

VALIDATION REPORT FOR THE PROJECT MALDONADO II WIND FARM AENOR INTERNACIONAL S.A.U

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Summary:

AENOR Internacional SAU, hereinafter AENOR, has made the validation of the “*Maldonado II Wind Farm*” project of *R del Este S.A.* located in the municipality of San Carlos in the department of Maldonado, Uruguay, on the basis of UNFCCC criteria for the CDM large-scale methodology (ACM0002 version 17.0), Verified Carbon Standard (VCS) v.3.5, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 12 of the Kyoto Protocol, the CDM rules and modalities and the subsequent decisions by the CDM Executive Board, as well as the host country criteria.

The proposed project activity consists on the installation and operation of a new grid connected wind power project. The projected wind farm will have an installed capacity of 50 MW, given by 25 wind turbines of 2 MW, generating power to offset the combustion of thousands of tonnes of fossil fuels and, in doing so, will help preserve non-renewable resources by promoting the exploitation and use of renewable resources and technologies.

The purpose of such a validation is to have an independent, third party assess the project design. In particular, the project's baseline, the monitoring plan (MP), and the project's compliance with relevant VCS issues and criteria are validated in order to confirm that the project design as documented is sound and reasonable and meets the stated requirements and identified criteria.

AENOR has performed a validation of Talas de Maldonado II Wind Farm. The validation process was performed on the basis of all issues and criteria of VCS Standard (version 3.5) /1/ and VCS Program Guide (version 3.5) /2/ for VCS projects and also on the criteria given by other guidance as VCS Validation and Verification Manual version 3.1./3/

The validation consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and internal technical review followed by the issuance of the final validation report and opinion. In the course of the validation process 08 corrective actions and 02 clarifications were raised, all have been successfully closed (see Appendix 2).

In summary, it is AENOR's opinion that the project correctly applies the large-scale methodology ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”; version 17.0 /4/ and meets the relevant UNFCCC requirements for the CDM Methodology, Verified Carbon Standard (VCS) v.3.5 requirements and the relevant host country criteria.

The validation has been performed using a risk-based approach, as described above. The only purpose of this report is its use during the registration process as part of the VCS project registration process. Hence, AENOR cannot be held liable by any party for decisions made or not made based on the validation opinion, which goes beyond the purpose.

Table of Contents

1	Introduction	5
1.1	Objective	5
1.2	Scope and Criteria	5
1.3	Level of Assurance.....	6
1.4	Summary Description of the Project	6
2	Validation Process	6
2.1	Method and Criteria.....	6
2.2	Document Review	7
2.3	Interviews	8
2.4	Site Inspections	8
2.5	Resolution of Findings.....	9
2.6	Forward Action Requests.....	9
3	Validation Findings.....	9
3.1	Project Details	9
3.2	Application of Methodology	14
3.2.1	Title and Reference	14
3.2.2	Applicability	15
3.2.3	Project Boundary.....	18
3.2.4	Baseline Scenario	19
3.2.5	Additionality	19
	Application of Benchmark Analysis.....	20
	Total Project Investment costs.....	21

O&M Costs.....	22
Annual Power Generation/ Plant Capacity Factor	23
Electricity price.....	24
3.2.6 Quantification of GHG Emission Reductions and Removals	27
3.2.7 Methodology Deviations	32
3.2.8 Monitoring Plan	33
3.3 Non-Permanence Risk Analysis.....	33
3.4 Environmental Impact	33
3.5 Comments by Stakeholders	34
4 Validation conclusion	34
APPENDIX 1: REFERENCES	36
APPENDIX 2: VALIDATION PROTOCOL	39

1 INTRODUCTION

1.1 Objective

This validation concerns a project implemented *R del Este S.A.*, the project proponent (PP), to reduce emissions of CO₂ by generating renewable energy coming from wind resources and thus offsetting the combustion of thousands of tonnes of fossil fuels.

This report summarizes the findings of the validation of the project, performed on the basis of relevant UNFCCC criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting and VCS v.3.5.

The objective of a validation is to provide an independent third party assessment of the project design. In particular, the project's baseline, the monitoring plan, and the project's compliance with relevant UNFCCC and host country criteria and VCS Standard v.3.5 are validated in order to confirm that the project design, as documented, is sound and reasonable and meets the applicable CDM methodology requirements and the identified criteria as well as VCS Standard v.3.5. Validation is a requirement for all VCS projects and is seen as necessary to provide assurance to stakeholders of the quality of the project and its intended generation of certified emission reductions (VCUs).

AENOR Internacional SAU as the validation/verification body (VVB) of the Project has been accredited as a DOE by UNFCCC.

1.2 Scope and Criteria

The scope of the validation covers the additionality assessment, the Environmental Impact Assessment and emission reductions, along with the baseline methodology, the ex-ante calculation of the emission reductions and the monitoring methodology to quantify the emissions reductions during the operational life of the project.

The following documents were reviewed as part of the scope of the activity:

- Project design document (VCS-PD) initial version /5/ and final version /6/, including baseline study and monitoring plan,
- ACM0002 "Consolidated baseline methodology for grid-connected electricity generation from renewable sources"; Version 17.0 /4/,
- Tool to calculate the emission factor for an electricity system; Version 05.0 /7/
- All applicable rules and requirements set out under the VCS Program,
- Associated documentation (technical information, official statistics, etc.).

The validation scope is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The

information in these documents is reviewed against requirements of applicable conditions of the selected CDM methodology, guidance issued by the CDM Board and VCS Program. AENOR has used a risk based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of ERs.

The validation is not meant to provide any consultancy services to the project proponent. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project document.

1.3 Level of Assurance

The level of assurance was used to determine the depth of detail that the validator placed in the validation sampling plan to determine if there are any errors, omissions, or misrepresentations (ISO 14064-3:2006). AENOR assessed the project (general principles, data, monitoring descriptions, documentation, calculations, etc.) to provide reasonable assurance to meet the Project Level requirements of the VCS Program. The evidence used to achieve a reasonable level of assurance is specified in the following sections.

1.4 Summary Description of the Project

The purpose of the project is the generation of electricity from renewable sources through the construction and operation of a 50 MW wind farm, located at the department of Maldonado, in the Southeast region of Uruguay. This wind farm will consist of 25 turbines with a capacity of 2 MW each. The energy generated by the project will be supplied to the Uruguayan national grid.

The power plant will have an expected operating life of 20 years and an estimated energy of 224,300 MWh/year, accounting an annual emission reduction of 84,718 tCO₂/year.

2 VALIDATION PROCESS

2.1 Method and Criteria

The project assessment aims at a risk based approach and is based on the methodology developed in the VCS Standard (version 3.5), which aims to harmonize the approach and quality of all such assessments. The overall validation, from Contract Review to Validation Report and Opinion, was conducted using AENOR internal procedures.

The validation of the project started on 26 September 2016, with the listing of the project on the project pipeline (PL1572), and concludes with the submission of the final validation report for requesting the registration of the project. The validation was performed in several phases, starting with a desk review of the VCS-PD against the VCS rules, ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”; Version 17.0 and other relevant criteria. The desk review was followed by a site visit to the project site in Maldonado department, Uruguay.

In order to ensure transparency, a validation protocol was customized for the project. The protocol shows, in a transparent manner, criteria (requirements), means of validation and the

results derived from validating the identified criteria. The validation protocol serves the following purposes:

- It organizes, provides details and clarifies the requirements a VCS project is expected to meet.
- It ensures a transparent validation process where the validator will document how a particular requirement has been validated and the result of the validation.

The sequence of the validation is given in the table below:

Topic	Date
Project is listed on pipeline (PL1572)	26 September 2016
On-Site Visit	17-18 October 2016
Validation protocol version 01	04 November 2016
Final Validation Report	16 January 2017

Following the completion of the assessment process by the validation team, all documentation undergoes an internal quality control through a technical review. The technical reviewer is a qualified member of AENOR, independent from the team that carried out the validation of the project activity. The technical reviewer or the team appointed for the technical review are qualified in the technical area and sectoral scope of the project activity.

The completed validation protocol is enclosed in Appendix 2 to this report.

2.2 Document Review

The Project document submitted by the PP was reviewed against the approved CDM methodology and against VCS Program and other relevant criteria. Additional background documents related to the project description, baseline and additionality analysis were also made available before and during the on-site visit in Maldonado department, Uruguay.

Furthermore, cross checks were made between information provided in the VCS-PD and information from sources other than those used, (if available) AENOR sectoral or local expertise and, (if necessary) independent background investigations.

To address the corrective actions and clarification requests that arose from the desk review and on-site visit, the consultant revised the initial project design document submitted and developed the final VCS-PD.

All documents assessed during validation are listed in Appendix 1.

2.3 Interviews

The AENOR validation team conducted interviews with project proponent in Maldonado department, Uruguay; in order to confirm selected information and to resolve issues identified in the document review.

From 17 to 18 October 2016, validation team visited the facilities of the project site. During the visit, representatives from project proponent, in addition to relevant local stakeholders such as local inhabitants, affected by the project were interviewed.

Interviewed organization Person/Position	Interview topics
Carlos Alvares/Consultant	• Project design • System management • Permits and authorizations applicable to the project • Project start date • Additionality assessment. • Ex-ante baseline determination • Opinion about the project • Knowledge of the environmental impacts • Benefits for the community of Maldonado department • Project activity compliance with sectoral policies and legislation
Pablo Lorente/Project Director	
Jose Antonio Castillo/Chief of Power plant	

2.4 Site Inspections

From 17 to 18 October 2016, audit team visited the facilities of the project site in order to assess if the project is implemented in accordance with specifications stated in the VCS-PD. It has been observed that the conditions of the main components of the project activity are consistent with the description in the VCS-PD. In addition, site visit included a desk review, including the topics indicated above at project representatives and on-site inspections of communities in the current operation status.

After background information on the history of the current system and the proposed project was assessed; project details such as the responsible contractors and implementation steps were discussed. For this purpose, visits and meetings were held at project proponent office. Evidences related to the discussions were provided to the audit team during the meeting.

Community inspections consisted of observations on the infrastructure, monitoring aspects, personnel and general operation.

2.5 Resolution of Findings

As an outcome of the validation process, the team can raise different types of findings (corrective actions, clarifications or other findings) according to the rules and requirements governing the VCS Program.

A Clarification Request (CL) is raised if information is insufficient or not clear enough to determine whether the applicable VCS requirements have been met; or

Where a non-conformance arises the validation team shall raise a Corrective Action Request (CAR). A CAR is issued, where:

- a) The project participants have made mistakes that will influence the ability of the project activity to achieve real, measurable additional emission reductions;
- b) The VCS requirements have not been met;
- c) There is a risk that emission reductions cannot be monitored or calculated.

Failure to address a CL may result in a CAR. Information or clarifications provided as a result of a CL may also lead to a CAR.

A Forward Action Request (FAR) is raised during validation to highlight issues related to project implementation that require review during the first verification of the project activity. FARs shall not relate to the VCS requirements for registration.

The project participants were requested to address all validation findings and ultimately provided the validation team with sufficient evidence to determine that the applicable VCS requirements have been met. The project participant modified the initial VCS-PD to resolve the validation team concerns and resubmitted a final version of the VCS-PD. AENOR has prepared this report based on the final VCS-PD.

To guarantee the transparency of the validation process, the issues raised, the responses provided by the project participants, the means of validation of such responses and references to any resulting changes in the VCS-PD or supporting annexes are documented in the Validation Protocol in Appendix 2.

2.6 Forward Action Requests

Project validation resulted without any forward action requests.

3 VALIDATION FINDINGS

3.1 Project Details

Project type, technologies and measures implemented, and eligibility of the project

According to the VCS version 3.5 Guidelines and the list of Sectoral Scopes of the UNFCCC, the project is applicable under the sectoral scope 1:

- Energy Industries (renewable/ non-renewable sources).

The proposed project activity involves the installation and operation of a wind farm with 25 turbines of a capacity of 2 MW each resulting in a total installed capacity of 50 MW; in Maldonado department, Uruguay, by R del Este S.A.

The project is a greenfield project which results in an estimated annual average GHG emission reduction of 84,718 tonnes of CO₂e.

The technology employed, converts wind to electrical energy. The technology is an environment friendly technology since there are no GHG emissions associated with the electricity generation.

The purpose of the project activity is the generation of electricity from renewable sources to be supplied to the national grid of Uruguay. The project activity will generate greenhouse gas (GHG) emission reductions by avoiding CO₂e emissions which otherwise would have been generated by the operation of grid connected power plants and by the addition of new sources. Hence the project fulfils VCS conditions.

Project proponent

The project proponent has been identified as R del Este S.A. The contact address of the project proponent is as follows:

Organization Name	R del Este
Contact Person	Pablo Lorente
Title	Project Director
Address	Gabriel Otero 6462 Ofic. 206 11500 Montevideo Uruguay
Telephone	+598 2 6007201
Email	plorente@rdelsur.com.uy

Project start date

The project had its start date on June 16th 2016. This is the date of commencement for the commercial operation of the project /8/. Therefore, in accordance with paragraph 3.7.1 of the VCS Standard, which stated that the project start date is the date on which the project began generating GHG emission reductions or removals.

Project crediting period

The crediting period of the project will be 10 years. It will run from June 16th 2016 to June 15th 2026, extendable twice for another 10 years each time.

Project scale and estimated GHG emission reductions or removals

The scale of the project is indicated in the table below:

Project Scale	
Project	X
Large Project	

The estimated GHG reductions of the project in the first crediting period are summarised in the table below

Year	Estimated GHG emission reductions or removals (tCO ₂ e)
2016	14,622
2017	84,718
2018	84,718
2019	84,718
2020	84,718
2021	84,718
2022	84,718
2023	84,718
2024	84,718
2025	84,718
2026	70,095
Total estimated ERs	10 Years
Total number of crediting years	847,179
Average annual ERs	84,718

Project location

The 25 wind turbines that will make up the wind farm will be distributed along the *Sierra de los Caracoles* in the municipality of *San Carlos* in the department of Maldonado, 28 Km. south of the city of Aiguá in Uruguay.

The location of both the wind turbines, as control towers and evacuation transformer substation are shown in the following table /9/:

Equipment	Latitude	Longitude
Turbine 01	-34.44119	-54.89375
Turbine 02	-34.43858	-54.88919
Turbine 03	-34.43413	-54.88813
Turbine 04	-34.43576	-54.89246
Turbine 05	-34.43052	-54.89043
Turbine 06	-34.42659	-54.88893
Turbine 07	-34.42255	-54.88820
Turbine 08	-34.41867	-54.88692
Turbine 09	-34.41156	-54.88389
Turbine 10	-34.41001	-54.88862
Turbine 11	-34.40222	-54.88153
Turbine 12	-34.39840	-54.87994
Turbine 13	-34.39454	-54.87881
Turbine 14	-34.39179	-54.88207
Turbine 15	-34.39080	-54.87647
Turbine 16	-34.38686	-54.87531
Turbine 17	-34.38331	-54.87778
Turbine 18	-34.38137	-54.87344
Turbine 19	-34.37712	-54.87204
Turbine 20	-34.37279	-54.87048
Turbine 21	-34.36783	-54.87349
Turbine 22	-34.36423	-54.87162
Turbine 23	-34.36214	-54.86769
Turbine 24	-34.35750	-54.86705
Turbine 25	-34.35382	-54.86495
Turbine 18	-34.38137	-54.87344
Substation	-34.524561	-54.910608

Conditions prior to project initiation

Baseline scenario is the same as the conditions existing prior to the project initiation and is stated in full in section 2.4 (Baseline Scenario).

Project compliance with applicable laws, statutes and other regulatory frameworks

The project activity had to follow relevant laws and statutes or other regulatory frameworks before the beginning of the implementation.

- Law 14.694, National Electricity. Article 2/10/, amended by Law 16.832 /11/, revoking the compulsory public service character of electricity generation, while keeping it mandatory for the transmission and distribution activities.
- Decree 77/06 /12/, by which the National Plants and Transmissions (UTE) will promote the celebration of special contracts for the sale of electricity with suppliers in order to promote settling in the country, to produce that energy from wind power, biomass, and small hydro.
- Decree 360/002 /13/, Regulation of Whole sale Electricity Market. Title I (approval of new generation) of Section IV states that any generator of electricity can make its release to the National Interconnected System, provided it is duly approved by the Executive.
- Decree 403/09 /14/ of August 24, 2009 and its amendment 41/10, dated February 1, 2010 /15/, entrusted with carrying out a joint venture call for tenders for the purchase of a rated capacity of 150 MW from wind energy private developments and allow for a second stage regulation of the 150 MW goal of completing the 300 MW by 2015.
- The whole project will have 50 MW of capacity generation; therefore, as is established in the Decree 349/005 /16/ ("Regulation of the Law of Environmental Impact Assessment), it will need an environmental approval.

The implementation of the project activity was approved by the Government of Uruguay in accordance with relevant sectoral regulations.

Ownership and other programs:

- **Right of use**

On April 2014 project proponent and UTE signed with the PPA /17/, which states that the PP right to all and any GHG emission reductions or removals generated by the project or program during the crediting period or verification period.

R del Este is the only owner of the park and the sole recipient of the emission reductions generated by it.

- **Emissions trading programs and other binding limits**

The project activity is a voluntary action implemented by the project proponent R del Este S.A. Uruguay is not an Annex I country of the Kyoto protocol so it is not participating in the Assigned Amount Unit (AAU) markets. Also the country has not implemented a national emission rights market. The project proponent R del Este S.A has declared that the generated GHG emission reductions will not be used in the compliance market and are not traded in any emission trading scheme /18/.

- **Other forms of environmental credit sought or received and eligible to be sought or received**

The project proponent has declared that the project activity has not been registered nor is it seeking registration in other form of GHG related environmental credit for GHG emission reductions or removals claimed under the VCS Program /18/.

- **Participation under other GHG programs**

The project proponent has declared that the project activity has not been registered nor is it seeking registration in other GHG programs besides VCS /18/.

- **Rejection by other GHG programs**

- The project activity has never been rejected by other GHG programs /18/.

Additional information relevant to the project

- **Eligibility criteria for grouped projects**

The project does not belong to a grouped project.

- **Leakage management for AFOLU projects**

Not applicable. The project activity is a non-AFOLU project.

- **Commercially sensitive information**

No commercially sensitive information has been excluded from the public version of the project description.

By reviewing project description stated in the VCS-PD, site visit and supporting evidence provided by project participant; AENOR is able to confirm that the project description is accurate, complete, and provides an understanding of the nature of the project.

3.2 Application of Methodology

3.2.1 Title and Reference

The UNFCCC approved consolidated baseline and monitoring methodology ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources --- Version 17.0 /4/” will be used in this project.

This methodology also refers to the approved versions of the following UNFCCC tools that will also be used:

- “Tool to calculate the emission factor for an electricity system; Version 05.0” /7/
- “Tool for the demonstration and assessment of additionality; Version 07.0.0” /19/
- “Combined tool to identify the baseline scenario and demonstrate additionality; Version 06.0” /20/

3.2.2 Applicability

The project applies the Approved consolidated baseline and monitoring methodology ACM0002, version 17.0. Applicability criteria for the baseline methodology are assessed by the validation team by means of document review and interview. In AENOR's opinion the project activity fully meets the criteria as described below:

Applicability conditions Project case	Applicability conditions Project case
This methodology is applicable to grid-connected renewable energy power generation project activities that: (a) Install a Greenfield power plant; (b) Involve a capacity addition to (an) existing plant(s); (c) Involve a retrofit of (an) existing operating plants/units; (d) Involve a rehabilitation of (an) existing plant(s)/unit(s); or (e) Involve a replacement of (an) existing plant(s)/unit(s).	The proposed project activity is a new greenfield wind power farm which is to be installed where no renewable power plant was operating prior to the implementation of the project. Hence, project complies with this condition and methodology is applicable.
The project activity may include renewable energy power plant/unit of one of the following types: hydro power plant/unit with or without reservoir, wind power plant/unit, geothermal power plant/unit, solar power plant/unit, wave power plant/unit or tidal power plant/unit;	The proposed project activity is a new grid-connected wind power generation project activity. Hence, project complies with this condition and methodology is applicable.
In the case of capacity additions, retrofits, rehabilitations or replacements (except for wind, solar, wave or tidal power capacity addition projects the existing plant/unit started commercial operation prior to the start of a minimum historical reference period of five years, used for the calculation of baseline emissions and defined in the baseline emission section, and no capacity expansion, retrofit, or rehabilitation of the plant/unit has been undertaken between the start of this minimum historical reference period and the implementation of the project activity.	No applicable

In case of hydro power plants, one of the following conditions shall apply: (a) The project activity is implemented in existing single or multiple reservoirs, with no change in the volume of any of the reservoirs; or (b) The project activity is implemented in existing single or multiple reservoirs, where the volume of the reservoir(s) is increased and the power density calculated using equation (3), is greater than 4 W/m² ; or (c) The project activity results in new single or multiple reservoirs and the power density, calculated using equation (3), is greater than 4 W/m² ; or (d) The project activity is an integrated hydro power project involving multiple reservoirs, where the power density for any of the reservoirs, calculated using equation (3), is lower than or equal to 4 W/m² , all of the following conditions shall apply: (i) The power density calculated using the total installed capacity of the integrated project, as per equation (4), is greater than 4 W/m²; (ii) Water flow between reservoirs is not used by any other hydropower unit which is not a part of the project activity; (iii) Installed capacity of the power plant(s) with power density lower than or equal to 4 W/m² shall be: a. Lower than or equal to 15 MW; and b. Less than 10 per cent of the total installed capacity of integrated hydro power project.	Not Applicable.
In the case of integrated hydro power projects, project proponent shall: (a) Demonstrate that water flow from upstream power plants/units spill directly to the	Not Applicable.

downstream reservoir and that collectively constitute to the generation capacity of the integrated hydro power project; or (b) Provide an analysis of the water balance covering the water fed to power units, with all possible combinations of reservoirs and without the construction of reservoirs. The purpose of water balance is to demonstrate the requirement of specific combination of reservoirs constructed under CDM project activity for the optimization of power output. This demonstration has to be carried out in the specific scenario of water availability in different seasons to optimize the water flow at the inlet of power units. Therefore this water balance will take into account seasonal flows from river, tributaries (if any), and rainfall for minimum five years prior to implementation of CDM project activity.	
The methodology is not applicable to: (a) Project activities that involve switching from fossil fuels to renewable energy sources at the site of the project activity, since in this case the baseline may be the continued use of fossil fuels at the site; (b) Biomass fired power plants/units.	Not Applicable.
In the case of retrofits, rehabilitations, replacements, or capacity additions, this methodology is only applicable if the most plausible baseline scenario, as a result of the identification of baseline scenario, is "the continuation of the current situation, that is to use the power generation equipment that was already in use prior to the implementation of the project activity and undertaking business as usual maintenance".	Not Applicable.

Applicability condition of applied tools; also, have been discussed in the VCS-PD:

Tool to calculate the emission factor for an electricity system, Version 05.0

Applicability conditions Project case	Applicability conditions Project case
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This tool may be applied to estimate the OM, BM and/or CM when calculating baseline emissions for a project activity that substitutes grid electricity, i.e. where a project activity supplies electricity to a grid or a project activity that results in savings of electricity that would have been provided by the grid (e.g. demand-side energy efficiency projects).	This project activity will supply electricity to the Uruguayan grid hence this tool is applicable.
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Tool for the demonstration and assessment of additionality”

Applicability conditions Project case	Applicability conditions Project case
Once the additionally tool is included in an approved methodology, its application by project participants using this methodology is mandatory	This tool has been included on the approved methodology ACM0002 version 17.0, hence this tool is applicable

“Combined tool to identify the baseline scenario and demonstrate additionality”

Applicability conditions Project case	Applicability conditions Project case
This tool is only applicable to methodologies for which the potential alternative scenarios to the proposed project activity available to project participants cannot be implemented in parallel to the proposed project activity	The potential alternative scenarios to the project activity cannot be implemented in parallel hence the tool is applicable.

The VCS-PD describes the baseline methodology, which is in conformance with the latest version of the approved Baseline and Monitoring Methodology: ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources - Version 17.0.

In addition, section 2.2 of the final VCS-PD identifies the applicability conditions of the approved methodology and states how the project activity fulfils each of these conditions. AENOR has verified by desk review, on-site visit and interviews that the conditions required by the methodology are met. Thus, the VCS-PD clearly identifies that the project activity fulfils the conditions of the applicable methodology and tools.

3.2.3 Project Boundary

The boundary of the project activity is as per methodology definition ACM0002 “includes the project power plant and all power plants connected physically to the electricity system that the CDM project power plant is connected to”.

Project boundary is the wind turbines sites, the power house, the concession area and the auxiliary facilities. In addition, all emission sources and gases related to the baseline scenario, project scenario, and leakage are clearly identified and described in a complete manner. CO₂ is the main emission source and is included in the baseline; but CH₄ and N₂O are excluded, in compliance with the methodology. CO₂, N₂O and CH₄ are not included in the project activity as an emission source.

In order to calculate the emission factor for the project activity, the interconnected system is also included in the boundary of the project activity.

AENOR has validated the project boundary of the project during the on-site visit and with PPA, and Project description report. The validation team states that the identified boundary and selected sources and gases are justified for the project activity.

3.2.4 *Baseline Scenario*

The final version of the VCS-DD describes the baseline methodology, which is in conformance with the approved methodology ACM0002; version 17.0 According to description of the applied methodology, if the project activity is the installation of a new grid-connected renewable power plant/unit, the baseline scenario is the following:

“Electricity delivered to the grid by the project activity would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the combined margin (CM) calculations described in the “Tool to calculate the emissions factor for an electricity system”.

Since the project activity is the installation of a new, grid-connected renewable power plant, the baseline scenario is the electricity delivered to the grid by the project activity that otherwise would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the combined margin (CM) calculations described in the “Tool to calculate the emission factor for an electricity system”. This definition is in accordance with ACM0002 methodology and has been correctly indicated in the final version of the VCS-PD.

The assumptions and data used in the identification of the baseline scenario are appropriately justified, supported by evidence and can be deemed reasonable. In addition, relevant national and/or sectoral policies and circumstances are indicated in the final version of the VCS-PD.

The VCS-PD identifies the baseline for the proposed project activity, defined as the scenario that reasonably represents the anthropogenic emissions by sources of GHGs that would occur in the absence of the proposed project activity.

3.2.5 *Additionality*

The additionality of Maldonado II wind farm project activity as required by ACM0002 version 17.0 is demonstrated by applying the “Tool for the demonstration and assessment of additionality” version 07.0.0. /19/

Applying the step 1 of the tool, plausible alternative baseline scenarios to the project have been identified and discussed in the final PD. These are:

Alternative 1: Execution of the project activity without its registration as VCS.

Alternative 2: Continuation of the current situation i.e. the supply of electricity from the Interconnected System of Uruguay (baseline scenario).

The alternatives presented in the Step 1 are realistic and credible and comply with the regulation in place, Law 14.694, Law 16.832, Decree 77/06, Decree 360/002, Decree 403/09 and Decree 349/005. /10/11/12/13/14/15/

Application of Benchmark Analysis

Concerning the step 2, the PP has chosen the investment analysis. As the project activity generates financial and economic benefits other than VCS related income through the sales of electricity and the proposed baseline scenario does not involve an investment, R del Este S.A. has used an IRR benchmark analysis in order to demonstrate the additionality of the Project activity.

In order to reproduce and validate the financial calculations, the spreadsheets together with the evidence regarding the input values were requested to the PP. In regard to this matter, the financial model /21/ has been provided.

It has been demonstrated that the project IRR post-tax without VCU revenues is estimated to be 10.19%. The project IRR is lower than the IRR benchmark of 15.53% in real terms, adopted by the Project Participant. As per the “Tool for the demonstration and assessment of additionality” version 07.0.0, a relevant benchmark for a project IRR can be derived from local commercial lending rates. The reference from the World Bank /22/ has been verified and crosschecked by AENOR and are found to be correct; hence, it has been accepted by the validation team.

The post-tax benchmark IRR of 15.53% is validated to be suitable for the project activity by AENOR’s validation team in compliance with paragraph 130 (a) of the VVS version 09.0.

The validation team verified that taxes and depreciation used in the investment analysis comply with the Uruguayan legal requirements i.e. 25% value of the income tax, tax exemptions for renewable projects and a linear depreciation 20 years for civil works and machinery /23/24/.

Following the Methodological tool: Investment analysis” version 06.0 /25/, it has been validated that the project IRR calculation reflects the expected operation of the underlying project activity (a technical lifetime of 20 years), that the capital cost of the assets and their depreciation as an expense to the project were not both treated to constitute a double counting of this cost, and that the cost of financing expenditures (i.e., loan repayments and interest) was not included in the calculation of the project IRR in the final version of the VCS-PD and the IRR calculation spreadsheet /21/.

AENOR has verified and confirmed that the values used in the financial analysis are consistent with the value of the source and this information was available before the starting date of the

project and was thus likely to be considered in the decision. References are included in the VCS-PD and IRR calculation spreadsheet.

The financial spreadsheets have been evidenced and verified to be correct. The assumptions used, the base documents and the financial calculations have also been verified.

Total Project Investment costs

The total project investment costs of 101,561.01 US\$ have been derived from third party entities, Gamesa which provided a quotation corresponding to equipment, machinery /26/, CIFORY, Garaysa, Siemens, Alarde and SOCOIN which provided quotations for the civil works, electrical works and consultancy /27/28/29/30/31/32/. The PP has provided evidence of these investment costs and AENOR's validation team has checked that the total figure matches the amount stated in the financial model.

In addition a comparison of investment cost per MW is done among the proposed project activity and similar wind power projects in Uruguay.

The comparison results show that the investment per MW used in the VCS-PD for Maldonado II wind farm project is below the range observed in similar projects registered as CDM and VCS in the same area (see below table) which is considered conservative and hence accepted by the validation team.

Comparison of investment per MW among similar registered CDM and VCS projects in Uruguay

Project	Capacity (MW)	Total static Investment 1,000 US\$	Investment per MW 1,000 US\$
Project 7627 : Minas I /33/	42.00	83,143	1,980
Project 8080 : Pastoreale /34/	51.00	106,715	2,092
Project 9150 : Luz de Mar – Pintado Wind Farm /35/	39.00	89,538	2,296
Project 9157 : Pintado II Wind Farm /36/	51.00	110,310	2,163
Project 9316 : Flores I Wind Farm /37/	102.00	216,348	2,121
Project 9336 : Peralta I Wind Power Project /38/	50.00	137,110	2,742
Project 1308: Parque eólico Maldonado /39/	50.00	89,193	1,784

Project	Capacity (MW)	Total static Investment 1,000 US\$	Investment per MW 1,000 US\$
Maldonado II wind farm	50.00	101,561	2,031

Source: PP, VCS and UNFCCC.

O&M Costs

The applied annual O&M costs are estimated by the PP based on its sectoral and local expertise in operating wind farm projects and the maintenance contract signed with Gamesa /40/. In order to validate the suitability of the input values applied, the validation team of AENOR crosschecked the annual average O&M costs with data from IRENA "Renewable Energy Technologies. Cost Analysis Series. June 2012" /41/ and with similar projects signed as CDM and VCS in the same area (see table below).

Comparison of O&M costs among similar registered CDM and VCS projects in Uruguay

Project	Capacity (MW)	Annual Generation (MW)	Annual Average O&M costs 1,000 US\$	O&M costs US\$/KWh
Project 7627 : Minas I	42.00	166,161	1,932	0.012
Project 8080 : Pastorale	51.00	212,872	2,327	0.011
Project 9150 : Luz de Mar – Pintado Wind Farm	39.00	149,280	1,836	0.012
Project 9157 : Pintado II Wind Farm	51.00	199,739	2,327	0.012
Project 9316 : Flores I Wind Farm	102.00	352,067	4,218	0.012
Project 9336 : Peralta I Wind Power Project	50.00	176,700	2,868	0.016
Project 1308: Parque eólico Maldonado	50.00	190,500	2,892	0.015
Maldonado II wind farm	50.00	224,300	2,618	0.012

Source: PP, VCS and UNFCCC.

The applied average annual O&M costs of 0.012 US\$/KWh, were found to in line with similar projects signed as CDM and VCS in the same area an also within the interval of 0.01 US\$/KWh to 0.043 US\$/KWh provided by the IRENA, hence it deems appropriate and therefore accepted by the validation team of AENOR.

Based on above information, in AENOR's opinion the Annual O&M cost used in the VCS-PD was reasonable, valid and applicable at the time of the investment decision.

Annual Power Generation/ Plant Capacity Factor

The wind farm plant capacity was calculated by a third party, and engineering company; therefore, in accordance with paragraph 3(b) of the guidelines for the reporting and validation of plant load factors. The value obtained is 51.2%, higher than those of similar projects signed as CDM and VCS in the same area, and is, therefore, accepted by AENOR's validation team, since this assumption is conservative

In addition, electricity generation was determined by a third party, Barlovento with data from the wind resource measurement, taking into account the on-site topography, geomorphology, air density, wind turbine efficiency and other basic data /42/.

Therefore, AENOR confirms that the above procedure for the annual power supply estimation is common practice for wind farm projects in Uruguay.

Comparison of Annual Power Generation among similar registered CDM and VCS projects in Uruguay

Project	Capacity (MW)	Annual Generation (MW)	Load Factor (%)
Project 7627 : Minas I	42.00	166,161	45.2%
Project 8080 : Pastoreale	51.00	212,872	47.6%
Project 9150 : Luz de Mar – Pintado Wind Farm	39.00	149,280	43.7%
Project 9157 : Pintado II Wind Farm	51.00	199,739	44.7%
Project 9316 : Flores I Wind Farm	102.00	352,067	39.4%
Project 9336 : Peralta I Wind Power Project	50.00	176,700	40.3%
Project 1308: Parque eólico Maldonado	50.00	190,500	43.5%

Project	Capacity (MW)	Annual Generation (MW)	Load Factor (%)
Maldonado II wind farm	50.00	224,300	51.2%

Source: PP, VCS and UNFCCC.

Therefore, according to the “Guidelines for the reporting and validation of plant load factors” /43/ and above cross-checking, AENOR considers that the annual grid-connected electricity generation is reasonable and appropriate.

Electricity price

As mentioned in the VCS-PD the project activity will supply electricity to the Uruguayan grid under a long term Power Purchase Agreement (PPA) signed with UTE /17/ with an initial tariff of 61.46 US\$/MWh. Under this scheme it is mandatory to sell the committed energy to UTE at that fixed price during 20 years i.e. project lifetime.

AENOR has checked the contract signed between UTE and the PP and found the tariff values used in the financial model to be the same. Calculations were also found to be correct.

In addition, AENOR checked the PDDs of wind farm projects in Uruguay and found the tariff used in the investment analysis and the final VCS-PD, within the range of tariffs for registered CDM projects.

Comparison of tariffs among similar registered CDM and VCS projects in Uruguay

Project	Capacity (MW)	Tariff (US\$/MWh)	Indexed (Y/N)
Project 7627 : Minas I	42.00	63.90	Yes
Project 8080 : Pastorale	51.00	63.50	Yes
Project 9150 : Luz de Mar – Pintado Wind Farm	39.00	80.34	Yes
Project 9157 : Pintado II Wind Farm	51.00	62.35	No
Project 9316 : Flores I Wind Farm	102.00	72.24	No
Project 9336 : Peralta I Wind Power Project	50.00	86.60	Yes
Project 1308: Parque eólico Maldonado	50.00	63.50	Yes

Project	Capacity (MW)	Tariff (US\$/MWh)	Indexed (Y/N)
Maldonado II wind farm	50.00	61.46	Yes

Source: PP, VCS and UNFCCC.

Therefore, AENOR considers that the value for the tariff used for the IRR calculation as has been done in the VCS-PD is appropriate and was valid and applicable at the time of the investment decision.

Sensitivity Analysis

The VCS-PD includes a sensitivity analysis to demonstrate that the conclusion regarding the financial/economic attractiveness withstands reasonable variations in the critical assumptions.

For this purpose, variations in the range of +/- 10% for the parameters of electricity price, total project investment costs, plant capacity factor and O&M costs have been considered, since that range is reasonable for the project context and these variables constitute more than 20% of either total project costs or total project revenues.

The sensitivity analysis shows that without the income from VCUs sales the IRR of the proposed project is also lower than the benchmark, even when the possible variations of the main parameters are considered. It was confirmed that the conclusion obtained in the analysis mentioned above was robust to conclude that the project activity is unlikely to be financially attractive.

In addition, AENOR has validated that higher variations of these parameters, that would make the project IRR reach the benchmark, are not likely to occur due to the following facts:

- 42% increase in the electricity price. As told before, the chosen price was settled based on a PPA for the first 20 years of operation. Since the electricity price is fixed in the PPA for 20 years therefore it is unlikely that the chosen electricity tariff could increase an additional 42% to make the project IRR reach the benchmark.
- 32% decrease in the total project investment costs. Prices including those for the main equipment and raw materials have been increasing in recent years /44/. In addition, the investment cost per MW of the project was found to be below similar registered projects in the area; therefore, it is unlikely that the total investment will decrease by 32%, such that the project IRR reaches the benchmark.
- >100% decrease in the total O&M costs. It means that even without operational and maintenance costs the project IRR does not reach the benchmark.
- 42% increase in plant capacity factor (electricity generation) .The annual electricity output is determined by a third party, Barlovento, an engineering consortium specialised in the wind power sector resulting in a plant capacity factor of 51.2%. In addition, the load factor

of the project activity is the highest in the area; thus, it is unlikely that the load factor of the project will increase an additional 42%, such that the project IRR reaches the benchmark.

AENOR reviewed and confirmed all related documents. The assessments show clearly that investment is unlikely to be 32% lower, electricity tariff 42% higher and electricity generation 42% higher, while the required operational costs variation scenario is unreal.

In summary, it is AENOR's opinion that the additionality of the project is sufficiently demonstrated based on the investment analysis and thus it is sufficiently demonstrated that the project is not a likely baseline scenario and those emission reductions are therefore additional.

Barrier analysis

The barrier analysis has not been selected to demonstrate the additionality.

Common Practice

According to the tool on common practice, version 03.1 /45/, a common practice analysis is carried out.

Step 1: The proposed project is of 50 MW installed capacity, thus the projects with $\pm 50\%$ design capacity of the proposed project activity (25~75 MW) are considered as of similar size.

Step 2: 5 similar projects located in Uruguay with an installed capacity within the range of 25~75 MW and that started commercial operation before the start date of the project, have been correctly identified in this step. Information used has been carefully verified and the determination of similar projects is assessed as reasonable and it has been crosschecked with the webpage of the Electricity Market Administrator (ADME) of Uruguay /46/, and found to be accurate by the validation team of AENOR.

Step 3: 1 plant has been correctly identified. According to ADME, there is only 1 similar project which fulfils all the conditions. Hence, the value of the parameter N_{all} is determined as 1.

Information used has been carefully verified and the determination of N_{all} is assessed as reasonable.

Step 4: There are no similar projects applying different technologies that the proposed project activity. Hence, the value of the parameter N_{diff} is determined as 0.

Information used is carefully verified and the determination of N_{diff} is assessed as reasonable.

Step 5: calculate factor $F = 1 - N_{diff}/N_{all}$

$$F = 1 - N_{diff}/N_{all} = 1 - 0/1 = 1$$

$$N_{all} - N_{diff} = 1.$$

Therefore as $N_{all} - N_{diff}$ is smaller than 3, irrespective of F value; therefore, the proposed project clearly cannot be taken as common practice in Uruguay.

In summary, based on our local and sectoral expertise it is AENOR's opinion that the additionality of the project is sufficiently demonstrated based on the investment analysis, that the project is not a likely baseline scenario, and that those emission reductions are, therefore, additional.

3.2.6 Quantification of GHG Emission Reductions and Removals

The emission reduction is determined in accordance with the CDM methodology AMC0002. This section contains the description of the alternatives chosen from the methodology in order to calculate GHG emission reductions for the project activity which have been correctly used in the calculation spreadsheet for emission reductions /47/. The spreadsheet was checked against the source of all used parameters such as, generation data, IPCC default values and electricity market statistics.

Quantification of baseline emissions

According to the applied methodology, baseline emissions are calculated as follows:

Baseline emissions include only CO₂ emissions from electricity generation in fossil fuel power plants displaced due to the project activity. The methodology assumes that existing grid-connected power plants and the addition of the new grid-connected power plants would have generated all project electricity generation above baseline levels. Thus, the calculation of baseline emissions is as follows:

$$BE_y = EG_{PJ,y} \times EF_{grid,CM,y}$$

Where:

BE_y : Baseline emissions in year y (tCO₂/yr.)

$EG_{PJ,y}$: Quantity of net electricity generation that is produced and fed into the grid as a result of the implementation of the VCS project activity in year y (MW·h/yr.)

$EF_{grid,CM,y}$: Combined margin CO₂ emission factor for grid connected power generation in year y calculated using version 05.0 of the "Tool to calculate the emissions factor for an electricity system" (tCO₂/MW·h)

Calculation of $EG_{PJ,y}$

The calculation of $EG_{PJ,y}$ is different for (a) greenfield plants, (b) retrofits and replacements, and (c) capacity additions. Since this project activity is the installation of a new grid-connected renewable power plant at a site where no renewable power plant was operated prior to the implementation of the project activity, the option (a) was selected:

$$EG_{PJ,y} = EG_{facility,y}$$

Where:

$EG_{PJ,y}$: Quantity of net electricity generation that is produced and fed into the grid as a result of the implementation of the VCS project activity in year y (MWh/y)

$EG_{facility,y} =$: Quantity of net electricity generation supplied by the project plant/unit to the grid in year y (MWh/y.)

At the start of validation stage net energy supplied to the grid is done based on wind resources study, which states that the estimated energy is 224,300 MWh /42/.

$$EG_{facility,y} = EG_{PJ,y} = 224,300 \text{ MWh}$$

Then:

The baseline emission factor ($EF_{grid,CM,y}$) is determined following the six steps stated in the “tool to calculate the emission factor for an electricity system” version 05.0 /7/.

Calculation of $EF_{grid,CM,y}$

The calculation of the combined margin CO₂ emissions factor is in accordance with the “Tool to calculate the emission factor for an electricity system” (version 05.0). This methodological tool determines the CO₂ emission factor for the displacement of electricity generated by power plants in an electricity system, by calculating the combined margin emission factor (CM) of the electricity system. The CM is the result of a weighted average of two emission factors pertaining to the electricity system: the operating margin (OM) and the build margin (BM). The operating margin is the emission factor that refers to the group of existing power plants whose current electricity generation would be affected by the proposed VCS project activity. The build margin is the emission factor that refers to the group of prospective power plants whose construction and future operation would be affected by the proposed VCS project activity.

The following are the procedure steps of this methodological tool:

Step 1: Identify the relevant electricity systems

For determining the electricity emission factors, identify the relevant project electricity system. This is defined by the spatial extent of the power plants that are physically connected through transmission and distribution lines to the project activity and that can be dispatched without significant transmission constraints.

Energy imports from the interconnected networks are taken into consideration for the calculations.

Step 2: Choose whether to include off-grid power plants in the project electricity system (optional)

In accordance with the tool, project participants may choose between the following two options to calculate the operating margin and build margin emission factor:

Option I: Only grid power plants are included in the calculation.

Option II: Both grid power plants and off-grid power plants are included in the calculation.

PP has chosen option I.

Step 3: Select a method to determine the operating margin (OM)

The calculation of the operating margin emission factor ($EF_{grid,OM,y}$) is based on one of the following methods:

- a) Simple OM; or
- b) Simple adjusted OM; or
- c) Dispatch data analysis OM; or
- d) Average OM.

Any above method can be utilized. However, the simple OM method (option a) can only be used if low-cost/must-run resources constitute less than 50% of total grid generation, in Uruguay the percentage of low cost / must run units of the total generation (hydro, wind, low-cost biomass, and solar), over the five most recent years, is greater than 50%. Therefore, the simple OM method cannot be used.

Step 4: Calculate the operating margin emission factor according to the selected method

The simple adjusted OM emission factor ($EF_{grid,OM-adj,y}$) is a variation of the simple OM, where the power plants / units (including imports) are separated in low-cost/ must-run power sources (k) and other power sources (m). As under Option A of the simple OM, it is calculated based on the net electricity generation of each power unit and an emission factor for each power unit, as follows:

$$EF_{grid,OM-adj,y} = (1 - \lambda_y) \times \frac{\sum_m EG_{m,y} \times EF_{EL,m,y}}{\sum_m EG_{m,y}} + \lambda_y \times \frac{\sum_k EG_{k,y} \times EF_{EL,k,y}}{\sum_k EG_{k,y}}$$

Where:

$EF_{grid,OM-adj,y}$: Simple adjusted operating margin CO₂ emission factor in year y (tCO₂/MWh)

λ_y : Factor expressing the percentage of time when low-cost/must-run power units are on the margin in year y.

$EG_{m,y}$: Net quantity of electricity generated and delivered to the grid by power unit m in year y (MWh)

- $EG_{k,y}$: Net quantity of electricity generated and delivered to the grid by power unit k in year y (MWh)
- $EF_{EL,m,y}$: CO₂ emission factor of power unit m in year y (tCO₂/MWh)
- $EF_{EL,k,y}$: CO₂ emission factor of power unit k in year y (tCO₂/MWh)
- m : All grid power units serving the grid in year y except low-cost/must-run power units
- k : All low-cost/must run grid power units serving the grid in year y
- y : The relevant year as per the data vintage chosen in Step 3

It has been validated that Simple adjusted OM method is calculated based on fuel consumption and the fuel type used, IPCC emission factors default values /48/ and dispatch data provided by ADME /49/50/51/. For determining the CO₂ emission factor for the grid power units, option A1 of the applicable tool has been used.

Due to the fact that ex ante option was chosen; the emission factor is determined using a 3-year generation-weighted average, based on the most recent data available at the time of submission of the VCS-PD to the DOE for validation.

$EF_{grid,OM-adj,2013}$	$EF_{grid,OM-adj,2014}$	$EF_{grid,OM-adj,2015}$
0.5888	0.4076	0.4691

Therefore, the operation margin is **0.4828 tCO₂** (average)

After reviewing all data provided and spreadsheet of grid emission factor calculation /47/, AENOR is able to confirm that they are in compliance with the methodology and follow the procedures of the tool. Values of $EF_{grid,OM-adj,y}$ were properly calculated; the emission factors of the fuel adopted were obtained from 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Workbook; the lower values of the 95 % confidence intervals are used for the emission factors of the fuels employed, which is a conservative approach in the emission factor calculation context. Formulae and factors used to calculate the operating margin are properly described in the final version of the VCS-PD and they are considered correct and transparent.

Step 5: Calculate the build margin (BM) emission factor

Option 1 of the applicable tool has been chosen in terms of vintage of data, i.e., for the first crediting period, the BM emission factor is calculated ex-ante based on the most recent information available on units already built for sample group, m, at the time of VCS-PD submission to the DOE for validation. For the second crediting period, the BM emission factor will be updated based on the most recent information available on units already built at the time of submission of the request for renewal of the crediting period to the DOE. For the third crediting period, the BM emission factor calculated for the second crediting period will be used.

The build margin emissions factor is the generation-weighted average emission factor (tCO₂/MWh) of all power units *m* during the most recent year *y* for which power generation data is available, calculated as follows:

$$EF_{grid,BM,y} = \frac{\sum_m EG_{m,y} \times EF_{EL,m,y}}{\sum_m EG_{m,y}}$$

Where:

$EF_{grid,BM,y}$: Build margin CO₂ emission factor in year *y* (tCO₂/MWh)

$EG_{m,y}$: Net quantity of electricity generated and delivered to the grid by power unit *m* in year *y* (MW·h)

$EF_{EL,m,y}$: CO₂ emission factor of power unit *m* in year *y* (tCO₂/MWh)

m : Power units included in the build margin

y : Most recent historical year for which power generation data is available

The resulting sample group of power units *m* for determining the build margin is the: SETsample-CDM->10yrs. $EF_{grid,BM,y}$ is calculated as 0.0624 tCO₂e/MWh. The calculations have been reproduced and AENOR deems that they are in compliance with the methodology and follow the procedures of the tool.

Step 6. Calculate the combined margin emissions factor

The baseline emission factor shall be calculated as the weighted average of the OM emission factor and the BM emission factor, as follows:

$$EF_{grid,CM,y} = w_{OM} \times EF_{grid,OM,y} + w_{BM} \times EF_{grid,BM,y}$$

Where:

$EF_{grid,CM,y}$: Combined margin CO₂ emission factor in year *y* (tCO₂/MWh)

$EF_{grid,OM,y}$: Operating margin CO₂ emission factor in year *y* (tCO₂/MWh)

$EF_{grid,BM,y}$: Build margin CO₂ emission factor in year *y* (tCO₂/MWh)

w_{OM} : Weighting of operating margin emission factor (%)

w_{BM} : Weighting of build margin emission factor (%)

$EF_{grid,CM,y}$	w_{OM}	$EF_{grid,BM,y}$	w_{BM}	$EF_{grid,CM,y}$
0.4828	0.75	0.0624	0.25	0.3777

Then, the baseline emission are:

$$BE_y = EG_{PJ,y} \times EF_{grid,CM,y}$$

$$BE_y = 224,300 \times 0.3777$$

$$BE_y = 84,718 \text{ tCO}_2e$$

Quantification of Project emissions

According to the applied methodology the project emissions are equal to the sum of the Project emissions from fossil fuel consumption; project emissions from the operation of geothermal power plants due to the release of non-condensable gases; and project emissions from water reservoirs of hydro power plants. For wind power projects the aforementioned values are zero. Therefore, project emissions (PE_y) are zero.

Quantification of Leakage

According to the applied methodology no leakage emissions are considered.

Quantification of Emission Reductions

Emission reductions are calculated as follows:

$$ER_y = BE_y - PE_y$$

Where:

ER_y : Emission reductions in year y (tCO₂e/y);

BE_y : Baseline emissions in year y (tCO₂e/y);

PE_y : Project emissions in year y (tCO₂e/y);

Therefore,

$$ER_y = 84,718 - 0$$

$$ER_y = 84,718 \text{ tCO}_2e$$

In AENOR's opinion, the calculation of emission reduction carried for validation process is deemed appropriate and consistent with applied methodology, tools and IPCC guidelines. Assumptions, emission factors and default values that were applied in the calculations have been justified. Therefore, the emission reduction calculation is deemed to be correct.

3.2.7 Methodology Deviations

No methodology deviation has been applied to the Project

3.2.8 Monitoring Plan

The project participant has developed a monitoring plan, which is detailed in section 4.3 of the VCS-PD, in order to ensure that the real, measurable and long-term greenhouse gas (GHG) emission reduction for the proposed project is monitored and reported. The project monitoring management, monitoring equipment and installation and procedures for calibration and maintenance of monitoring equipment, reporting, review, etc., are addressed in the monitoring plan.

There are only one parameter to be monitored, which is $EG_{facility,y}$ ($EG_{PJ,y}$): Quantity of net electricity generation supplied by the project plant to the grid in year y . It will be monitored by Electricity meter at project site and will be measured by SMEC (Commercial Energy Measuring System of Uruguay). There will be two meters: a main meter and a backup meter; the measured of back up meter will be utilized only if there is any problem with the main meter. The hourly measured reading by meters will be recorded monthly by plant personnel. According to the local regulation /52/; the class of main meters is 0.2 and for backup meter is 0.5, installed in parallel with the main meter and should be periodically calibrated at least one every two years during the verification of the system. Furthermore, project owner will archive electronically all data collected as part of monitoring electronically and kept it at least for 2 years after the end of the last crediting period.

AENOR has checked that the provisions included in the monitoring plan satisfy the purpose of guaranteeing that the project activity has been correctly managed since the beginning. Also, the ADME webpage was reviewed in order to check the availability of information, and all of it is in conformance with the provisions detailed in the monitoring plan of the VCS-PD.

Therefore, AENOR confirms that the monitoring arrangements described in the monitoring plan are feasible within the project design, and that the data management, quality assurance, and quality control procedures are sufficient to ensure that the emission reductions achieved by resulting from the proposed project activity can be reported ex post and verified.

3.3 Non-Permanence Risk Analysis

Since this project activity is not an AFOLU project and its emission reductions do not have risk of reversibility, it is not necessary to perform a non-permanence risk analysis.

3.4 Environmental Impact

According to Uruguay decree 349/005 (Regulatory System of Environmental Impact Assessment /52/ and Environmental authorizations/53/, the project requires an environmental approval. Therefore, project proponent hired an environmental consultant to develop the environmental impact assessment for the project Wind Farm.

All of the impact would be within an acceptable limit by carrying out corresponding mitigation measures as per the statement of the EIA. Moreover, AENOR confirms that environmental information in VCS-PD is consistent with the resolutions of MVOTMA and that the PP has

followed a correct analysis of environmental impacts in accordance with procedures as required by the host party.

The final VCS-PD summarize in section 5 the main environmental impacts gathered in the EIA. Environmental impacts that are considered significant by the project participants or the host Party are properly described in the VCS-PD and they were checked against the EIA.

On 16 October 2014, the project proponent obtained from the National Environment Directorate (DINAMA) the approval resolution of the EIA.

AENOR concludes that the Project Participant has followed a correct analysis of environmental impacts in accordance with procedures as required by the host Party

3.5 Comments by Stakeholders

In order to assess the adequacy of the local stakeholder consultation PP holds interviews with the local stakeholders relevant for the project activity. Project proponent has conducted many meetings to communicate project details to the communities involved.

Stakeholders were invited to give their opinion through individual surveys that informed them about the project activities and asked about overall perception. The project proponent carried out a Social Perception Study in 2015, in order to analyse the social impact of the project.

In order to take into account the local stakeholder comments, PP holds interviews with the stakeholders relevant for the project activity. The PP provided the summary of the stakeholder comments process to the validation team. A Social perception study in 2015 /54/. In addition, the PP has developed a Project Communication Plan, in order to establish appropriate communication channels, including the reception and response of comments or complaints about the project. Also there is an active web page (<http://www.rdeleste.com.uy/>) for anyone to leave any comments or complaints about the project.

AENOR has checked all the related documents and confirms that the consultation was appropriate, provided information were confirmed during the onsite visit

4 VALIDATION CONCLUSION

AENOR has performed a validation of the project Maldonado II Wind Farm. The validation process was performed on the basis of all issues and criteria of VCS Standard (version 3.5) and VCS Program Guide (version 3.5) for VCS projects and also on the criteria given to provide for consistent project operations, monitoring and reporting.

The validation consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and the issuance of the final validation report and opinion. In the course of the validation process 08 corrective actions and 02 clarifications were raised, all have been successfully closed.

The project proponent applied the methodology ACM0002 “Consolidated baseline methodology for grid-connected electricity generation from renewable sources” --- version 17.0. In addition, the “Tool for the demonstration and assessment of additionality --- Version 07.0.0” is used to demonstrate the additionality of the project.

The project proponent demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity.

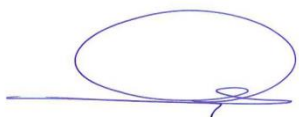
The review of the project design documentation and additional documents related to baseline and monitoring methodology; the subsequent background investigation, follow-up interviews and review of comments by parties and stakeholders have provided AENOR with sufficient evidence to validate the fulfilment of the stated criteria.

The conclusions can be summarised in detail as follows:

- The project additionality is sufficiently justified in the VCS-PD.
- The monitoring plan is transparent and adequate.
- The calculation of the project emission reductions is carried out in a transparent and conservative manner, so the project activity is likely to achieve the average estimated amount of emission reductions of 84,718 tCO₂e per year.

In AENOR opinion, the project correctly applies and meets all applicable rules and requirements set out under the VCS Program. The validation is based on the information made available to us and the engagement conditions detailed in this report.

The validation has been performed using a risk-based approach, as described above. The only purpose of this report is its use during the registration process as part of the VCS Project Registration Process. Hence, AENOR cannot be held liable by any party for decisions made or not made based on the validation opinion, which goes beyond the purpose.



Luis Robles Olmos
Authorized Person
Date: 20 January 2017



Richard Daniel Gonzales Toledo
Lead Validator
Date: 20 January 2017

APPENDIX 1: REFERENCES

Ref	Document Name	Date	Author/Competent Authority
1	VCS Standard: version 3.5	25 March 2015	Verified Carbon Standard
2	VCS Program Guide version 3.5	8 October 2013	Verified Carbon Standard
3	VCS Validation and Verification Manual version 3.1.	8 October 2013	Verified Carbon Standard
4	Approved methodology ACM0002: "Consolidated baseline methodology for grid-connected electricity generation from renewable sources"; version 17.0	13 May 2016	CDM- Executive Board
5	Initial Version of VCS-PD: Version 1.0	21 September 2016	Project Proponent
6	Final Version of VCS-PD: version 2.0	20 January 2017	Project Proponent
7	Tool to calculate the emission factor for an electricity system; Version 05.0	27 November 2015	CDM- Executive Board
8	Commissioning Operation Contract	16 June 2016	UTE
9	Wind farm facilities description report	August 2015	R del Este
10	Law 14.694	-	Eastern Republic of Uruguay
11	Law 16.832	-	Eastern Republic of Uruguay
12	Decree 77/06	-	Eastern Republic of Uruguay
13	Decree 360/002,	-	Eastern Republic of Uruguay
14	Decree 403/09	2009	Eastern Republic of Uruguay
15	Amendment 41/10	2010	Eastern Republic of Uruguay
16	Decree 349/005	-	Eastern Republic of Uruguay
17	PPA with UTE	09 April 2014	Project Proponent and UTE
18	Declaration that the project has not applied any other GHG scheme	26 October 2016	Project Proponent
19	Tool for the demonstration and assessment of additionality; Version 07.0.0	23 November 2012	CDM- Executive Board

Ref	Document Name	Date	Author/Competent Authority
20	Combined tool to identify the baseline scenario and demonstrate additionality; Version 06.0	24 July 2015	CDM- Executive Board
21	Project IRR calculation spreadsheet	2016	Project Proponent
22	Lending interest rate (http://data.worldbank.org/indicator/FR.INR.LEND)	Various years	The World Bank
23	Decree150/007	26 April 2007	Eastern Republic of Uruguay
24	Decree 02/012	9 January 2012	Eastern Republic of Uruguay
12-25	Methodological tool: Investment analysis version 06.0	24 July 2015	CDM- Executive Board
26	Quotation for wind turbines	20 July 2012	GAMESA Eolica SL
27	Civil Works bid	17 September 2012	CIFORY SA
28	Quotation for substation and connection	July 2012	Elecnor
29	Quotation for connection to grid	19 October 2012	SEMI
30	Quotation for transformer	10 July 2012	Siemens
31	Quotation for consultancy	15 January 2012	Alarde
32	Quotation for engineering	-	SOCOIN
33	Project 7627 : Minas I	-	CDM- Executive Board
34	Project 8080 : Pastore	-	CDM- Executive Board
35	Project 9150 : Luz de Mar – Pintado Wind Farm	-	CDM- Executive Board
36	Project 9157 : Pintado II Wind Farm	-	CDM- Executive Board
37	Project 9316 : Flores I Wind Farm	-	CDM- Executive Board
38	Project 9336 : Peralta I Wind Power Project	-	CDM- Executive Board
39	Project 1308: Parque eólico Maldonado		VCS
40	Quotation for wind turbine maintenance	31 July 2014	GAMESA

Ref	Document Name	Date	Author/Competent Authority
41	Renewable Energy Technologies. Cost Analysis Series.	June 2012	IRENA
42	Wind Resource Assessment	15 September 2014	Barlovento
43	Guidelines for the reporting and validation of plant load factors version 01	17 July 2009	CDM- Executive Board
44	Uruguay CPI statistics	Various years	National Institute of Statistics of Uruguay
45	Methodological tool: Common practice version 03.1	3 June 2015	CDM- Executive Board
46	Generation plants	Various years	Electricity Market Administrator (ADME)
47	Spreadsheet for Emission Reductions Calculation	2016	Project Proponent
48	2006 IPCC Guidelines for National Greenhouse Gas Inventories	2006	IPCC
49	Dispatch Data Generation 2013 Of Electricity System	2013	ADME
50	Dispatch Data Generation 2014 Of Electricity System	2014	ADME
51	Dispatch Data Generation 2015 Of Electricity System	2015	ADME
52	Environmental Impact Assessment	December 2013	Estudio Ingenieria Ambiental - EIA
53	EIA Approval Resolution	16 October 2014	DINAMA
54	Social perception study	2015	Project Proponent

APPENDIX 2: VALIDATION PROTOCOL

VALIDATION PROTOCOL

PROJECT:

MALDONADO II WIND FARM

PROJECT PROPONENT:

R del Este S.A.

Validation Type	
☒ VCS Validation of a Project Activity	
Validation Team:	
Richard Daniel Gonzáles Toledo - Team Leader Marcelino Pellitero Martinez – Validator	
Version of this Validation Protocol: 03	Date: 20/01/2017

CHECKLIST TOPIC / QUESTION	MoV/Ref. *	COMMENTS	Draft Conclusion	Final Conclusion
A. GENERAL DESCRIPTION OF PROJECT ACTIVITY				
A.1. Title of the project activity				
A.1.1 Does the used project title clearly enables to identify the unique VCS activity? Is it consistent in all section of the VCS-PD and in all documents?	DR	Yes, the project title is clear and consistent in the entire VCS-PD.	OK	OK
A.1.2 Are there any indication concerning the revision number and the date of the revision of the VCS-PD?	DR	Yes, the VCS-PD is version 01 and dated on 21/09/2016.	OK	OK
A.1.3 Is this consistent with the time line of the project's history?	DR	CL 1: PP is requested to provide the time line schedule of project activity PP has provided the time line of the project activity, all dates are consistency within the history of the project CL 1: Closed	CL 1	OK
A.1.4 Has the PD been listed on the VCS project pipeline?	DR	Yes, the project activity has been listed in the VCS pipeline on 26/09/2016.	OK	OK

A.1.5 Does the project comply with the applicable requirements for completing the VCS-PD (latest version available)?	DR	CAR 1: The VCS-PD has not been completed in accordance with VCS instructions. • The evidence of right of use indicated in section 1.12.1 does not comply with VCS Standard paragraph 3.11.1. • The greenhouse gases and emissions sources from the project boundary are not included in the VCS-PD (refer to the section 2.2, table of the greenhouse gases and emissions sources included in or excluded from the project boundary) • Version of applied methodology is not consistent in all PD (i.e. section 2.2 states that the applied methodology is ACM0002, version 16.) • Section 2.3 is not complete since there is not a clear diagram of the equipment, systems and flows of mass and energy. • PP is not using an international recognized format for presentation of values of emission reductions. • Section 3.4, years for calculating the grid emission factor is not in accordance with the spreadsheet. PP has provided sufficient evidence regarding previous issues. CAR 1 is closed VCS-PD has been completed using the last version of the applicable template and comply with the applicable requirements.	CAR 1	OK
A.2. Description of the project activity				
A.2.1 Is the description delivering a transparent overview of the project activities?	DR	Yes, the description of the project activity is transparent in the VCS-PD.	OK	OK
A.2.2 Is the sectoral scope and the project type clearly stated in the VCS-PD?	DR	Yes, they are.	OK	OK

A.2.3 Is the information required for the indication of project proponent correctly presented?	DR	Yes, it is	OK	OK
A.2.4 Are there other entities other than the project proponent involved in the project?	DR	No, there are no other entities involved.	OK	OK
A.2.5 Is all information on proponent / Parties provided in consistency with details provided by further chapters of the VCS-PD?	DR	Yes, the information is consistent in the entire VCS-PD.	OK	OK
A.2.6 Is the project start date clearly defined and reasonable? Is Justification provided?	DR	Yes, the start date of the project activity is 16/06/2016 when the energy will be supplied to the grid in accordance with the construction schedule.	OK	OK
A.2.7 Is the proposed crediting time clearly defined and reasonable (renewable crediting period of max 10 years with potential for 2 renewals)?	DR	Yes, the first crediting period is 10 years and it is planned to be renewed 2 times, adding up 30 years in total. The lifetime of the project is 50 years.	OK	OK
A.2.8 Is the proposed project a Large project (ERs greater than 300,000 tCO ₂ e/year) or a Project (ERs less than or equal 300,000 tCO ₂ e/year)?	DR	Estimated GHG Emission Reductions or Removals are less than 300,000 tCO ₂ e/year, therefore it is a project.	OK	OK
A.2.9 Is the form required for the indication of projected emission reductions correctly applied?	DR	CAR 2: Estimated GHG emission reductions are not correctly calculated due to the fact that there are many mistakes in calculating grid emission factor. Furthermore, the form for indicating project emission is not properly filled Spreadsheet has been updated taking into consideration identified mistakes. The last version is in accordance with applicable tool CAR 2 is closed Yes, the form are properly filled and it is consistent in the whole PD	CAR 2	OK
A.2.10 Does the technical description of the project activity reflect current good practices? How much is applied technology is environmental safe?	DR	Yes, technology of the project activity reflects good practice.	OK	OK

A.2.11 Does the information provided on the location of the project activity allow for a clear identification of the site(s)?	DR	Yes, the information is clear.	OK	OK
A.2.12 Are the conditions prior to the project initiation described?	DR	Yes, they are.	OK	OK
A.2.13 Is it demonstrated that the project has not been implemented to generate GHG emissions for the purpose of their subsequent reduction, removal or destruction?	DR	Yes, it is.	OK	OK
A.2.14 Is compliance of the project with all and any relevant local, regional and national laws, statutes and regulatory frameworks identified and demonstrated?	DR	Yes, the project activity complies with national environmental laws stated in the VCS-PD.	OK	OK
A.3. Ownership and other programs				
A.3.1 Is evidence of right of use provided?	DR	Yes, the project proponent is the only entity with the right of use. The right of use comes from a resolution of a competent authority (Ministry of energy and mines); therefore provided evidence is in line with the requirements of the VCS Program Definitions and the VCS Standard, as it is "a right of use granted under regulation by a competent authority."	OK	OK

A.3.2 Is it demonstrated that net GHG emission reductions or removals generated by the project will not be used for compliance with an emissions trading program or to meet binding limits on GHG emissions?	DR	CL 2: The PP has not provided following evidence (please refer to the section 1.12 of VCS-PD): • The Project does not have any binding limits on GHG emissions, and does not look for any compliance with an emissions trading program • The project does not intend to generate any other kind of environmental credit • The project has not been registered under any other GHG program and it is not seeking registration under any other GHG program • This project has not been rejected from any other GHG program. PP has provided properly evidence. CL 2 is closed According to the official declaration of the project proponent, the project activity will not be used for any emissions trading program or to meet binding limit on GHG emissions.	CL 2	OK
A.3.3 Indicate whether the project has been registered, or is seeking registration under any other GHG programs. Where the project has been registered under any other GHG program, provide the registration number and details. Are all other programs under which the project is eligible to participate (to create another form of GHG-related environmental credit) listed?	DR	According to the official declaration of the project proponent, the project has not been registered under any other GHG-program.	CL 2	OK
A.3.4 Does the project intends to generate any other form of GHG-related environmental credit? (e.g. renewable energy certificates) If yes, has or will any such credit be cancelled from the relevant program?	DR	According to the official declaration of the project proponent, the project does not generate any GHG-related environmental credit GHG-program.	CL 2	OK

A.3.5 Has the proposed project been rejected by any other GHG program? If yes, has the relevant information been provided?	DR	Based on the provided information, it can be stated that the project activity has not been rejected by any other program.	CL 2	OK
<i>A.3.6 Additional information relevant to the project</i>				
A.3.6.1 In case of grouped projects, are there clear eligibility criteria for potential new participants (VCS term: Project In-stances)?	DR	NA	NA	NA
A.3.6.2 Are the leakage management plan and implementation of leakage and risk mitigation measures identified?	DR	NA	NA	NA
A.3.6.3 Has commercially sensitive information been excluded from the PD? Ex-plain to which items this information refers to.	DR	No sensitive information has been excluded from de VCS-PD	OK	OK
A.3.6.4 Is there any further information available regarding the project?	DR	No sensitive information has been excluded from de VCS-PD	OK	OK
B. BASELINE AND MONITORING METHODOLOGY				
B.1. Title and reference of the approved baseline and monitoring methodology				
B.1.1. Are reference number, version number, and title of the approved baseline and monitoring methodology clearly indicated?	DR	Yes, the applied methodology is ACM0002 Large-scale Consolidated Methodology: Grid-connected electricity generation from renewable sources, version 17.0.	OK	OK
B.1.2. Is the applied version the most recent one and / or is this version still applicable?	DR	Yes, the applied version of the methodology is the most recent.	OK	OK

B.1.3 If the baseline and monitoring methodology, applied in the original VCS-PD, was withdrawn after the registration of the VCS project activity and replaced by a consolidated methodology: Is the latest approved version of the respective consolidated methodology used?	DR	NA	NA	NA
B.1.4 In the case the registered VCS project activity does not meet the applicability criteria of the options provided in B.1.2. or B.1.3., due to their revision or due to the update of the baseline: Have the project participants either selected another applicable approved methodology or request, through the DOE, a deviation from an approved methodology for the purpose of renewal of the crediting period?	DR	NA	NA	NA
B.1.5 Does the methodology refer to the following tools with its latest approved versions?	DR	Yes, it is	OK	OK
B.2. Applicability of the selected methodology to the project activity				
B.2.1. Is the applied methodology considered the most appropriate one? Are the applicability criteria discussed in the PD?	DR	Yes, all applicable criteria has been discussed in the VCS-PD.	OK	OK
Fill in the required amount of sub checklists for applicability criteria as given by the methodology applied and comment at least every line answered with "No"				

B.2.2. Criterion 1 - The project is a grid-connected renewable energy power generation project activity that: (a) Install a Greenfield power plant; (b) Involve a capacity addition to (an) existing plant(s); (c) Involve a retrofit of (an) existing operating plants/units; (d) Involve a rehabilitation of (an) existing plant(s)/unit(s); or (e) Involve a replacement of (an) existing plant(s)/unit(s).	DR	<table><tr><th>Applicability checklist</th><th>Yes/No</th></tr><tr><td>Criterion discussed in the PD?</td><td>Yes</td></tr><tr><td>Evidence provided?</td><td>Yes</td></tr><tr><td>Compliance verified?</td><td>Yes</td></tr></table> The project activity considers the installation of a Greenfield wind farm.	Applicability checklist	Yes/No	Criterion discussed in the PD?	Yes	Evidence provided?	Yes	Compliance verified?	Yes	OK	OK
Applicability checklist	Yes/No											
Criterion discussed in the PD?	Yes											
Evidence provided?	Yes											
Compliance verified?	Yes											
B.2.3. Criterion 2 - The project activity may include renewable energy power plant/unit of one of the following types: hydro power plant/unit with or without reservoir, wind power plant/unit, geothermal power plant/unit, solar power plant/unit, wave power plant/unit or tidal power plant/unit.	DR I	<table><tr><th>Applicability checklist</th><th>Yes/No</th></tr><tr><td>Criterion discussed in the PD?</td><td>Yes</td></tr><tr><td>Evidence provided?</td><td>Yes</td></tr><tr><td>Compliance verified?</td><td>Yes</td></tr></table> The project activity is a renewable energy generated by a wind farm	Applicability checklist	Yes/No	Criterion discussed in the PD?	Yes	Evidence provided?	Yes	Compliance verified?	Yes	OK	OK
Applicability checklist	Yes/No											
Criterion discussed in the PD?	Yes											
Evidence provided?	Yes											
Compliance verified?	Yes											

B.2.4. Criterion 3 - In the case of capacity additions, retrofits, rehabilitations or replacements (except for wind, solar, wave or tidal power capacity addition projects the existing plant/unit started commercial operation prior to the start of a minimum historical reference period of five years, used for the calculation of baseline emissions and defined in the baseline emission section, and no capacity expansion, retrofit, or rehabilitation of the plant/unit has been undertaken between the start of this minimum historical reference period and the implementation of the project activity.	DR I	<table border="1"> <tr> <th>Applicability checklist</th> <th>Yes/No</th> </tr> <tr> <td>Criterion discussed in the PD?</td> <td>Yes</td> </tr> <tr> <td>Evidence provided?</td> <td>Yes</td> </tr> <tr> <td>Compliance verified?</td> <td>Yes</td> </tr> </table> Not applicable as the project activity is not a capacity addition, retrofit, rehabilitation nor replacement as per technical reports.	Applicability checklist	Yes/No	Criterion discussed in the PD?	Yes	Evidence provided?	Yes	Compliance verified?	Yes	OK	OK
Applicability checklist	Yes/No											
Criterion discussed in the PD?	Yes											
Evidence provided?	Yes											
Compliance verified?	Yes											

B.2.5. Criterion 4 - In case of hydro power plants, one of the following conditions shall apply: (a) The project activity is implemented in existing single or multiple reservoirs, with no change in the volume of any of the reservoirs; or (b) The project activity is implemented in existing single or multiple reservoirs, where the volume of the reservoir(s) is increased and the power density calculated using equation (3), is greater than 4 W/m2; or (c) The project activity results in new single or multiple reservoirs and the power density, calculated using equation (3), is greater than 4 W/m2; or (d) The project activity is an integrated hydro power project involving multiple reservoirs, where the power density for any of the reservoirs, calculated using equation (3), is lower than or equal to 4 W/m2, all of the following conditions shall apply: (i) The power density calculated using the total installed capacity of the integrated project, as per equation (4), is greater than 4 W/m2; (ii) Water flow between reservoirs is not used by any other hydropower unit which is not a part of the project activity; (iii) Installed capacity of the power plant(s) with power density lower than or equal to 4 W/m2 shall be: a. Lower than or equal to 15 MW; and b. Less than 10 per cent of the total installed capacity of integrated hydro power project.	DR I	<table><tr><th>Applicability checklist</th><th>Yes/No</th></tr><tr><td>Criterion discussed in the PD?</td><td>N/A</td></tr><tr><td>Evidence provided?</td><td>N/A</td></tr><tr><td>Compliance verified?</td><td>N/A</td></tr></table> Not applicable since the project is a wind farm.	Applicability checklist	Yes/No	Criterion discussed in the PD?	N/A	Evidence provided?	N/A	Compliance verified?	N/A	OK	OK
Applicability checklist	Yes/No											
Criterion discussed in the PD?	N/A											
Evidence provided?	N/A											
Compliance verified?	N/A											

B.2.6. Criterion 5 - In the case of integrated hydro power projects, project proponent shall: Demonstrate that water flow from upstream power plants/units spill directly to the downstream reservoir and that collectively constitute to the generation capacity of the integrated hydro power project; or Provide an analysis of the water balance covering the water fed to power units, with all possible combinations of reservoirs and without the construction of reservoirs. The purpose of water balance is to demonstrate the requirement of specific combination of reservoirs constructed under CDM project activity for the optimization of power output. This demonstration has to be carried out in the specific scenario of water availability in different seasons to optimize the water flow at the inlet of power units. Therefore this water balance will take into account seasonal flows from river, tributaries (if any), and rainfall for minimum five years prior to implementation of CDM project activity.	DR I	<table><thead><tr><th>Applicability checklist</th><th>Yes/No</th></tr></thead><tbody><tr><td>Criterion discussed in the PD?</td><td>N/A</td></tr><tr><td>Evidence provided?</td><td>N/A</td></tr><tr><td>Compliance verified?</td><td>N/A</td></tr></tbody></table> Not applicable since the project is a wind farm.	Applicability checklist	Yes/No	Criterion discussed in the PD?	N/A	Evidence provided?	N/A	Compliance verified?	N/A	OK	OK
Applicability checklist	Yes/No											
Criterion discussed in the PD?	N/A											
Evidence provided?	N/A											
Compliance verified?	N/A											
B.2.7. Criterion 6 - The methodology is not applicable to: (a) Project activities that involve switching from fossil fuels to renewable energy sources at the site of the project activity, since in this case the baseline may be the continued use of fossil fuels at the site; (b) Biomass fired power plants/units.	DR	<table><thead><tr><th>Applicability checklist</th><th>Yes/No</th></tr></thead><tbody><tr><td>Criterion discussed in the PD?</td><td>N/A</td></tr><tr><td>Evidence provided?</td><td>N/A</td></tr><tr><td>Compliance verified?</td><td>N/A</td></tr></tbody></table> Not applicable since the project is a wind farm.	Applicability checklist	Yes/No	Criterion discussed in the PD?	N/A	Evidence provided?	N/A	Compliance verified?	N/A	OK	OK
Applicability checklist	Yes/No											
Criterion discussed in the PD?	N/A											
Evidence provided?	N/A											
Compliance verified?	N/A											

B.2.8. Criterion 7 - In the case of retrofits, rehabilitations, replacements, or capacity additions, this methodology is only applicable if the most plausible baseline scenario, as a result of the identification of baseline scenario, is “the continuation of the current situation, that is to use the power generation equipment that was already in use prior to the implementation of the project activity and undertaking business as usual maintenance”.	DR	<table><tr><th>Applicability checklist</th><th>Yes/No</th></tr><tr><td>Criterion discussed in the PD?</td><td>N/A</td></tr><tr><td>Evidence provided?</td><td>N/A</td></tr><tr><td>Compliance verified?</td><td>N/A</td></tr></table> Not applicable as the project is a greenfield power plant and does not consider retrofits, rehabilitations, replacements, nor capacity additions.	Applicability checklist	Yes/No	Criterion discussed in the PD?	N/A	Evidence provided?	N/A	Compliance verified?	N/A	OK	OK
Applicability checklist	Yes/No											
Criterion discussed in the PD?	N/A											
Evidence provided?	N/A											
Compliance verified?	N/A											
B.2.16 Have relevant tools applicability criteria been met?	DR	Yes, they are.	OK	OK								
B.3. Description of the Project Boundary												
B.3.1 Is the project boundary defined?	DR	Yes, it is.	OK	OK								
B.3.2 Are all the sources and gases included in the boundary of the project activity (baseline scenario, project scenario and leakage) in accordance with the applied methodology?	DR	Yes, it is.	CAR 1	OK								
B.3.3. Are the inclusion or exclusion of the sources of gases correctly justified?	DR	Yes, it is.	CAR 1	OK								
B.3.4. Do the spatial and technological boundaries as verified on-site comply with the discussion provided by the VCS-PD?	DR	Yes, during the on-site visit carried out on 17-18/10/2016, the audit team verified the project boundary. Also, the following representatives were interviewed: - Carlos Alvares – Consultant - Pablo Lorente– Project Director - Jose Antonio Castillo – Chief of Power plant	OK	OK								

B.4. Description of the baseline scenario identification				
B.4.1. Is the baseline scenario clearly described?	DR	Yes, the baseline scenario is clearly described in the VCS-PD.	OK	OK
B.4.2. Have there been other alternative scenarios considered? Is it justified the selected scenario as the most likely one?	DR	Yes, the only possible alternative has been justified in the VCS-PD in accordance with the latest version of the applied methodology ACM0002.	OK	OK
B.4.3. Does the PD follow the steps to determine the baseline scenario required by the methodology?	DR	Yes, it is.	OK	OK
B.4.4. Has the baseline scenario been determined using conservative assumptions where possible?	DR	Yes, it is.	OK	OK
B.4.5 If alternatives are excluded: a.- Is sufficient evidence/ justification provided to support every exclusion of alternatives? Is it reasonable? b.- Is it shown that at least one credible and feasible alternative does not face a barrier? Is this reasonable?	DR	Not applicable since there is only one baseline scenario.	N/A	N/A
B.4.7 Is the baseline scenario determination compatible with the available data and are all literature and sources clearly referenced?	DR	Yes, all sources are clearly referenced.	OK	OK
B.5. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered VCS project activity (assessment and demonstration of additionality):				
B.5.1 Is the project additionality assessed according to the applicable methodology? Detail the Tool used to demonstrate the Additionality of the project activity.	DR	Yes, the additionality has been assessed according to the latest version of the "Tool for the demonstration and assessment of additionality".	OK	OK
B.5.2 Are alternative scenarios defined that provide outputs or services comparable with the proposed VER project activity?	DR	Yes, realistic and credible alternative scenarios are defined	OK	OK

B.5.3 Can be the list of alternatives considered to be complete, why? Is the scenario project activity without being registered as VER project included?	DR	Yes, the list of alternatives is considered to be complete and the project activity without VERs is included.	OK	OK
B.5.4 In case several different facilities, technologies, outputs or services are present in the project, are separately alternative scenarios for each of them included? Have realistic combinations been considered as project scenario?	DR	Not applicable.	N/A	N/A
B.5.5 Describe why the alternative scenarios are credible and realistic (technology, practices, services, status of implementation)?	DR	Alternatives scenarios are credible and realistic because of they comprise the energy situation of the country.	OK	OK
B.5.6 Do the alternative scenarios comply with mandatory laws and regulations?	DR	Yes they comply-	OK	OK
B.5.7 If a scenario does not comply with the mandatory laws and regulations, is it clearly demonstrated that the law and/or regulation is systematically not enforced in the country?	DR	Not applicable.	N/A	N/A
B.5.8 In case of applying step 2 / investment analysis of the additionality tool: Is the analysis method identified appropriately?	DR	Yes, the analysis method has been identified appropriately.	OK	OK
B.5.9 In case of Option I (simple cost analysis): Is it demonstrated that the activity produces no economic benefits other than VCUs income? a. Are the assumptions for all alternatives compared consistent (including discount rates if applicable)?	DR	Not applicable since Option I is not considered in the analysis.	N/A	N/A

B.5.10 In case of Option II (investment comparison analysis): Is the most suitable financial indicator clearly identified (IRR, NPV, cost benefit ratio, or (levelized) unit cost)? a. Are the assumptions for all alternatives compared consistent (including discount rates if applicable)?	DR	Not applicable since Option II is not considered in the analysis.	N/A	N/A
B.5.11 In case of Option III (benchmark analysis): Is the most suitable financial indicator clearly identified (IRR, NPV, cost benefit ratio, or (levelized) unit cost)? a. If an IRR indicator is used, is the choice of benchmark appropriate to the type of IRR calculated? b. Is the choice of benchmark or discount rate justified with supporting evidence for its appropriateness?	DR	CAR 3: Project IRR has been identified as financial indicator. However, the inclusion or exclusion of taxes is not clarified. Project IRR post-tax has been identified as financial indicator in the final PD. CAR 3 is closed Yes, the benchmark is considered appropriate and reliable evidence has been provided.	CAR 3	OK
B.5.12 How is it demonstrated that the financial/economic analysis (benchmark) represents standard returns in the market, considers the specific risk of the project type, but is not linked to the subjective profitability expectation or risk profile of a particular project developer (Option II and Option III)?	DR	Yes, the project IRR benchmark post-tax of 15.53% adopted by the Project Participant is derived from the value provided by the World Bank as Lending interest rate. The post-tax benchmark IRR of 15.53% is validated to be suitable for the project activity by AENOR's validation team in compliance with paragraph 130 (a) of the VVS version 09.0.	CAR 3	OK
B.5.13 In case of company internal benchmark, is it clearly demonstrate that there is only one potential project developer and that the benchmark has been consistently used in the past (Option II and Option III)?	DR	Not applicable.	N/A	N/A
B.5.14 In case of Option II or Option III: Is the calculation of financial figures for this indicator correctly done for all alternatives (Option II) and the project activity (Option III)?	DR	Yes, the calculation of financial figures is correctly done.	CAR 3	OK

B.5.15 In case of Option II or Option III: Is the analysis presented in a transparent manner including publicly available proofs for the utilized data?	DR	Yes, unprotected and traceable spreadsheets have been provided.	OK	OK
B.5.16 Are all assumptions and input data clearly presented, documented, evidenced and consistent with the rest of the PD?	DR	CAR 4: Evidence provided for grid connection and machinery and equipment costs don't match with the amounts stated in the financial model. In addition, the ADME fee used in the financial model shall be converted to US\$ since according to the evidence provided, the value used is in Uruguayan pesos. Mistakes have been corrected and evidence provided matched with the amount stated in the financial model and final PD. CAR 4 is closed.	CAR 4	OK
B.5.17 Does the sensitivity analysis show that the conclusion of financial/economical attractiveness is robust to reasonable variations in the critical assumptions?	DR	All critical costs and revenues are included in the sensitivity analysis and the conclusion of financial/economical attractiveness is robust to reasonable variations.	CAR 4	OK
B.5.18 How is demonstrated that this variations have been adequately taken (range is adequate)?	DR	The assessed range of variation is reasonable and the sensitivity analysis is possible to reproduce.	CAR 4	OK
B.5.19 In case of applying step 3 (barrier analysis) of the additionality tool: Is a complete list of barriers developed that prevent the implementation of the proposed project and the different alternatives to occur?	DR	Not applicable since barrier analysis has not been applied.	N/A	N/A
B.5.20 Is transparent and documented evidence provided on the existence and significance of these barriers?	DR	Not applicable since barrier analysis has not been applied.	N/A	N/A
B.5.21 Is it transparently shown that the execution of at least one of the alternatives is not prevented by the identified barriers?	DR	Not applicable since barrier analysis has not been applied.	N/A	N/A

B.5.22 How is confirmed that the VCU does alleviate the barriers presented?	DR	Not applicable since barrier analysis has not been applied.	N/A	N/A
B.5.23 Has common practice analysis been undertaken?	DR	Yes it has been undertaken as per the latest versions of the Tool for the demonstration and assessment of additionality and the Tool on common practice.	OK	OK
B.5.24 Have other activities in the host country / region similar to the project activity been identified and are these activities appropriately analyzed by the VCS PD?	DR	CAR 5: The Tool on common practice has not been applied correctly, i.e. the list of similar project identified (step 2) includes a power plant that does not comply with the requirement of the Tool. Mistakes have been corrected and the tool has been applied correctly in the final PD. CAR 5 is closed. Yes it has been undertaken as per the latest versions of the Tool for the demonstration and assessment of additionality and the Guidelines on common practice.	CAR 5	OK
B.5.25 If similar activities are occurring: Is it demonstrated that in spite of these similarities the project activity would not be implemented without the VER component?	DR	No similar projects have been undertaken in the region.	OK	OK
B.5.26 Overall, is the proposed VCS project activity considered common practice?	DR	No, the project activity cannot be considered common practice.	OK	OK
B.5.27 Is it demonstrated/justified that the project activity is not a likely baseline scenario?	DR	Yes, it is demonstrated.	CAR 3 CAR 4 CAR 5	OK
B.5.28 Are any methodology deviations identified and justified?	DR	Not applicable.	N/A	N/A
B.6. Emissions reductions				

<i>B.6.1. Explanation of methodological choices</i>				
B.6.1.1. Is it explained how the procedures provided in the methodology are applied by the proposed project activity?	DR	Yes, used procedures are explained in the VCS-PD.	OK	OK
B.6.1.2. Is every selection of options offered by the methodology correctly justified and is this justification in line with the situation verified on-site?	DR	Yes, they are.	OK	OK
B.6.1.3. Are the formulae required for the determination of emissions reductions correctly presented and used? <i>(Open excel, trazability of data, etc)</i>	DR	Yes. All formulae are in accordance with applied methodology and tool.	CAR 2	OK
B.6.1.4 Are all the data and assumptions listed in the PD and are appropriate and calculations result in a conservative estimate of emission reductions?	DR	Yes. All data and assumption are listed in the final version of the VCS-PD. Conservative criteria has been applied to determine emission reductions	CAR 2	OK
<i>B.6.2. Data and parameters that are available at validation</i>				
B.6.2.1. Is the list of parameters presented in VCS PD considered to be complete with regard to the requirements of the applied methodology? Is all the information required for each parameter included?	DR	Yes, the list is complete.	OK	OK
B.6.2.2. Are all the data derived from official data sources or replicable records and have been correctly quoted?	DR	Yes, all data is taken from official sources.	OK	OK

B.6.2.3. For fixed parameters: $FC_{i,m,y}/EG_{m,y}$; $FC_{i,k,y}/EG_{k,y}$; a. Title in line with Methodology? b. Data unit correctly expressed? c. Appropriate description? d. Source clearly referenced? (and appropriate?) e. Correct value provided? f. Has this value been verified? g. Choice of data correctly justified? h. Measurement method correctly described?	DR	a. Yes. b. Yes c. Yes d. Yes e. Yes f. Yes g. Yes h. Yes i. Yes	CAR 7	OK
B.6.2.3. For fixed parameters: $NCV_{i,y}$ a. Title in line with Methodology? b. Data unit correctly expressed? c. Appropriate description? d. Source clearly referenced? (and appropriate?) e. Correct value provided? f. Has this value been verified? g. Choice of data correctly justified? h. Measurement method correctly described?	DR	a. Yes. b. Yes c. Yes d. Yes e. Yes f. Yes g. Yes h. Yes i. Yes	CAR 7	OK

B.6.2.3. For fixed parameters $EF_{CO2,i,y}$ a. Title in line with Methodology? b. Data unit correctly expressed? c. Appropriate description? d. Source clearly referenced? (and appropriate?) e. Correct value provided? f. Has this value been verified? g. Choice of data correctly justified? h. Measurement method correctly described?	DR	a. Yes. b. Yes c. Yes d. Yes e. Yes f. Yes g. Yes h. Yes i. Yes	CAR 7	OK
B.6.2.3. For fixed parameters: $EG_{m,y}$ and $EG_{h,y}$ $EF_{grid,CM,y}$ a. Title in line with Methodology? b. Data unit correctly expressed? c. Appropriate description? d. Source clearly referenced? (and appropriate?) e. Correct value provided? f. Has this value been verified? g. Choice of data correctly justified? h. Measurement method correctly described?	DR	a. Yes. b. Yes c. Yes d. Yes e. Yes f. Yes g. Yes h. Yes i. Yes	CAR 7	OK

B.6.2.3. For fixed parameters: $EF_{grid,CM,y}$ a. Title in line with Methodology? b. Data unit correctly expressed? c. Appropriate description? d. Source clearly referenced? (and appropriate?) e. Correct value provided? f. Has this value been verified? g. Choice of data correctly justified? h. Measurement method correctly described?	DR	a. Yes. b. Yes c. Yes d. Yes e. Yes f. Yes g. Yes h. Yes i. Yes	CAR 7	OK
B.6.2.4. Will the data and parameters result in a conservative estimate of emissions reductions?	DR	Yes, relevant evidence was provided to the validation team. Official statistics and IPCC values are used. Therefore the estimation of emission reduction calculation will result conservative	CAR 7	OK
B.6.3 Calculation of GHG Emission Reductions – Baseline Emissions <i>It is assessed whether the baseline emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.</i>				
B.6.3.1 Are the calculations documented according to the approved methodology and in a complete and transparent manner?	DR	CAR 6: The procedure for the calculation of baseline emission reductions has not been clearly documented. In particular, the calculation procedure of Lambda in the calculation spreadsheet does not describe all steps required by the applied tool. Grid emission factor calculation has been updated, taking into consideration applied tool. CAR 6 is closed Yes, the latest version of VCS-PD and spreadsheets contain all the calculations according to the methodology in a transparent manner.	CAR 6	OK

B.6.3.2. Have conservative assumptions been used when calculating the baseline emissions?	DR	CAR 7: The spreadsheet of grid emission factor has some mistakes in the calculation. - For Build Margin emission factor calculation, the net energy of unit in set sample for BM calculation are not in accordance with data provided by dispatch centre - For calculating the Operating Margin emission factor, the energy exportation is considered as a power plant; therefore, net energy is double counting in the calculation. Build Margin and Operating Margin emission factors have been recalculated, using correct data. CAR 7 is closed Yes, Conservative assumptions have been taken into account.	CAR 7	OK
B.6.3.3 Are uncertainties in the baseline emission estimates properly addressed?	DR	Validation team has checked that uncertainties have been properly addressed.	CAR 7	OK
B.6.3.4. Is additional background information on baseline data provided in Annex of the PD? Is this information consistent with data presented by other sections of the VCS-PD?	DR	Not applicable.	N/A	N/A
<i>B.6.4 Calculation of GHG Emission Reductions – Project Emissions</i> <i>It is assessed whether the project emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.</i>				
B.6.4.1 Are the calculations documented according to the approved methodology and in a complete and transparent manner?	DR	Yes, they are.	OK	OK
B.6.4.2. Have conservative assumptions been used when calculating the project emissions?	DR	Yes, they are.	OK	OK
B.6.4.3 Are uncertainties in the project emission estimates properly addressed?	DR	Yes, they are.	OK	OK

<i>B.6.5. Calculation of GHG Emission Reductions – Leakage</i>				
<i>It is assessed whether leakage emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.</i>				
B.6.5.1 Are the leakage calculations documented according to the approved methodology and in a complete and transparent manner?	DR	Not applicable.	N/A	N/A
B.6.5.2. Have conservative assumptions been used when calculating the leakage emissions?	DR	Not applicable.	N/A	N/A
B.6.5.3. Are uncertainties in the leakage emission estimates properly addressed?	DR	Not applicable.	N/A	N/A
<i>B.6.6. Ex-ante calculation of emission reductions</i>				
B.6.6.1. Are the GHG calculations documented in a complete and transparent manner? Are all the calculations correct?	DR	VCS-PD explains correctly how the procedures provided in the methodology are applied.	CAR 2 CAR 7	OK
B.6.6.2. Is the data provided in this section consistent with data as presented in other chapters of the VCS PD?	DR	Yes, every selected option offered by the methodology is properly justified and is in line with the situation verified during the on-site visit.	CAR 2 CAR 7	OK
<i>B.6.7. Summary of the ex-ante estimation of emission reductions</i>				
B.6.7.1. Will the project result in fewer GHG emissions than the baseline scenario?	DR	Yes, it is.	OK	OK
B.6.7.2. Are the emissions reductions projected in line with the envisioned time schedule for the project' implementation and the indicated crediting period?	DR	Yes, they are.	OK	OK
B.7. Application of the monitoring methodology and description of the monitoring plan				

<i>B.7.1. Description of the monitoring plan</i>				
B.7.1.1 Is the monitoring plan documented according to the approved methodology and relevant tools and in a complete and transparent manner?	DR	Yes, it is.	OK	OK
B.7.1.2. Does the monitoring methodology provide a consistent approach in the context of all parameters to be monitored and further information provided in the VCS-PD?	DR	Yes, all monitoring parameters are stated in the VCS-PD.	OK	OK
B.7.1.3. Does the monitoring plan provide a clear description of the organization structure involved in monitoring activities and their responsibilities?	DR	Yes. It is	OK	OK
B.7.1.4. If applicable: Does the VCS-PD provide useful information enabling a better understanding of the envisioned monitoring provisions?	DR	Yes, it is.	OK	OK
B.7.1.5. Is the registration, monitoring, measurement and reporting procedure defined?	DR	Yes, it is	OK	OK
<i>B.7.2 Compliance of the monitoring plan with the approved methodology</i>				
B.7.2.1 Is the list of parameters considered to be complete with regard to the requirements of the applied methodology? Are all of them clearly described in the monitoring plan and in accordance with the methodology and tools?	DR	Yes, the list is complete and all parameters are clearly described.	OK	OK
B.7.2.2. Does the monitoring plan provide for the collection and archiving of all relevant data necessary for estimation or measuring the emission reductions within the project boundary during the crediting period?	DR	Yes, all data including records is kept until two (2) years after the end of the total credit time of the project.	OK	OK

B.7.2.3. For EG_{facility,y} is the: a. Title in line with methodology? b. Data unit correctly expressed? c. Parameter appropriately described? d. Source clearly referenced? e. Correct value provided for the purpose of PD estimations? f. Has this value been verified? g. Measurement methods correctly described and in line with the methodology/tools? h. Correct reference to standards (i.e. for calibration and maintenance)? i. Indication of accuracy provided? j. QA/QC procedures described? k. QA/QC procedures appropriate?	DR	CAR 8: Ex-Ante net energy estimated is not consistent in the all sections of VCS-PD. Furthermore, the methodology used for the estimate shall be clarified. Net energy has been estimated in accordance with provided evidence. CAR 8 is closed a. Yes. b. Yes c. Yes d. Yes e. Yes f. Yes g. Yes h. yes i. Yes j. Yes k. Yes	CAR 8	OK
<i>B.7.3 Implementation of the Monitoring Plan</i>				
B.7.3.1 Do the means of monitoring of each of the parameters included in the plan complies with the requirements of the methodology?	DR	Yes, monitoring plan complies with the applied methodology.	OK	OK
B.7.3.2. Is the measurement equipment described and deemed appropriate?	DR	Yes, it is.	OK	OK
B.7.3.3. Are procedures identified for maintenance of monitoring equipment and installations? Are provisions regarding the calibration intervals included in the monitoring plan?	DR	Yes, the meters will be calibrated at least two years in accordance with local regulation	OK	OK

B.7.3.5. Is the monitoring Plan sufficient to ensure the verification of a proper implementation of the monitoring plan?	DR	Yes, it is.	OK	OK
C. ENVIRONMENTAL IMPACTS				
C.1. Documentation on the analysis of the environmental impacts, including transboundary impacts				
C.1.1. Has the analysis of the environmental impacts of the project activity been sufficiently described in the PD?	DR	Yes, a summary of the analysis of the environmental impacts of the project activity has been described in the VCS-PD in accordance with Environmental Impact Evaluations.	OK	OK
C.1.2. Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, has an EIA been approved?	DR	As it is established by local regulation, the project needs an environmental approval. The approval of EIA is granted by ministerial resolution N°291/2105., dated on 13/03/2015	OK	OK
C.1.3. Will the project create any adverse environmental effects? Has any environmental impact identified as significant?	DR	No, the project will not create any adverse environmental effect.	OK	OK
C.1.4. Are transboundary environmental impacts identified in the analysis?	DR	No transboundary environmental impacts are identified.	OK	OK
D.1.5. Does the project comply with any other environmental legislation in the host country?	DR	Not applicable	N/A	N/A
C.2. If environmental impacts are considered significant by the project participants or the host Party, please provide conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party.				
D.2.1. Have the identified environmental impacts been addressed in the PD sufficiently?	DR	Yes, they have been sufficiently addressed.	OK	OK
D. STAKEHOLDERS' COMMENTS				

D.1. Brief description how comments by local stakeholders have been invited and compiled				
D.1.1. Have relevant local stakeholders been consulted? Is the exact date of the consultation process included in the VCS-PD?	DR	Yes, relevant stakeholders have been consulted.	OK	OK
D.1.2. Have appropriate media been used to invite comments by local stakeholders?	DR	Appropriate media have been used to performance the stakeholders consultation.	OK	OK
D.1.3. If a stakeholder consultation process is required by regulations/laws in the host country, has the stakeholder consultation process been carried out in accordance with such regulations/laws?	DR	The current legislation does not require a local stakeholder consultation for voluntary emission reduction project activities.	OK	OK
D.1.4. Is the undertaken stakeholder process that was carried out described in a complete and transparent manner in the VCS-PD?	DR	Yes, the process is described in a clear and transparent manner.	OK	OK
E.2. Summary of the comments received				
E.2.1. Is a summary of the stakeholder comments received provided?	DR	Yes, it is.	OK	OK
E.3. Report on how due account was taken of any comments received				
E.3.1. Has due account been taken of any stakeholder comments received?	DR	Yes, they are.	OK	OK

Table 2 Resolution of Corrective Action and Clarification Requests

Clarifications and corrective action requests by validation team	Ref. to table 1	Summary of project owner response	Validation team conclusion
CAR 1: The VCS-PD has not been completed in accordance with VCS instructions. • The evidence of right of use indicated in section 1.12.1 does not comply with VCS Standard paragraph 3.11.1. • The greenhouse gases and emissions sources from the project boundary are not included in the VCS-PD (refer to the section 2.2, table of the greenhouse gases and emissions sources included in or excluded from the project boundary) • Version of applied methodology is not consistent in all PD (i.e. section 2.2 states that the applied methodology is ACM0002, version 16.) • Section 2.3 is not complete since there is not a clear diagram of the equipment, systems and flows of mass and energy. • PP is not using an international recognized format for presentation of values of emission reductions. • Section 3.4, years for calculating the grid emission factor is not in accordance with the spreadsheet.	A 1.5	• New evidence of right of use has been added and now complies with VCS standard. • The greenhouse gases and emissions sources from the project boundary have been included in the VCS-PD. • Version of applied methodology is now consistent in all PD. • A new diagram of the project's installations has been added to section 2.3 of the PD. • An international recognized format has been implemented for the presentation of the emission reductions across the documentation. • Years for calculating the grid emission factor in Section 3.4, now in in accordance with the spreadsheet.-+	PP has completed the VCS-PD using the last version of applicable template and following the stated instructions. CAR 1 is closed
CAR 2: Estimated GHG emission reductions are not correctly calculated due to the fact that there are many mistakes in calculating	A 2.9.	GHG emission reductions have been recalculated and the form indicating project emissions is now properly filled	Emissions reduction has been updated, following the instruction of the applied

Clarifications and corrective action requests by validation team	Ref. to table 1	Summary of project owner response	Validation team conclusion
grid emission factor. Furthermore, the form for indicating project emission is not properly filled			methodology and relevant tool. CAR 2 is closed
CAR 3: Project IRR has been identified as financial indicator. However, the inclusion or exclusion of taxes is not clarified.	B.5.11	Project IRR is now identified as post taxes in the PD	Project IRR post-tax has been identified as financial indicator in the final PD. CAR 3 is closed
CAR 4: Evidence provided for grid connection and machinery and equipment costs don't match with the amounts stated in the financial model. In addition, the ADME fee used in the financial model shall be converted to US\$ since according to the evidence provided, the value used is in Uruguayan pesos.	B.5.16	Evidence provided for grid connection and machinery and equipment costs now match with the amounts stated in the financial model. The ADME fee used in the financial model is now considered in US\$.	Mistakes have been corrected and evidence provided matched with the amount stated in the financial model and final PD. CAR 4 is closed.
CAR 5: The Tool on common practice has not been applied correctly, i.e. the list of similar project identified (step 2) includes a power plant that does not comply with the requirement of the Tool.	B.5.24	The application of the common practice tool has been revised. List of identified projects has been corrected to comply with the applied tool.	Mistakes have been corrected and the tool has been applied correctly in the final PD. CAR 5 is closed.
CAR 6: The procedure for the calculation of baseline emission reductions has not been clearly documented. In particular, the calculation procedure of Lambda in the calculation spreadsheet does not describe all steps required by the applied tool.	B6.3.1	Calculation procedure of Lambda is clarified in the spreadsheet	Grid emission factor calculation has been updated, taking into consideration applied tool. CAR 6 is closed
CAR 7: The spreadsheet of grid emission factor has some mistakes in the calculation. For Build Margin emission factor calculation, the net energy of unit in	B 6.3.2	- Build Margin calculation has been redone in accordance with data provided by the dispatch centre. - Energy exports and power lines have been removed from the	Build Margin and Operating Margin have been recalculated, using correct data.

Clarifications and corrective action requests by validation team	Ref. to table 1	Summary of project owner response	Validation team conclusion												
set sample for BM calculation are not in accordance with data provided by dispatch centre - For calculating the Operating Margin emission factor, the energy exportation is considered as a power plant; therefore, net energy is double counting in the calculation.		operating margin calculation.	CAR 7 is closed												
CAR 8: Ex-Ante net energy estimated is not consistent in the all sections of VCS-PD. Furthermore, the methodology used for the estimate shall be clarified.	B 7.2.3	Ex-Ante net energy estimated in now consistent throughout the VCS-PD. Calculation has been made utilizing the capacity specified in the project documents and the equivalent hours data found on page 58 of the document “1409_PE.MALDONADO II_23-09-2014” at P50.	PP has provided properly evidence regarding net energy estimation and the value is consistent in the whole PD. CAR 8 is closed												
CL 1: PP is requested to provide the time line schedule of project activity	A 1.13	The following table clarifies the project timeline. <table><tr><th>Date</th><th>Event</th><th>Document</th></tr><tr><td>24/11/2014</td><td>Purchase of main equipment</td><td>Alarde_Ampliación_Maldonado_Carta_Desglose_precio_2014_11_24</td></tr><tr><td>20/03/2015</td><td>Environmental authorization</td><td>20150320 Cambio de titularidad AAP a RDE</td></tr><tr><td>16/06/2016</td><td>Operation start date</td><td>20160616 Acta de Habilitación Total RdE</td></tr></table>	Date	Event	Document	24/11/2014	Purchase of main equipment	Alarde_Ampliación_Maldonado_Carta_Desglose_precio_2014_11_24	20/03/2015	Environmental authorization	20150320 Cambio de titularidad AAP a RDE	16/06/2016	Operation start date	20160616 Acta de Habilitación Total RdE	The time line is in line with provide evidences. CL 1 is closed
Date	Event	Document													
24/11/2014	Purchase of main equipment	Alarde_Ampliación_Maldonado_Carta_Desglose_precio_2014_11_24													
20/03/2015	Environmental authorization	20150320 Cambio de titularidad AAP a RDE													
16/06/2016	Operation start date	20160616 Acta de Habilitación Total RdE													
CL 2: The PP has not provided following evidence (please refer to the section 1.12 of		Evidence of these points has been provided.	PP has provided a declaration that the project has not												

Clarifications and corrective action requests by validation team	Ref. to table 1	Summary of project owner response	Validation team conclusion
VCS-PD): • The Project does not have any binding limits on GHG emissions, and does not look for any compliance with an emissions trading program • The project does not intend to generate any other kind of environmental credit • The project has not been registered under any other GHG program and it is not seeking registration under any other GHG program • This project has not been rejected from any other GHG program.			applied any other GHG scheme, is not seeking registration other GHG program and that the project has not been rejected for any other program. CL 2 is closed