



Voluntary Carbon Standard Version 2007

19 November 2007

Verification Report:

Name of Verification company:	Date of the issue:
Bureau Veritas Certification Holding SAS	19 December 2008
Report Title:	Approved by:
Verification Report of Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.'s NG Power Generation Project	Robin Wang Jing
Client:	Project Title:
Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.	Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.'s NG Power Generation Project

Summary:

Bureau Veritas Certification has made the verification of the Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.'s NG Power Generation Project (hereafter referred to as "the Project") of Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd. (the project owner) located in Zhejiang Province, P.R.China, UNFCCC CDM Registration no.1344 on the basis of Voluntary Carbon Standard (VCS) 2007 Program and UNFCCC criteria for the CDM, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 12 of the Kyoto Protocol, as well as the host country criteria.

The verification scope is defined as a periodic independent review and ex post determination by the Designated Operational Entity of the monitored reductions in GHG emissions during defined verification period, and consisted of the following three phases: i) desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion. The overall verification, from Contract Review to Verification Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

In summary, Bureau Veritas Certification confirms that the project is implemented as planned and described in VCS PD and validated and registered CDM project design documents. Installed equipment being essential for generating emission reduction runs reliably and is calibrated appropriately. The monitoring system is in place and the project is ready to generate GHG emission reductions. The GHG emission reduction is calculated without material misstatements.

Our opinion relates to the project's GHG emissions and resulting GHG emissions reductions viz. Voluntary Carbon Units (VCUs) reported and related to the valid and registered project baseline and monitoring, and its associated documents. Based on the information we have seen and evaluated we confirm the actual amount of VCUs associated with the project specific monitoring report that has been verified as following statement:

Reporting period:	From 09/01/2007 to 25/03/2008
Baseline emissions	: 335,771 t CO ₂ equivalents.
Project emissions	: 163,178 t CO ₂ equivalents.
Emission Reductions	: 172,592 t CO ₂ equivalents

Work carried out by:	Number of pages:
Team Leader: Liao Ling Team Member: Zeng Ziyuan Reviewer: Robin Wang	15

Table of Contents

1	INTRODUCTION.....	4
1.1	Objective	4
1.2	Scope and Criteria	4
1.3	VCS Project Description	4
1.4	Level of Assurance.....	5
2	METHODOLOGY	5
3	VERIFICATION FINDINGS	6
3.1	Project Implementation	7
3.2	Internal and External Data	7
3.3	Management and Operational System	10
3.4	Completeness of Monitoring	10
3.5	Accuracy of Emission Reduction Calculations	11
3.6	Quality Evidence to Determine Emissions Reductions	12
3.7	Management System and Quality Assurance	12
4	VERIFICATION CONCLUSION	14
5	REFERENCES.....	14

1. Introduction

Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd. (the project owner) has commissioned Bureau Veritas Certification to verify the emission reductions of its voluntary emission reduction (VER) project i.e. Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.'s NG Power Generation Project (hereafter called "the Project") located in Hongqiao Village, Zhenhai District, Ningbo City, Zhejiang Province, P.R. China for the period from 09/01/2007 to 25/03/2008 prior to its CDM first crediting period.

Bureau Veritas Certification as the verification body of the Project has been accredited as a DOE by UNFCCC and also meets the competence requirements as set out in ISO 14065:2007.

1.1 Objective

Verification is the periodic independent review and ex-post determination by the verification body of the monitored reductions in GHG emissions during defined verification period.

The objective of verification is one-off Periodic Verification for the VCU's generated by the Project before its CDM first crediting period as from 26/03/2008 and after the time limit of project start day 28/03/2006 as prescribed in Clause 5.2.1 of VCS 2007 Program.

VCS 2007 Program and 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.

1.2 Scope and Criteria

The verification scope is defined as an independent and objective review of the CDM Project Design Document (PDD), the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against VCS 2007 requirements, UNFCCC rules and associated interpretations.

The verification is not meant to provide any consulting towards the Client. However, stated requests for forward actions and/or corrective actions may provide input for improvement of the project monitoring towards reductions in the GHG emissions.

1.3 VCS Project Description

This engagement covers emissions and emission reductions from anthropogenic sources of GHG included within the project boundary of the Project and monitoring period as below.

Project Title	Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.'s NG Power Generation Project
UNFCCC Registration no. of CDM Project	1344 registered on 26/03/2008
Monitoring Period Covered in this Report	09/01/2007 to 25/03/2008
Project Participants	Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.
Location of the Project Activity	Hongqiao Village, Zhenhai District, Ningbo City, Zhejiang Province, China 121°43' East longitude, 29°59' North latitude

Key facilities (Capacity)	795.6MW (397.8MW x 2)
Gas turbine	PG9351FA,390MW made by GE Power
Heat Recovery Steam Generator	HF-9FA-285.49/9.87-566.5-3P(R), supplied by Ha'erbin Heat Recovery Boiler Plant (domestic)
Steam turbine	D10—33.5, supplied by Ha'erbin Steam Turbine Plant,
Heat recovery steam generator	390H made by Ha'erbin Power Generation Plant (domestic)

The Project consists of two sets of gas-steam combined cycle for power generation units with the total capacity of 795.6MW. The generated electricity will be sold into the Zhejiang Grid, a sub-grid of an independent regional grid- East China Power Grid (ECPG) via the 220KV Substation (grid owned).

The Project has been registered as CDM project under approved CDM methodology AM0029. version 01 and ACM0002 version 06.
<http://cdm.unfccc.int/Projects/DB/DNV-CUK1189684459.76/view>

By on-site assessment and document review, the verification team confirmed that the first set of Gas-Steam Combined Cycle unit have been put into operation since January 2007 and the second set since April 2007. The electricity generated is supplied to Zhejiang Provincial Grid, a branch of East China Power Grid (ECPG). The power delivery and subsequent transaction are under the prescriptions in the Power Purchase Agreement (PPA) signed between the grid company and the PP in January 2007.

1.4 Level of Assurance

The verification report is based on VCS PD, VCS Monitoring Report, supporting evidences made available to the verifier and information collected through performing interviews and during the on-site assessment. The verification conclusion is assured the credibility of all above.

2. Methodology

The verification is as a desk review and field visit including discussions and interviews with selected experts and stakeholders.

In order to ensure transparency, a verification protocol was customized for the Project, according to the Validation and Verification Manual (EB 44 Annex 3) a verification protocol is used as part of the verification. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from verifying the identified criteria. The verification protocol serves the following purposes:

- It organises, details and clarifies the requirements the project is expected to meet; and
- It ensures a transparent verification process where the verifier will documents how a particular requirement has been verified and the result of the verification;

The verification protocol consists of one table under Initial Verification checklist and two tables under Periodic verification checklist. The different columns in these tables are described in Figure 1. The completed verification protocol is enclosed in Appendix A to this report.

Initial Verification Protocol Table 1			
Objective	Reference	Comments	Conclusion (CARs/FARs)
The requirements the project must meet	Gives reference to where the requirement is found.	Description of circumstances and further comments on the conclusion	This is either acceptable based on evidence provided (OK), or a Corrective Action Request (CAR) of risk or non-compliance of the stated requirements. Forward Action Request (FAR) indicates essential risks for further periodic verifications.

Periodic Verification Checklist Protocol Table 2: Data Management System/Controls		
Identification of potential reporting risk	Identification, assessment and testing of management controls	Areas of residual risks
The project operator's data management system/controls are assessed to identify reporting risks and to assess the data management system's/control's ability to mitigate reporting risks. The GHG data management system/controls are assessed against the expectations detailed in the table.	A score is assigned as follows: • Full - all best-practice expectations are implemented. • Partial - a proportion of the best practice expectations is implemented • Limited - this should be given if little or none of the system component is in place.	Description of circumstances and further commendation to the conclusion. This is either acceptable based on evidence provided (OK), or a Corrective Action Request (CAR) of risk or non compliance with stated requirements. The corrective action requests are numbered and presented to the client in the verification report. The Initial Verification has additional Forward Action Requests (FAR). FAR indicates essential risks for further periodic verifications.

Verification Protocol Table 3: Resolution of Corrective Action and Clarification Requests			
Report clarifications and corrective action requests	Ref. to checklist question in tables 2/3	Summary of project owner response	Verification conclusion
If the conclusions from the Verification are either a Corrective Action Request or a Clarification Request, these should be listed in this section.	Reference to the checklist question number in Tables 2, 3 and 4 where the Corrective Action Request or Clarification Request is explained.	The responses given by the Client or other project participants during the communications with the verification team should be summarized in this section.	This section should summarize the verification team's responses and final conclusions. The conclusions should also be included in Tables 2, 3 and 4, under "Final Conclusion".

The overall verification, from Contract Review to Verification Report & Opinion, was conducted using Bureau Veritas Certification procedures.

3. Verification Findings

In the following sections, the findings of the verification are stated. The verification findings for each verification subject are presented as follows:

- 1) The findings from the desk review of the initial VCS PD and the findings (CARs, CLs and FARs) from interviews during the follow up visit are summarized. A more detailed record of the discussions and the conclusions that followed the possible corrective action requests are encapsulated in the Verification Protocol.
- 2) The conclusions for verification subject are presented.

3.1 Project Implementation

As part of the verification, the on-site inspections have been performed on 6 Dec. 2008. According to the on-site inspection, the verification team confirmed that the Project has been implemented and commissioned before the date of CDM registration. All facilities and equipments as described in VCS PD and registered CDM PDD have been installed.

The two sets of Gas-Steam Combined Cycle unit as described in VCS PD and registered CDM PDD have been put into operation as from January 2007. The project facilities and generation records of the turbines were verified against the on-site verification and found to be substantial and consistent with the description of VCS PD and registered CDM PDD. Verification team has verified the nameplates of the turbines. By checking the Acceptance Letter of Construction issued by the local government the verification team confirmed that the construction of the Project was in accordance with the requirements of quality and environment protection.

3.2 Internal and External Data

According to the PD the following internal parameters need be monitored in accordance with the methodology AM0029 version 01 and together with ACM 0002 version 06 which are also applied for CDM crediting period.

- i) $EG_{PJ, y}$ and $EG_{IN, y}$ (MWh) Amount of electricity generated by the Project sold to the ECPG and electricity purchased from ECPG

The electricity generated by the Project is delivered properly to the grid through the 220 KV power line (main line) as per the signed PPA with the grid company. The electricity exported to the grid is metered by two revenue meters while the electricity imported from the grid is metered by the other revenue meter installed in the same substation. The above meters have duly been sealed by ECPG. In the project site, the relevant check meters has been installed and monitored for metering this electricity.

The reading records are also subject to double check against the corresponding electricity sales receipts viz. monthly-wise Balance Advise Note per the cut-off time (the end day 24:00 of each month)set by the grid company.

The reported data of VCS Monitoring Report (MR) is generated based on the hourly readings records of the above main meters which are bi-directional electronic trivector meters with a function of continuously metering the electricity exported to and imported from the the ECPG.

The verification team has verified the reading records of the main meters by further cross-checking with the relevant receipts and found that the reported data is to be substantial.

In addition, the reading records of the check meters in the project site have been checked also to enhance the substantiality of the outcome from the main meters.

The verification team is able to verify that the procedures and data logging of monitoring the net electricity delivered to ECPG. The above reading records has been found consistent with the requirement of AM0029 version 01 and Monitoring Plan of the registered CDM PDD. The above meters annually under the signed PPA with ECPG.

The specification details of above meters and calibration records verified during site visit as below Table 1.

Table 1.

Power lines	Specification of Metering Equipment
Power line to 220 KV Substation"	Function: Bi-directional electronic trivector
	Accuracy class: 0.2S
	Model: 3P4W
	ID No.: 206654297 (main export) 206654296 (main export) 206654295 (main import)

Based on the above qualified electricity metering system the reported data has thus been verified as below Table 2.

Table 2.

Period	Electricity supplied to the Grid (MWh)	Electricity imported from the Grid (MWh)	Net Electricity supplied to the Grid (MWh)
09/01/2007-30/04/2007	6,864.00	2,960.32	3,903.68
01/05/2007-31/05/2007	25,652.00	1,194.16	24,457.84
01/06/2007-30/06/2007	142480.80	865.04	141,615.76
01/07/2007-31/07/2007	103,259.20	1,441.44	101,817.76
01/08/2007-31/08/2007	49,825.60	1,454.64	48,370.96
01/09/2007-30/09/2007	7,629.60	1,224.08	6,405.52
01/10/2007-31/10/2007	10,832.80	775.28	10,057.52
01/11/2007-30/11/2007	38,227.20	1,344.64	36,882.56
01/12/2007-31/12/2007	0	671.44	-671.44
Subtotal in 2007	384,771.20	11,931.04	372,840.16
01/01/2008-31/01/2008	0	444.40	-444.40
01/02/2008-29/02/2008	16,852.00	1,146.64	15,705.36
01/03/2008-31/03/2008	0	0	0
Subtotal in 2008	16,852.00	1,591.04	15,260.96
Total			388,101.12

- ii) $FC_{f,y}$ (m^3) The total volume of NG consumed by the Project.

Natural gas is supplied by the Zhejiang Provincial Natural Gas Development Co., Ltd. through its pipeline from gas wells up to the power plant boundary under a 20 years Fuel Supply Agreement signed with the project owner. Fuel gas supplier have the necessary pressure regulation, conditioning and tariff gas metering station near the power plant to ensure proper monitoring and quantification of gas intake in the power plant.

The natural gas consumption at the project site is continuously metered through Ultrasonic flowmeter system installed at the gas station. The monitoring system for natural gas consumption has been found consistent with the requirement of AM0029 version 01 and monitoring plan of the registered PDD.

The specification of gas flow monitoring equipment was verified during verification site visit. The Ultrasonic flowmeter computer system for gas flow monitoring is calibrated on periodic intervals by the gas supplier Zhejiang Provincial Natural Gas Development Co., Ltd. The calibration records were checked and found within validity period. The reference of the joint calibration reports has been checked as below Table 3:

Table 3.

NG Metering Station	Metering Equipment Specification
Zhejiang Provincial Natural Gas Development Co., Ltd.	Function: Ultrasonic flowmeter
	Make: Instronet Ultrasonics B.V.
	Model: Q-Sonic 4 / 12"
	Accuracy class: 0.5
	ID No.: 3315

- iii) $NCV_{f,y}$ (GJ/m^3) The net calorific value per volume unit of nature gas

Net Calorific Value of natural gas used is based on the Gross Calorific Value in fortnight Gas Invoices provided by the NG gas supplier. In the monitoring report the Net Calorific Value of the NG is calculated according to the IEA industry standard (1 Net Calorific Value = 0.9 Gross Calorific Value).

By on-site assessment, the verification team confirm that the data acquisition and data processing systems are well in place. The calorific values data are maintained by the Planning Department, which is further verified/ reviewed by CDM group director with assistant of the CDM consultant company.

The monthly and annual reported data were cross-checked with fortnight natural gas supply invoices containing weighted average calorific value for fortnight as provided by the natural gas supplier. Based on the above qualified NG metering system the reported data has thus been verified as below Table 4 and found consistent.

Table 4

Period	Volume of NG consumed by project (m ³)	Weight Average Gross Calorific Value of NG (MJ/ m ³)	Weight Average Net Calorific Value of NG (MJ/ m ³)
01/01/2007-31/01/2007	1,089,936	37.03	33.32
01/02/2007-28/02/2007	845,371	37.13	33.42
01/03/2007-31/03/2007	901,357	37.17	33.45
01/04/2007-30/04/2007	736,743	37.07	33.37
01/05/2007-31/05/2007	6,740,426	37.21	33.49
01/06/2007-30/06/2007	28,711,542	37.56	33.81
01/07/2007-31/07/2007	21,456,050	36.74	33.07
01/08/2007-31/08/2007	10,521,712	36.76	33.08
01/09/2007-30/09/2007	1,695,817	36.83	33.15
01/10/2007-31/10/2007	2,738,887	36.61	32.95
01/11/2007-30/11/2007	7,471,946	36.62	32.96
01/12/2007-31/12/2007	0		
Subtotal in 2007	82,909,787		
01/01/2008-31/01/2008	0		
01/02/2008-29/02/2008	4,252.159	37.32	33.58
01/03/2008-25/03/2008	0		
Subtotal in 2008	4,252.159		
Total	87,161,946		

3.3 Management and Operational System

The VCS PD has clearly prescribed the management and operational procedures for the various steps involved in the Project, which includes monitoring, recording, archiving of the data and training procedure for all personnel involved in the Project. The procedures are available as a documentation which has been verified by verification team and found to be consistent with the registered CDM PDD and CDM monitoring methodology AM0029 version 01 and ACM0002 version 06.

Management Reviews are evidently taking place to discuss the various aspects like generation, trouble shooting etc.

3.4 Completeness of Monitoring

The reporting procedures reflect the description of the VCS PD. The monitoring mechanism with practicable procedures has been verified to be effective and reliable.

The documented evidences and records submitted by the project proponent to determine emission reductions have been verified as of sufficient quantity and appropriate quality.

3.5 Accuracy of Emission Reduction Calculations

The calculation of emission reductions has been verified be appropriate, conservative and in accordance with the CDM methodology AM0029 version 01 and ACM0002 version06.

3.5.1 Project Emission

The Project activity is a on-site combustion of natural gas to generate electricity and without auxiliary fuels in project operation. According to AM0029 version 01, the CO₂ emissions (PE_y) from electricity generation are calculated as follows:

$$PE_y = FC_{f,y} \times COEF_y \text{ tCO}_2$$

$$COEF_{f,y} = \sum NCV_y \times EF_{CO_2,f,y} \times OXID_f$$

$NCV_{f,y}$: is the net calorific value (energy content) per volume unit of natural gas in year y (GJ/m³) as determined from the fuel supplier;

$EF_{CO_2,f,y}$: is the CO₂ emission factor per unit of energy of natural gas in year y (tCO₂/GJ) as determined from the fuel supplier;

$OXID_f$: is the oxidation factor of natural gas.

According to AM0029, the verification re-produced the reported value of Project Emission as below Table 5.

Table 5.

Period	FC _y m ³	NCV MJ/m ³	EF _C tC/TJ	EF _{CO₂} tCO ₂ /TJ	OXID	PE tCO ₂ e
01/01/2007-31/01/2007	1,089,936	33.32	15.30	56.10	1.00	2,038
01/02/2007-28/02/2007	845,371	33.42	15.30	56.10	1.00	1,585
01/03/2007-31/03/2007	901,357	33.45	15.30	56.10	1.00	1,691
01/04/2007-30/04/2007	736,743	33.37	15.30	56.10	1.00	1,379
01/05/2007-31/05/2007	6,740,426	33.49	15.30	56.10	1.00	12,664
01/06/2007-30/06/2007	28,711,542	33.81	15.30	56.10	1.00	54,450
01/07/2007-31/07/2007	21,456,050	33.07	15.30	56.10	1.00	39,800
01/08/2007-31/08/2007	10,521,712	33.08	15.30	56.10	1.00	19,528
01/09/2007-30/09/2007	1,695,817	33.15	15.30	56.10	1.00	3,153
01/10/2007-31/10/2007	2,738,887	32.95	15.30	56.10	1.00	5,063
01/11/2007-30/11/2007	7,471,946	32.96	15.30	56.10	1.00	13,815
01/12/2007-31/12/2007	0	-	-	-	-	0
Subtotal in 2007	82,909,787					155,167
01/01/2008-31/01/2008	0	-	-	-	-	0
01/02/2008-29/02/2008	4,252,159	33.58	15.30	56.10	1.00	8,011
01/03/2008-25/03/2008	0	-	-	-	-	0
Subtotal in 2008	4,252,159					8,011
Total	87,161,946					163,178

3.5.2 Baseline Emission Reductions

Baseline emissions are calculated by multiplying the electricity generated by the Project ($EG_{PJ,y}$) with a baseline CO₂ emission factor ($EF_{BL,CO_2,y}$), as follows:

$$BE_y = EG_{PJ,y} \times EF_{BL,CO_2,y}$$

Where

$EG_{PJ,y}$ is electricity generation of the project during the year in MWh.

According to the registered CDM PDD, the Project shall calculate Build Margin Emission Factor ($EF_{BM,y}$) for determination of $EF_{BL,CO_2,y}$ in compliance with AM0029 version 01. For the first crediting period, the $EF_{BM,y}$, must be updated annually ex-post for the year in which actual project generation and associated emissions reductions occur.

In China, there is a fact that the data required to calculate the emission factor for the year y is usually only available 18 months after the end of the year y . Alternatively, according to the requirement of "Tool to calculate the emission factor for an electricity system" version 01.1, in this monitoring report, the determination of $EF_{BM,y}$ of year 2007 proceeded the previous year 2005 accordingly. Similarly, the emission factor of the year 2008 proceeded the previous year 2006. The official data information provided by the Chinese DNA annually from 2006 to 2008 are used to calculate $EF_{OM,y}$, and $BM_y EF$ of the ECPG.

The verification team was able to verify the approaches of determination of baseline emission factor against the AM0029 version 01 with "Tool to calculate the emission factor for an electricity system" version 01.1 and concluded that the alternatives is applicable to the Project. The calculation has been re-produced as below Table 6.

Table 6.

Period	$EG_{PJ,y}$	$EF_{BL,CO_2,y}$	BE_y
09/01/2007-30/04/2007	3,903.68	0.8672	3,385
01/05/2007-31/05/2007	24,457.84	0.8672	21,210
01/06/2007-30/06/2007	141,615.76	0.8672	122,809
01/07/2007-31/07/2007	101,817.76	0.8672	88,296
01/08/2007-31/08/2007	48,370.96	0.8672	41,947
01/09/2007-30/09/2007	6,405.52	0.8672	5,555
01/10/2007-31/10/2007	10,057.52	0.8672	8,722
01/11/2007-30/11/2007	36,882.56	0.8672	31,985
01/12/2007-31/12/2007	-671.44	0.8672	-582
Subtotal in 2007	372,840.16	0.8672	323,327
01/01/2008-31/01/2008	-444.40	0.8154	-362
01/02/2008-29/02/2008	15,705.36	0.8154	12,806
01/03/2008-25/03/2008	0	0.8154	0
Subtotal in 2008	15,260.96	0.8154	12,444
Total	388,101.12		335,771

3.5.3 Leakage

According to AM0029 version 01, Leakage may result from fuel extraction, processing, liquefaction, transportation, re-gasification and distribution of fossil fuels outside of the Project boundary. In the context of the underlying Project, only take fugitive upstream CH₄ emissions ($LE_{CH_4, y}$: Leakage) into account due to the Project used NG as fuel, i.e. $LE_y = LE_{CH_4, y}$. According to the approaches of Leakage calculation in AM0029, the Leakage is calculated to be negative in the monitoring report and thus determined as zero i.e. $LE_y = 0$.

The verification team verified above calculation and confirmed that the data used are applicable to the Project and its calculation is appropriate in accordance with AM0029 version 01.

3.5.4 Calculation of Emission Reductions

Finally, the emission reductions generated is calculated as below,

$$ER_y = BE_y - PE_y - LE_y$$

The reported data has thus been verified as below Table 7.

Table 7.

Period	PE_y tCO ₂ e	BE_y tCO ₂ e	LE_y tCO ₂ e	ER_y tCO ₂ e
Subtotal in 2007	155,167	323,327	0	168,160
Subtotal in 2008	8,011	12,444	0	4,432
Total	163,178	335,771	0	172,592

3.6. Quality Evidence to Determine Emission Reductions

Critical parameters used for the determination of the Emission Reductions are discussed above in section 3.2 above.

All the data pertaining to the above parameters is maintained in the identified records and consistent with the values stated in the VCS Monitoring Report version 2.

3.7. Management System and Quality Assurance

Verification team has ensured that the quality management system for the Project is in place. The documented instructions including the responsibilities have been properly implemented and in line with the registered CDM PDD. Internal review being a regular practice ensures the quality assurance of the monitoring procedures. The plan manager is responsible for data protection exclusively with access restrictions.

The readings both of the electricity energy meters and NG flowmeters have been ensured functioning well at rated accuracy. The reported data can also be internally reviewed by checking the readings of the check meter installed in the output of the project site as per the signed PPA and Gas Supply Agreement. The CDM team comprises of a special group of operators who are assigned the responsibility of monitoring of different parameters and record keeping.

Verification team has ensured that above meters have never been changed in this reporting period. The calibration certificates of the meters have been presented and found in conformity with the national calibration standards.

4. Verification Conclusion

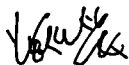
Bureau Veritas Certification has performed a verification of Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.'s NG Power Generation Project. The verification is based on the currently valid VCS Program 2007 released by Voluntary Carbon Standard Association on 19 November 2007.

The management of Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd. is responsible for the preparation of the GHG emissions data and the reported GHG emission reductions of the Project on the basis set out within the monitoring procedures in the VCS PD version 01 dated 3 September 2008. The development and maintenance of records and reporting procedures in accordance with that plan, including the calculation and determination of GHG emission reductions from the Project is the responsibility of the management of the project.

Bureau Veritas Certification verified the VCS Monitoring Report version 2 dated 18 December 2008 for the reporting period as indicated below. Bureau Veritas Certification confirms that the project is implemented as planned and described in the VCS PD. Installed equipment being essential for generating emission reduction runs reliably and is calibrated appropriately. The monitoring system is in place and the Project is ready to generate GHG emission reductions (VCUs).

Bureau Veritas Certification can confirm that the GHG emission reduction is calculated without material misstatements. Our opinion relates to the Project's GHG emissions and resulting GHG emission reductions reported and related to the project baseline, monitoring activity and its associated documents. Based on the information we have seen and evaluated we confirm the actual amount of VCUs associated with the project specific monitoring report that has been verified as following statement:

Reporting period	: 09/01/2007 to 25/03/2008
Baseline emissions	: 335,771 t CO2 equivalents.
Project emissions	: 163,178 t CO2 equivalents.
Emission Reductions	: 172, 592 t CO2 equivalents (VCUs)



Liao Ling
Team Leader



Robin Wang Jing
Internal Reviewer

5. Reference

Category 1 Documents:

Documents provided by Type the name of the company that relate directly to the GHG components of the project.

- /1/ VCS Project Description version 01 dated 25/11/2008
- /2/ Registered CDM Project Design Document (PDD) version 04.1 dated 03/03/2008
- /3/ CDM Validation Report version 01 dated 20/07/2007
- /4/ VCS Monitoring Report version 1 dated 10/09/2008
- /5/ VCS Monitoring Report version 2 dated 18/12/2008

Category 2 Documents:

Background documents related to the design and/or methodologies employed in the design or other reference documents.

- /6/ Diagram of Power System Connection of the power plant
- /7/ Signed Power Purchase Agreement (PPA) in October 2006.
- /8/ Signed NG supply agreement with the gas supplier Zhejiang Provincial Natural Gas Development Co., Ltd.
- /9/ Electricity sales receipts issued by ECPG
- /10/ Gas supply invoice issued by the gas supplier
- /11/ Calibration Certificates of the revenue meters and Ultrasonic flowmeter.
- /12/ Internal Management instructions of the power plant

Persons interviewed:

List persons interviewed during the verification or persons that contributed with other information that are not included in the documents listed above.

- /1/ Mr. Wu Bin –Director of Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.
- /2/ Mr. Hu Qiaoen – Planning Manager of Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.
- /3/ Mr. Sun Yike – Operation Manager of Zhejiang Provincial Energy Group Zhenhai Natural Gas Power Generation Co., Ltd.
- /4/ Mr. Zhang Yanlong – Director of Consultant (China Carbon)
- /5/ Mrs. Huang Jinfeng– Project Manager of Consultant (China Carbon)

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