the *VCS Validation Report Template*, and adhere to all instructional text within the template.” Section 3.1 of the validation report template requires the VVB to “Identify, discuss and justify conclusions regarding the following:

- Project type, technologies and measures implemented, and eligibility of the project
- Project proponent and other entities involved in the project
- Project start date
- Project crediting period
- Project scale and estimated GHG emission reductions or removals
- Project location
- Conditions prior to project initiation
- Project compliance with applicable laws, statutes and other regulatory frameworks
- Ownership and other programs:
 - Project ownership
 - Emissions trading programs and other binding limits
 - Other forms of environmental credit sought or received and eligible to be sought or received
 - Participation under other GHG programs
 - Rejection by other GHG programs”

Section 3.1 of the validation report provides an assessment the crediting period and the estimated emission reductions or removals but fails to provide an assessment of each of the other requested project details.

Please update Section 3.1 of the validation report to identify, discuss and justify conclusions regarding the project details identified in the VCS Validation Report Template.

VVB Response:

The Section 3.1 and other relevant sections of the Validation report have been updated in line with the above requirements. Please refer the revised Validation report.

VCS Response:

The validation report has been updated to identify, discuss and justify conclusions regarding the project details. This is sufficient to close this finding and no further response is required.

2 MINOR FINDINGS

Finding 1

Section 2.5 of the validation report provides a list of the CARs and CLs but does not state the total number of each as required by Section 2.5 of the *VCS Validation Report Template*. In the future, please ensure this information is provided within the validation report.

DOE Response: The number of CAR/CLs has been indicated under Section 2.5 of the revised Validation report. Please refer the revised Validation report.

3 ASSESSMENT CONCLUSION

On 01 May 2018, Verra issued the initial round of findings to the VVB KBS Certification Services (KBS).

On 16 May 2018, KBS provided a response to Verra along with updated project description and validation reports. The updated project description provides clarification as to who is the project proponent. The updated validation report verifies the project proponent and provides further clarification as to how the validation was carried out.

On 12 June 2018, Verra closed all findings and the accuracy review.