



**Verified Carbon
Standard**

SHINE – DISTRIBUTION OF LED LIGHTBULBS IN INDIA-6

Document Prepared by

Carbon Check (India) Private Ltd.



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Summary:

A brief description of the validation and the project

Validation: Brightspark Energy Private Limited has appointed Carbon Check (India) Private Ltd., to carry out the validation of the project “SHINE – Distribution of LED Lightbulbs in India-6”, with regards to the relevant requirements of VCS Standard Version 4.3 (dated 22/06/2022).

Project: The project “SHINE – Distribution of LED Lightbulbs in India-6”, is a grouped project which employs CDM methodology; AMS-II.C version 15.0 /B02/. The project involves distribution of Light Emitting Diodes (LEDs) for domestic lighting in the eastern Uttar Pradesh, within the Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL) network circle. The project result in reduction of CO₂ emissions that are real, measurable and give long-term benefits to the mitigation of climate change.

The purpose and scope of validation

Purpose: The purpose of a validation is to have a thorough and independent assessment of the proposed project activity against the applicable VCS requirements, in particular, the project's baseline, monitoring plan and compliance with the relevant VCS and host Party criteria. These are validated in order to confirm that the project design, as documented, is sound and reasonable and meets the identified criteria. 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 emission reductions. Carbon Check's objective is to perform a thorough, independent assessment of the validation of the project activity.

Scope: Validation scope is defined as an independent and objective review of the Project Description (PD). The PD is reviewed against the relevant criteria and guidance documents provided by VCS which include the following: VCS Program Guide (v4.2, dated 22/06/2022), VCS Standard (v4.3, dated 22/06/2022), Program Definitions (v4.2, dated 22/06/2022), Registration & Issuance Process (v4.2, dated 22/06/2022) VCS Validation and Verification Manual (v3.2, dated 19/10/2016) applicable at the time in order to confirm that the project meets the applicability conditions of the selected baseline and monitoring CDM methodology AMS-II.C (version 15.0) , also assess the claims and assumptions made in the PD without limitation on the information provided by the project participants.

The method and criteria used for validation

The validation consists of the following four phases:

I. A desk review of the project description documents

- A review of data and information;
- Cross checks between information provided in PD and information from sources with all necessary means without limitations to the information provided by the project proponent;

II. Remote interviews with project stakeholders

- Interviews with relevant stakeholders in host country with personnel having knowledge with the project development via telephone, email or direct on-site visits;
- Cross checking between information provided by interviewed personnel with all necessary means without limitations to the information provided by the project proponent;

III. Reference to available information relating to projects or technologies similar to project under validation and review based on the approved methodology being applied for the appropriateness of formulae and accuracy of calculations.

IV. The resolution of outstanding issues and the issuance of the final validation report and opinion.

The number of findings raised during validation

During the course of validation, a total of 07 findings were raised, which include:

03 Corrective Action Requests (CARs);

04 Clarification Requests (CLs);

00 Forward Action requests (FARs).

All the raised findings have been successfully closed by the Project Proponent.

Any uncertainties associated with the validation

There are no uncertainties associated with the validation of the project activity. The validation has been done with a reasonable level of assurance.

Summary of the validation conclusion

Carbon Check (India) Private Ltd. concludes the validation with a positive opinion that the VCS Grouped Project “SHINE – Distribution of LED Lightbulbs in India-6” as described in the PD (version 2.1, dated 16/07/2022) /01-c/, meets all applicable VCS requirements, including those specified in the VCS Standard (v4.3, dated 22/06/2022), relevant methodology, tools and guidelines.

The selected baseline and monitoring CDM methodology AMS-II.C (version 15.0) is applicable to the project and correctly applied. Carbon Check (India) Private Ltd. therefore requests the registration of the project as a VCS grouped project.

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1 INTRODUCTION

1.1 Objective

Validation Report: VCS Version 4.1

Brightspark Energy Private Limited has appointed the VVB, Carbon Check (India) Private Ltd. to perform a validation of the VCS Grouped Project “SHINE – Distribution of LED Lightbulbs in India-6” in the eastern Uttar Pradesh, within the Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL) network circle. This report summarizes the findings of validation of the project, performed on the basis of the VCS Program Guide (v4.2, dated 22/06/2022), VCS Standard (v4.3, dated 22/06/2022), Program Definitions (v4.2, dated 22/06/2022), Registration & Issuance Process (v4.2, dated 22/06/2022), VCS Validation and Verification Manual (v3.2, dated 19/10/2016). Validation is required for all VCS project activities intending to register a grouped project under the VCS program. This report contains the findings and resolutions from the validation of the grouped project.

The purpose of a validation is to have a thorough and independent assessment of the proposed grouped project against the applicable VCS requirements, in particular, the project's baseline, monitoring plan and the project's compliance with relevant VCS and host Party criteria. These are validated in order to confirm that the project design, as documented, is sound and reasonable and meets the identified criteria. 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 emission reductions, VCU.

1.2 Scope and Criteria

The validation scope is defined as an independent and objective review of the Project Description (PD), project design, the project's baseline study and monitoring plan and other relevant documents. The PD is reviewed against the relevant criteria and decisions by the VCS Program, and against the approved baseline and monitoring methodology. Carbon Check has employed a risk-based approach in the validation, focusing on the identification of significant risks and reliability of project monitoring and generation of emission reductions.

The validation is not meant to provide any consulting towards the project participants. However, stated requests for clarifications and/or corrective actions may have provided input for improvement of the project design.

The validation is carried out on the basis of the following requirements, applicable for this grouped project:

- VCS Program Guide (v4.2, dated 22/06/2022)
- VCS Standard (v4.3, dated 22/06/2022)

- Program Definitions (v4.2, dated 22/06/2022)
- Registration & Issuance Process (v4.2, dated 22/06/2022)
- VCS Validation and Verification Manual (v 3.2, dated 19/10/2016)
- CDM Methodology: AMS-II.C- Demand-side energy efficiency activities for specific technologies; Version 15.0
- Other relevant rules, including the host country legislation

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1.3 Level of Assurance

☒ Reasonable level of assurance

☐ Limited level of assurance

1.4 Summary Description of the Project

The project “SHINE – Distribution of LED Lightbulbs in India-6”, is a grouped project which employs of the CDM methodology; AMS-II.C version 15.0 (B02). The grouped project involves distribution of distribution of LED Lightbulbs in India” which involves distribution of Light Emitting Diodes (LEDs) for domestic lighting in the households in the eastern Uttar Pradesh, within the Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL) network circle. Under this grouped project, as on 01-July-2022, 4,634,219 LEDs have been distributed to 928,699 grid connected households for domestic lighting. PP has considered as number of project devices, i.e., number of LEDs distributed to each grid connected household as a project activity instance under this grouped project. The project result in reduction of CO₂ emissions that are real, measurable and give long-term benefits to the mitigation of climate change. The start date for the grouped project is 25/03/2021 /03/ which is the date of installation of first LED distributed in the grouped project.

The project proponent for the project activity is Brightspark Energy Private Limited, owns the rights to VERs/05/,/11//21/.

Under this grouped project, as on 01-July-2022, 4,634,219 LEDs have been distributed to 928,699 grid connected households. Therefore, total 928,699 project activity instances are considered as on date under this grouped project. Maximum emission reductions from a single project activity instance under this grouped project are estimated to be 1.41 tCO₂e per year (considering replacement of five 100 W ICLs with five 12 W LEDs in a grid connected household). Total estimated GHG emission reductions from total number of 928,699 project activity instances under this grouped project are estimated to be 11,417,780 tCO₂e during the fixed crediting period of 10 years.

2 VALIDATION PROCESS

2.1 Method and Criteria

Brightspark Energy Private Limited has appointed the VVB, Carbon Check (India) Private Ltd., to carry out the validation of the project “SHINE – Distribution of LED Lightbulbs in India-6”, with regards to the relevant requirements of VCS Standard Version 4.3 (dated 22/06/2022) /B01-a/. Validation Report: VCS Version 4.1

The validation includes a thorough and independent assessment of the proposed grouped project against the applicable VCS requirements, in particular, the project's baseline, additionality, monitoring plan and the project's compliance with relevant VCS and host party criteria. The validation involves assessment of the project and to confirm that the project meets the applicability conditions of the selected methodology, AMS-II.C version 15.0 /B02/ and also assess the claims and assumptions made in the PD /01/ without limitation on the information provided by the project participants. The overall validation was conducted using Carbon Check's internal procedures.

2.2 Document Review

During the document review, CCIPL has applied standard auditing techniques including but not limited to document reviews and remote interviews, review of the applicable/applied methodology and its underlying formulae and calculations to assess the quality of information provided.

This report contains the findings and resolutions from the validation and a validation opinion on the proposed grouped project thus confirming the project design as document is sound and reasonable and meets the stated requirements and identified criteria.

The VCS project description, emission reduction calculation spread sheet and supporting documents related to the project design and baseline were reviewed as per VCS standard version 04.3 /B01/ requirements. The desk review included:

- A review of the data and information presented to verify completeness and consistency in accordance with VCS standard version 04.3 requirements;
- A review of the project description and monitoring methodology, paying particular attention to the applicability conditions of the methodology and baseline and additionality related requirements.
- A review of the monitoring plan and the project's compliance with relevant VCS criteria.

Furthermore, the validation team used additional documentation by third parties like host-party legislation, technical reports referring to the project design or to the basic conditions and technical data.

The VCS PD version 01.1 dated 17/02/2022 /01-a/ was initially reviewed and CCIPL requested the PP to present the supporting information and documents. The documents reviewed by CCIPL are listed below in Appendix 1. Through the process of the validation, the revised VCS PD and the supporting documents were evaluated to confirm the actions taken by the PP to the CARs and CLs issued by the validation team.

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The table in Appendix 1 outlines the documentation reviewed during the validation.

2.3 Interviews

The table below describes the remote interview process and further identifies personnel, including their roles, who were interviewed and/or provided information additional to that provided in the project description /01/ and any supporting documents.

SR. No.	Date	Name	Organisation	Topic
/01/	09/05/2022	Tridip Goswami	C-Quest Capital (CQC)	• Project Design • Project Implementation status • Project start date and Project Location • Baseline Scenario • Baseline Identification and Additionality • Qualification and Training • Monitoring and reporting documentation • Quality Assurance – Management and operating system • Social and Environmental Impacts • Local Stakeholders meeting process • Compliance with relevant laws • Roles and responsibility
/02/	09/05/2022	Akhilesh Joshi	C-Quest Capital (CQC)	• Project Design • Project Implementation status • Project start date and Project Location • Baseline Scenario • Baseline Identification and Additionality

				• Qualification and Training • Monitoring and reporting documentation • Quality Assurance – Management and operating system • Social and Environmental Impacts • Local Stakeholders meeting process • Compliance with relevant laws • Roles and responsibility
/03/	09/05/2022	Neha Oli	C-Quest Capital (CQC)	• Project Design • Project Implementation status • Project start date and Project Location • Baseline Scenario • Baseline Identification and Additionality • Qualification and Training • Monitoring and reporting documentation • Quality Assurance – Management and operating system • Social and Environmental Impacts • Local Stakeholders meeting process • Compliance with relevant laws • Roles and responsibility
/04/	09/05/2022	Kashi Nath	End user	Usage feedback
/05/	09/05/2022	Hari Nandan	End user	Usage feedback

As a result of the COVID-19 pandemic, taking into account the rules of relevant national and local authorities (local to the VVB offices as well as to locality of the site visits), World Health Organization (WHO) recommendations, policies of the VVB, email clarification for Verra guidance on site visits, notification of Covid-19 Travel Guidance for Projects <https://verra.org/covid-19-travel-guidance/> and other relevant travel restrictions and guidance (for example, a requirement to self-isolate upon return from specific countries), the VVB has skipped the on-site visit. The on-site inspection can-not be

postponed due to validation timeline agreed in between the Project Participant and the VVB as per the validation contract. /19/.

Same VVB has conducted the VCS validation as well as 1st MP verification, so the “usage feedback” will be done through acceptance sampling in line with CDM standard for sampling and survey, version 09.0 during the verification process.

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The alternative means used for the purpose of validation are demonstrated as follow:

The validation team has carried out remote interviews (by telephone / skype / video calls) in order to assess the information included in the PD. During the desk review, the relevant records such as the registration certificate was checked to confirm the start date of the project activity /03/ technical specification has been checked to check the life span of the project LED /04/ and other records/ documents was used to cross check consistency of information.

Therefore, VVB can achieve a reasonable level of assurance without conducting a site visit, or through a remote site visit, this is in conformance with the VCS rules, and no request for an exemption or pre-approval from Verra is required. However, where a validation has been conducted without a site visit, or through a remote site visit, CCIPL ensured that the applicable section of the validation report includes a discussion of how a reasonable level of assurance was achieved without an in-person site visit.

2.4 Site Inspections

Carbon Check has not conducted an on-site inspection due to the recent pandemic COVID19 and due to its related policy measures created restrictions all over the world impacting travel activities on an international level and even for in-country travel. A reasonable level of assurance has been maintained through the alternative means used for the purpose of validation as follows:

- An assessment of the implementation and operation of the proposed grouped project through remote interviews with the representatives of project proponent.
- Confirmation of the pre-project scenario
- Confirmation of the applicability of the methodology and monitoring and controlling instruments and operational arrangements.
- Assessment of the project boundaries
- Assessment of the monitoring provisions by checking the monitoring arrangement.

2.5 Resolution of Findings

This section summarizes the findings from the validation of the project activity. In this section the findings from the document review, assessments and remote interviews are provided.

Material discrepancies identified in the course of the validation are addressed either as CARs, CLs or FARs.

Corrective action requests (CAR) are issued, where:

- i. mistakes have been made with a direct influence on project results requiring adjustments of the VERs/VCUs monitoring report;
- ii. applicable methodological specific requirements have not been met.

A **Clarification request (CL)** may be used where additional information is needed to fully clarify an issue or where the information is not transparent enough to establish whether a requirement is met.

A total 03 CAR, and 04 CLs had been raised and successfully resolved. Please refer to Appendix 4 below for the details of the CARs/CLs and their closure.

2.5.1 Forward Action Requests

No FAR has been issued.

3 VALIDATION FINDINGS

3.1 Project Details

The project “SHINE – Distribution of LED Lightbulbs in India-6”, is a small scale grouped project which employs baseline and monitoring methodology; AMS.II-C “Demand-side energy efficiency activities for specific technologies” version 15.0 /B02/which is the small-scale methodology. The grouped project involves distribution of LEDs in northern state of Bihar within the eastern Uttar Pradesh, within the Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL) network circle. This grouped project has distributed around 4,634,219 LEDs as on 01-July-2022 to 928,699 grid connected households for domestic lighting usage. The project results result in reduction of CO₂ emissions that are real, measurable and give long-term benefits to the mitigation of climate change. Section 1.1. of the VCS PD contains a clear summary description of the project activity. The completeness and accuracy of the project description was validated through remote interviews.

The project proponent for the project activity is Brightspark Energy Private Limited (Indian Subsidiary and Project Management Entity of C-Quest Capital LLC), owns the rights to VERs/05/,/11//21/. Convergence Energy Services Limited are the project implementer for this grouped project. C-Quest Capital LED Asia Ltd. is the project financier for this grouped project/21/.

The start date for the grouped project is 25/03/2021 /03/ which is the date of distribution of first LED under this project activity.

The crediting period starts on 25/03/2021 /03/, which coincides with the starting date of the project activity, and last for 10 years, fixed. This is in accordance with paragraph 3.8.1 of the VCS standard version 4.3 /B01-a/ for non-AFOLU projects. The total estimated GHG emission reductions expected from the total number of 928,699 project activity instances under the grouped project are 11,417,780 tCO_{2e} for the ten years crediting period. Further, the annual average emission reductions from total number of 928,699 project activity instances under the grouped project are estimated to be 1,141,778 tCO_{2e} per year.

The indication of the project activity instance location and the geographic boundaries is provided in section 1.12. of the VCS PD. They are in accordance with paragraph 3.10.1 of the VCS Standard and can confirm that the project activity boundary is uniquely defined. The grouped project location and geographic boundaries of the project are those of the eastern Uttar Pradesh, within the Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL) network circle. This is in accordance with paragraph 3.5.8 of the VCS standard version 4.3 /B01-a/, which requires grouped projects to have one or more clearly defined geographic areas within which new project activity instances may be developed.

The VCS PD clearly indicates the project scope, which is scope 3: Energy demand, and more specifically demand -side energy efficiency project. The project is a small scale grouped project, this is indicated in section 1.2. of the VCS PD.

Baseline scenario derived from the applied methodology has been applied correctly and is transparently and sufficiently documented in the registered CDM CPA-DDs/B04/ and section 1.13 of the PD /01/. As defined in the registered CDM PoA-DD/B04/ under corresponding Generic CPA, Section I.5., the baseline is “continued use of existing luminaries in the households”. The CPAs involve replacement of LED lamps. The replaced LED would be energy efficient in comparison to the conventional incandescent lamp (ICL) and reduces the need for electricity. The electricity is supplied by the grid which is pre-dominantly fossil fuel based. In the absence of the project activity, the equivalent amount of electricity would have been supplied by the Indian grid, which is fed majorly based on fossil fuel fired plants. The baseline scenario is as per the requirements paragraph 51 of applied methodology AMS.II-C version 15.0/B02/.

The validation team further confirms that the project activity does not fall in the list of projects or activities requiring environmental impact assessment. The project type/category is not included in the “List of projects or activities requiring prior environmental clearance” included in the Environmental Impact Assessment (EIA) notification of the Ministry of Environment and Forest (MOEF), Government of India, 2006. Hence project comply with relevant local, regional and national laws, statutes and regulatory frameworks. The proposed small scale grouped project has not been rejected under any other GHG programs. There is no Commercially Sensitive Information excluded from the VCS-PD. PP has also clearly stated the contribution to sustainable development in regards with the economic sustainability, environmental sustainability, social sustainability and technological sustainability under section 1.18 of the VCS-PD /01-c/.

The proposed grouped project is an energy efficiency project activity and is located in a non-Annex I country. Therefore, the ER generated would not be part of an emission trading program, nor it is located in a jurisdiction or sector with binding limits. The project proponent intends to claim carbon credits under the VCS programme only for the emission reductions achieved. The PP states in the VCS PD that the emission reductions generated by this project will not be used for compliance with an emission-trading

program or to fulfil binding commitments. In fact, at the time of validation, no binding targets have been set by India under the Kyoto protocol, as indicated in the UNFCCC website /B05/.

The project proponent has already registered this small scale grouped project under 10484-P1-0006-CP1 under POA “SHINE – Distribution of LED Lightbulbs in India.”.

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The project is not rejected by any other GHG Programs

The proposed project activity instances do not generate another form of environmental credit. The project proponent indicates in the VCS PD that the project does not intend to generate any other form of GHG related environmental credit other than those claimed under this VCS project.

Commercially Sensitive Information

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

Additional Information:

In the proposed grouped project, LEDs that will be distributed to the consumers are not transferred from another activity; hence leakage emissions are not applicable. Also, project activity instances implemented under this grouped project activity will monitor the scrapping of replaced ICLs /fluorescent tubes in line with footnote 10 of the applied methodology.

Moreover, as verified from the PD, the project contributes positively towards economic, environmental, social and technological sustainable development benefits.

Eligibility criteria of the grouped project activity

The eligibility criteria have been provided clearly in section 1.4 of the PD /01-c/ and then justification provided for inclusion of project activity instances as per VCS standard version 4.3.

The maximum energy savings from a single project activity instance are calculated to be 1.53 MWh (considering five 12 W LEDs have replaced five ICLs in a household). Therefore, it is evident that the aggregate energy savings by a single project activity instance shall not exceed the equivalent of 60 GWh per year. Thus, each project activity instance under this grouped project meets the applicability criteria of the applied small-scale methodology and therefore it is deemed accepted that this grouped project does not fall under the excluded list of projects.

Sl. No.	Eligibility criteria for the inclusion of new project activity instances	Supporting Evidences	Assessment by the validation team

1.	Methodology Conditions: Meet the applicability conditions set out in the methodology applied to the project: The project activity instance shall use AMS-II.C- Demand-side energy efficiency activities for specific technologies, Version 15.0. and shall meet all the applicability conditions.	Details of how each project activity instance meets the requirements of the methodology can be confirmed from the registered CPA-DD.	The validation team reviewed the registered CDM CPA-DD/B04/ and all the applicability conditions set out in the applied methodology /B02/ is deemed appropriate to the validation team. Thus, the eligibility criteria has been met for the new project activity instances under this grouped project.
2.	Technology Conditions: - Use the technologies or measures specified in the project description: New LEDs will replace existing incandescent lamp (ICL). The lumen output of the project LEDs would be between 90%-150% of the lumen output of the baseline incandescent lamps.	Technical Specifications of the LEDs provided by manufacturer have been provided to the VVB at the time of validation of instances under the grouped project.	The Validation team reviewed the manufacturer specification/04/ of the LEDs provided by PP and remote interviews analyze that the project LEDs will replace existing ICL under this grouped project. Moreover, the LEDs technical specification is also provided in the registered CDM CPA-DD /B04/ and in section 1.11 of the PD/1-c/. Thus, the eligibility criteria has been met for the new project activity under this grouped project.
3.	Baseline Scenario Conditions:- New project activity instances are subject to	Baseline Scenario can be confirmed from the registered CPA-DD¹.	The validation team reviewed the registered CDM CPA-DD/B04/ baseline scenario is appropriately described in the section B.3 and inline with the VCS requirements.

¹https://cdm.unfccc.int/ProgrammeOfActivities/cpa_db/L4XT6COND7KEVO2ZFW9AJIBQR5HSGM/view

	the baseline scenario determined in the project description for the specified project activity and geographic area: The baseline is “continued use of existing luminaries in the households”. This also conforms to paragraph 51 of applied methodology according to which, “assumed baseline scenario is that lighting by the project lamps would have been provided by the lamps collected and replaced by the project activity”.		Thus, the eligibility criteria has been met for the new project activity instances under this grouped project Validation Report: VCS Version 4.1
4.	Additionality Conditions:- Have characteristics with respect to additionality that are consistent with the initial instances for the specified project activity and geographic area: Net Present Value (NPV) is the financial indicator against which the Project activity instances will demonstrate investment barrier.	Net Present Value (NPV) calculation spreadsheet. Same has been provided to the VVB at the time of validation of instances under the grouped project.	PP has calculated NPV of the project activity instances and provided detailed investment analysis sheets/08/. Validation team checked all the input values (cash inflow and cash outflow) opted for NPV calculation with their respective evidences/08/ and found it appropriate. Key cash inflow assumptions has been assessed as follows: 1. One time cash collected from households: Validation team has checked the opted value ₹10/ICL from the mail dated 25/12/2020.. Key cash outflow assumptions are as follows: 2. Procurement cost of LED: Validation team checked the procurement cost of LED:

			Average cost of LED ₹89, calculated from email dated 24/12/2020. 3. Disposal of ICLs: Validation team has checked the calculation for disposal of ICLs and found appropriate, conformance with section 10.1 of referred ICL collection and disposal agreement /16/. 4. Replacement cost for fused LEDs: Validation team has checked the calculation and found that CME has calculated this value based on Lamp failure rate. Further, The considered LED lamp failure rate of 1% has been found conformance with referred Ujala dashboard (Govt. of India) and above mentioned Procurement cost of LED. The validation team confirms that the assumption, calculation found reliable and appropriate. 5. Distribution cost of LED: CME has opted distribution cost of LED as ₹20/LED. Validation team checked the investment analysis calculation and found that considered distribution cost of LED is in conformance with the referred source i.e. from email dated 25/12/2020 from LED manufacturer, HPL Electric & Power Limited. 6. Validation cost: ₹605,800 referred from the contract between CCIPL and Brightspark Energy Private Limited 7. Verification cost: ₹530,000 referred from the contract between CCIPL and Brightspark Energy Private Limited 8. Monitoring Survey Cost: ₹1,000,000 referred from the
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			contract between Brightspark Energy Private Limited and CPASS Services LLP for monitoring services 9. Software development cost: ₹ 2,520,000 sourced from the email dated 22/12/2020 Validation Report: VCS Version 4.1 Assessment of discount rate considered: Discount rate: Validation team has verified the opted India 10-Year Bond Historical Data discount rate of 5.92% from Reserve Bank of India weblink (https://m.rbi.org.in/scripts/WSSView.aspx?Id=23212) and found appropriate. The financial calculations have been verified and found appropriate. It is clearly established that projects have negative NPV without revenues. Furthermore, the validation team has checked that even if the cash outflows corresponding to Distribution cost of LEDs; ICL Transport, Scrap Handling, and Disposal; LED Collection, Transportation, and Disposal; are excluded still the NPV remains negative. Based on the above assessment, validation team concludes criteria has been met for the new project activity instances under this grouped project.
5.	Defined geographic area Conditions:- Occur within one of the designated geographic areas specified in the project description: Eastern Uttar Pradesh, within the Purvanchal Vidyut Vitaran Nigam	Project Activity Instance Database containing geographical coordinates of each consumer to which LEDs are distributed. Same will be provided to the verifying VVB at the time of verification of instances under the grouped project.	The validation team through review of the registered CDM CPA-DD /B04/ ,section 1.11 of the PD/1-c/, remote interviews and a self-declaration letter from the PP /14//15/ for this project activity, the validation team is able to confirm that the new project activity instances are located eastern Uttar Pradesh, within the Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL).

	Limited (PuVNL) network circle.		Thus, based on the above assessment, validation team concludes criteria has been met for the new project activity instances under this grouped project.
6.	Ownership Conditions:- Have evidence of project ownership, in respect of each project activity instance, held by the project proponent from the respective start date of each project activity instance: A default Beneficiary Agreement for end users including the provision that emission reductions generated by the project activity are owned by the Project Proponent will be provided for project activity instance.	Copy of Consent letter/record of consent given from End User to Project Proponent regarding emission reduction claims. Same has been provided to the VVB at the time of validation of instances under this grouped project.	The validation team through review of the registered CDM CPA-DD /B04/, VCS PD /01-c/, End user declaration/undertaking template/11/ (relinquishment of VERs from end user to PP) upon registration of end-user in the database; validation team is able to confirm that all end user under the new project instance has signed the undertaking at the time of its registration process mentioning clearly that right to VER is secured by the Project Proponent. Thus, based on the above assessment, validation team concludes criteria has been met for the new project activity instances under this grouped project.
7.	Start Date Conditions:- The project activity instance start date will be same as or later date than the grouped project start date.	Copies of signed consent letter/ record of consent given by end user to Project Proponent for first LED distributed for each project activity. Same has been provided to the VVB at the time of validation of instances under this grouped project.	The grouped project titled, “SHINE – Distribution of LED Lightbulbs in India-6”, has started implementation on 25/03/2021 and invoice cum consent deed/03/ for end user dated 25/03/2021 has been submitted by PP. PP has considered the start date as the date on which the first energy efficient LED has been distributed under this grouped project The validation team reviewed the provided supportive documents and confirms that the start date is inline with the VCS requirements. Thus, based on the above assessment, validation team concludes criteria has

			been met for the new project activity instances under this grouped project.
8.	Capacity limit Conditions:- Where a capacity limit applies to a project activity included in the project, no project activity instance shall exceed such limit: 1. The aggregate energy savings by a single project activity instance shall not exceed the equivalent of 60 GWh per year as mentioned in applicable methodology AMS II-C: Demand-side energy efficiency activities for specific technologies, Version 15.0 2. Each project activity instance that exceeds one percent of the capacity limit (i.e., 0.6 GWh) shall be identified. 3. Such instances shall be divided into clusters, whereby each cluster is comprised of any system of instances such that each instance is within one kilometer of at least one other instance in the cluster. Instances that are not	Project Activity Instance ER Spreadsheet containing estimation of annual energy saving from each project activity instance. Same has been provided to the VVB for Shine CPA 6 PAI 1.	The maximum annual energy savings from each project activity instance are calculated to be 1.53 MWh which is well below 1% (i.e, 0.6 GWh) of capacity limit (considering replacement of five 100 W ICLs with five 12 W LEDs in a grid connected household). Therefore, the project activity instances under this grouped project shall not be assigned to clusters. The validation team reviewed the emission reduction spread sheet /02/and conducted remote interviews. Maximum number of LEDs that can be distributed in a single household will not exceed the one percent of capacity limit capacity under project activity instance. Therefore, it is not required to divide any project activity instance into clusters. This criterion is deemed appropriate and it can be verified from each project activity instance as per the emission reduction spreadsheet as well as the database included in the grouped project.

	within one kilometer of any other instance shall not be assigned to clusters.		
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PP has further, stated the eligibility criteria as per Appendix 2 of the VCS Standard v4.3 (page 64) in section 1.3 of the VCS-PD /01-c/, for a CDM Component Project Activity (CPA) that does not include afforestation and/or reforestation activities, three conditions have been stated as mentioned below-

i) The CPA shall be part of a Program of Activities (PoA) with an original program crediting period start date on or after 1 January 2016; or

ii) Where the CPA is part of a Program of Activities (PoA) with an original program crediting period start date from 1 January 2013 to 31 December 2015 and where the CPA has an original crediting period start date from 1 January 2013 to 31 December 2015, the CPA shall have issued credits during the period 1 January 2016 to 5 March 2021, or shall have a status of "issuance requested" by 5 March 2021; or

iii) Where the CPA is part of a PoA with an original program crediting period start date from 1 January 2013 to 31 December 2015 and where the CPA has an original crediting period start date on or after 1 January 2016, no prior credit issuance is required.

The validation team further confirms that the project activity fall in condition (i) above applicable to this grouped project activity and the CPA 10484-P1-0006-CP1 is eligible to be transferred from CDM to VCS under VERRA.

Thus, the validation team confirms that the project description of the project contained in the VCS PD/01/ to be complete and accurate.

3.2 Safeguards

3.2.1 No Net Harm

As identified by PP project has no negative impact. The potential negative environmental and socio-economic impacts identified by the project proponent and have been listed in section 2.1 of the PD.

Every additional project activity instance to be added to this Grouped Project will summarize any potential negative environmental and socio-economic impacts and the steps taken to mitigate them.

The validation team confirms that for the project does not pose any potential negative environmental and socio-economic impacts. A local stakeholders meeting was conducted for the project and there was no negative feedback.

3.2.2 Local Stakeholder Consultation

The stakeholder consultation meeting was held in Hyderabad, India and was conducted at CDM POA level which are listed in the section F of the CDM POA-DD.

The validation team confirms on the procedure and method for engagement, method for documenting the outcomes of local stakeholders' consultation and account of all inputs received. The validation team confirms that the project proponent has taken due account of all input (no negative comments were received for the project). Hence the validation team deemed the local stakeholders meeting procedure including the inputs received as appropriate.

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3.2.3 Environmental Impact

As per the need for an EIA, Environmental Impact Assessments in India are regulated through No environmental impacts have been identified by the project proponent.

3.2.4 Public Comments

The public commenting period for the project was from 14-April-2022 to 14-May-2022. No public comments were received for the grouped project.

3.2.5 AFOLU-Specific Safeguards

Not Applicable.

3.3 Application of Methodology

3.3.1 Title and Reference

The Grouped Project has referred one of the CDM approved methodology as mentioned below:

- AMS.II-C. "Demand-side energy efficiency activities for specific technologies; Version 15.0"

The associated tools and guideline documents in the Grouped Project include:

- Methodology: AMS-I. D: Grid connected renewable electricity generation; Version 18.0
- Standard: CDM project standard for Programmes of activities Version 02.0
- Methodological tool 19: Demonstration of additionality of microscale project activities Version 09.0
- Methodological tool 21: Demonstration of additionality of small-scale project activities Version 12.0
- Guideline: General guidelines for SSC CDM methodologies Version 22.1

3.3.2 Applicability

The project applies CDM methodology; AMS.II-C, version 15.0/B02-a/. Applicability criteria for the baseline line methodology are assessed by the validation team by means of document review and interview. Validation team confirms that the project activity meets the criteria of the applied methodology and this has been stated under CDM CPA 6 Validation report.

3.3.3 Project Boundary

The Grouped Project boundary is defined as per AMS.II-C version 15.0. "Demand-side energy efficiency activities for specific technologies, (Version 15.0)".

The sources of greenhouse gas identified in the PD/01/ are deemed to be appropriate and assessed below:

The project boundary for the grouped project consists of the physical, geographical locations of the distributed LEDs limited to within India. This includes LEDs distributed to grid connected households for domestic lighting usage.

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3.3.4 Baseline Scenario

The project activity will use methodology AMS.II.C version 15.0. This is the transition project from CDM to VCS the data available during the inclusion of CPA 6 on the UNFCCC website and the VERRA site has been use for validation. Since the project activity that apply the indicative simplified methodology AMS.II-C version 15.0, the baseline scenario for this project activity is the one indicated by this methodology. New LEDs will replace existing incandescent lamps (ICLs) in instance under the grouped project, thus satisfying all the relevant applicability criteria of the methodology AMS- II.C (version 15.0) /B02-a/. This was verified by End user declaration/undertaking template /13/, the technical specification of LEDs/04/forthe instances under the grouped project . The baseline described in the PD complies with the requirements of the methodology and this has been validated during the CDM CPA 6 Inclusion. Validation team confirms that the baseline scenario opted by the project activity is in accordance with the requirements of the applied methodology/B02-a/ and is justified.

3.3.5 Additionality

The additionality of the grouped project has been demonstrated by the PP as per the methodology section 7 /B02/. PP has calculated NPV of the instances under the grouped project and provided detailed investment analysis sheets/03/. Validation team checked all the input values (cash inflow and cash outflow) opted for NPV calculation with their respective evidences/08/ and found it appropriate.

Key cash inflow assumptions has been assessed as follows:

- 1) One time cash collected from households: Validation team has checked the opted value ₹10/ICL from the mail dated 25/12/2020..

Key cash outflow assumptions are as follows:

- 2) Procurement cost of LED: Validation team checked the procurement cost of LED:Average cost of LED is ₹ 89, calculated from email dated 24/ 12/2020.
- 3) Disposal of ICLs: Validation team has checked the calculation for disposal of ICLs and found appropriate, conformance with section 10.1 of referred ICL collection and disposal agreement /16/.
- 4) Replacement cost for fused LEDs: Validation team has checked the calculation and found that CME has calculated this value based on Lamp failure rate. Further, The considered LED lamp failure rate of 1% has been found conformance with referred Ujala dashboard (Govt. of India)

and above mentioned Procurement cost of LED. The validation team confirms that the assumption, calculation found reliable and appropriate.

- 5) Distribution cost of LED: PP has opted distribution cost of LED as ₹20/LED. Validation team checked the investment analysis calculation and found that considered distribution cost of LED is in conformance with the referred source i.e. from email dated 25/12/2020 from LED manufacturer, HPL Electric & Power Limited.
- 6) Validation cost: ₹605,800 referred from the contract between CCIPL and Brightspark Energy Private Limited
- 8) Monitoring Survey Cost: ₹1,000,000 referred from the contract between Brightspark Energy Private Limited and CPASS Services LLP for monitoring services
- 7) Verification cost: ₹530,000 referred from the contract between CCIPL and Brightspark Energy Private Limited
- 9) Software development cost: ₹ 2,520,000 sourced from the email dated 22/12/2020.

Assessment of discount rate considered:

Discount rate: Validation team has verified the opted India 10-Year Bond Historical Data discount rate of 5.92% from Reserve Bank of India weblink (<https://m.rbi.org.in/scripts/WSSView.aspx?Id=23212>) and found appropriate.

The financial calculations have been checked and verified and deemed appropriate. It is clearly established that projects has negative NPV without CDM revenues.

Furthermore, the validation team has checked that even if the cash outflows corresponding to Distribution cost of LEDs; ICL Transport, Scrap Handling, and Disposal; LED Collection, Transportation, and Disposal; are excluded still the NPV remains negative.

Therefore, the validation team confirms that the grouped project is additional and all the project activity instances that will be included in the grouped project will meet the eligibility criteria. Thus the grouped project is additional – the emission reductions achieved by the project would be below those that would have occurred without the implementation of the project.

3.3.6 Quantification of GHG Emission Reductions and Removals

The equations and choices provided in the methodology and all other methodological tools are correctly quoted in the PD/01/. The emission reductions of the project instances of the grouped project would be calculated using the formulae mentioned in the applied methodology; AMS.II-C (version 15.0)/B02/.

Validation team based on the review of the PD /01/, confirms that the formulae are correctly presented for the determination of emissions reductions at project instance level. The parameters and equations presented in the PD/01/, as well as other applicable documents, have

been compared with the information and requirements presented in the methodology respectively. An equation comparison has also been made to ensure consistency between all the formulae presented in the PD/01/ and ER spreadsheet/02/ and methodology AMS.II-C (version 15.0)/ B02/.

According to applied methodology AMS-II.C (version 15.0)/B02-a/ the emission reduction for the grouped project are calculated as below:

Baseline Emissions:

According to paragraphs 20 and 21 of the applied methodology, Option 1 i.e. 'Constant Load Equipment's' is applicable for the present project. Baseline emission is calculated using the following equations:

$$BE_y = E_{BL,y} \times EF_{CO2,ELEC,y} + Q_{ref,BL} \times GWP_{ref,BL}$$

As the project entails replacement of LED in place of ICLs hence no refrigerant is involved. The above equation is then modified as:

$$BE_y = E_{BL,y} \times EF_{CO2,ELEC,y}$$

BE_y = Baseline emissions in year y (tCO₂e)

$E_{BL,y}$ = Energy consumption for the baseline (ICLs) in year y (kWh)

$EF_{CO2,ELEC,y}$ = Electricity emissions factor. If electricity displaced is grid, the emission factor in year y shall be calculated in accordance with the provisions in AMS-I.D (tCO₂/MWh). If electricity displaced is captive electricity, the emission factor in year y shall be calculated in accordance with the "Tool to calculate baseline, project and/or leakage emission from electricity consumption"

Energy consumption for baseline in year y is calculated as:

$$E_{BL,y} = \sum_i (n_i \times \rho_i \times o_i / (1 - l_y))$$

Where,

n_i = Number of pieces of equipment of the group of 'i' baseline equipment (ICLs) replaced.

ρ_i = Electrical power demand (kW) of the group of 'i' baseline equipment (e.g. 60W or 100W incandescent lamps).
In the case of more than one type of ICLs are replaced, electrical power demand is the weighted average of the rated power (kW) of group i baseline equipment (ICLs).

O_i = Average annual operating hours of the group of 'i' baseline equipment (ICLs).

The operating hours of the baseline equipment in year y can be determined using surveys by continuous measurement of usage hours of baseline equipment for a minimum of 90 days. For a large population of baseline equipment: (a) Use a representative sample (sampling determined by a minimum 90% confidence interval and 10% maximum error margin); (b) Apply correction for seasonal variation, if any; and (c) Ensure that sampling is statistically robust and relevant, i.e. the selection of the equipment to be analysed for operating hours has a random distribution and is representative of target population (size, location).

l_y = Average annual technical grid losses (transmission and distribution) during year y for the grid serving the locations where the devices are installed, expressed as a fraction. This value shall not include non-technical losses such as commercial losses (e.g. theft). The average annual technical grid losses will be determined using recent, accurate and reliable data available for the host country. This value can be determined from recent data published either by a national utility or an official governmental body. The reliability of the data used (e.g. appropriateness, accuracy/uncertainty, especially exclusion of non-technical grid losses) will be established and documented by the project participant. A default value of 0.1 shall be used for average annual technical grid losses, if no recent data are available or the data cannot be regarded accurate and reliable

Project Emission:

Project emissions on account of electricity used by the project equipment shall be calculated according to following equations:

$$PE_y = E_{PE,y} \times EF_{CO2,ELEC,y} + PE_{ref,y}$$

Where,

PE_y = Project emissions in year y (tCO₂e)

$EP_{PJ,y}$ = Energy consumption in project activity in year y. This shall be determined ex post based on monitored values

$EF_{CO2,y}$ = Emission factor for electricity or thermal baseline energy. The emissions associated with grid electricity consumption should be calculated in accordance with the procedures of AMS-I.D. For fossil fuel displaced reliable local or national data for the emission factor shall be used; IPCC default values should be used only when country or project-specific data are not available or difficult to obtain

$PE_{ref,y}$ = Project emissions from physical leakage of refrigerant from the project equipment in year y (tCO₂e/y)

As the project entails replacement of LED in place of ICLs hence no refrigerant is involved. The above equation is then modified as:

$$PE_y = E_{PE,y} \times EF_{CO2,ELEC,y}$$

Where,

$$E_{PE,y} = \sum_i (n_i \times \rho_i \times o_i / (1 - l_y))$$

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Where,

- n_i = Number of group 'i' project devices operating during time interval t in year y.
- ρ_i = Electrical power demand (kW) of the group 'i' project devices measured during the time interval t in year y.
- o_i = Operating hours of group of 'i' project devices in the time interval t in year y

PP has monitored the operating hours of the project LEDs continuously for a period of 90 days from October 2021 to April 2022 with the help of run time meters installed on a sample of project LEDs. The data thus measured was used for calculating average annual operating hours. PP has followed conservative approach by excluding the erroneous data and outliers for calculation of operational hours of the project LEDs. This has been followed by calculation of correction factor according to paragraph 22 of applied methodology AMS-IL.C., version 15 to take into account the seasonal variations observed during monitoring. To account for lower operating hours during summer, data taken into consideration is of New Delhi as it was observed to be most conservative in terms of day length variation between summer and winter months. PP has applied the correction factor of 0.0729 which has given a value of 9.13 operating hours for project LEDs. Same value has been used to determine the operating hours of baseline ICLs. The validation team has checked the operating hours calculation sheet/20/ and the calculation deemed to be appropriate.

The total number of project activity instances under this grouped project would achieve a total emission reduction of 11,417,780 tCO₂e in the 10-year fixed crediting period and the annual average emission reductions from total number of 928,699 project activity instances under the grouped project are of 11,41,778 tCO₂e per year as indicated in the final VCS PD /01-c/ and also in the ER spread sheet /02-c/.

In conclusion, all values used in the VCS PD to calculate emission reductions are considered reasonable in the context of the proposed grouped project "SHINE – Distribution of LED Lightbulbs in India-6" and calculation approach is correct.

3.3.7 Methodology Deviations

No methodology deviations have been applied to the project activity.

3.3.8 Monitoring Plan

The grouped project employs baseline and monitoring methodology namely AMS.II-C, version 15.0/B02-a/. According to section 5.1 and 5.2 of PD/01-c/, the parameters determined ex-ante and those to be monitoring ex post as per the requirements of the methodology are described in the registered CDM CPA-DD/B04/. Validation Report: VCS Version 4.1

Validation team confirms that the overall monitoring plan complies with the requirements of the methodology AMS.II-C (version 15.0)/B02-a/, the monitoring arrangements describes in the monitoring plan are feasible within the project design and the project proponents will be able to implement the described monitoring plan.

3.4 Non-Permanence Risk Analysis

This is not applicable to the project activity as the Project is not an AFOLU (Agriculture, Forestry and Other Land Use) project.

4 VALIDATION CONCLUSION

The Project Participant, Brightspark Energy Private Limited, has commissioned the VVB, Carbon Check (India) Private Ltd. to perform an independent validation of the VCS grouped project “SHINE – Distribution of LED Lightbulbs in India-6”. This report summarizes the findings of the validation of the project, performed on the basis of VCS criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

The validation process was performed on the basis of all guidance and criteria as provided in VCS Standard version 4.3 /B01-a/, VCS Program Guide version 4.2/B01-b/, VCS Validation and Verification Manual version 3.2 /B01-c/ and Registration & Issuance Process version 4.2 /B01-d/.

The project activity provides the information in PD/01/ as required by the VCS Standard /B01-a/ and Validation and Verification Manual /B01-c/ and in Carbon Check’s opinion meets the requirements of the applied baseline and monitoring methodology, AMS.II.C version 15.0 /B02/and is likely to achieve the estimated emission reductions. The validation has been performed using a risk- based approach, as described above. The expected annual average emission reductions from the total number of 928,699 project activity instances under the grouped project are 11,41,778 tCO₂e and the total emission reductions from the total number of 928,699 project activity instances for the crediting period is 11,417,780 tCO₂e.

Carbon Check (India) Private Ltd concludes the validation with a positive opinion that the VCS grouped project “SHINE – Distribution of LED Lightbulbs in India-6”, as described in the PD (version 2.1, dated

16/07/2022) /01-c/ and the project activity instances meets all the applicable VCS requirements, including those specified in the Project Standard, relevant methodology, tools and guidelines.

The selected baseline and monitoring methodology (AMS.II-C, Version 15.0) is applicable to the project and correctly applied. Carbon Check (India) Private Ltd therefore requests the registration of the project as a VCS project activity.

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APPENDIX 1.1: REFERENCE DOCUMENTS

Ref	Document
/01/	Validation Report: VCS Version 4. Project description titled: a) SHINE – Distribution of LED Lightbulbs in India-6 (version 1.1; dated:17/02/2022) b) SHINE – Distribution of LED Lightbulbs in India-6 (version 2.0; dated:21/06/2022) c) SHINE – Distribution of LED Lightbulbs in India-6 (version 2.1; dated:16/07/2022)
/02/	a) ER estimated spread sheet correspond to /01-a/ b) ER estimated spread sheet correspond to /01-b/ c) ER estimated spread sheet correspond to /01-c/
/03/	Invoice cum consent deed (evidence for the start date of the grouped project)
/04/	• Technical specification of the LED being implemented under project activity • Life Test Report for 7W and 12W as per IS 16102 (Part 2):2012.
/05/	Proof of right of VERs.
/06/	Company registration certificate for the PP
/07/	Local stakeholders meeting related evidence
/08/	Net Present Value Analysis Spreadsheet correspond to /01-a/ a) Proof of cash inflow assumptions of NPV worksheet. 1) One time cash collected from households: ₹10/ICL from the mail dated 25/12/2020. b) Description and estimates of the cash outflow assumptions of NPV worksheet by CME. Key cash outflow assumptions are as follows: 1) Procurement cost of LED: Average cost of LED for ₹ 89, sourced from email dated 24/12/2020. 2) Disposal of ICLs: calculated based on ICL collection and disposal agreement / 16/. 3) Replacement cost for fused LEDs: Calculated based on Lamp failure rate sourced from Ujala dashboard (Govt. of India) and above-mentioned Procurement cost of LED. 4) Distribution cost of LED: ₹20/LED sourced from email dated 25/12/2020 from LED manufacturer, HPL Electric & Power Limited. 5) Software development cost : ₹ 2,520,000 sourced from the email dated 22/12/2020. 6) Validation cost: ₹605,800 referred from the contract between CCIPL and Brightspark Energy Private Limited 7) Monitoring Survey Cost: ₹1,000,000 referred from the contract between Brightspark Energy Private Limited and CPASS Services LLP for monitoring services 8) Software development cost: ₹ 2,520,000 sourced from the email dated 22/12/2020.

	c) Proof of discount rate considered. a) Discount rate of 5.92% (India 10-Year Bond Historical Data - Investing.com India) sourced from Reserve Bank of India weblink (https://m.rbi.org.in/scripts/WSSView.aspx?Id=23212)
/09/	Evidence for unique identification of LEDs.
/10/	PP declaration for non-involvement of any public funding from Annex I countries for the PoA and the CPA
/11/	Proof of right of relinquishment of VERs from the end users
/12/	Baseline survey records
/13/	• Sample sales records/warranty cards for the LED • Monitoring survey questionnaire template • Copies of signed consent letter/record of consent given by End user to PP for first LED distributed under each project activity instance
/14/	Declaration from the project proponent on defined geographical boundary under this grouped project. Declaration from project proponent on no double counting of the project LEDs under this grouped project.
/15/	Declaration from the project proponent that the project has not or shall not claim carbon credits any other scheme after Registration of the project under VCS. Declaration from the project proponent that the project is not creating any other form of environmental credit under any specific program.
/16/	Destruction Certificate of baseline lamps. between CME and Auctus E-Recycling Solutions (P) Ltd. dated 11/02/2019
/17/	Training records (attendance sheet)
/18/	Host Country Approval to the PoA available on UNFCCC website.
/19/	Validation contract in between CCIPL and “ Brightspark Energy Private Limited ” dated 01/04/2022.
/20/	Operating hours calculation sheet version 01
/21/	C-Quest Capital LED Asia Ltd. – Energy Efficiency Services Limited (“EESL”) Carbon Asset Management Agreement dated 24/06/2020

APPENDIX 1.2: BACKGROUND DOCUMENTS

Ref	Document
/B01/	VCS Requirements Validation Report: VCS Version 4.1 - VCS Standard (v4.3, dated 22/06/2022) - VCS Program Guide (v4.2, dated 22/06/2022) - VCS Validation and Verification Manual version (v3.2, dated 19/10/2016) - Registration & Issuance Process (v4.2, dated 22/06/2022) - VCS Program Definitions version (v4.2, dated 22/06/2022) - VCS PD template version 4.1
/B02/	Applied baseline and monitoring methodology AMS II C, “Demand-side energy efficiency activities for specific technologies; Version 15.0”
/B03/	General Guidelines to SSC CDM methodologies, Version 22.1
/B04/	CDM registered POA DD and corresponding validation report CDM registered CPA DD and corresponding validation report
/B05/	Website and links: - IPCC (http://www.ipcc-nggip.iges.or.jp) http://cdm.unfccc.int http://www.v-c-s.org

APPENDIX 2: ABBREVIATIONS

CDM	Clean Development Mechanism
BE	Baseline Emission
CAR	Corrective Action Request
CC IPL	Carbon Check (India) Private Ltd.
CDM	Clean Development Mechanism
CL	Clarification Request
CO ₂	Carbon Dioxide
CO _{2e}	Carbon Dioxide Equivalent
DPR	Detailed project report
DVR	Draft Validation Report
EB	CDM Executive Board
EF	Emission Factor
ER	Emission Reduction
FAR	Forward Action Request
FVR	Final validation Report
GHG	Greenhouse gas(es)
GWh	Giga Watt Hour
IPCC	Intergovernmental Panel on Climate Change
MW	Mega Watt
MWh	Mega Watt Hour
NA	Not Applicable
OSV	On Site Visit
PD	Project Description
PP	Project Proponent
QC/QA	Quality control/Quality assurance
TR	Technical Review
UNFCCC	United Nations Framework Convention on Climate Change
VCS	Verified Carbon Standard
VCSA	Verified Carbon Standard Association
VCU	Verified Carbon Unit
VVB	Validation Verification Body
VVM	Validation and Verification Manual
VVS	Validation and Verification Standard

Validation Report: VCS Version 4.1

APPENDIX 3: CERTIFICATES OF COMPETENCE



Carbon Check (India) Private Ltd.

Ms. Pallavi Gedam

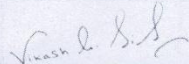
has been qualified as per CCIPL's internal qualification procedures, in accordance with requirements of Accreditation Standard (version 07.0):

For following functions:

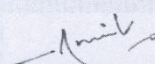
Validator	☒	Team Leader	☒	Technical reviewer	☐
Verifier	☒	Technical Expert	☒	Local Assessor ¹	☒

In the following Technical Areas:

TA 1.1	☐	TA 4.1	☐	TA 9.1	☐	TA 13.1	☐
TA 1.2	☒	TA 5.1	☐	TA 9.2	☐	TA 13.2	☐
TA 3.1	☒	TA 5.2	☐	TA 10.1	☐	TA 14.1	☐



Mr. Vikash Kumar Singh
Compliance Officer



Mr. Amit Anand
CEO

Date of Approval
29/11/2021

Valid Till
28/11/2022

Revision History of the Document

01/03/2020² 01/09/2020 24/12/2020 29/11/2021	Interim Revision for office address change Interim Revision for CCIPL logo change Annual Revision Revision in response to qualification as Team Leader and Technical Expert
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¹ India

² Please refer to previous version of competency certificates for the revision history.

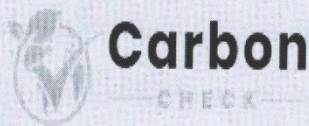
CARBON CHECK (INDIA) PRIVATE LIMITED

CIN: U74930DL2012PTC232495

Regd. Off: 2071/38, 2nd Floor, Naiwala, Karol Bagh, New Delhi - 110005

Corporate off: Unit No. 1701, Logix City Centre Office Tower, Plot No. BW-58, Sector-32 Noida, Uttar Pradesh

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Carbon Check (India) Private Ltd.

Ms. Indumathi. C

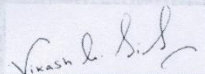
has been qualified as per CCIPL's internal qualification procedures, in accordance with requirements of Accreditation Standard (version 07.0):

For following functions:

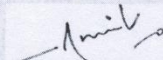
Validator	☐	Team Leader	☒	Technical reviewer	☒
Verifier	☐	Technical Expert	☒	Local Assessor ¹	☒

In the following Technical Areas:

TA 1.1	☒	TA 4.1	☐	TA 9.1	☐	TA 13.1	☒
TA 1.2	☒	TA 5.1	☐	TA 9.2	☐	TA 13.2	☒
TA 3.1	☒	TA 5.2	☐	TA 10.1	☐	TA 14.1	☐



Mr. Vikash Kumar Singh
Compliance Officer



Mr. Amit Anand
CEO

Date of Approval
24/12/2021

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01/03/2020 ²	Interim Revision for office address change
01/09/2020	Interim Revision for CCIPL logo change
24/12/2020	Annual Revision
24/12/2021	Annual Revision

¹ India.

² Please refer to previous version of competency certificates for the revision history.

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APPENDIX 4: FINDINGS LOG

Table 1. CARs from this validation

Validation Report: VCS Version 4.1

Finding	CAR 01		
Classification	☒ CAR	☐ CL	☐ FAR
Description of finding (VVB)	In section 1.4 of the PD, PP needs to cover all eligibility criteria points as per section 3.5.15 and 3.5.16 of VCS standard.		
Corrective Action or clarification #1 (PP shall write a detailed and clear corrective action or further information for clarification as per finding)	In the revised VCS PD v2, section 1.4 has been updated which now includes all the eligibility criteria points as per section 3.5.15 ad 3.5.16 of VCS standard v4.3.		
VVB Assessment #1 <i>The assessment shall encompass all open issues in the finding. In case of non-closure, additional corrective action and VVB assessments (#2, #3, etc.) shall be added.</i>	PP has provided the revised PD which covers all the eligibility criteria points stated in VCS standards Version 4.3. Hence CAR 01 is closed.		
Conclusion <i>Tick the appropriate checkbox</i>	☐ To be checked during the next periodic verification ☐ Outstanding finding (not closed) ☒ The finding is closed		

Finding	CAR 02		
Classification	☒ CAR	☐ CL	☐ FAR
Description of finding (VVB)	As per the § 3.20.3 (3) of the VCS standard version 4.2 states “The project start date for such projects is the date on which the first activity under the program of activities began reducing or removing GHG emissions”. Also, PP to check the crediting period start date. PP to check and rectify the start date and crediting period start date of the project activity.		
Corrective Action or clarification #1 (PP shall write a detailed and clear corrective action or further information for clarification as per finding)	The Project Start Date is the date on which the project began generating GHG emission reductions or removals; equal to “Project Crediting Period Start Date”. Project Crediting Period Start Date is the date on which the project began generating GHG emission reductions or removals; equal to “Project Start Date”. First energy efficient LED under this grouped project was distributed on 25-March-2021. Thus, the project start date is considered as 25-March-2021. Project		

Finding	CAR 02
	Crediting Period is considered from 25-March-2021 to 24-March-2031. This is in line with the section 2.2 of Clarification 2 published by VERRA on 19-April-2022 and further updated on 21-April-2022². Further, the inclusion date of SHINE CPA 6 as per the CPA inclusion form is 10 April 2021. Since the inclusion date on the CPA inclusion form³ is within two years of the project start date(25-March-2021), this project is eligible to complete validation under VCS in line with the clarification to VCS Standard, v4.3, Section 3.20. Section 1.8 and 1.9 of the VCS PD v2.0 have been rectified accordingly.
VVB Assessment #1 <i>The assessment shall encompass all open issues in the finding. In case of non-closure, additional corrective action and VVB assessments (#2, #3, etc.) shall be added.</i>	As per the § 3.20.3 of VCS Standard version 4.3 “The CPA shall have been included under the associated PoA within the relevant timeframe for projects to complete validation that is set out in Section 3.7. For example, for non AFOLU projects, the inclusion date on the CPA inclusion form shall be within two years of the project start date”. Validation team has checked the CPA inclusion date on the CDM webpage is 11/02/2021, and the PP stated the start date of the project as the date on which the first energy efficient LED under this grouped project was distributed on 19/03/2021. As per the clarification submitted by PP, and the start date 19/03/2021 found to be appropriate and in line with the requirement as per the section 3.20.3 of the VCS standard v4.3. Also, the PP has submitted the evidences for the start date 19/03/2021, the same has been checked and

² <https://verra.org/wp-content/uploads/2022/04/VCS-Program-Clarifications-19-April-2022-rev.pdf>

³ https://cdm.unfccc.int/ProgrammeOfActivities/cpa_db/S9LG8NV6RJQ4WBFE7K3PD5A2IOTYMU/view

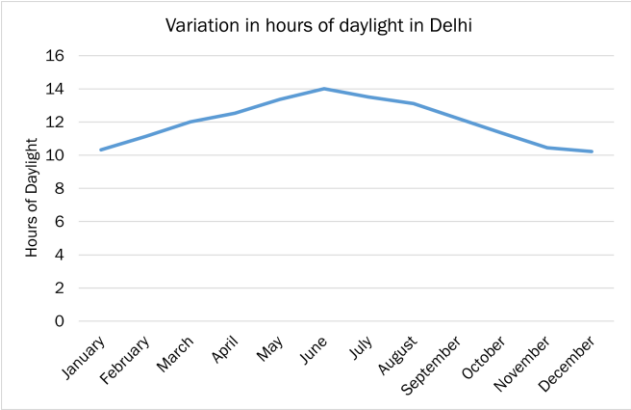
Finding	CAR 02
	verified by the validation team. Hence the justification provided by PP is deemed appropriate. CAR 02 is closed
Conclusion <i>Tick the appropriate checkbox</i>	☐ To be checked during the next periodic verification ☐ Outstanding finding (not closed) ☒ The finding is closed

Finding	CAR 03
Classification	☒ CAR ☐ CL ☐ FAR
Description of finding (VVB)	PP is requested to clarify the source of the parameter operating hours, which is estimated as 5 hours per day for the estimation of ex ante CERs in section B.4.3 of the CPA DD.
Corrective Action or clarification #1 <i>(PP shall write a detailed and clear corrective action or further information for clarification as per finding)</i>	The PP wishes to state that in line with the clarifications SSC_740⁴ and paragraph 28 of the 'Report of the Twenty-fifth meeting of the Small Scale Working Group⁵, it had the option to monitor the operating hours of either the project equipment or the baseline equipment for calculation of baseline emission and/or project emission. Hence, the PP has chosen to monitor the operating hours of project LEDs for a period of 90 days at representative households to determine the operating hours of project LEDs and same value has been used to determine the operating hours of baseline ICLs. Previously to estimate ex-ante baseline emissions and project emissions, the operating hours were assumed as 5 hours per day. However, as per the monitoring survey results received, 9.04 operating hours per day have been considered in the revised emission reduction spreadsheet v2.0 and VCS PD v2.0. The operating hours calculation spreadsheet v1.0 is being submitted to the VVB. As per applied methodology paragraph 22 page 8, continuous measurement of usage hours of baseline equipment for a minimum of 90 days is required for determination of operating hours.

⁴ <https://cdm.unfccc.int/methodologies/SSCmethodologies/clarifications/70767>

⁵ https://cdm.unfccc.int/Panels/ssc_wg/meetings/025/ssc_025_rep.pdf

Finding	CAR 03
	Steps undertaken to determine operating hours of project LEDs are as follows: 1. The PP has done monitoring from October 2021 to April 2022. The recorded data is saved on the server which is only accessible to the developer of the server. The downloaded files in .csv format are then shared with PP for analysis. 1) 2. Exclusion of erroneous data: After receiving the data, the PP manually sorted data to remove all readings which showed high values for extended period. Such data was also excluded from calculation as there was probability that it could be on account of erroneous recording such as malfunction of runtime meter (although it cannot be ruled out that the device was working for the extended period). To be on a conservative side, PP deemed it fit not to consider this data for calculation purposes. 3. Exclusion of outliers: The PP has also excluded outliers which showed significantly different values from the observed values, and which could have been missed during manual analysis. The objective of removing outlier was to clean the database further of any data that could result in misrepresentation of actual values and could skew the operating hours calculations in direction of the outliers. The Upper and Lower cut off range were identified using following equations 1 and 2 Lower Bound Limit= Range).....(1) Higher Bound Limit= Range).....(2) Q1-(1.5*Inter Quartile Q3+(1.5*Inter Quartile Hence, all the values which were lying below the lower bound and above the upper bound were removed from further analysis. Thus, by applying this data cleaning approach at two levels, i.e., manual and statistical analysis, the PP has followed most conservative approach in calculation of operating hours. 4. Calculation of correction factor:

Finding	CAR 03																										
	Further, according to paragraph 22 of applied methodology AMS II.C., version 15⁶; a correction factor is required to be applied in case seasonal variation is observed. Hence, in line with the requirement of methodology, the PP has applied a correction factor to account for lower operating hours during summer. The following approach has been used for calculating this factor: As the daylight hours of a place affect the number of hours for which the project LED is used, same has been used for calculation of the correction factor. The average hours of darkness (directly proportional to operating hours of the luminaries) for each month were calculated by subtracting daylight hours from 24 hours of the data. The data taken into consideration is of New Delhi as it was observed to be most conservative in terms of day length variation between summer and winter months.  <table border="1"> <caption>Data for Figure 1: Month wise Trend Analysis of Average Daylight Hours in Delhi</caption> <thead> <tr> <th>Month</th> <th>Hours of Daylight (approx.)</th> </tr> </thead> <tbody> <tr><td>January</td><td>10.5</td></tr> <tr><td>February</td><td>11.5</td></tr> <tr><td>March</td><td>12.5</td></tr> <tr><td>April</td><td>13.5</td></tr> <tr><td>May</td><td>14.0</td></tr> <tr><td>June</td><td>14.0</td></tr> <tr><td>July</td><td>13.5</td></tr> <tr><td>August</td><td>12.5</td></tr> <tr><td>September</td><td>11.5</td></tr> <tr><td>October</td><td>10.5</td></tr> <tr><td>November</td><td>10.5</td></tr> <tr><td>December</td><td>10.5</td></tr> </tbody> </table> Figure 1: Month wise Trend Analysis of Average Daylight Hours in Delhi⁷ The PP has calculated correction factor by applying the following equation 3: $CF = (DH_{\text{monitoring}} - DH_y) / DH_y \quad (3)$ Where-	Month	Hours of Daylight (approx.)	January	10.5	February	11.5	March	12.5	April	13.5	May	14.0	June	14.0	July	13.5	August	12.5	September	11.5	October	10.5	November	10.5	December	10.5
Month	Hours of Daylight (approx.)																										
January	10.5																										
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August	12.5																										
September	11.5																										
October	10.5																										
November	10.5																										
December	10.5																										

⁶ <https://cdm.unfccc.int/methodologies/DB/7Y44EN2RTD02AJ78JVWCGARE8W64KP>

⁷ <https://www.worlddata.info/asia/india/sunset.php#:~:text=The%20times%20of%20sunrise%20and,longest%20days%20are%20in%20Juni.>

Finding	CAR 03						
	CF- correction factor DH_{monitoring}- Average hours of darkness excluding Average hours of darkness for months which were not taken into consideration for the current monitoring period (May-September) DH_y- Average daylight hours for the year The PP has applied correction factor for calculating operating hours. Result: The resulting operating hours after correction for the grouped project are as follows: <table><tr><th>Correction factor</th><th>Operating hours before applying correction factor</th><th>Operating Hours after applying correction factor</th></tr><tr><td>0.0729</td><td>9.76</td><td>9.04</td></tr></table>	Correction factor	Operating hours before applying correction factor	Operating Hours after applying correction factor	0.0729	9.76	9.04
Correction factor	Operating hours before applying correction factor	Operating Hours after applying correction factor					
0.0729	9.76	9.04					
VVB Assessment #1 <i>The assessment shall encompass all open issues in the finding. In case of non-closure, additional corrective action and VVB assessments (#2, #3, etc.) shall be added.</i>	PP has provided the spreadsheet as evidence for calculation of operating hours and the total operating hours of the project LEDs after applying correction factor is 9.047 has been calculated for Uttar Pradesh. The validation team has checked the operating hour calculation sheet and verified the same. Hence the justification provided by PP is deemed appropriate CAR 03 is closed.						
Conclusion <i>Tick the appropriate checkbox</i>	☐ To be checked during the next periodic verification ☐ Outstanding finding (not closed) ☒ The finding is closed						

Table 2. CLs from this validation

Finding	CL 01
Classification	☐ CAR ☒ CL ☐ FAR
Description of finding (VVB)	As per section B.4.2 of the CDM CPA DD, the value of ex ante parameter Li (rated average operating hours for LED type i) is mentioned as 25,000 hours. Life test report provided for 7W and 12W life test report need to be provided.

Finding	CL 01
	However, as per CDM PoA DD version 07, should be “Determined from independent life-tests of the LEDs as per national international standard or any other industry admissible test”. <i>Validation Report: VCS Version 4.1</i> PP is requested to provide evidence to confirm the requirement of the CDM PoA-DD.
Corrective Action or clarification #1 <i>(PP shall write a detailed and clear corrective action or further information for clarification as per finding)</i>	As per Clause 11 of IS 16012 (Part 2): 2017, on Lamp Life, “Compliance of lumen maintenance after 25 percent of the life time or 6000 h implies that the lamps would have a life of 25000 h or as declared by the manufacturer with a failure fraction of B₉₀.” Further in line with the Clause 11.2 of IS 16012 (Part 2): 2017 on Lumen Maintenance an individual LED lamp is considered to have passed the test when the following criteria have been met: a. The measured luminous flux value at 25 percent of rated life (6000 hrs, rated lamp life is 25000 hours declared by the manufacturer) (with a maximum duration of 6000 h) shall not be less than the luminous flux pertaining to the maximum lumen maintenance value related to the rated life as defined and provided by the manufacturer (L70) b. The measured lumen maintenance shall correspond with the lumen maintenance category as defined and provided by the manufacturer which corresponds to Lumen maintenance category- Code 7) Therefore, in line with the requirements stated in clauses 11 and 11.2 of IS 16012 (Part 2): 2017, individual 12 W LEDs (No. of lamps tested: 20) passed the lamp life tests. The lamp life test certificate for 12 W LEDs is being submitted to the VVB. Meanwhile, report generated with testing performed at 0 hour (Initial) is being submitted to VVB as evidence of required test under process.
VVB Assessment #1 <i>The assessment shall encompass all open issues in the finding. In case of non-closure,</i>	The Life test report of 12 W LED has been provided by the PP, which is inline with the requirements of the CDM PoA DD as highlighted in the CL. The Life test report of 7 W LED

Finding	CL 01
additional corrective action and VVB assessments (#2, #3, etc.) shall be added.	is under process at the time of validation. However, since all LEDs are compliant with IS 16102 (Part 2):2012 and therefore, PP considered Life test report of 12 W in lieu of 7W LED. As clarified above, the LEDs distributed under this grouped project 1 would be BIS certified and thus for the 7W LED and 12 W LED the 25,000 hours of rated life as declared by the manufacturer is justified and acceptable to the validation team. Hence the CL 01 is closed.
Conclusion Tick the appropriate checkbox	☐ To be checked during the next periodic verification ☐ Outstanding finding (not closed) ☒ The finding is closed

Finding	CL 02								
Classification	☐ CAR ☒ CL ☐ FAR								
Description of finding (VVB)	PP is requested to provide NPV sheet								
Corrective Action or clarification #1 <i>(PP shall write a detailed and clear corrective action or further information for clarification as per finding)</i>	The investment analysis sheet has been submitted to the VVB.								
VVB Assessment #1 <i>The assessment shall encompass all open issues in the finding. In case of non-closure, additional corrective action and VVB assessments (#2, #3, etc.) shall be added.</i>	In line with the clause 5 of section 3.5.15 of VCS Standard, the Net Present Value (NPV) is the financial indicator against which the Project activity instances will demonstrate investment barrier. The investment analysis sheet_v2.0 is being submitted to the VVB wherein calculation of NPV has been demonstrated in three cases with results as follows: <table border="1"> <thead> <tr> <th>Case</th><th>Scope</th></tr> </thead> <tbody> <tr> <td>Total LEDs under grouped project</td><td>3,762,058 (combination of 7 W and 12 W LEDs)</td></tr> <tr> <td>Lower bound analysis*</td><td>7 W LED (5*** in number)</td></tr> <tr> <td>Upper bound analysis**</td><td>12 W LED (5 in number)</td></tr> </tbody> </table>	Case	Scope	Total LEDs under grouped project	3,762,058 (combination of 7 W and 12 W LEDs)	Lower bound analysis*	7 W LED (5*** in number)	Upper bound analysis**	12 W LED (5 in number)
Case	Scope								
Total LEDs under grouped project	3,762,058 (combination of 7 W and 12 W LEDs)								
Lower bound analysis*	7 W LED (5*** in number)								
Upper bound analysis**	12 W LED (5 in number)								

Finding	CL 02
	Since the NPV value is negative for all the three cases without carbon finance, instances under grouped project are additional. Note: * 7 W LEDs have been considered in Lower bound analysis due to their lower cost than 12 W LEDs ** 12 W LEDs have been considered in Upper bound analysis due to their higher cost than 7W LEDs. ***Maximum five number of LEDs have been distributed per Household under grouped project.
VVB Assessment #1 <i>The assessment shall encompass all open issues in the finding. In case of non-closure, additional corrective action and VVB assessments (#2, #3, etc.) shall be added.</i>	PP has submitted the NPV sheet, this has been checked with all the relevant sources and evidences listed out in the Appendix 1.1 of the validation report. Hence deemed appropriate CL 02 is closed.
Conclusion <i>Tick the appropriate checkbox</i>	☐ To be checked during the next periodic verification ☐ Outstanding finding (not closed) ☒ The finding is closed

Finding	CL 03
Classification	☐ CAR ☒ CL ☐ FAR
Description of finding (VVB)	In section 1.10 of the PD, PP has mentioned “The estimated greenhouse gas emission reductions for the first Project Activity Instance (Shine CPA 5 PAI 1) are summarized in the following table” As PP has considered each household as a PAI, then how is the emission reduction table defined. PP to clarify the same.
Corrective Action or clarification #1 <i>(PP shall write a detailed and clear corrective action or further information for clarification as per finding)</i>	A project activity instance is defined as number of project devices, i.e., number of LEDs distributed to each grid connected household that are being served by Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL) in eastern Uttar Pradesh.

Finding	CL 03
	Maximum number of 5 LEDs (7W and 12 W) will be distributed in grid connected household in eastern Uttar Pradesh under single project activity instance. Hence all the previous references in the VCS PD v1.1 to “first Project Activity Instance” in relevant sections have now been revised in line with the stated definition of instance under this grouped project.
VVB Assessment #1 <i>The assessment shall encompass all open issues in the finding. In case of non-closure, additional corrective action and VVB assessments (#2, #3, etc.) shall be added.</i>	PP has submitted the revised PD, and transparently defined the PAI in this grouped project, this has been checked and verified by the validation team. Hence deemed appropriate CL 03 is closed.
Conclusion <i>Tick the appropriate checkbox</i>	☐ To be checked during the next periodic verification ☐ Outstanding finding (not closed) ☒ The finding is closed

Finding	CL 04
Classification	☐ CAR ☒ CL ☐ FAR
Description of finding (VVB)	In section 2.4 of the VCS PD, PP needs to address the comments received during the VCS public commenting period.
Corrective Action or clarification #1 <i>(PP shall write a detailed and clear corrective action or further information for clarification as per finding)</i>	Section 2.4 of the revised VCS-PD v2.0 has been revised to include information about the public comments received post listing of the VCS PD on the VERRA registry.
VVB Assessment #1 <i>The assessment shall encompass all open issues in the finding. In case of non-closure, additional corrective action and VVB assessments (#2, #3, etc.) shall be added.</i>	PP has revised the section 2.2 of the PD, this is been checked and verified by the validation team. Hence CL 04 is closed.
Conclusion <i>Tick the appropriate checkbox</i>	☐ To be checked during the next periodic verification ☐ Outstanding finding (not closed) ☒ The finding is closed