QUALITY REPORT

Hyundai Steel Waste Energy Cogeneration Project

VCS-786 · VCS · Korea, Republic of

Report ID: CM-2EB9B8A0 · Generated: 2026-04-23 · Scoring Methodology: General v2.0

4.0

Overall Score

out of 10

Integrity (35%)	3.2
Transparency (25%)	5.5
Claim Safety (25%)	3.0
Documentation (15%)	5.0

Weights: Integrity 35% · Transparency 25% · Claim Safety 25% · Documentation 15%

Assessment Summary

The project shows VVB confirmation of additionality but exhibits serious baseline, methodological and leakage deficiencies flagged by multiple corrective actions. Documentation is available and recent, but material methodological issues and inconsistent emission totals reduce confidence and raise over■crediting risk.

Project Details

Registry	Verra (VCS)
Registry ID	VCS-786
Sector	industrial
Country	Korea, Republic of
Vintage	2015
Project Methodology	ACM0012 4.0.0
Crediting Period	2010 — 2020
VVB	Shenzhen CTI International Certification Co., Ltd
Verified ERs	4,170,592 tCO2e
Monitoring Period	2017 — 2020
Confidence	Medium
Documents Reviewed	22 documents reviewed
Scored	2026-04-23

Red Flags

- Multiple corrective action requests (CAR1–CAR3 and many PD deficiencies) questioning baseline, monitoring and calculation steps
- Leakage explicitly not addressed in the Project Description and no leakage deduction stated
- Contradictory verified emission totals between validation reports (2018 vs 2022), indicating data reliability issues

Score Breakdown

Integrity — 3.2 / 10

- Numerous corrective actions in the monitoring report and validation report highlighting incorrect baseline treatment and methodological errors (monitoring report 2022; validation report 2022)

+ Additionality was confirmed by the VVB via an investment test (validation/monitoring documents)

The verification pathway shows additionality confirmed by the VVB via an investment test (validation/monitoring documents). However, the monitoring report and validation records list many corrective action requests that indicate the project description and calculations do not follow ACM0012 procedures (for example, incorrect FWCM calculation, omitted steps in the electricity emission factor tool, and mis-specified operating margin). Leakage is explicitly noted as not addressed in the Project Description and no leakage deduction percentage is provided, which is a serious omission for an industrial avoidance project. Buffer pool percentage and permanence protections are not stated in the extracted records.

Transparency — 5.5 / 10

+ VVB named (Shenzhen CTI) and monitoring period provided (2017-07-01 — 2020-03-23); recent monitoring report dated 2022-04-05

- Key values missing from available extracts: total ERR claimed not stated, buffer pool percentage not stated, leakage deduction not provided

Transparency is mixed: the VVB is named (Shenzhen CTI) and a recent monitoring report (2022-04-05) and validation report are available, and the monitoring period is disclosed. However, several key quantitative fields are missing from the extracted record (total ERR claimed, buffer pool %, leakage deduction), and there are contradictions between documents regarding safeguards, grievance mechanism and benefit-sharing status. Extraction confidence is high, so missing fields likely reflect true absence from available documents rather than extraction failure.

Claim Safety — 3.0 / 10

- Baseline established as project-specific with many CARs that indicate incorrect application of the ACM0012 procedure and operating margin calculation errors (monitoring report 2022)

~ CORSIA not applicable (reduces one double-claim vector) but CCP status not stated, and methodological weaknesses increase over-crediting risk

There is elevated risk of over-crediting. The project uses a project-specific baseline under ACM0012, and numerous CARs identify errors in baseline selection, operating margin calculations, fuel emission factor treatment and boundary definitions (monitoring report 2022). Although CORSIA eligibility is false (reducing one double-claim channel), CCP approval status is not stated, and the inconsistent ERR totals between validation reports add concern about reliability of claimed reductions.

Documentation — 5.0 / 10

+ Several documents present and recent monitoring/validation reports (n_docs_used = 18, monitoring report 2022, min extraction confidence high)

- Significant corrective actions required and contradictions between earlier and later reports (e.g., inconsistent safeguards/grievance reporting and differing total ERR figures) reduce confidence

Documentation coverage is reasonably good in quantity and recency (n_docs_used = 18; monitoring report 2022; validation report present) and extraction confidence is high. The VVB is named and appears independent. Nonetheless, the presence of many corrective actions and contradictions between earlier (2012/2018) and later (2022) documents means documentation does not yet demonstrate that identified methodological problems were fully resolved.

Risk Indicators

Additionality	VVB-confirmed investment test
Permanence	buffer not stated
Leakage	not addressed
Baseline	project baseline with major CARs
Safeguards	FPIC/grievance present but contradictory
Double-claim	CORSIA no, CCP status unknown

What Would Improve This Score

→ Resolve all corrective actions: re■apply ACM0012 step-wise baseline and electricity emission factor procedures and publish corrected calculations

→ Explicitly address leakage with quantified deduction or reasoned justification and disclose buffer pool percentage and reversal treatment

Documents Reviewed

- Registration and Issuance Review Report
- Issuance Representation
- Issuance Review Report
- Monitoring Report
- Registration Representation
- Communications Agreement
- Verification Report
- Verification Representation
- Validation Representation
- Validation Report

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