



## Voluntary Carbon Standard 2007.1 Validation Report

19 November 2007

Validation Report:

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| <b>Name of Verification company:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Date of the issue:</b>                                                                                                               |
| Bureau Veritas Certification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 08.08.2011 Rev.3                                                                                                                        |
| <b>Report Title:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Approved by:</b>                                                                                                                     |
| Validation Report of "The Yokuslu-Kalkandere Hydroelectric Power Plant"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Mrs. Isil Timuroglu – Internal Technical Reviewer<br> |
| <b>Client:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Project Title:</b>                                                                                                                   |
| Akim Enerji Üretimi Sanayi ve Ticaret A.S.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | The Yokuslu-Kalkandere Hydroelectric Power Plant                                                                                        |
| <b>Summary:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                         |
| <p>Bureau Veritas Certification has made the validation of "The Yokuslu-Kalkandere Hydroelectric Power Plant". The project activity involves the installation of a 42,33MWe hydroelectric power plant (HEPP) located on the İyidere River basin in the Black Sea Region of Turkey, within the province of Rize. The project comes under Type-I Renewable Energy Project as per Appendix B of the procedures for CDM project activities. The expected annual emission reduction is 100,089 tons/year. The crediting period of the project activity is 10 years, renewable once for a total of 20 years.</p> <p>The validation scope is defined as an independent and objective review of the VCS project description, the project's baseline study, monitoring plan and other relevant documents, and consisted of the following five phases: i) desk review of the project design and the baseline and monitoring plan; ii) Review of the baseline methodology by the specialist and the validator; iii) Review of the investment analysis by the specialist and the validator iv) follow-up interviews and on site visit; v) resolution of outstanding issues and the issuance of the final validation report and opinion. The overall validation, from Contract Review to Validation Report &amp; Opinion, was conducted using Bureau Veritas Certification internal procedures. The first output of the validation process is a list of Clarification and Corrective Actions Requests (CL and CAR), presented in Table-3 in the Validation Protocol. Taking into account this output, the project proponent revised its VCS project description. In summary, it is Bureau Veritas Certification's opinion that the project correctly applies the baseline and monitoring methodology ACM0002, version 12 and meets the relevant VCS 2007.1 requirements and local legislation.</p> |                                                                                                                                         |
| <b>Work carried out by:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Number of pages:</b>                                                                                                                 |
| Burcu Mutman – Lead Verifier<br>Yildiz Arikan – Baseline Specialist<br>Murat Gencer – Investment Analysis Specialist                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 138                                                                                                                                     |

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**Abbreviations List:**

**HEPP** : Hydro Electric Power Plant

**CL** : Clarification

**CAR** : Corrective Action Request

**MP** : Monitoring Plan

**VCS** : Voluntary Carbon Standard

**VCU** : Voluntary Carbon Unit

**VER** : Voluntary Emissions Reductions / Verified Emissions Reductions

**PD** : Project Description

**EMRA** : Electricity Market Regulatory Authority (EPDK)

**EPDK** : Elektrik Piyasasi Duzenleme Kurulu (EMRA)

**TEIAS** : Turkiye Elektrik Iletim A.S. (Turkish Electricity Transmission Company)

**DSI** : Devlet Su Isleri (State Hydraulic Works)

**PP** : Project Participant

**CDM** : Clean Development Mechanism

**HES** : Hidro Elektrik Santrali (Hydro Electric Power Plant)

**FSR** : Feasibility Study Report

## **1 Introduction**

*This report summarizes the findings of the validation of the “The Yokuslu-Kalkandere Hydroelectric Power Plant” (The project will be referred as Kalkandere HEPP in the rest of this document) project, performed on the basis of VCS 2007.1 criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.*

### **1.1 Objective**

*The validation serves as project design verification and is a requirement of all voluntary emission reduction projects. The validation is an independent third party assessment of the project design. In particular, the project's baseline, the monitoring plan (MP), and the project's compliance with relevant VCS criteria which are validated in order to confirm that the project design, as documented, is sound and reasonable, and meets the stated requirements and 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 Voluntary Carbon Units (VCUs).*

### **1.2 Scope and Criteria**

*The validation scope is defined as an independent and objective review of the VCS project description, the project's baseline study and monitoring plan, the project's investment analysis and other relevant documents. The information in these documents is reviewed against the methodologies and tools that are given under the Clean Development Mechanism of Kyoto Protocol, VCS 2007.1 rules and associated interpretations. The validation is not meant to provide any consulting towards the client. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.*

### **1.3 VCS project Description**

*The project activity involves the installation of a 43,47MWm /42, 33 MWe hydroelectric power plant (HEPP) on the İyidere River basin in the Black Sea Region of Turkey, within the province of Rize. The project comes under Type I – Renewable Energy Project as per Appendix B of the procedures for CDM project activities. The main purpose of the project is to generate approximately 179,050 MWh/year of electricity to supply the national grid using a renewable resource and tapping the significant hydropower potential in the region. The project activity reduces greenhouse gas (GHG) emissions that would have otherwise occurred in the absence of the project activity by avoiding electricity generation from fossil fuel sources. The average annual emission reductions of the proposed Project are estimated to be 100,089 tonnes of CO<sub>2</sub>e (tCO<sub>2</sub>e). The crediting period of the project activity is 10 years, renewable once for a total of 20 years.*

### **1.4 Level of assurance**

*The Level of assurance of the validation report is defined as high.*

## 2 Methodology

*The overall validation, from contract review to validation report & opinion, was conducted using Bureau Veritas Certification internal procedures.*

*In order to ensure transparency, a validation protocol was customized for the project. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria. The validation protocol serves the following purposes:*

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

### 2.1 Review of Document

*The Project Description (PD) submitted by Gaia Carbon Finance (Gaia) and additional background documents related to the project design and baseline, i.e. relevant Law, VCS Project Description Template, Approved Methodology and tools under the CDM of Kyoto Protocol, Clarifications (CL) and Corrective Action Requests (CAR) on validation requirements were reviewed.*

*To address Bureau Veritas Certification corrective action requests and clarification requests, Gaia revised the PD several times, PD version 08 dated 05.08.2011 being the last version, which was submitted to the validation team on 05.08.2011. After further clarifications all corrective action requests and clarification requests were closed in 05.08.2011. The validation of the Project resulted in 16 Corrective Action Requests, 23 Clarification Requests and 1 Forward Action Requests.*

*All documents were reviewed under the requirements of the CDM Methodologies as these methodologies are approved under the VCS 2007.1.*

### 2.2 Follow-up Interviews

*Between August 2010 and August 2011 Bureau Veritas Certification performed interviews with Gaia, Akim Enerji and local stakeholders regarding the Grid emission factor, Investment Analysis, project specific questions and Clarification and Corrective Actions Requests documented in the validation protocol. A list of the persons interviewed is given under section 5.2 of this report. After the discussions, the validation team closed on 08.08.2011 all documented CL and CAR in the validation protocol.*

### 2.3 Resolution of any material discrepancy

*During the validation there were no material discrepancies that were identified.*

## 3 Validation Findings

### 3.1 Project Design

*Bureau Veritas Certification recognizes that Akim Enerji, which is the project participant, is helping the country in fulfilling its goals of promoting sustainable development with this project. The project is in line with country specific*

requirements. In addition, the project highly supports the sustainable economic development in the region.

It was validated during the site visit that the project description given in the VCS PD version 08 is accurate. It was also crosschecked with the project description given in the feasibility study report.

Kalkandere HEPP is not a debundled component of a larger project activity as defined in the VCS PD version 08. The project activity is neither in existing facilities nor in utilizing existing equipment. During the site visit, it was confirmed that project activity is a Greenfield project.

The conclusions of the validation team are as follows:

- The technology used:

Kalkandere HEPP project entails the construction and operation of a 43,47 MW hydroelectric power plant (HEPP) in the Black Sea Region of Turkey, in İyidere River Basin in the province of Rize, Turkey. The location of the project activity was validated during the site visit.

The project has 2 powerhouses first one is Kalkandere Power House and the second one is Kizilagac Power House each has 35,79 MW and 7,68 MW respectively. In Kalkandere powerhouse, three Horizontal Axis Francis type turbines were installed each with the capacity of 11,93 MW; the total capacities of the turbines are 35,79 MW. In Kizilagac three Power House Vertical Axis Kaplan turbines have been used each has the capacity of 2,56 MW.

The implementation of the project consists of construction of the following main items:

- Two power houses
- Flushing Gate for Kalkandere
- Settling Basin for Kalkandere
- Settling Tunnel for Kalkandere
- Headrace Tunnel for both Kalkandere and Kizilagac

The net electricity delivery to the grid by the project is estimated to be 179,050 MWh per annum.

The technology used in the plant is a state-of-the-art technology with extensive automatization. In addition to this, the equipments that are used in the project are all first-hand equipments. There is no new technology, which is expected to replace the plant's technology in the short run, and the expected life of the equipment is around 20 years. The project does not need extensive initial training and maintenance efforts in order to work as presumed during the project period. Necessary trainings to the plant staff was provided by the supplier right after the installation of the electro mechanic equipments in line with the agreement between the project owner and the supplier. The agreement between the supplier and Kalkandere HEPP has been reviewed by the validation team.

As a result, validation team approves that the technology used in the project activity is state of the art and all the equipment used in the project are new.

- Project duration, crediting time and project start date

Kalkandere HEPP consists of 6 unit turbines (3 in Kalkandere Powerhouse and 3 in Kizilagac Power House). In each powerhouse units has an output capacity of 11,93 and 2,56 MW respectively. The project activity is constructed in 2 phases first Kalkandere and then Kizilagac. On 30/12/2010, Kalkandere Powerhouse started to operation with 1 turbine (1\*11, 90 MWm/11, 68) and then other two

units were commissioned on January 28, 2011. The Provisional Acceptance Report has been provided to DOE which is approved by EMRA (Energy Market Regulations Authority).

The carbon crediting period and therefore the monitoring starts when the plant commences electricity generation. Therefore, the crediting period can be start on 30.12.2010 however PP defined the start date for the crediting period as 01 January 2011 and this has been found acceptable by the validation team. The crediting life is a maximum of ten years and will be renewed once.

The expected lifetime of the project is, minimum 35 years, which corresponds to the lifetime defined in the project feasibility approved by DSI. The definition of the lifetime is in line with EB50 Annex 15.

- Ownership

The generation license belongs to AKIM Enerji Üretimi Sanayi ve Ticaret A.S. copy of the generation license is given in Annex 8 of the PD.

The project did not participate in any other GHG emission reduction program. The validation team approves that there is no double counting involved in this project activity during this validation.

- Eligibility of the project activity under VCS

The project comes under Type I – Renewable Energy Project as per Appendix B of the procedures for CDM project activities. The project is a 43,47 MW HEPP and it uses renewable sources to produce electricity. Since the installed capacity of the planned HEPP is larger than 15 MW; it is a large scale renewable energy project activity according to the Decision 17/ CP.7 Article 6. As per the justifications given above, the project activity is eligible under VCS.

The project is not a grouped project.

### 3.2 Baseline

- Approval of the baseline methodology:

The baseline for “**The Yukuslu-Kalkandere Hydroelectric Power Plant**” project is established by using the UNFCCC official methodology ACM0002, version 12, namely “Consolidated baseline methodology for grid-connected electricity generation from renewable sources”. For the calculation of the grid emission factor, UNFCCC Methodological Tool “Tool to Calculate Emission Factor of an Electricity System” version 02 is used. For the assessment and demonstration of additionality, UNFCCC Methodological Tool “Tool for the Demonstration and Assessment of Additionality”, Version 05.2 is used. Both of the tools are referred in the applied methodology.

The PD was submitted on 08<sup>th</sup> of August 2010 and methodology version was 11 for ACM0002 since the deadline for submission of the methodology passes during validation, the methodology version has been updated as Version 12. Tools used for the project activity are the latest versions at the time of PD submission. This has been found acceptable by the validation team. Clean Development Mechanism Methodologies are approved under the VCS program.

- Correct application and justification of baseline methodology:

*The choice of methodology ACM0002 version 12 is justified as the proposed project activity meets relevant applicability criteria:*

- *Kalkandere HEPP Project is a grid connected renewable power generation project which adds electricity capacity from hydro power sources and which supplies electricity to a system that is supplied by at least one fossil fuel fired generating unit,*
- *The project activity results in a reservoir. But the power density of the power plant has been calculated as 19.714 W/m<sup>2</sup>. As per definitions given in the Project Emissions section of ACM0002 version 12 if power density is greater than 10 W/m<sup>2</sup> project emissions can be accepted as zero.*
- *The geographic and system boundaries for the relevant electricity grid can be clearly identified and information on the characteristics of the grid is available as proved in section 2.4 "Description of how the baseline scenario is identified and description of the identified baseline scenario" of the PD,*
- *The project does not involve switching from fossil fuels to renewable energy at the site of the project activity,*
- *The project involves construction of new units in a brand new plant, in other words the project does neither involve the addition of renewable energy generation units at an existing renewable power generation facility nor does it foresee to retrofit or modify an expired facility of renewable energy generation.*

*The baseline scenario was applied correctly and the justification for the choice of the baseline methodology is found appropriate by the validation team.*

- *Appropriate setting of baseline scenario*

*The baseline scenario is defined as follows:*

*"Electricity delivered to the grid by the project would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the Combined Margin (CM) calculations".*

*The defined baseline scenario is in line with the methodology as the project activity is the installation of a new grid-connected renewable power plant.*

*As the project activity is not a retrofit or replacement of existing grid-connected renewable power plant, the step-wise procedure to identify the baseline given in ACM0002 version 12 is not used for this project activity.*

*The above setting of the baseline scenario is found appropriate by the validation team.*

- *Assessment and demonstration of additionality:*

*The assessment and demonstration of additionality of the project is done by using UNFCCC Methodological Tool "Tool for the Demonstration and Assessment of Additionality", Version 05.2. In applying this tool under Step 1a, the following four alternatives are identified as the alternative scenarios that are likely to happen in the absence of the project activity:*

*Alternative 1: The proposed project activity undertaken without being registered as a VCS project activity.*

*Alternative 2: Construction of a coal-fired power plant with equivalent installed capacity or annual electricity generation.*

*Alternative 3: Construction of a new power plant generating the same annual power generation from other renewable sources such as wind power, solar power and thermal energy.*

*Alternative 4: The continuation of the current situation. The equivalent electricity will be provided by the existing power units connected to the national grid.*

*From the above mentioned alternatives 1 and 4 are assessed to be realistic and credible alternatives. Alternative 2 is eliminated since the operating hours of the thermal power plant and hydro is considerably different. Alternative 3 is eliminated since the project is not proper for renewable like thermal or wind project. Black Sea Region is not very rich of wind and very steep terrain does not allow for wind power plants and the renewable energy source does not exist in the region for the geothermal energy.*

*Analyzing the alternatives that are defined as realistic, it is seen that all scenarios are consistent with the baseline definition of ACM0002 version 12. All of the alternatives comply with legal requirements, as they are practices currently present in the host country.*

*The project proponent used Step 2 'Investment Analysis' for the demonstration of the additionality of the project activity.*

*Under Step 2-Investment Analysis there are four sub-steps.*

*Under sub-step 2a, Benchmark Analysis (Option III) is chosen and the other options are eliminated because, the proposed Project generates financial and economic benefits through the sales of electricity other than Voluntary Emissions Reduction (VCS-VER) related income. Therefore the simple cost analysis (Option I) cannot be taken. Investment comparison analysis (Option II) is only applicable to projects where alternatives should be similar investment projects. The alternative baseline scenario of the proposed project is the continuation of the current situation, where the equivalent electricity will be provided by the existing power units connected to the national grid. This method is also assessed to be appropriate by the validation team.*

*Under sub-step 2b, Equity IRR is selected as a financial indicator. The selected benchmark is assessed to be applicable to the type of IRR calculated as per the guidelines given in 'The tool for the demonstration and assessment of additionality'.*

*The country risk premium is taken from the study of Prof. Aswath Damodara. The Eurobond rate and risk premium value at the time of investment decision which is the date of the board decision has been used for the calculations. Inputs of the IRR calculation are in accordance with the FSR. The benchmark calculation is given below:*

| Parameter |                                      | Chosen Value | Source                                                                                                                                                                                                                                                                                                   |
|-----------|--------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rf        | Risk-free rate                       | 9.70%        | The yield of a synthetic bond with 37 years maturity at the time of decision was calculated using the yield curve derived from <a href="http://www.ziraat.com.tr/tr/bankamiz/faiz-ve-ucretler.aspx/eurobond.aspx">http://www.ziraat.com.tr/tr/bankamiz/faiz-ve-ucretler.aspx/eurobond.aspx</a> was used. |
| $\beta$   | Beta. Used to measure level of risk. | 0.939        | The average of energy companies traded in ISE 100 derived from one of the most prominent data provider Bloomberg. Please see Annex 9 for Betas of these companies                                                                                                                                        |

|       |                            |        |                                                                                                                                           |
|-------|----------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------|
| Rm-Rf | Market equity risk premium | 12.88% | <a href="http://www.stern.nyu.edu/~adamodar/pc/archives/ctryprem08.xls">http://www.stern.nyu.edu/~adamodar/pc/archives/ctryprem08.xls</a> |
| Rm    | Expected market return     | 22.58% | Please refer to below calculation.                                                                                                        |

Hence, the benchmark value is calculated as:

$$R_f + \beta \times (R_m - R_f) = C_e$$

$$9.70\% + 0.939 \times (22.58\% - 9.70\%) = 21.79\%$$

The benchmark is calculated using a globally accepted model and the data used for calculation is also applicable at the time of investment decision. Hence, the benchmark is assessed to be appropriate by the validation team and the financial expert.

Under sub-step 2c, the Equity IRR is calculated. Project proponents have also submitted an excel sheet showing the details of the calculations. Some revisions have been made to these calculations until the latest version, which was submitted to the validation team together with the final VCS PD version 8 dd. 05.08.2011

The Feasibility Study Report prepared by Hydro Design and approved by DSI dated November 2007 has been the basis of investment decision for the proposed project activity was submitted to the validation team. This was verified using a board meeting report dated 10<sup>th</sup> of October 2008 and the DSI approval. The values used in the FSR are the unit values set by State Hydraulic Works and these values are applicable at the time of investment decision. The inputs of the IRR calculation are in accordance with the FSR which is approved by DSI. The parameters have been defined in the table below.

PI

The project proponents have calculated the IRR for 35 years from 2011 to 2045 until the end of technical lifetime defined in the approved feasibility. This is on the conservative side as it reflects the reality and the calculations are not limited to the crediting period. The equity IRR is calculated as %16,83 which is lower than the benchmark, 21,79%.

In the project feasibility which is nationally approved annual generation has been defined as 197,7 GWh. When it is divided to installed capacity it gives the working hours which is 4863,4 for the project activity. If it is divided to 8760 we find the capacity factor of the project activity which is 0,55 for the project. The capacity factor has been included in the annual generation production.

The documents used to validate all the assumptions in IRR calculation are given below.

| <u>Parameter</u>                | <u>Chosen Value</u>   | <u>Source</u>                                                        |
|---------------------------------|-----------------------|----------------------------------------------------------------------|
| <u>Investment period</u>        | <u>35 years</u>       | <u>DSI Approved Feasibility</u>                                      |
| <u>Annual energy production</u> | <u>197.7 GWh</u>      | <u>Feasibility report submitted to DSI in November 2007 page 1.7</u> |
| <u>Electricity</u>              | <u>5,5 Euro cents</u> | <u>Guaranteed highest purchase price by law</u>                      |

|                              |                                                        |                                                                                                                                                                                                  |
|------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>sales price</u>           | <u>/Kwh</u>                                            | <u>number: 5346 Ratification Date: 10.05.2005</u><br><u>Enactment Date: 18.05.2005</u>                                                                                                           |
| <u>O&amp;M expenses</u>      | <u>US\$ 664,494</u>                                    | <u>Feasibility report submitted to DSI in November 2007 page 9.29</u>                                                                                                                            |
| <u>Interest on loan</u>      | <u>9.5%</u>                                            | <u>Feasibility report submitted to DSI in November 2007 page 9.1</u>                                                                                                                             |
| <u>Other loan conditions</u> | <u>Debt to Equity: 70/30</u><br><u>Tenor: 10 years</u> | <u>General assumption by the PDD developer</u>                                                                                                                                                   |
| <u>Investment amount</u>     | <u>US\$ 68,549,025</u>                                 | <u>Feasibility report submitted to DSI in November 2007 page 9.27</u>                                                                                                                            |
| <u>Euro / US\$ parity</u>    | <u>1,3694 Euro/ US\$</u>                               | <u>Average parity rate in 2007 reproduced from TLUS\$ and TL/Euro rates announced by Central Bank of Turkey. <a href="http://evds.tcmb.gov.tr/cbt.html">http://evds.tcmb.gov.tr/cbt.html</a></u> |

Under Sub-step 2d, sensitivity analysis is applied to the following items, for a decrease of 5% and 10% and for an increase of 5% and 10%.

- Investment Costs
- Electricity Production
- Electricity Price
- Operational Costs

According to this sensitivity analysis;

The highest IRR comes to 18,96 % when the electricity production and electricity price rises 10% up. However this value is also below than the benchmark value calculated as %21,79. Also for the IRR calculation annual electricity generation has been used from the project feasibility which is 197,7 Gwh. However during construction the annual generation value has been revised as 179 Gwh because of the increasing the min. water flow rate and the value has been confirmed from the generation licence.

The above sensitivity analysis reveals the fact that no alternative scenario can make the project pass the benchmark IRR expectation that is 21,79%. Therefore, the project is not financially attractive.

#### Barrier Analysis:

Barrier Analysis is not applied to the project activity.

#### The common practice analysis:

Under the common practice analysis section of the PD, hydro projects in the country and with similar installed capacity in the same region are compared to the proposed project activity.

First, this analysis is made for Turkey. 100 hydropower plants, with total installed capacity of 12,878 MW generating an average of 46,277 GWh/year, which is 36% of the economically viable hydroelectric potential. 41 hydroelectric power plants are currently under construction with 3,962 MW of installed capacity to generate an average annual 9,779 GWh representing 8% of the

*economically viable potential. The most of the hydropower plants financed by government after May 2005 private sector entered to the renewable energy industry. However under 477 private sector projects only 57 of them completed more than %50. On average, the new privately owned hydro facilities represent only 2.3% of new additions. Similarly, new additions from privately held hydro projects represents only 0, 1 % of Turkey's installed capacity in the last 6 years.*

*When it is discussed for the Eastern Black Sea Region on the basis of installed capacity and completion it is seen with this analysis that the project activities that are present in the region are not yet operational and have very low completion rates (below 10%).*

*The validation team has concluded that the proposed project activity is not common practice in the region due to the reasons that are explained above.*

### **3.3 Monitoring Plan**

#### Approval of the monitoring methodology:

*The consolidated monitoring methodology for grid connected generation from renewable sources named as "Approved Monitoring Methodology ACM0002 version 12 is applied. All the applicability conditions of the monitoring methodology are the same as the applicability conditions of the baseline methodology that are given under section 3.2 of this validation report. The data will be archived electronically and be kept at least for 2 years after the end of the last crediting period. All measurements will be conducted with calibrated measurement equipment according to relevant industry standards.*

#### Correct application and justification of the selected monitoring methodology:

*The justification of the choice is explained in section 3.2 of this validation report. The monitoring methodology is applied correctly and appropriately.*

#### Information about monitoring plan is as follows:

*The monitoring plan includes the monitoring of several parameters, the main parameter in the monitoring plan is the quantity of the net electricity that is delivered to the grid, and this parameter will be the basis for the emission reduction calculations.*

*According to the methodology ACM0002 version 12, the parameters used to calculate the Power Density of HEPPs also need to be monitored. So area of the maximum lake level and capacity of the project has been added to the monitoring plan. The monitoring of these two parameters will be done with the supplier information on the equipments that shows the installed capacity of the turbines and coordinate readings around the border of the reservoir when the water flow is at its highest level respectively.*

*The first data that should be monitored is the amount of electricity (EGfacility,y) that is annually fed into the grid by the plant. The project owner, Akim Enerji, has already signed an agreement with TEIAS that includes measuring the amount of electricity that goes to the system accurately. Based on this sales agreement, there is no need for an additional process or equipment to monitor the data. The monitoring of the electricity generated will be monitored with the Actaris*

*Meterings and their calibration is under TEIAS control. Regarding to the regulation and the technical description of the equipment calibration will be done once in a 10 year and the accuracy class is 0,2. The monitoring of the electricity generation will be done through the PMUM records (net electricity generation). Electricity consumption will be excluded from total electricity generation value. Also values will be cross checked with the monthly protocols. Since TEIAS started remote reading in some regions, it shall be checked if remote reading has been started for the project activity. (FAR1)*

*Also as the Combined Margin emission factor is calculated ex-ante, the parameters used in the calculation of the emission factor is also included in the monitoring plan, but the frequency of monitoring for these parameters are once for each crediting period as per the definitions in the "Tool to calculate the emission factor for an electricity system". So the emission factor will be calculated during second validation of the project activity.*

*The below table shows the parameters that are included in the monitoring plan for the parameters that will be monitored during the crediting period.*

| <i>Data /Parameter</i> | <i>Description</i>                                                                                                                              | <i>Source of Data</i> | <i>Data Unit</i> | <i>Monitoring Frequency</i>                                  |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|--------------------------------------------------------------|
| <i>EGfacility,y</i>    | <i>Quantity of net electricity delivered to the grid</i>                                                                                        | <i>PMUM Records</i>   | <i>MWh</i>       | <i>Continuous measurement and at least monthly recording</i> |
| <i>CapPJ</i>           | <i>Installed capacity of the project activity after implementation of the project activity</i>                                                  | <i>Project site</i>   | <i>MW</i>        | <i>Yearly</i>                                                |
| <i>APJ</i>             | <i>Area of the reservoir measured in the surface of the water, after the implementation of the project activity, when the reservoir is full</i> | <i>Project site</i>   | <i>m2</i>        | <i>Yearly</i>                                                |

*The data will be collected and stored by Akim Enerji not only during the crediting period but during also two years after the last issuance of VCUs to Kalkandere HEPP project for that crediting period.*

*The management of Akim Enerji is responsible with all monitoring and reporting issues in general.*

*Overall the monitoring methodology is found appropriate and suitable for this particular project activity.*

### **3.4 Calculation of GHG Emissions**

*Anthropogenic emission reduction is a function of the expected net amount of electricity produced, for the given project, which amounts to 179.050 MWh per annum. The annual emission reduction is 100,089 tCO<sub>2</sub>e. Over the period of ten years, the total amount of emission reduction will reach 978,692 tCO<sub>2</sub>e. For all*

calculations, the rounded value of the combined emission factor, 0.559 tCO<sub>2</sub>/MWh is applied.

Kalkandere HEPP consists of 6 unit turbines in 2 power houses. The project activity will be operated in 2 powerhouses. On 30/12/2010, the Kalkandere Powerhouse started operation with 1 turbine.

| Year                                                                                              | Annual estimation of emissions reductions<br>in tonnes of CO <sub>2</sub> e |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| 2011                                                                                              | 79.545                                                                      |
| 2012                                                                                              | 97.444                                                                      |
| 2013                                                                                              | 100,089                                                                     |
| 2014                                                                                              | 100,089                                                                     |
| 2015                                                                                              | 100,089                                                                     |
| 2016                                                                                              | 100,089                                                                     |
| 2017                                                                                              | 100,089                                                                     |
| 2018                                                                                              | 100,089                                                                     |
| 2019                                                                                              | 100,089                                                                     |
| 2020                                                                                              | 100,089                                                                     |
| Total estimated reductions<br>(tonnes of CO <sub>2</sub> )                                        | 977,701                                                                     |
| Total number of crediting years                                                                   | 10                                                                          |
| Annual average over the crediting period<br>of estimated reductions (tonnes of CO <sub>2</sub> e) | 97,77                                                                       |

- The appropriateness of the source, sink and reservoir:

The Project emissions are calculated with the formula mentioned in ACM0002/Version12. The following calculation of the PD and the assumptions for the Project Emissions and Leakage made afterwards, is found acceptable and suitable for the project activity by the validation team.

The power density of the project activity is calculated as follows:

$$PD = \frac{Cap_{PJ} - Cap_{BL}}{A_{PJ} - A_{BL}}$$

Where:

PD : Power density of the project activity, in W/m<sup>2</sup>

CapPJ : Installed capacity of the hydro power plant after the implementation of the project activity (W)

*CapBL : Installed capacity of the hydro power plant before the implementation of the project activity (W). For new hydro power plants, this value is zero*

*APJ : Area of the reservoir measured in the surface of the water, after the implementation of the project activity, when the reservoir is full (m2)*

*ABL : Area of the reservoir measured in the surface of the water, before the implementation of the project activity, when the reservoir is full (m2). For new reservoirs, this value is zero*

*PD = 43.470.000 W/2.205m2*

*PD = 19.714 W/m2*

*Project emissions is assumed to be 0 since the power density of the project is greater than 10 W/m2.*

*No leakage emissions are considered. The main emissions potentially giving rise to leakage in the context of electric sector projects are emissions arising due to activities such as power plant construction and upstream emissions from fossil fuel use (e.g. extraction, processing and transport). These emissions sources are neglected.*

*The baseline emissions BEy are calculated as following:*

$$BEy = EGy \times EF_{grid,CM,y}$$

*Where:*

*BEy = Baseline emissions in year y (tCO2e/yr)*

*EGy = Quantity of net electricity generation that is produced and fed into the grid as a result of the implementation of the CDM project activity in year y (MWh)*

*EF<sub>grid,CM,y</sub> = Baseline emission factor (tCO2e/MWh)*

*Y = Refers to a given year*

$$179.050 * 0,559 = 100,089 \text{ tCO}_2/\text{year}$$

*Annual estimation of emissions reductions is calculated as follows in line with the ACM002/Version 12:*

$$ERy = BEy - PEy - LEy$$

*Where:*

*ERy = Emission reductions in year y (t CO2e/yr)*

*BEy = Baseline emissions in year y (t CO2e /yr)*

*PEy = Project emissions in year y (t CO2/yr)*

*LEy = Leakage emissions in year y (t CO2/yr)*

Therefore, the annual emission reduction is estimated as:

$$ER_y = 100,089 - 0 - 0 = 100,089 \text{ tCO}_2\text{e}$$

- The correctness and transparency of formulas and factors used.

The formulas and factors used in the calculation of GHG emissions are found to be transparent and correct by the validation team. The emission factors of fuels that are used in the calculations are taken from the IPCC default values at the lower limit of uncertainty at a 95% confidence interval as provided in table 1.4 of Chapter 1 of Vol.2 (Energy) of the 2006 IPCC Guidelines on National GHG Inventories, as suggested by the methodology. The efficiency factors of power plants are taken from Annex 1 of the "Tool to calculate the emission factor for an electricity system". The efficiency factors used are on the conservative side.

The years considered for OM are 2006 and 2008 and the OM emission factor has calculated as 0.661 tCO<sub>2</sub>/MWh. The BM emission factor has calculated as 0.457 tCO<sub>2</sub>/MWh between 2004 and 2008. The project participant has applied weight average of the OM and BM as specified in the tool to arrive at the emission factor for the combined margin. Accordingly, the combined margin emission factor has calculated as 0.559 tCO<sub>2</sub>/MWh that was confirmed by the validation team with reviewing all the baseline calculation sheet equations and confirming the used parameters for the calculations.

- The assumptions made for estimating GHG emission reductions

The only assumption is the one about leakage emissions that is assumed to be zero as per the methodology. Other unknown parameters like the emission factors of fuels are taken from the IPCC values as mentioned above.

- Uncertainties

All data presented in the baseline calculations are provided from official sources. Therefore, uncertainties of data sets were not estimated. There are no uncertainties in the calculations.

### 3.5 Environmental Impact

The project has "EIA not required certificate" by the Ministry of Environment and Forestry however project owner also prepared EIA report to understand the impacts of the project more detail. Regarding to the EIA report Ministry of Environment and Forestry has prepared EIA Positive Certificate dd.06.11.2009.

In the EIA report impacts of construction, impacts on aquatic life, landscape and noise has been discussed. Regarding to the EIA report, fish pass will be done, to prevent erosion reforestation will be done under control of Environment and Forestry Directorate and Operational Directorates and noise measurements will be done.

It has been confirmed by the validation team that, the project complies with the legal requirements.

### 3.6 Comments by stakeholders

*Under EIA regulation project owner organized a stakeholder consultation meeting on 21<sup>st</sup> of May 2009. Two major questions asked during meeting first one was about economic advantages of the project and second is environmental impacts of the project.*

*It is confirmed that project owner hired local employees during construction and also used local companies to buy the needs of the project site if possible. For the environmental issues project owner fully met the legal requirements.*

*It was verified during the site visit through the interviews with local people and village heads that the project has a positive impact to the region's sustainable development. All of the stakeholders that were interviewed were content with the project activity and the general opinion was that the project was beneficial for the surrounding villages.*

## 4 Validation conclusion

*Bureau Veritas Certification has made the validation of "The Yokuslu- Kalkandere Hydroelectric Power Plant".*

*The validation was performed on the basis of VCS criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.*

*The validation consisted of the following five phases:*

- i) Desk review of the project design and the baseline and monitoring plan; (August 2010 – April 2011)*
- ii) Review of the baseline methodology by the specialist and the validator (August 2010 – April 2011)*
- iii) Review of the investment analysis by the specialist and the validator (December 2010-August 2011)*
- iv) Follow-up interviews and on site visit; (09 November 2010)*
- v) Resolution of outstanding issues and the issuance of the final validation report and opinion (August 2011)*

*Project participant/s used the latest tool for demonstration of the additionality. In line with this tool, the PD provides analysis of prevailing barriers to determine that the project activity itself is not the baseline scenario.*

*By generating electricity using renewable energy, the project is likely to result in reductions of GHG emissions partially displacing the electricity that would have been generated using fossil fuels. An analysis of the investment barrier and investment analysis demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented and maintained as designed, the project is likely to achieve the estimated amount of emission reductions. The review of the Project Description (Version 01 dated 19.07.2010 until Version 08 dated 05.08.2011), the site visit and the subsequent follow-up interviews (please see the list of the persons interviewed under section 5.2 of this report) have provided Bureau Veritas Certification with sufficient evidence to determine the fulfillment of stated criteria. The Project Description was subsequently revised as Version 08 dated 05 August 2011 to resolve the issues that have risen during the interviews and subsequent interactions.*

*In our opinion, the project correctly applies and meets the relevant VCS requirements and the relevant host country criteria. The validation is based on the information made available to us and the engagement conditions detailed in this report.*

## **5 REFERENCES**

### **5.1. Documents**

*Documents provided by Akim Enerji and Gaia that relates directly to the GHG components of the project and other reference documents are given below:*

- 1. PD for "The Yokuslu-Kalkandere Hydroelectric Power Plant"*  
*Version 01 dated 19 July 2010*  
*Version 02 dated 10 October 2010*  
*Version 03 dated 17 December 2010*  
*Version 04 dated 24 February 2011*  
*Version 05 dated 11 April 2011*  
*Version 06 dated 29 June 2011*  
*Version 07 dated 03 August 2011*  
*Version 08 dated 05 August 2011*
- 2. Baseline Calculation Excel Sheet*  
*Kalkandere Baseline Total Carbon Emission June 2010*  
*Kalkandere Baseline Total Carbon April 2011*  
*Kalkandere Baseline Total Carbon Emission*
- 3. Investment Analysis – IRR Calculation Excel Sheet*  
*Version 01 dated October 2010*  
*Version 02 dated February 2011*  
*Version 03 dated April 2011*  
*Version 04 dated 05 August 2011*
- 4. Kalkandere Project Feasibility Report dd. November 2007*
- 5. Bank Letter, 30 July 2010*
- 6. EIA is not Required Certificate dd.23 November 2007*
- 7. EIA PIN dd. August 2007*
- 8. EIA Approval 06.11.2009*
- 9. EIA Report July 2009*
- 10. Lake Area Drawings*
- 11. Letter about not cutting the trees dd. 01.06.2010*
- 12. Letter from the Culture and Nature Council dd.15.06.2009*
- 13. Training Contracts*
- 14. Generation Licence*

15. *Provisional Acceptance dd. 30.12.2010*
16. *Board Decision for the investment dd.10.10.2008*
17. *Board Decision (VER Consideration) dd. 23 July 2004*
18. *Approved consolidated baseline and monitoring methodology ACM0002 version 12*
19. *UNFCCC's Methodological Tool: "Tool for the demonstration and assessment of additionality", version 05.2*
20. *UNFCCC's Methodological Tool: "Tool to calculate the emission factor for an electricity system", version 02*
21. *VCS PD Template – 19 November 2007*
22. *VCS Validation Report Template – 19 November 2007*
23. *Voluntary Carbon Standard 2007.1*

## **5.2. Persons Interviewed**

*List persons interviewed during the validation and site visit, or persons that contributed with other information that are not included in the documents listed above.*

1. *Mr. Serkan Dünder, Carbon Consultant, GAIA Carbon Finance*
2. *Mr. Gürkan Bayraktar, Carbon Consultant, GAIA Carbon Finance*
3. *Mr. Taner Sengonul, Sanko Elektrik*
4. *Mr. Volkan Dogan, Sanko Elektrik*
5. *Şaban Ardal – Head of Urmalık Village*

**ANNEX I – Validators' Competence**

**Lead Verifier: Ms. Burcu Mutman - Environmental Engineer**

*Bureau Veritas Certification Lead Verifier*

*Burcu Mutman has over 5 years of experience in environmental sciences and auditing. She is a lead auditor for environment, safety and quality management systems. She is also lead verifier for GHG Emission Reduction Projects.*

**Baseline Specialist: Mrs. Yildiz Arikan - Assoc. Professor Dr**

*Sabanci University, Faculty of Management, Orhanlı, Tuzla, 34956, Istanbul, Turkey*

*Yildiz Arikan is an Electrical engineer and is working at Sabanci University. She has supported thesis related with energy . Also she has been conducting research studies on energy including "CO2 Emission Research" Studies. Academically, Yildiz Arikan is working also on GHG project since 2005.*

**Investment Analysis Specialists:**

**Mr. Murat Gencer – Master of Economics**

*RiskTürk Software Development and Consultancy – Head of Financial Analysis Team*

*Murat Gencer, consultant and a trainer, has over 11 years of experience in FMCG, software development and banking sectors. He is specialized in project finance, financial modelling, risk management and MS Excel applications.*

**Internal Technical Reviewer: Mrs. Isil Timuroglu - Environmental Engineer**

*Bureau Veritas Certification SAS– Lead Verifier*

*Isil Timuroglu has over 5 years' experience in environmental sectors. She worked about calculation of greenhouse gases. She is a lead verifier for GHG Emission Reduction Projects.*

ANNEX II - Validation Protocol

TABLE 1    VALIDATION REQUIREMENTS BASED ON THE VOLUNTARY CARBON STANDARD 2007.1

| CHECKLIST QUESTION | Ref. | Item | COMMENTS | Draft<br>Concl | Final<br>Conc<br>I |
|--------------------|------|------|----------|----------------|--------------------|
|--------------------|------|------|----------|----------------|--------------------|

| CHECKLIST QUESTION                                                                                                                                                                                                                                                        | Ref.    | item      | COMMENTS                                                                                                                                                                                                                                                         | Draft<br>Concl | Final<br>Concl<br>1 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------|
| <b>1. <u>VCS Program specific issues</u></b>                                                                                                                                                                                                                              |         |           |                                                                                                                                                                                                                                                                  |                |                     |
| a. Have the project(s) created another form of environmental credit (for example renewable energy certificates)?                                                                                                                                                          | VC<br>S | 3.1       | No, the project did not create any other form of environmental credit.                                                                                                                                                                                           | OK             | OK                  |
| b. If yes, have the project participants provided a letter from the program operator that the credit has not been used and has been cancelled from the relevant program?                                                                                                  | VC<br>S | 3.1       | N/A                                                                                                                                                                                                                                                              | OK             | OK                  |
| c. Are the VCS PD, monitoring reports, and other documents required under the VCS Program in English?                                                                                                                                                                     | VC<br>S | 3.2       | Please provide an English translation of the generation license                                                                                                                                                                                                  | CL1            | OK                  |
| <b>2. <u>Project level requirements</u></b>                                                                                                                                                                                                                               |         |           |                                                                                                                                                                                                                                                                  |                |                     |
| <b>a. <u>General requirements</u></b>                                                                                                                                                                                                                                     |         |           |                                                                                                                                                                                                                                                                  |                |                     |
| a. Have the project proponent applied an approved VCS Program methodology or a methodology from an approved GHG Program based on the list of current VCS Program approved GHG Programs and methodologies as set out on <a href="http://www.v-c-s.org">www.v-c-s.org</a> ? | VC<br>S | 5.2       | The project proponent applied ACM0002 Version 11 which is approved methodology under CDM and applicable under VCS. However ACM0002 Version 12 is applicable since 17 September 2010 which is prior to the VCS PD date 10.10.2010. Please update the methodology. | CAR1           | OK                  |
| b. Is the Project Start Date before 1 January 2002? (If yes, a CAR shall be raised as the Project Start Date for non-AFOLU projects for the VCS 2007.1 shall not be before 1 January 2002)                                                                                | VC<br>S | 5.2.<br>1 | No, the project start date is expected as January 2011.                                                                                                                                                                                                          | OK             | OK                  |
| c. Will this validation be completed within two years of the Project Start Date? If not, was this validation contracted before 19 November 2008?                                                                                                                          | VC<br>S | 5.2.<br>1 | Yes, it is expected to conclude the validation within 2 years of the project start date.                                                                                                                                                                         | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Ref.    | Item      | COMMENTS                                                                                                                                      | Draft<br>Concl | Final<br>Concl |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| (If yes validation shall be completed by 19 November 2009 and proof of contracting prior to 19 November 2008 shall be provided)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |         |           |                                                                                                                                               |                |                |
| d. Is the earliest Project Crediting Period Start Date under the VCS 2007.1 28 March 2006 for non-AFOLU projects and 1 January 2002 for AFOLU projects ?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | VC<br>S | 5.2.<br>1 | No, The project start date is earlier than 2006. In the PD project start date defined both 30 November 2010 and January 2011. Please clarify. | CL3            | OK             |
| e. Does the project reduce GHG emissions from activities that are included in an emissions trading program; or take place in a jurisdiction or sector in which binding limits are established on GHG emissions?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | VC<br>S | 5.2.<br>1 | There is no emission trading system in Turkey. N/A.                                                                                           | OK             | OK             |
| f. If yes, have the project proponents provided evidence that the reductions or removals generated by the project have or will not be used in the emissions trading program or for the purpose of demonstrating compliance with the binding limits that are in place in that jurisdiction or sector? [Such evidence could include: a letter from the program operator or designated national authority that emissions allowances (or other GHG credits used in the program) equivalent to the reductions or removals generated by the project have been cancelled from the program; or national cap as applicable or; purchase and cancellation of GHG allowances equivalent to the GHG emissions reductions or removals generated by the project related to the program or national cap] | VC<br>S | 5.2.<br>1 | N/A                                                                                                                                           | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                               | Ref.    | item      | COMMENTS                                                                                                | Draft<br>Concl | Final<br>Concl<br>1 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------|---------------------------------------------------------------------------------------------------------|----------------|---------------------|
| g. Have project proponents claimed GHG credits from one project under more than one GHG Program? (If yes, a CAR shall be raised, as Project proponents shall not claim GHG credits from one project under more than one GHG Program)             | VC<br>S | 5.2.<br>1 | No, in section 1.13 of the PD it is stated that project has not created any other forms of GHG credits. | OK             | OK                  |
| h. Was this project rejected by other GHG Programs?                                                                                                                                                                                              | VC<br>S | 5.2.<br>2 | In section 1.14 of the PD it is stated that project is not rejected by other GHG Programs.              | OK             | OK                  |
| i. If yes, have project proponents:                                                                                                                                                                                                              | VC<br>S | 5.2.<br>2 |                                                                                                         |                |                     |
| i. clearly stated in its VCS PD all GHG Programs for which the project has applied for credits and why the project was rejected? (Such information shall not be deemed commercially sensitive information                                        | VC<br>S | 5.2.<br>2 | N/A                                                                                                     | OK             | OK                  |
| ii. provided the VCS Program validator and verifier, VCS Program project database and VCS Program Registry with the actual rejection document(s) including any additional explanations?                                                          | VC<br>S | 5.2.<br>2 | N/A                                                                                                     | OK             | OK                  |
| j. Is this a renewal of the Project Crediting Period?                                                                                                                                                                                            | VC<br>S | 5.2.<br>3 | No, this is the first validation.                                                                       | OK             | OK                  |
| k. If yes have a VCS Program approved validator determined that the original project baseline scenario(s) and additionality is still valid or has been updated taking account of new data and changed VCS Program requirements where applicable? | VC<br>S | 5.2.<br>3 | N/A                                                                                                     | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                           | Ref. | item | COMMENTS                                                                                                                                                       | Draft<br>Concl | Final<br>Concl |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>b. Standards and factors</b>                                                                                                                                                                                                              |      |      |                                                                                                                                                                |                |                |
| d. Do standards and factors used to derive GHG emission data as well as any supporting data for additionality and baseline scenario(s) meet the following requirements:                                                                      | VC S | 5.5  |                                                                                                                                                                |                |                |
| i. be publicly available from a reputable and recognised source (e.g. IPCC, published Government data etc)?                                                                                                                                  | VC S | 5.5  | The standards and factors used to derive GHG emission data as well as any supporting data are taken from the IPCC and TEIAS which are both publicly available. | OK             | OK             |
| ii. be reviewed as part of its publication by a recognised competent organization?                                                                                                                                                           |      |      | IPCC and TEIAS are both reputable sources.                                                                                                                     | OK             | OK             |
| <b>c. Project grouping</b>                                                                                                                                                                                                                   |      |      |                                                                                                                                                                |                |                |
| a. Is this a grouped project?                                                                                                                                                                                                                | VC S | 5.6  | No, the project is not a grouped project. It is also stated in section 1.2 of the VCS PD.                                                                      | OK             | OK             |
| b. If yes, was this grouped project described in one VCS PD?                                                                                                                                                                                 | VC S | 5.6  | N/A                                                                                                                                                            | OK             | OK             |
| c. Does this PD include a description of the central GHG information system and controls associated with the project and its monitoring?                                                                                                     | VC S | 5.6  | N/A                                                                                                                                                            | OK             | OK             |
| d. What is the sampling carried out by the VCS verifier?                                                                                                                                                                                     | VC S | 5.6  | N/A                                                                                                                                                            | OK             | OK             |
| e. Have the sampling of a grouped project taken account of any sub groups and associated activities within each sub group?                                                                                                                   | VC S | 5.6  | N/A                                                                                                                                                            | OK             | OK             |
| f. Do this project, which intends to apply for the VCS Program VCUs as part of a grouped project also comply with the VCS Program requirements for grouped projects, detailed in the most recent version of the Program Guidelines 2007.1 on | VC S | 5.6  | N/A                                                                                                                                                            | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                               | Ref.           | item | COMMENTS                                                                                                                                                                                                     | Draft<br>Concl | Final<br>Concl |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| www.v-c-s.org?                                                                                                                                                                                                                                                                   |                |      |                                                                                                                                                                                                              |                |                |
| <b>d. Content of the VCS PD</b>                                                                                                                                                                                                                                                  |                |      |                                                                                                                                                                                                              |                |                |
| a. Is the PDD used as a basis for validation prepared in accordance with the latest template and guidance from the VCS?                                                                                                                                                          | VC<br>S        | 5.7  | Yes, the latest template of the VCS PD has been used.                                                                                                                                                        | OK             | OK             |
| b. Is there a project title?                                                                                                                                                                                                                                                     | PD<br>tem<br>p | 1.1. | Yes, the title of the project is "The Yokuslu-Kalkandere Hydroelectric Power Plant"                                                                                                                          | OK             | OK             |
| c. Type/Category of the project                                                                                                                                                                                                                                                  | PD<br>tem<br>p | 1.2  |                                                                                                                                                                                                              |                |                |
| Is it defined whether the project category is part of a GHG program that has been approved by the VCS Board?                                                                                                                                                                     | PD<br>tem<br>p | 1.2  | Yes, the project category is Energy Industries – Renewable Energy. It is applicable under VCS Board.                                                                                                         | OK             | OK             |
| Is it specified if the project is a Grouped project?                                                                                                                                                                                                                             | PD<br>tem<br>p | 1.2  | Yes, it is described that project is not a grouped project.                                                                                                                                                  | OK             | OK             |
| d. Is the amount of emission reductions over the crediting period estimated, including project size? (Micro project: Less than 5,000 tonnes CO2 equivalent emissions reductions per year; Mega Project: More than 1,000,000 tonnes CO2 equivalent emissions reductions per year) | PD<br>tem<br>p | 1.3  | It is estimated that project will reduce 100.174,29 tCO <sub>2</sub> emissions. Regarding to this estimation project is not a micro project nor mega project. It is also described in section 1.3 of the PD. | OK             | OK             |
| e. Is a brief description of the project provided?                                                                                                                                                                                                                               | PD<br>tem<br>p | 1.4  | Yes, the brief description of the project provided in section 1.4 of the PD.                                                                                                                                 | OK             | OK             |
| f. Is the project location, including geographic and physical information allowing the unique                                                                                                                                                                                    | PD             | 1.5  | The project is located in Rize. 2 powerhouses                                                                                                                                                                | CL2            | OK             |

X

| CHECKLIST QUESTION                                                                                                                                                                                    | Ref.           | item | COMMENTS                                                                                                                                             | Draft<br>Concl | Final<br>Concl<br>I |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------|
| identification and delineation of the specific extent of the project, and including GPS project boundaries, provided?                                                                                 | tem<br>p       |      | will be installed and the GPS coordinates of the project has been provided in section 1.5 of the PD. Please also provide delineation of the project. |                |                     |
| g. Duration of the project activity/crediting period                                                                                                                                                  | PD<br>tem<br>p | 1.6  | Duration of the crediting period is 10 years with two renewals.                                                                                      | OK             | OK                  |
| i. Is the project start date, i.e., the date on which the project began reducing or removing GHG emissions*, provided?                                                                                | PD<br>tem<br>p | 1.6  | Please refer to CL3. Project start date defined both 30 November 2010 and January 2011.                                                              |                |                     |
| ii. Is the crediting period start date, i.e., the date the first monitoring period commenced, provided? (VCS project crediting period: A maximum of ten years which may be renewed at most two times) | PD<br>tem<br>p | 1.6  | Please refer to CL3. Project start date defined both 30 November 2010 and January 2011.                                                              |                |                     |
| h. Are the conditions prior to project initiation provided?                                                                                                                                           | PD<br>tem<br>p | 1.7  | Yes, conditions prior to the project initiation provided in section 1.7                                                                              | OK             | OK                  |
| i. Is a description of how the project will achieve GHG emission reductions and/or removal enhancements provided?                                                                                     | PD<br>tem<br>p | 1.8  | Yes, it is described that project will achieve emission reductions by generating electricity from a renewable source.                                | OK             | OK                  |
| j. Are project technologies, products, services and the expected level of activity described?                                                                                                         | PD<br>tem<br>p | 1.9  | Yes, technology, and level of activity has been described in section 1.9 of the VCS PD.                                                              | OK             | OK                  |
| k. Does the VCS PD include identification of relevant local laws and regulations related to the project and demonstration of compliance with them?                                                    | PD<br>tem<br>p | 1.10 | The related laws and regulations defined in section 1.10 of the PD. Generation license and the EIA positive certificate has been provided            | CL4            | OK                  |

| CHECKLIST QUESTION | Ref. | item | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Draft<br>Concl | Final<br>Concl<br>I |
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|                    |      |      | <p>in annex of the PD.<br/> <a href="http://www.rec.org/REC/Programs/ExtensionToTurkey/TurkeysEnvironment.pdf">http://www.rec.org/REC/Programs/ExtensionToTurkey/TurkeysEnvironment.pdf</a><br/>                     Is not working. Please provide the document.<br/>                     Please provide letter number 254 which is issued by<br/>                     Ministry of Culture and Tourism, Trabzon<br/>                     Regional Council of Protection of Cultural and<br/>                     Natural Assets, dated May 26th 2005</p> |                |                     |

| CHECKLIST QUESTION                                                                                                                                                                                        | Ref.           | Item | COMMENTS                                                                                                                                                                                                                                                              | Draft<br>Concl | Final<br>Concl |
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| l. Are risks that may substantially affect the project's GHG emission reductions or removal enhancements identified?                                                                                      | PD<br>tem<br>p | 1.11 | Yes, it is stated that Turkish State Hydraulic Works (DSI), DSI may instruct to increase the amount of water to be released from the water intake structure to the river bed for the future basin's needs for potable water. This may affect the emission reductions. | OK             | OK             |
| m. Is confirmation that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction demonstrated?                                          | PD<br>tem<br>p | 1.12 | In section 1.12 of the PD it is confirmed that project does not create GHG emissions primarily.                                                                                                                                                                       | OK             | OK             |
| n. Has the project created another form of environmental credit (for example renewable energy certificates)?                                                                                              | PD<br>tem<br>p | 1.13 | No, the project does not create any other form of environmental credits.                                                                                                                                                                                              | OK             | OK             |
| o. If yes, has the proponent provided a letter from the program operator that the credit has not been used and has been cancelled from the relevant program?                                              | PD<br>tem<br>p | 1.13 | N/A                                                                                                                                                                                                                                                                   | OK             | OK             |
| p. Was the project rejected under other GHG programs (if applicable)                                                                                                                                      | PD<br>tem<br>p | 1.14 | In section 1.14 of the PD it is stated that project does not rejected under other GHG Programs.                                                                                                                                                                       | OK             | OK             |
| q. If yes, does the project:                                                                                                                                                                              | PD<br>tem<br>p | 1.14 | N/A                                                                                                                                                                                                                                                                   | OK             | OK             |
| i. clearly state in its VCS PD all GHG programs for which the project has applied for credits and why the project was rejected? (Such information shall not be deemed commercially sensitive information) | PD<br>tem<br>p | 1.14 | N/A                                                                                                                                                                                                                                                                   | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                             | Ref.           | item | COMMENTS                                                                                                                                                                                                                                                                           | Draft<br>Concl | Final<br>Concl |
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| ii. provide the VCS verifier and Registry with the actual rejection document(s) including explanation?                                                                                                                                                                         | PD<br>tem<br>p | 1.14 | N/A                                                                                                                                                                                                                                                                                | OK             | OK             |
| r. Are project proponents roles and responsibilities, including contact information of the project proponent, other project participants provided?                                                                                                                             | PD<br>tem<br>p | 1.15 | Yes, Project owner and the carbon consultant has been defined in section 1.15 of the PD. The contact information has been provided.                                                                                                                                                | OK             | OK             |
| s. Is any information relevant for the eligibility of the project and quantification of emission reductions or removal enhancements, including legislative, technical, economic, sectoral, social, environmental, geographic, site-specific and temporal information provided? | PD<br>tem<br>p | 1.16 | No other information has been stated in section 1.16 of the PD.                                                                                                                                                                                                                    | OK             | OK             |
| t. Is there any commercially sensitive information that has been excluded from the public version of the VCS PD that will be displayed on the VCS Project Database?                                                                                                            | PD<br>tem<br>p | 1.17 | Social and financial aids are stated as commercially sensitive information since the owner of the project do not think that to announce the aid is ethical.                                                                                                                        | OK             | OK             |
| u. If yes, was it listed?                                                                                                                                                                                                                                                      | PD<br>tem<br>p | 1.17 | Yes, financial and social aids are listed as commercially sensitive.                                                                                                                                                                                                               | OK             | OK             |
| v. Are title and reference of the VCS methodology applied to the project activity and explanation of methodology choices provided?                                                                                                                                             | PD<br>tem<br>p | 2.1  | Yes, in section 2.1 of the PD it is stated that Consolidated baseline methodology for grid-connected electricity generation from renewable sources" Version 11 has been used. Justification of the methodology has been provided in section 2.2. of the PD. Please refer to CAR 1. | CAR1           | OK             |
| w. Does the project use one of the VCS program approved project methodologies and provide information relevant to methodology deviations or                                                                                                                                    | PD<br>tem<br>p | 2.1  | No deviation or revision has been requested for the project. CDM Approved Methodology is using for the project which is also applicable                                                                                                                                            | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                     | Ref.           | item | COMMENTS                                                                                                                                                                                                             | Draft<br>Concl | Final<br>Concl |
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| methodology revisions?                                                                                                                                                                                                                                 |                |      | under VCS.                                                                                                                                                                                                           |                |                |
| x. Are the choice of the methodology and its applicability to the project activity justified?                                                                                                                                                          | PD<br>tem<br>p | 2.2  | Yes, the choice of the methodology and justification has been provided.                                                                                                                                              | OK             | OK             |
| y. Are GHG sources, sinks and reservoirs identified for the baseline scenario and for the project?                                                                                                                                                     | PD<br>tem<br>p | 2.3  | In section 2.3 GHG sources, sinks and reservoirs for the baseline and project shall be identified. However Turkish Electricity Sector has been identified. Please correct.                                           | CL5            | OK             |
| z. Is it described how the baseline scenario is identified and the identified baseline scenario?                                                                                                                                                       | PD<br>tem<br>p | 2.4  | Baseline scenario has been identified in section 2.4 of the PD with in line with the methodology..                                                                                                                   | OK             | OK             |
| aa. Has the project proponent selected the most reasonable baseline scenario for the project?                                                                                                                                                          | PD<br>tem<br>p | 2.4  | The baseline scenario identified as it is defined in the selected methodology ACM0002.                                                                                                                               | OK             | OK             |
| bb. Does it reflect what most likely would have occurred in the absence of the project?                                                                                                                                                                | PD<br>tem<br>p | 2.4  | The baseline scenario identified as it is defined in the selected methodology ACM0002.                                                                                                                               | OK             | OK             |
| cc. Is it described how the emissions of GHG by source in baseline scenario are reduced below those that would have occurred in the absence of the project activity (assessment and demonstration of additionality)?                                   | PD<br>tem<br>p | 2.5  | Yes, additionality has been described in section 2.5 of the PD.                                                                                                                                                      | OK             | OK             |
| dd. Has the project proponent demonstrated, in the VCS PD, in addition to describing how the project meets the VCS methodology, that the project is additional based on one of the tests, the project test, the performance test, and technology test? | PD<br>tem<br>p | 2.5  | "Tool for the demonstration and assessment of additionality"- Version 05.2. has been used to demonstrate additionality which is referred by the selected baseline methodology and applicable under VCS requirements. | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                               | Ref.           | item | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                | Draft<br>Concl | Final<br>Concl |
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| ee. Are title and reference of the VCS methodology (which includes the monitoring requirements) applied to the project activity and explanation of methodology choices provided? | PD<br>tem<br>p | 3.1  | The approved baseline and monitoring methodology ACM0002 Version 11 has been used for the monitoring. The explanation of the choice of the methodology has been given in section 2.1 of the PD. Please refer to CAR 1 since the version 12 is available for the methodology.                                                                                                                            | CAR1           | OK             |
| ff. Is monitoring, including estimation, modelling, measurement or calculation approaches described including:                                                                   | PD<br>tem<br>p | 3.2  |                                                                                                                                                                                                                                                                                                                                                                                                         |                |                |
| i. Purpose of monitoring?                                                                                                                                                        | PD<br>tem<br>p | 3.2  | Purpose of the monitoring defined in section 3.2 of the PD as "to ensure that the monitoring and calculation of emission reductions of the proposed Project within the crediting period is complete, consistent, clear and accurate".                                                                                                                                                                   | OK             | OK             |
| ii. Types of data and information to be reported, including units of measurement?                                                                                                | PD<br>tem<br>p | 3.2  | Types of data including units of measurement has been indicated in section 3.2 figure 6 of the PD.                                                                                                                                                                                                                                                                                                      | OK             | OK             |
| iii. Origin of the data?                                                                                                                                                         | PD<br>tem<br>p | 3.2  | Origin of the data's has been indicated in section 3.2 figure 6 of the PD. However electricity invoices defined as origin for the data's however electricity consumption can not define from the bill. Also generation may not be defined on the bill. These values can be available from the PMUM.<br>Also in figure 6 it is stated that if net electricity delivered to the grid according to on site | CAR2           | OK             |

| CHECKLIST QUESTION | Ref. | item | COMMENTS                                                                                                                                                                                                | Draft<br>Concl | Final<br>Conc<br>I |
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|                    |      |      | measurement is equals to net electricity delivered to the grid according to the bills it will be validated. However these data's can not be same because of the transmission line lost. Please correct. |                |                    |

| CHECKLIST QUESTION                                                                                                                                                                          | Ref.           | item | COMMENTS                                                                                                                                                                                                                                                                            | Draft<br>Concl | Final<br>Concl |
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| iv. Monitoring, including estimation, modelling, measurement or calculation approaches?                                                                                                     | PD<br>tem<br>p | 3.2  | In pg.31 measurement section spreadsheet is referred as figure 9. However it is not available in the PD.<br>It is stated that selecting of electricity measuring equipment is not finalized yet, however project start date defined as January 2011. Please update the information. | CL6            | OK             |
| v. Monitoring times and periods, considering the needs of intended users?                                                                                                                   | PD<br>tem<br>p | 3.2  | Monitoring times defined as monthly since TEIAS readings will be done monthly. This is accepted by the validation team.                                                                                                                                                             | OK             | OK             |
| vi. Monitoring roles and responsibilities ?                                                                                                                                                 | PD<br>tem<br>p | 3.2  | Monitoring roles and responsibilities has been defined in section 3.2.                                                                                                                                                                                                              | OK             | OK             |
| vii. Managing data quality?                                                                                                                                                                 | PD<br>tem<br>p | 3.2  | In PD section 3.2 it is defined that electrical engineers will receive sufficient and continues trainings in terms of monitoring and verification aspects. Please define the frequency.                                                                                             | CL7            | OK             |
| gg. Are data and parameters monitored/selecting relevant GHG sources, sinks and reservoirs for monitoring or estimating GHG emissions and removals described in the tabular form including: | PD<br>tem<br>p | 3.3  | Please include all needed parameters for the emission factor calculation for the next crediting period.(FC,,)                                                                                                                                                                       | CL8            | OK             |
| i. Data unit?                                                                                                                                                                               | PD<br>tem<br>p | 3.3  | Please define the data unit for the capacity addition.                                                                                                                                                                                                                              | CL9            | OK             |
| ii. Description?                                                                                                                                                                            | PD<br>tem<br>p | 3.3  | Descriptions has been defined in data parameter tables section 3.3.                                                                                                                                                                                                                 | OK             | OK             |

| CHECKLIST QUESTION                                                                      | Ref.           | Item | COMMENTS                                                                                                                                                                                                                                                    | Draft Concl | Final Conc |
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| iii. Source of data to be used?                                                         | PD<br>tem<br>p | 3.3  | Please update the source of the data's to be used for the capacity additions for the next crediting period.                                                                                                                                                 | CL10        | OK         |
| iv. Value of data applied for the purpose of calculating expected emissions reductions? | PD<br>tem<br>p | 3.3  | Value applied for the purpose of calculating expected emission reductions has been defined in section 3.3. data parameter tables.                                                                                                                           | OK          | OK         |
| v. Description of measurement methods and procedures to be applied?                     | PD<br>tem<br>p | 3.3  | It is defined for the parameters that measured.                                                                                                                                                                                                             | OK          | OK         |
| vi. QA/QC procedures to be applied?                                                     | PD<br>tem<br>p | 3.3  | QA/QC parameter defined for the electricity generation data however it should be corrected as it is requested in CAR2.                                                                                                                                      | CAR2        | OK         |
| vii. Any comment?                                                                       | PD<br>tem<br>p | 3.3  | Comment has been given for n and ncv.                                                                                                                                                                                                                       | OK          | OK         |
| hh. Is the monitoring plan described?                                                   | PD<br>tem<br>p | 3.4  | In section 3.4 it is stated that monitoring data's will be archived for 2 years after the last crediting period. For the plan details section 3.2 has been referred.                                                                                        | OK          | OK         |
| ii. Are methodological choices explained?                                               | PD<br>tem<br>p | 4.1  | ACM0002 version 11 has been selected as the methodology since project produce electricity from a renewable source. Also tool to calculate emission factor for an electricity system has been referred. Please refer to CAR 1 since version 12 is available. | CAR1        | OK         |
| jj. Are GHG emissions and/or removals for the baseline scenario quantified?             | PD<br>tem      | 4.2  | Please give quantified emission reductions for the baseline scenario in section 4.2 as it is                                                                                                                                                                | CAR3        | OK         |

| CHECKLIST QUESTION | Ref. | item | COMMENTS                                                                                                                                       | Draft<br>Concl | Final<br>Conc<br>I |
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|                    | p    |      | requested in the VCS PD template. Only emission factor has been given in the section. Please also submit the baseline calculation excel sheet. |                |                    |

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| CHECKLIST QUESTION                                                                                                                                                                                                                                               | Ref.               | Item      | COMMENTS                                                                                                                                                                                                                                                                                                | Draft<br>Concl | Final<br>Concl |
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| kk. Are GHG emissions and/or removals for the project quantified?                                                                                                                                                                                                | PD<br>tem<br>p     | 4.3       | Project emissions has been defined as 0 regarding to power density calculation in section 4.3 of the PD.                                                                                                                                                                                                | OK             | OK             |
| ll. Are GHG emission reductions and removal enhancements for the GHG project quantified?                                                                                                                                                                         | PD<br>tem<br>p     | 4.4       | Yes, emission reductions for the GHG project quantified in section 4.4. of the PD.                                                                                                                                                                                                                      | OK             | OK             |
| mm. Was a summary of environmental impact assessment, when such an assessment is required by applicable legislation or regulation, provided? ISO14064-2, 5.2.k                                                                                                   | ISO<br>140<br>64-2 | 5.2.<br>k | A summary of environmental impact has been provided in section 5. of the PD. EIA is not required certificate is not attached as it is stated in annex-1 of the PD. Please provide them to DOE with all its annexes. Also Please provide the EIA report.                                                 | CL11           | OK             |
| nn. Were relevant outcomes from stakeholder consultations and mechanisms for on-going communication provided?                                                                                                                                                    | PD<br>tem<br>p     | 6         | Stakeholder consultation has been done on June 20 <sup>th</sup> 2009. Please provide the summary of the comments received and mechanism for on going communication.                                                                                                                                     | CL12           | OK             |
| oo. Waere chronological plan for the date of initiating project activities, date of terminating the project, frequency of monitoring and reporting and the project period, including relevant project activities in each step of the GHG project cycle provided? | PD<br>tem<br>p     | 7         | Chronological plan has been provided in section 7 of the PD. Please also provide objective evidences for first VER consideration (original document for Annex 3), investment decision and the base document to decide to perform the project activity with related approval (first or last feasibility) | CL13           | OK             |
| pp. Was evidence of proof of title provided through one of the following:                                                                                                                                                                                        | PD<br>tem<br>p     | 8.1       | The proof of title has been confirmed through production license which is issued for Akim Enerji Üretim Sanayi ve Tic. A.S.                                                                                                                                                                             |                |                |
| i. a right of use arising or granted under                                                                                                                                                                                                                       | PD                 | 8.1       | n.a.                                                                                                                                                                                                                                                                                                    | OK             | OK             |

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| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                               | Ref.     | item | COMMENTS                                                                                                                    | Draft<br>Concl | Final<br>Concl |
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| statute, regulation or decree by a competent authority?                                                                                                                                                                                                                                                                                          | tem p    |      |                                                                                                                             |                |                |
| ii. a right of use arising under law?                                                                                                                                                                                                                                                                                                            | PD tem p | 8.1  | The proof of title has been confirmed through production license which is issued for Akim Enerji Üretim Sanayi ve Tic. A.S. | OK             | OK             |
| iii. a right of use arising by virtue of a property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals (where the right includes the right of use of such reductions or removals and the project proponent has not been divested of such right of use)?                              | PD tem p | 8.1  | n.a.                                                                                                                        | OK             | OK             |
| iv. a right of use arising by virtue of a property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where such right includes the right of use of such reductions or removals and the project proponent has not been divested of such right of use)? | PD tem p | 8.1  | n.a.                                                                                                                        | OK             | OK             |
| v. an enforceable and irrevocable agreement with the holder of the property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals which vests the right of use in the project proponent?                                                                                                |          |      | n.a.                                                                                                                        | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                              | Ref.           | item | COMMENTS                                                                                                        | Draft<br>Concl | Final<br>Concl |
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| vi. an enforceable and irrevocable agreement with the holder of the property or contractual right in the land, vegetation or conservation or management process that generates GHG emission reductions or removals which vests the right of use in the project proponent?       |                |      | n.a.                                                                                                            | OK             | OK             |
| qq. Does the project reduce GHG emissions from activities that participate in an emissions trading program, or take place in a jurisdiction or sector in which binding limits are established on GHG emissions?                                                                 | PD<br>tem<br>p | 8.2  | No, the project does not reduce GHG emissions from activities that participate in an emissions trading program, | OK             | OK             |
| rr. If yes, have project proponents provided evidence that the reductions or removals generated by the project have or will not be used in the Program or jurisdiction for the purpose of demonstrating compliance, such as:                                                    | PD<br>tem<br>p | 8.2  | n.a.                                                                                                            | OK             | OK             |
| i. a letter from the Program operator or designated national authority that emissions allowances (or other GHG credits used in the Program) equivalent to the reductions/removals generated by the project have been cancelled from the Program; or national cap as applicable? | PD<br>tem<br>p | 8.2  | n.a.                                                                                                            | OK             | OK             |
| ii. purchase and cancellation of GHG allowances equivalent to the reductions/removals generated by the project related to the Program or national cap?                                                                                                                          | PD<br>tem<br>p | 8.2  | n.a.                                                                                                            | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Ref.    | item | COMMENTS                                                                                                                                                            | Draft<br>Concl | Final<br>Concl |
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| <b>e. Additionality</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |      |                                                                                                                                                                     |                |                |
| a. Has the project proponent demonstrated that the project is additional using one of the following tests: Test 1 - The project test; Test 2 - Performance test; Test 3 - Technology test?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | VC<br>S | 5.8  | Additionality has been demonstrated through tool for the demonstration and assessment of additionality Version 05.2 which is in line with the selected methodology. | OK             | OK             |
| b. If the project proponent used Test 1:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | VC<br>S | 5.8  | n.a.                                                                                                                                                                | OK             | OK             |
| i. Step 1 – Regulatory Surplus - Is the project mandated by any systematically enforced law, statute or other regulatory framework? Laws, statutes, regulatory frameworks or policies implemented since 11 November 2001 that give comparative advantage to less emissions-intensive technologies or activities relative to more emissions-intensive technologies or activities need not be taken into account. Laws, statutes, regulatory frameworks or policies implemented since 11 December 1997 that give comparative advantage to more emissions-intensive technologies or activities relative to less emissions-intensive technologies or activities shall not be taken into account. (If yes a CAR shall be issued and the project shall be deemed non additional). | VC<br>S | 5.8  | n.a.                                                                                                                                                                | OK             | OK             |
| ii. Step 2 – Implementation Barriers – Does the project face one (or more) distinct barrier(s) compared with barriers faced by                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | VC<br>S | 5.8  | n.a.                                                                                                                                                                | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                              |  | Ref. | Item | COMMENTS | Draft<br>Concl | Final<br>Concl<br>I |
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| alternative projects?                                                                                                                                                           |  |      |      |          |                |                     |
| i. Investment Barrier – Does the project face capital or investment return constraints that can be overcome by the additional revenues associated with the generation of VCU's? |  | VC S | 5.8  | n.a.     | OK             | OK                  |
| ii. Technological Barriers – Does the project face technology-related barriers to its implementation?                                                                           |  | VC S | 5.8  | n.a.     | OK             | OK                  |
| iii. Institutional barriers – Does the project face financial, organizational, cultural or social barriers that the VCU revenue stream can help overcome?                       |  | VC S | 5.8  | n.a.     | OK             | OK                  |
| iii. Step 3 – Common Practice                                                                                                                                                   |  | VC S | 5.8  | n.a.     | OK             | OK                  |
| i. Is project type common practice in sector/region, compared with projects that have received no carbon finance?                                                               |  | VC S | 5.8  | n.a.     | OK             | OK                  |
| ii. if it is common practice, have the project proponents identified barriers faced compared with existing projects?                                                            |  | VC S | 5.8  | n.a.     | OK             | OK                  |
| iii. Is the demonstration that the project is not common practice based on guidance in the GHG Protocol for Project Accounting,                                                 |  | VC S | 5.8  | n.a.     | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  | Ref.                | item                | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| Chapter 7?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                     |                     |          |                |                |
| 1. Was data on all baseline candidates within the geographic area collected?                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  | GHG<br>PROT<br>OCOL | 7.4.2<br>AND<br>7.6 | n.a.     | OK             | OK             |
| 2. Was a relative percentage for each different technology or practice calculated? (Common practice refers to the predominant technologies or practices in a given market, as determined by the degree to which those technologies or practices have penetrated the market (defined by a specified geographic area). This percentage could be based on the number of plant/or sites using each technology or practice, or could be weighted by the proportion of the total output for the market that is attributed to each technology or practice.) |  | GHG<br>PROT<br>OCOL | 7.4.2<br>AND<br>7.6 | n.a.     | OK             | OK             |
| c. If the project proponent used Test 2:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | VC<br>S             | 5.8                 | n.a.     | OK             | OK             |
| i. Step 1 – Regulatory Surplus - Is the project                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | VC                  | 5.8                 | n.a.     | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Ref.    | item | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| mandated by any systematically enforced law, statute or other regulatory frameworks or Laws, statutes, regulatory frameworks or policies implemented since 11 November 2001 that give comparative advantage to less emissions-intensive technologies or activities relative to more emissions-intensive technologies or activities need not be taken into account. Laws, statutes, regulatory frameworks or policies implemented since 11 December 1997 that give comparative advantage to more emissions-intensive technologies or activities relative to less emissions-intensive technologies or activities shall not be taken into account. (If yes a CAR shall be issued and the project shall be deemed non additional). | S       |      |          |                |                |
| ii. Step 2: Performance Standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | VC<br>S | 5.8  | n.a.     | OK             | OK             |
| i. Are the emissions generated per unit output by the project below the level that has been approved by the VCS Program for the product, service, sector or industry, as the level defined to ensure that the project is not business-as-usual?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | VC<br>S | 5.8  | n.a.     | OK             | OK             |
| ii. Are performance standard based                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | VC      | 5.8  | n.a.     | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Ref. | item | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| <p>additionality tests approved through the double approval process and by the VCS Board? (The list of approved performance standards is on <a href="http://www.v-c-s.org">www.v-c-s.org</a>)</p> <p>d. If the project proponent used Test 3:</p> <p>i. Step 1 – Regulatory Surplus - Is the project mandated by any systematically enforced law, statute or other regulatory framework? Laws, statutes, regulatory frameworks or policies implemented since 11 November 2001 that give comparative advantage to less emissions-intensive technologies or activities relative to more emissions-intensive technologies or activities need not be taken into account. Laws, statutes, regulatory frameworks or policies implemented since 11 December 1997 that give comparative advantage to more emissions-intensive technologies or activities relative to less emissions-intensive technologies or activities shall not be taken into account. (If yes a CAR shall be issued and the project shall be deemed non additional).</p> <p>ii. Step 2: Technology Additionality – Are the project and its location contained in the list</p> | S    |      |          |                |                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | VC S | 5.8  | n.a.     | OK             | OK             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | VC S | 5.8  | n.a.     | OK             | OK             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | VC S | 5.8  | n.a.     | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                        | Ref.               | item | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                   | Draft<br>Concl | Final<br>Concl |
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| of project types and applicable areas approved as being additional by the VCS Program? (The approved list is available on <a href="http://www.v-c-s.org">www.v-c-s.org</a> )                                                                              |                    |      |                                                                                                                                                                                                                                                                                                                                                                                            |                |                |
| <b>f. Identifying GHG sources, sinks and reservoirs relevant to the project</b>                                                                                                                                                                           |                    |      |                                                                                                                                                                                                                                                                                                                                                                                            |                |                |
| a. Refer to Clause 6, under Methodologies.                                                                                                                                                                                                                | VC<br>S            | 5.9  | Refer to Clause 6, under Methodologies.                                                                                                                                                                                                                                                                                                                                                    | -              | -              |
| <b>g. Determining the baseline scenario</b>                                                                                                                                                                                                               |                    |      |                                                                                                                                                                                                                                                                                                                                                                                            |                |                |
| a. Has the project proponent selected the most conservative baseline scenario for the project, based on the requirements in the applicable VCS methodology?                                                                                               | VC<br>S            | 5.10 | The baseline scenario has been identified as requested in the selected methodology ACM0002 which is given in PD section 2.4 as "Electricity delivered to the grid by the project would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the Combined Margin (CM) calculations described below" | OK             | OK             |
| b. Does the baseline scenario set out the geographic scope as applicable to the project?                                                                                                                                                                  | VC<br>S            | 5.10 | n.a.<br>Please refer to above question d.g.a                                                                                                                                                                                                                                                                                                                                               | OK             | OK             |
| c. Has the project proponent selected or established criteria and procedures for identifying and assessing potential baseline scenarios considering the following:<br>i. The project description, including identified GHG sources, sinks and reservoirs; | ISO<br>140<br>64-2 | 5.4  | n.a.                                                                                                                                                                                                                                                                                                                                                                                       | OK             | OK             |
|                                                                                                                                                                                                                                                           | ISO<br>140<br>64.2 | 5.4  | n.a.                                                                                                                                                                                                                                                                                                                                                                                       | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                               | Ref.         | Item | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| ii. Existing and alternative project types, activities and technologies providing equivalent type and level of activity of products or services to the project;                                                                                                                  | ISO 140 64-2 | 5.4  | n.a.     | OK             | OK             |
| iii. Data availability, reliability and limitations;                                                                                                                                                                                                                             | ISO 140 64-2 | 5.4  | n.a.     | OK             | OK             |
| iv. Other relevant information concerning present or future conditions, such as legislative, economic, sociocultural, environmental, geographic, site-specific and temporal assumptions or projections.                                                                          | ISO 140 64-2 | 5.4  | n.a.     | OK             | OK             |
| d. Has the project proponent demonstrated equivalence in type and level of activity of products or services provided between the project and the baseline scenario and has explained, as appropriate, any significant differences between the project and the baseline scenario? | ISO 140 64.2 | 5.4  | n.a.     | OK             | OK             |
| e. Has the project proponent selected or established, explained and applied criteria and procedures for identifying and justifying the baseline scenario?                                                                                                                        | ISO 140 64.2 | 5.4  | n.a.     | OK             | OK             |
| f. In developing the baseline scenario, has the project proponent selected the assumptions, values and procedures that help ensure that GHG emissions reductions or removal enhancements are not over-estimated?                                                                 | ISO 140 64.2 | 5.4  | n.a.     | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                               | Ref.        | Item | COMMENTS                                                                                                                                              | Draft<br>Concl | Final<br>Concl |
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| g. Has the project proponent selected or established, justified and applied criteria and procedures for demonstrating that the project results in GHG emissions reductions or removal enhancements that are additional to what would occur in the baseline scenario?                                             | ISO 14064.2 | 5.4  | Yes, the project proponent demonstrated the project will result emission reductions that are additional to what would occur in the baseline scenario. | OK             | OK             |
| h. Has the project participant demonstrated that the project has met all relevant regulations, legislation and project approvals (e.g. environmental permits)?                                                                                                                                                   | VC S        | 5.10 | Yes, pp demonstrated that project has met all relevant regulations and project approvals.                                                             | OK             | OK             |
| <b>h. Monitoring the GHG project</b>                                                                                                                                                                                                                                                                             |             |      |                                                                                                                                                       |                |                |
| a. Has the project proponent shall established and maintained criteria and procedures for obtaining, recording, compiling and analysing data and information important for quantifying and reporting GHG emissions and/or removals relevant for the project and baseline scenario (i.e. GHG information system)? | VC S        | 5.11 | Yes, criterias has been defined to getting the data for GHG emissions and reductions.                                                                 | OK             | OK             |
| b. Do the monitoring procedures include?                                                                                                                                                                                                                                                                         | VC S        | 5.11 |                                                                                                                                                       |                |                |
| i. purpose of monitoring?                                                                                                                                                                                                                                                                                        | VC S        | 5.11 | The purpose of the monitoring has been defined in section 3.2 of the PD.                                                                              | OK             | OK             |
| ii. types of data and information to be reported, including units of measurement?                                                                                                                                                                                                                                | VC S        | 5.11 | Types of data and information to be reported has been defined in figure 6.                                                                            | OK             | OK             |
| iii. origin of the data?                                                                                                                                                                                                                                                                                         | VC S        | 5.11 | Please refer to CAR2                                                                                                                                  | CAR2           | OK             |
| iv. monitoring methodologies, including estimation, modelling, measurement or                                                                                                                                                                                                                                    | VC S        | 5.11 | Please refer to CL6                                                                                                                                   | CL6            | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                 | Ref.    | item | COMMENTS                                                                                                                                                                                       | Draft<br>Concl | Final<br>Concl |
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| calculation approaches?                                                                                                                                                                                                                                                                                                                            |         |      |                                                                                                                                                                                                |                |                |
| v. monitoring times and periods, considering the needs of intended users?                                                                                                                                                                                                                                                                          | VC<br>S | 5.11 | Monitoring times defined as monthly since TEIAS readings will be done monthly. This is accepted by the validation team.                                                                        | OK             | OK             |
| vi. monitoring roles and responsibilities?                                                                                                                                                                                                                                                                                                         | VC<br>S | 5.11 | Monitoring roles and responsibilities has been defined in section 3.2.                                                                                                                         | OK             | OK             |
| vii. GHG information management systems, including the location and retention of stored data?                                                                                                                                                                                                                                                      | VC<br>S | 5.11 | In PD section 3.2 it is defined that electrical engineers will receive sufficient and continues trainings in terms of monitoring and verification aspects. Please define the frequency.        | CL7            | OK             |
| c. Where measurement and monitoring equipment is used, does the project proponent ensure the equipment is calibrated according to current good practice?                                                                                                                                                                                           | VC<br>S | 5.11 | In the monitoring plan it is stated that calibration will be done regarding to the national law and it is TEIAS reponsibility. The frequency defined by national standard is once in 10 years. | OK             | OK             |
| d. Does the project proponent apply GHG monitoring criteria and procedures on a regular basis during project implementation?                                                                                                                                                                                                                       | VC<br>S | 5.11 | The project is under validation and the monitoring plan is created for regular basis.                                                                                                          | OK             | OK             |
| <b>i. Monitoring reports for the GHG project</b>                                                                                                                                                                                                                                                                                                   |         |      |                                                                                                                                                                                                |                |                |
| a. Do monitoring reports include all the monitoring data, calculations, estimations, conversion factors and others standard factors as defined in the monitoring clause of the applied VCS Program methodology and set out in the VCS PD? (A list of VCS approved methodologies is available on <a href="http://www.v-c-s.org">www.v-c-s.org</a> ) | VC<br>S | 5.12 | ACM0002 has been used as the monitoring methodology.                                                                                                                                           | OK             | OK             |
| <b>j. Records relating to the project</b>                                                                                                                                                                                                                                                                                                          |         |      |                                                                                                                                                                                                |                |                |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                     | Ref.    | item | COMMENTS                                                                                                                                  | Draft<br>Concl | Final<br>Concl |
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| a. Has the project proponent kept all documents and records in a secure and retrievable manner for at least two years after the end of the project crediting period.?                                                                                                                  | VC<br>S | 5.13 | In section 3.4 of the PD it is stated that all documents will be kept for at least 2 years after the end of the project crediting period. | OK             | OK             |
| <b>k. Information to validator and verifier</b>                                                                                                                                                                                                                                        |         |      |                                                                                                                                           |                |                |
| a. Has the project proponent made available to the validator the VCS PD, proof of title and any requested supporting information and data needed to evidence statements and data in the VCS PD and proof of title?                                                                     | VC<br>S | 5.14 | Yes, all needed documents are made available to the validation team by the project proponent and the project owner.                       | OK             | OK             |
| b. Has the project proponent made the VCS PD and validation report available to the verifiers as well as a monitoring report applicable to the period of monitoring and any requested supporting information and data needed to evidence statements and data in the monitoring report? | VC<br>S | 5.14 | The project is under validation stage.                                                                                                    | OK             | OK             |

\* Definition of Project Start Date differ between VCS PD template and VCS 2007.1. This protocol applies the VCS 2007.1 definition.

TABLE 2    VALIDATION REQUIREMENTS BASED ON THE CLEAN DEVELOPMENT MECHANISM VALIDATION AND VERIFICATION MANUAL (VERSION 01.2) AND METHODOLOGY ACM002 (VERSION 11 – “CONSOLIDATED BASELINE METHODOLOGY FOR GRID-CONNECTED ELECTRICITY GENERATION FROM RENEWABLE SOURCES”

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| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                   | Ref. | §    | COMMENTS                                      |                                               | Draft<br>Concl | Final<br>Concl<br>1 |
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| <b>3. Approval</b>                                                                                                                                                                                                                                                                                                                                   |      |      | <b>COUNTRY A</b><br>(insert the country name) | <b>COUNTRY B</b><br>(insert the country name) |                |                     |
| a. Have all Parties involved approved the project activity?                                                                                                                                                                                                                                                                                          | VVM  | 44   | n.a.                                          | n.a.                                          | OK             | OK                  |
| b. Has the DNA of each Party indicated as being involved in the proposed CDM project activity in section A.3 of the PDD provided a written letter of approval? (If yes, provide the reference of the letter of approval, any supporting documentation, and specify if the letter was received from the project participant or directly from the DNA) | VVM  | 45   | n.a.                                          | n.a.                                          | OK             | OK                  |
| c. Does the letter of approval from DNA of each Party involved:                                                                                                                                                                                                                                                                                      | VVM  | 45   | n.a.                                          | n.a.                                          | OK             | OK                  |
| i. confirm that the Party is a Party of the Kyoto Protocol?                                                                                                                                                                                                                                                                                          | VVM  | 45.a | n.a.                                          | n.a.                                          | OK             | OK                  |
| ii. confirm that participation is voluntary?                                                                                                                                                                                                                                                                                                         | VVM  | 45.b | n.a.                                          | n.a.                                          | OK             | OK                  |
| iii. confirm that, in the case of the host Party, the proposed CDM project activity contributes to the sustainable development of the country?                                                                                                                                                                                                       | VVM  | 45.c | n.a.                                          | n.a.                                          | OK             | OK                  |
| iv. Refers to the precise proposed CDM project activity title in the PDD being submitted for registration?                                                                                                                                                                                                                                           | VVM  | 45.d | n.a.                                          | n.a.                                          | OK             | OK                  |
| d. Is(are) the letter(s) of approval unconditional with respect to (i) to (iv) above?                                                                                                                                                                                                                                                                | VVM  | 46   | n.a.                                          | n.a.                                          | OK             | OK                  |
| e. Has(ve) the letter(s) of approval been issued by the respective Party's designated national authority (DNA) and is valid for the CDM project activity under validation?                                                                                                                                                                           | VVM  | 47   | n.a.                                          | n.a.                                          | OK             | OK                  |

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| CHECKLIST QUESTION                                                                                                                                                                                                                                                                         | Ref. | §  | COMMENTS                                                           | Draft<br>Concl | Final<br>Concl |
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| f. Is there doubt with respect to the authenticity of the letter of approval?                                                                                                                                                                                                              | VVM  | 48 | n.a.                                                               | OK             | OK             |
| g. If yes, was verified with the DNA that the letter of approval is authentic?                                                                                                                                                                                                             | VVM  | 48 | n.a.                                                               | OK             | OK             |
| <b>4. Participation</b>                                                                                                                                                                                                                                                                    |      |    |                                                                    |                |                |
| a. Have all project participants been listed in a consistent manner in the project documentation?                                                                                                                                                                                          | VVM  | 51 | PP1 (insert PP1 name)<br>Akim Enerji Üretim Sanayi ve Ticaret A.Ş. | OK             | OK             |
| b. Has the participation of the project participants in the project activity been approved by a Party to the Kyoto Protocol?                                                                                                                                                               | VVM  | 51 | n.a.                                                               | OK             | OK             |
| c. Are the project participants listed in tabular form in section A.3 of the PDD?                                                                                                                                                                                                          | VVM  | 52 | Project participants been listed in section 1.15 of the PD.        | OK             | OK             |
| d. Is the information in section A.3 consistent with the contact details provided in annex 1 of the PDD?                                                                                                                                                                                   | VVM  | 52 | n.a.                                                               | OK             | OK             |
| e. Has the participation of each of the project participants been approved by at least one Party involved, either in a letter of approval or in a separate letter specifically to approve participation? (Provide reference of the approval document for each of the project participants) | VVM  | 52 | n.a.                                                               | OK             | OK             |
| f. Are any entities other than those approved as project participants included in these sections of the PDD?                                                                                                                                                                               | VVM  | 52 | There is no entities other than the project participants.          | OK             |                |
| g. Has the approval of participation issued from the relevant DNA?                                                                                                                                                                                                                         | VVM  | 53 | n.a.                                                               | OK             | OK             |
| h. Is there doubt with respect to (g) above?                                                                                                                                                                                                                                               | VVM  | 53 | n.a.                                                               | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                          | Ref.  | §      | COMMENTS                                                               | Draft<br>Concl | Final<br>Concl |
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| i. If yes, was verified with the DNA that the approval of participation is valid for the proposed CDM project participant?                                                  | VVM   | 53     | n.a.                                                                   | OK             | OK             |
| <b>5. Project design document</b>                                                                                                                                           |       |        |                                                                        |                |                |
| a. Is the PDD used as a basis for validation prepared in accordance with the latest template and guidance from the CDM Executive Board available on the UNFCCC CDM website? | VVM   | 55     | Please refer to VCS Protocol in table 1 for the content of the VCS PD. | OK             | OK             |
| b. Is the PDD in accordance with the applicable CDM requirements for completing the PDD?                                                                                    | VVM   | 56     | n.a.                                                                   | OK             | OK             |
| c. In CDM-PDD section A.1 are the following provided?                                                                                                                       | EB 41 | Ann 12 | n.a.                                                                   | OK             | OK             |
| i. Title of project                                                                                                                                                         | EB 41 | Ann 12 | n.a.                                                                   | OK             | OK             |
| ii. Current version number and date of document                                                                                                                             | EB 41 | Ann 12 | n.a.                                                                   | OK             | OK             |
| d. In CDM-PDD section A.2 are following provided (max. one page)?                                                                                                           | EB 41 | Ann 12 | n.a.                                                                   | OK             | OK             |
| i. A brief description of the project activity covering purpose which includes the scenario existing prior to the start or project, present scenario and baseline scenario  | EB 41 | Ann 12 | n.a.                                                                   | OK             | OK             |
| ii. Explanation on how the GHG emission reductions are effected                                                                                                             | EB 41 | Ann 12 | n.a.                                                                   | OK             | OK             |
| iii. The PP's vies on the contribution of project activity to sustainable development                                                                                       | EB 41 | Ann 12 | n.a.                                                                   | OK             | OK             |
| iv. Are there any changes/modifications compared to the webhosted PDD?                                                                                                      | EB 41 | Ann 12 | n.a.                                                                   | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                         | Ref.  | §      | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| e. In CDM-PDD section A.3 are following provided in the tabular format?                                                                                    | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. List of project participants and parties                                                                                                                | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. Identification of Host Party                                                                                                                           |       |        | n.a.     | OK             | OK             |
| iii. Indication whether the Party wishes to be considered as project participant                                                                           | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| f. In CDM-PDD section A.4.1 are following provided?                                                                                                        | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. Technical description, location, host party(ies) and address as required                                                                                | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. Detailed physical location with unique identification of the project activity (eg. Longitude/latitude) – not to exceed one page                        | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. Are there any changes/modifications compared to the webhosted PDD?                                                                                    | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| g. In CDM-PDD section A.4.2 is the list of categories of project activities provided?                                                                      | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| h. In CDM-PDD section A.4.3 are following provided?                                                                                                        | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. A description of how environmentally safe and sound technology, and know-how, is transferred to the Host Party(ies)                                     | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. Explanation of purpose of project activity with scenario existing prior to the start of project, scope or present activities and the baseline scenario | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. List and arrangement of the main                                                                                                                      | EB    | Ann    | n.a.     | OK             | OK             |

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| CHECKLIST QUESTION                                                                                                 | Ref.  | §      | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| manufacturing/production technologies, systems and equipments involved                                             | 41    | 12     |          |                |                |
| iv. The emissions sources and GHGs involved                                                                        | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| v. Are there any changes/modifications compared to the webhosted PDD?                                              | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. In CDM-PDD section A.4.4 is the estimation of emission reductions provided as requested in a tabular format?    | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| j. In CDM-PDD section A.4.5 is Information regarding Public funding provided?                                      | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| k. In CDM-PDD section B.1 are following provided?                                                                  | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. The approved methodology and version number                                                                     | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. Any methodologies or tools which the above approved methodology draws upon and their version number            | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| l. In CDM-PDD section B.2 are following provided?                                                                  | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. Justification of the choice of methodology that the project activity meets each of the applicability conditions | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. Documentations with references that had been used. This can be provided in Annex 3 instead                     | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| m. In CDM-PDD section B.3 are following provided?                                                                  | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. Description of all sources and gases included in                                                                | EB    | Ann    | n.a.     | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                           | Ref.  | §      | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| the project boundary in the table                                                                                                                                                                                                            | 41    | 12     |          |                |                |
| ii. A flow diagram of the project boundary physically delineating the project activity                                                                                                                                                       | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. The flow diagram with all equipments, systems and flows of mass and energy etc                                                                                                                                                          | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| n. In CDM-PDD section B.4 are following provided?                                                                                                                                                                                            | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. Explanation how the most plausible baseline scenario is identified in accordance with the selected baseline methodology                                                                                                                   | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. Justification of key assumptions and rationales                                                                                                                                                                                          | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. Transparent illustration of all data used to determine the baseline scenario (variables, parameters, data sources, etc.)                                                                                                                | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iv. A transparent and detailed description of the identified baseline scenario, including a description of the technology that would be employed and/or the activities that would take place in the absence of the proposed project activity | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| v. Are there any changes/modifications compared to the webhosted PDD?                                                                                                                                                                        | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| o. In CDM-PDD section B.5 are following provided?                                                                                                                                                                                            | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. Explanation of how and why this project activity is additional and therefore not the baseline scenario in accordance with the selected                                                                                                    | EB 41 | Ann 12 | n.a.     | OK             | OK             |

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| CHECKLIST QUESTION                                                                                                                                                                                              | Ref.     | §         | COMMENTS | Draft<br>Concl | Final<br>Concl<br>I |
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| baseline methodology                                                                                                                                                                                            |          |           |          |                |                     |
| ii. Justification of key assumptions and rationales                                                                                                                                                             | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |
| iii. Transparent illustration of all data used to determine the baseline scenario (variables, parameters, data sources etc)                                                                                     | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |
| iv. Evidence that the incentive from the CDM was seriously considered in the decision to proceed with the project activity, if the starting date of the project activity is before the date of validation       | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |
| p. In CDM-PDD section B.6.1 are following provided?                                                                                                                                                             | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |
| i. Explanation as to how the procedures, in the approved methodology to calculate project emissions, baseline emissions, leakage emissions and emission reductions are applied to the proposed project activity | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |
| ii. Equations used in calculating emission reductions                                                                                                                                                           | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |
| iii. Explanation and justification for all relevant methodological choices, including different scenarios or cases, options and default values                                                                  | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |
| q. In CDM-PDD section B.6.2 are following provided?                                                                                                                                                             | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |
| i. A compilation of information on the data and parameters that are not monitored throughout the crediting period but that are determined only once and thus remains fixed throughout                           | EB<br>41 | Ann<br>12 | n.a.     | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                      | Ref.  | §      | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| the crediting period AND that are available when validation is undertaken                                                                                                                                                                                                               |       |        |          |                |                |
| ii. The actual value period                                                                                                                                                                                                                                                             | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. Explanation and justification for the choice of the source of data                                                                                                                                                                                                                 | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iv. Clear and transparent references or additional documentation in Annex 3                                                                                                                                                                                                             | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| v. Where values have been measured, a description of the measurement methods and procedures (e.g. which standards have been used), indicated the responsible person/entity having undertaken the measurement, the date of measurement(s) and the measurement results                    | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| r. In CDM-PDD section B.6.3 are following provided?                                                                                                                                                                                                                                     | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. A transparent <i>ex ante</i> calculation of project emissions, baseline emissions (or, where applicable, direct calculation of emission reductions) and leakage emissions expected during the crediting period, applying all relevant equations provided in the approved methodology | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. Documentation how each equation is applied, in a manner that enables the reader to reproduce the calculation                                                                                                                                                                        | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. Additional background information and or data in Annex 3, including relevant electronic files                                                                                                                                                                                      | EB 41 | Ann 12 | n.a.     | OK             | OK             |

A

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                          | Ref.           | §                | COMMENTS     | Draft<br>Concl | Final<br>Concl |
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| (i.e. spreadsheets)                                                                                                                                                                                                                                                                                                                                                                         |                |                  |              |                | I              |
| s. In CDM-PDD section B.6.4 are the results of the ex ante estimation of emission reductions for all years of the crediting period, provided in a tabular format?                                                                                                                                                                                                                           | EB 41          | Ann 12           | n.a.         | OK             | OK             |
| t. In CDM-PDD section B.7.1 are following provided?                                                                                                                                                                                                                                                                                                                                         | EB 41          | Ann 12           | n.a.         | OK             | OK             |
| i. Specific information on how the data and parameters that need to be monitored would actually be collected during monitoring for the project activity                                                                                                                                                                                                                                     | EB 41          | Ann 12           | n.a.         | OK             | OK             |
| ii. For each parameter the following below information, using the table provided:<br>The source(s) of data that will be actually used for the proposed project activity (e.g. which exact national statistics). Where several sources may be used, explain and justify which data sources should be preferred.                                                                              | EB 41<br>EB 41 | Ann 12<br>Ann 12 | n.a.<br>n.a. | OK<br>OK       | OK<br>OK       |
| Where data or parameters are supposed to be measured, specify the measurement methods and procedures, including a specification which accepted industry standards or national or international standards will be applied, which measurement equipment is used, how the measurement is undertaken, which calibration procedures are applied, what is the accuracy of the measurement method, | EB 41          | Ann 12           | n.a.         | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                       | Ref.  | §      | COMMENTS | Draft<br>Concl | Final<br>Concl<br>I |
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| who is the responsible person/entity that should undertake the measurements and what is the measurement interval; (i) A description of the QA/QC procedures (if any) that should be applied; (ii) Where relevant: any further comment. Provide any relevant further background documentation in Annex 4. |       |        |          |                |                     |
| u. In CDM-PDD section B.7.2 are following provided?                                                                                                                                                                                                                                                      | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| i. A detailed description of the monitoring plan                                                                                                                                                                                                                                                         | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| ii. The operational and management structure that the project operator will implement in order to monitor emission reductions and any leakage effects generated by the project activity                                                                                                                  | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| iii. The responsibilities for and institutional arrangements for data collection and archiving                                                                                                                                                                                                           | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| iv. Indication that the monitoring plan reflect good monitoring practice appropriate to the type of project activity                                                                                                                                                                                     | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| v. Relevant further background information in Annex 4                                                                                                                                                                                                                                                    | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| v. In CDM-PDD section B.8 are following provided?                                                                                                                                                                                                                                                        | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| i. Date of completion of the application of the methodology to the project activity study in DD/MM/YYYY                                                                                                                                                                                                  | EB 41 | Ann 12 | n.a.     | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                        | Ref.  | §      | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| ii. Contact information of the person(s)/entity(ies) responsible for the application of the baseline and monitoring methodology to the project activity                                                                                                                   | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. Indication if the person/entity is also a project participant listed in Annex 1                                                                                                                                                                                      | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| w. In CDM-PDD section C.1.1 are following provided?                                                                                                                                                                                                                       | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. The starting date of a CDM project activity, which is the earliest of the date(s) on which the implementation or construction or real action of a project activity begins/has begun (EB33, Para 76/CDM Glossary of terms/EB41, Para 67)                                | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. A description of how this start date has been determined, and a description of the evidence available to support this start date                                                                                                                                      | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. If this starting date is earlier than the date of publication of the CDM-PDD for global stakeholder consultation by a DOE, description in Section B.5 contain a of how the benefits of the CDM were seriously considered prior to the starting date (EB41, Para 68). | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| x. In CDM-PDD section C.1.2 is the expected operational lifetime of the project activity in years and months provided?                                                                                                                                                    | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| y. In CDM-PDD section C.2 is it stated whether the project activity will use a renewable or a fixed crediting period and is C.2.1 or C.2.2 completed accordingly?                                                                                                         | EB 41 | Ann 12 | n.a.     | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                   | Ref.  | §      | COMMENTS | Draft<br>Concl | Final<br>Concl<br>I |
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| z. In CDM-PDD section C.2.1 is it indicated that each crediting period shall be at most 7 years and may be renewed at most two times, provided that, for each renewal, a designated operational entity determines and informs the Executive Board that the original project baseline is still valid or has been updated taking account of new data where applicable? | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| aa. In CDM-PDD section C.2.1.1 are dates in the following format: (DD/MM/YYYY) provided?                                                                                                                                                                                                                                                                             | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| bb. In CDM-PDD section C.2.1.2 is the length of the first crediting period in years and months provided?                                                                                                                                                                                                                                                             | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| cc. In CDM-PDD section C.2.2 is the fixed crediting period at most ten (10) years provided?                                                                                                                                                                                                                                                                          | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| dd. In CDM-PDD section C.2.2.1 are the dates provided in the following format: (DD/MM/YYYY)?                                                                                                                                                                                                                                                                         | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| ee. In CDM-PDD section C.2.2.2 is the length of the crediting period in years and months provided?                                                                                                                                                                                                                                                                   | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| ff. In CDM-PDD section D.2 are the conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the Host Party, if environmental impacts are considered significant by the project participants or the Host, provided?                                                  | EB 41 | Ann 12 | n.a.     | OK             | OK                  |
| gg. In CDM-PDD section E.1 are the following provided?                                                                                                                                                                                                                                                                                                               | EB 41 | Ann 12 | n.a.     | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                | Ref.  | §      | COMMENTS | Draft<br>Concl | Final<br>Concl |
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| i. The process by which comments by local stakeholders have been invited and compiled. An invitation for comments by local stakeholders shall be made in an open and transparent manner, in a way that facilitates comments to be received from local stakeholders and allows for a reasonable time for comments to be submitted. | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. The project activity is described in a manner, which allows the local stakeholders to understand the project activity, taking into account confidentiality provisions of the CDM modalities and procedures.                                                                                                                   | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| iii. The local stakeholder process has been completed before submitting the proposed project activity to the DOE for validation.                                                                                                                                                                                                  | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| hh. In CDM-PDD section E.2 are following provided?                                                                                                                                                                                                                                                                                | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. Identification of local stakeholders that have made comments                                                                                                                                                                                                                                                                   | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. A summary of this comments.                                                                                                                                                                                                                                                                                                   | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| ii. In CDM-PDD section E.3 is the explanation of how due account have been taken of comments received from local stakeholders provided?                                                                                                                                                                                           | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| jj. In CDM-PDD Annex 1 are the following provided?                                                                                                                                                                                                                                                                                | EB 41 | Ann 12 | n.a.     | OK             | OK             |
| i. Contact information of project participants                                                                                                                                                                                                                                                                                    | EB 41 | Ann 12 | n.a.     | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                       | Ref.  | §      | COMMENTS                                                      | Draft<br>Concl | Final<br>Concl<br>I |
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| ii. For each organisation listed in section A.3 the following mandatory fields: Organization, Name of contact person, Street, City, Postfix/ZIP, Country, Telephone and Fax or e-mail                                                                                                                                                                    | EB 41 | Ann 12 | n.a.                                                          | OK             | OK                  |
| kk. In CDM-PDD Annex 2 is information from Parties included in Annex I on sources of public funding for the project activity which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties provided? | EB 41 | Ann 12 | n.a.                                                          | OK             | OK                  |
| ll. In CDM-PDD Annex 3 is the background information used in the application of the baseline methodology provided?                                                                                                                                                                                                                                       | EB 41 | Ann 12 | n.a.                                                          | OK             | OK                  |
| mm. In CDM-PDD Annex 4 is the background information used in the application of the monitoring methodology provided?                                                                                                                                                                                                                                     | EB 41 | Ann 12 | n.a.                                                          | OK             | OK                  |
| <b>6. Project description</b>                                                                                                                                                                                                                                                                                                                            |       |        |                                                               |                |                     |
| a. Does the PDD contain a clear description of the project activity that provides the reader with a clear understanding of the precise nature of the project activity and the technical aspects of its implementation?                                                                                                                                   | VVM   | 58     | Yes, PD contains a clear description of the project activity. | OK             | OK                  |
| b. Is the description of the proposed CDM project activity as contained in the PDD:                                                                                                                                                                                                                                                                      | VVM   | 59     |                                                               |                |                     |
| i. sufficiently covering all relevant elements?                                                                                                                                                                                                                                                                                                          | VVM   | 59     | Yes, PD covers all elements about the project activity.       | OK             | OK                  |
| ii. accurate?                                                                                                                                                                                                                                                                                                                                            | VVM   | 59     | Yes, PD is accurate                                           | OK             | OK                  |
| iii. providing the reader with a clear understanding                                                                                                                                                                                                                                                                                                     | VVM   | 59     | Yes, PD provides reader clear understanding of                | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                   | Ref. | §  | COMMENTS                                                                                | Draft<br>Concl | Final<br>Concl<br>I |
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| of the nature of the proposed CDM project activity?                                                                                                                                                                  |      |    | the nature of the project activity.                                                     |                |                     |
| iv. Are there any changes/modifications compared to the webhosted PDD?                                                                                                                                               | VVM  | 59 | Since the project activity is validating under VCS, web hosting is not required.        | OK             | OK                  |
| c. Is the proposed CDM project activity in existing facilities or utilizing existing equipments?                                                                                                                     | VVM  | 60 | No, the project is a new project activity.                                              | OK             | OK                  |
| d. Is the CDM project activity one of the following types:                                                                                                                                                           | VVM  | 60 |                                                                                         |                |                     |
| i. Large scale?                                                                                                                                                                                                      | VVM  | 60 | Yes, project is large scale hydro power project.                                        | OK             | OK                  |
| ii. Non-bundled small scale projects with emission reductions exceeding 15,000 tonnes per year?                                                                                                                      | VVM  | 60 | n.a.                                                                                    | OK             | OK                  |
| iii. Bundled small scale projects, each with emission reductions not exceeding 15,000 tonnes?                                                                                                                        | VVM  | 60 | n.a.                                                                                    | OK             | OK                  |
| e. If yes to (c) and (d) above, was a physical site inspection conducted to confirm that the description in the PDD reflects the proposed CDM project activity, unless other means are specified in the methodology? | VVM  | 60 | Yes, physical site visit has been conducted by BV on 09 <sup>th</sup> of November 2010. | OK             | OK                  |
| f. If yes to (d.iii) above, was the number of physical site visits base on sampling?                                                                                                                                 | VVM  | 60 | n.a.                                                                                    | OK             | OK                  |
| g. If yes is the sampling size appropriately justified through statistical analysis?                                                                                                                                 | VVM  | 60 | n.a.                                                                                    | OK             | OK                  |
| h. For other individual proposed small scale CDM project activities with emission reductions not exceeding 15,000 tonnes per year, was a physical site inspection conducted?                                         | VVM  | 61 | n.a.                                                                                    | OK             | OK                  |
| i. For all other proposed CDM project activities not referred to in paragraphs 59 – 61, was a physical                                                                                                               | VVM  | 62 | n.a.                                                                                    | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                     | Ref. | §  | COMMENTS                                                                                                                             | Draft Concl | Final Concl |
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| site inspection conducted?                                                                                                                                             |      |    |                                                                                                                                      |             |             |
| j. If no, was it appropriately justified?                                                                                                                              | VVM  | 62 | n.a.                                                                                                                                 | OK          | OK          |
| k. Does the proposed CDM project activity involve the alteration of an existing installation or process?                                                               | VVM  | 63 | n.a.                                                                                                                                 | OK          | OK          |
| l. If yes, does the project description clearly state the differences resulting from the project activity compared to the pre-project situation?                       | VVM  | 63 | n.a.                                                                                                                                 | OK          | OK          |
| <b>7. Baseline and monitoring methodology</b>                                                                                                                          |      |    |                                                                                                                                      |             |             |
| <b>a. General requirement</b>                                                                                                                                          |      |    |                                                                                                                                      |             |             |
| i. Do the the baseline and monitoring methodologies selected by the project participants comply with the methodologies previously approved by the CDM Executive Board? | VVM  | 65 | ACM0002 version 11 has been selected as the baseline and the monitoring methodology. Please update the version. Please refer to CAR1 | CAR1        | OK          |
| m. Is the selected methodology applicable to the project activity?                                                                                                     | VVM  | 66 | Refer to (5.b.a) below                                                                                                               | -           | -           |
| n. Had the PP correctly applied the selected methodology?                                                                                                              | VVM  | 66 | Refer to (5.b.d) below                                                                                                               | -           | -           |
| o. Had the selected methodology been correctly applied with respect to project boundary?                                                                               | VVM  | 67 | Refer to (5.c) below                                                                                                                 | -           | -           |
| p. Had the selected methodology been correctly applied with respect to baseline identification?                                                                        | VVM  | 67 | Refer to (5.d) below                                                                                                                 | -           | -           |
| q. Had the selected methodology been correctly applied with respect to Algorithms and/or formulae used to determine emission reductions?                               | VVM  | 67 | Refer to (5.e) below                                                                                                                 | -           | -           |
| r. Had the selected methodology been correctly applied with respect to additionality?                                                                                  | VVM  | 67 | Tool for the demonstration and assessment of additionality has been used to demonstrate                                              | OK          | OK          |

| CHECKLIST QUESTION | Ref. | § | COMMENTS                                                              | Draft<br>Concl | Final<br>Conc<br>1 |
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|                    |      |   | additionality which is in line with the selected methodology ACM0002. |                |                    |

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| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                             | Ref. | §                | COMMENTS                                                                                                                                                                                                          | Draft<br>Concl | Final<br>Concl |
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| i. Has the additionality of the project activity been demonstrated and assessed using the latest version of the "Tool for the demonstration and assessment of additionality" agreed by the Board, which is available on the UNFCCC website?                                                                                                                                                                    | ACM  | 000<br>2<br>v.11 | Yes, additionality of the project activity been demonstrated and assessed using the latest version of the "Tool for the demonstration and assessment of additionality" which is available on the UNFCCC web site. | OK             | OK             |
| s. Had the selected methodology been correctly applied with respect to monitoring methodology?                                                                                                                                                                                                                                                                                                                 | VVM  | 67               | Refer to (7.g), (7.h), (7.i), (7.j) and (7.k) below                                                                                                                                                               |                |                |
| <b>b. Applicability of the selected methodology to the project activity</b>                                                                                                                                                                                                                                                                                                                                    |      |                  |                                                                                                                                                                                                                   |                |                |
| a. Is the selected baseline and monitoring methodology, previously approved by the CDM Executive Board, applicable to the project activity? Is the used version valid?                                                                                                                                                                                                                                         | VVM  | 68               | Yes, ACM0002 has been previously approved by the CDM Executive Board. Please refer to CAR1. Latest version of the methodology shall be used.                                                                      | CAR1           | OK             |
| i. This methodology is applicable to grid-connected renewable power generation project activities that (a) install a new power plant at a site where no renewable power plant was operated prior to the implementation of the project activity (greenfield plants); (b) involve a capacity addition; (c) involve a retrofit of (an) existing plant(s); or (d) involve a replacement of (an) existing plant(s). | ACM  | 000<br>2<br>v.11 | The Kalkandere HydroPower Plant is grid connected renewable power generation which installs a new power plant at a site where no renewable power plant was operated prior to the implementation of the project.   | OK             | OK             |
| b. Has the DOE applied specific guidance provided by the CDM Executive Board in respect to the applicable approved methodology?                                                                                                                                                                                                                                                                                | VVM  | 69               | Yes, DOE applied specific guidance for ACM0002.                                                                                                                                                                   | OK             | OK             |
| c. Is the methodology correctly quoted?                                                                                                                                                                                                                                                                                                                                                                        | VVM  | 70               | Please refer to CAR1.                                                                                                                                                                                             | CAR1           | OK             |
| d. Are the applicability conditions of the methodology met?                                                                                                                                                                                                                                                                                                                                                    | VVM  | 71               |                                                                                                                                                                                                                   |                |                |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Ref. | §                | COMMENTS                                                                                                                                                                                         | Draft<br>Concl | Final<br>Concl<br>I |
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| i. The project activity is the installation, capacity addition, retrofit or replacement of a power plant/unit of one of the following types: hydro power plant/unit (either with a run-of-river reservoir or an accumulation reservoir), wind power plant/unit, geothermal power plant/unit, solar power plant/unit, wave power plant/unit or tidal power plant/unit                                                                                                                                                                                                                                                          | ACM  | 000<br>2<br>v.11 | Yes, project is installation of a hydro power plant.                                                                                                                                             | OK             | OK                  |
| ii. In the case of capacity additions, retrofits or replacements (except for wind, solar, wave or tidal power capacity addition projects which use Option 2: on page 10 to calculate the parameter $EG_{p,y}$ ): the existing plant started commercial operation prior to the start of a minimum historical reference period of five years, used for the calculation of baseline emissions and defined in the baseline emission section, and no capacity expansion or retrofit of the plant has been undertaken between the start of this minimum historical reference period and the implementation of the project activity. | ACM  | 000<br>2<br>v.11 | n.a.                                                                                                                                                                                             | OK             | OK                  |
| iii. In case of hydro power plants, one of the following conditions must apply:<br>- The project activity is implemented in an existing reservoir, with no change in the volume of reservoir; or<br>- The project activity is implemented in an existing reservoir, where the volume of reservoir is increased and the power density of                                                                                                                                                                                                                                                                                       | ACM  | 000<br>2<br>v.11 | Project is hydro power plant and results with new reservoir. Power density is calculated as greater than 10w/m2. Please provide the feasibility of the project activity to verify the lake area. | CL14           | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                               | Ref. | §                | COMMENTS                                                                                  | Draft<br>Concl | Final<br>Concl |
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| the project activity, as per definitions given in the Project Emissions section, is greater than 4 W/m <sup>2</sup> ; or<br>- The project activity results in new reservoirs and the power density of the power plant, as per definitions given in the Project Emissions section, is greater than 4 W/m <sup>2</sup> .                                                                                                           |      |                  |                                                                                           |                |                |
| iv. The methodology is not applicable to the following conditions. Please confirm<br>- Project activities that involve switching from fossil fuels to renewable energy sources at the site of the project activity<br>- Biomass fired power plants;<br>- Hydro power plants that result in new reservoirs or in the increase in existing reservoirs where the power density of the power plant is less than 4 W/m <sup>2</sup> . | ACM  | 000<br>2<br>v.11 | Project is hydropower plant which power density is calculated as 19714 w/m <sup>2</sup> . | OK             | OK             |
| v. In the case of retrofits, replacements, or capacity additions, this methodology is only applicable if the most plausible baseline scenario, as a result of the identification of the baseline scenario, is "the continuation of the current situation, i.e. to use the power generation equipment that was already in use prior to the implementation of the project activity and undertaking business as usual maintenance". | ACM  | 000<br>2<br>v.11 | n.a.                                                                                      | OK             | OK             |
| e. Is the project activity expected to result in emissions other than those allowed by the methodology?                                                                                                                                                                                                                                                                                                                          | VVM  | 71               | No, there is no other project emissions expected other than allowed by the                | OK             | OK             |

| CHECKLIST QUESTION | Ref. | § | COMMENTS     | Draft<br>Concl | Final<br>Concl<br>I |
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|                    |      |   | methodology. |                |                     |

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| CHECKLIST QUESTION                                                                                                                                                                  | Ref.  | §      | COMMENTS                                                                                                                                                                                              | Draft<br>Concl | Final<br>Concl |
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| f. Is the choice of the methodology justified?                                                                                                                                      | VVM   | 71     | Yes, since the project is grid connected renewable energy ACM0002 has been selected and it is justified in section 2 of the PD.                                                                       | OK             | OK             |
| g. Have the project participants shown that the project activity meets each of the applicability conditions or the approved methodology?                                            | VVM   | 71     | Refer to (5.b.d) above                                                                                                                                                                                | -              | -              |
| h. Have the project participants shown that the project activity meets each of the applicability conditions of any tool or other methodology component referred to the methodology? | VVM   | 71     | Yes, in section 2.2 of the PD, applicability conditions for all applied methodology and the tools have been showed.                                                                                   | OK             | OK             |
| i. Are each of the applicability conditions of the "Tool to calculate the emission factor for an electricity system" met?                                                           | EB 50 | Ann 40 | Since the project displaces electricity generated by power plants in the Turkish electricity system it is defined that the tool to calculate emission factor for an electricity system is applicable. | OK             | OK             |
| ii. Are each of the applicability conditions of the "Tool for the demonstration and assessment of additionality" met?                                                               | EB 39 | Ann 10 | The tool for the demonstration and assessment of additionality is applicable to wide range of project as it is stated in the tool.                                                                    | OK             | OK             |
| iii. Are each of the applicability conditions of the "Combined tool to identify the baseline scenario and demonstrate additionality" met?                                           | EB 28 | Ann 14 | n.a.                                                                                                                                                                                                  | OK             | OK             |
| iv. Are each of the applicability conditions of the "Tool to calculate project or leakage CO <sub>2</sub> emissions from fossil fuel combustion" met?                               | EB 41 | Ann 11 | n.a.                                                                                                                                                                                                  | OK             | OK             |
| i. Is the DOE, based on local and sectoral knowledge, aware that comparable information is available from sources other than that used in the                                       | VVM   | 71     | Yes, DOE team has the local and the sectoral knowledge to compare the information used in the PDD.                                                                                                    | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                  | Ref. | §  | COMMENTS                                                                                                                                                                                                                                      | Draft<br>Concl | Final<br>Concl |
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| PDD?                                                                                                                                                                                                |      |    |                                                                                                                                                                                                                                               |                |                |
| j. If yes, was the PDD cross checked against the other sources to confirm that the project activity meets the applicability conditions of the methodology? (provide the reference to these choices) | VVM  | 71 | There is no other sources than used in the PDD to cross check the applicability.                                                                                                                                                              | OK             | OK             |
| k. Can a determination regarding the applicability of the selected methodology to the proposed CDM project activity be made?                                                                        | VVM  | 72 | Yes, the applicability of the project activity has been done through generation license to confirm that project is renewable energy producer. The feasibility of the project will be provided to confirm the lake area. Please refer to vCL14 | CL14           | OK             |
| l. If no, clarification of the methodology was requested, in accordance with the guidance provided by the CDM Executive Board?                                                                      | VVM  | 72 | n.a.                                                                                                                                                                                                                                          | OK             | OK             |
| m. If answer to (5.b.d) above is "no", revision or deviation from the methodology was requested, in accordance with the guidance provided by the CDM Executive Board?                               | VVM  | 73 | n.a.                                                                                                                                                                                                                                          | OK             | OK             |
| n. If yes to (5.b.l) and (5.b.m) above, a request for registration was submitted before the CDM Executive Board has approved the proposed deviation or revision?                                    | VVM  | 74 | n.a.                                                                                                                                                                                                                                          | OK             | OK             |
| <b>c. Project boundary</b>                                                                                                                                                                          |      |    |                                                                                                                                                                                                                                               |                |                |
| c. Does the PDD correctly describe the project boundary, including the physical delineation of the proposed CDM project activity included within the project boundary for the purpose of            | VVM  | 78 | Please give the physical delineation of the project activity. Delineation shall cover correct project boundary and include identification of all locations, processes and equipment including                                                 | CL16           | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                          | Ref. | §                | COMMENTS                                                                                                                           | Draft Concl | Final Concl |
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| calculating project and baseline emissions for the proposed CDM project activity?                                                                                                                                           |      |                  | secondary equipment and associated processes such as logistics etc.                                                                |             |             |
| i. Does the extent of the project boundary, as described in the PDD, includes the project power plant and all power plants connected physically to the electricity system that the CDM project power plant is connected to? | ACM  | 000<br>2<br>v11  | Yes, project boundary includes project power plant and all power plants in the national grid.                                      | OK          | OK          |
| ii. Are the greenhouse gases and emission sources that are included in or excluded from the project boundary shown in a table format as per applicable methodology?                                                         | ACM  | 000<br>2 v<br>11 | In table 4, included and excluded greenhouse gasses are showed. Please use the tabular format. CH4 in the baseline is not defined. | CL17        | OK          |
| d. Is the delineation in the PDD of the project boundary correct and include identification of all locations, processes and equipment including secondary equipment and associated processes such as logistics etc.?        | VVM  | 79               | Please refer to CL16                                                                                                               | CL16        | OK          |
| e. Does the delineation in the PDD of the project boundary meet the requirements of the selected baseline?                                                                                                                  | VVM  | 79               | Please refer to CL16.                                                                                                              | CL16        | OK          |
| f. Have changes been made to the project boundary in comparison to the webhosted PDD. If yes please comment on the reason for the changes.                                                                                  | VVM  | 79               | Web hosting is not required under VCS therefore the question is n.a.                                                               | OK          | OK          |
| g. Have all sources and GHGs required by the methodology been included within the project boundary?                                                                                                                         | VVM  | 79               | Yes, all required GHG sources included in the project boundary.                                                                    | OK          | OK          |
| h. Does the methodology allow project participant to choose whether a source or gas is to be included within the project boundary                                                                                           | VVM  | 79               | No, the gasses which shall be included has been defined by the methodology                                                         | OK          | OK          |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                 | Ref. | §               | COMMENTS                                                                                                                                                                                                 | Draft<br>Concl | Final<br>Concl |
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| i. If yes, have the project participants justified that choice?                                                                                                                                                                                                                                                                                    | VVM  | 79              | n.a.                                                                                                                                                                                                     | OK             | OK             |
| j. If yes, is the justification provided reasonable? (provide reference to the supporting documented evidence provided by the project participants)                                                                                                                                                                                                | VVM  | 79              | n.a.                                                                                                                                                                                                     | OK             | OK             |
| <b>d. Baseline identification</b>                                                                                                                                                                                                                                                                                                                  |      |                 |                                                                                                                                                                                                          |                |                |
| Does the PDD identify the baseline for the proposed CDM project activity, defined as the scenario that reasonably represents the anthropogenic emissions by sources of GHGs that would occur in the absence of the proposed CDM project activity?                                                                                                  | VVM  | 81              | Yes, the PDD identify the baseline for the proposed CDM project activity represents the anthropogenic emissions by sources of GHGs that would occur in the absence of the proposed CDM project activity. | OK             | OK             |
| Has any procedure contained in the methodology to identify the most reasonable baseline scenario, been correctly applied?                                                                                                                                                                                                                          | VVM  | 82              | The baseline scenario has been used as it is defined in the selected methodology.                                                                                                                        | OK             | OK             |
| i. If the project activity is the install a new grid-connected renewable power plant/unit (greenfield plant), is the baseline scenario identified appropriately in accordance with the ACM0002 ver.12?                                                                                                                                             | ACM  | 000<br>2<br>v11 | Yes, the baseline scenario has been identified in line with the ACM0002.                                                                                                                                 | OK             | OK             |
| ii. If the project activity is a capacity addition to existing grid-connected renewable power plant/unit, is the baseline scenario identified appropriately in accordance with the ACM0002 ver. 11? And is the point of time at which the generation facility would likely be replaced or retrofitted (DATE Baseline Retrofit) reasonably defined? | ACM  | 000<br>2<br>v11 | n.a.                                                                                                                                                                                                     | OK             | OK             |
| iii. If the project activity is the retrofit or                                                                                                                                                                                                                                                                                                    | ACM  | 000             | n.a.                                                                                                                                                                                                     | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                        | Ref. | §               | COMMENTS                                                                                        | Draft<br>Concl | Final<br>Concl |
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| replacement of existing grid-connected renewable power plant/unit, is the baseline scenario identified following the step-wise procedure in accordance with the ACM0002 ver.11?                                                                                                                                                                                           |      | 2<br>v11        |                                                                                                 |                |                |
| iv. Are the realistic and credible alternative baseline scenarios for power generation appropriately identified following the Step 1 of the "Combined tool to identify the baseline scenario and demonstrate additionality"? (Step 1)                                                                                                                                     | ACM  | 000<br>2<br>v11 | n.a.                                                                                            | OK             | OK             |
| v. Are the realistic and credible alternative baseline scenarios i.e. P1, P2 and P3 appropriately applied <b>Barrier analysis</b> following the Step 2 of the "Combined tool to identify the baseline scenario and demonstrate additionality"? (Step 2)                                                                                                                   | ACM  | 000<br>2<br>v11 | n.a.                                                                                            | OK             | OK             |
| vi. If more than one alternative is remaining after Step 2, is <b>Investment analysis</b> appropriately applied (apply an Investment Comparison as per step 3 of the "Combined tool to identify the baseline scenario and demonstrate additionality" or a Benchmark Analysis as per step 2b of the "Tool for the demonstration and assessment of additionality"? (Step 3) | ACM  | 000<br>2<br>v11 | n.a.                                                                                            | OK             | OK             |
| Does the selected methodology require use of tools (such as the "Tool for the demonstration and assessment of additionality" and the "Combined tool to identify the baseline scenario and demonstrate additionality") to establish the                                                                                                                                    | VVM  | 82              | No, the baseline scenario has been defined as it is given in the selected baseline methodology. | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                   | Ref. | §  | COMMENTS                                                                                        | Draft<br>Concl | Final<br>Concl |
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| baseline scenario?                                                                                                                                                                                   |      |    |                                                                                                 |                |                |
| If yes, was the methodology consulted on the application of these tools? (In such cases, the guidance in the methodology shall supersede the tool.)                                                  | VVM  | 82 | n.a.                                                                                            | OK             | OK             |
| Does the methodology require several alternative scenarios to be considered in the identification of the most reasonable baseline scenario?                                                          | VVM  | 83 | No, the baseline scenario has been defined as it is given in the selected baseline methodology. | OK             | OK             |
| If yes, are all scenarios that are considered by the project participants and are supplementary to those required by the methodology reasonable in the context of the proposed CDM project activity? | VVM  | 83 | n.a.                                                                                            | OK             | OK             |
| Has any reasonable alternative scenario been excluded?                                                                                                                                               | VVM  | 83 | n.a.                                                                                            | OK             | OK             |
| Is the baseline scenario identified reasonably supported by:                                                                                                                                         | VVM  | 84 |                                                                                                 |                |                |
| Assumptions?                                                                                                                                                                                         | VVM  | 84 | n.a.                                                                                            | OK             | OK             |
| Calculations?                                                                                                                                                                                        | VVM  | 84 | n.a.                                                                                            | OK             | OK             |
| Rationales?                                                                                                                                                                                          | VVM  | 84 | n.a.                                                                                            | OK             | OK             |
| Are the documents and sources referred to in the PDD correctly quoted and interpreted?                                                                                                               | VVM  | 84 | n.a.                                                                                            | OK             | OK             |
| Was the information provided in the PDD cross checked with other verifiable and credible sources, such as local expert opinion, if available? (Identify the sources)                                 | VVM  | 84 | n.a.                                                                                            | OK             | OK             |
| Have all applicable CDM requirements been taken into account in the identification of the baseline scenario for the proposed CDM project activity?                                                   | VVM  | 85 | n.a.                                                                                            | OK             | OK             |
| Have all relevant policies and circumstances been                                                                                                                                                    | VVM  | 85 | n.a.                                                                                            | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                   | Ref. | §                | COMMENTS                                                                                                     | Draft<br>Concl | Final<br>Concl |
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| identified and correctly considered in the PDD, in accordance with the guidance by the CDM Executive Board?                                                                                                                                          |      |                  |                                                                                                              |                |                |
| Does the PDD provide a verifiable description of the identified baseline scenario, including a description of the technology that would be employed and/or the activities that would take place in the absence of the proposed CDM project activity? | VVM  | 86               | n.a.                                                                                                         | OK             | OK             |
| <b>e. Algorithms and/or formulae used to determine emission reductions</b>                                                                                                                                                                           |      |                  |                                                                                                              |                |                |
| Do the steps taken and equations applied to calculate project emissions, baseline emissions, leakage and emission reductions comply with the requirements of the selected baseline and monitoring?                                                   | VVM  | 89               | Yes, steps and equations has been used to calculate the baseline, project emissions and emission reductions. | OK             | OK             |
| Have the equations and parameters in the PDD been correctly applied with respect those in the select approved methodology?                                                                                                                           | VVM  | 90               | Please provide the baseline calculation sheet.                                                               | CAR4           | OK             |
| i. Are the Project emissions appropriately calculated?                                                                                                                                                                                               | ACM  | 000<br>2<br>v.11 | Please provide the feasibility report.                                                                       | CL15           | OK             |
| ii. Are the Baseline emissions appropriately calculated specifically for (a) greenfield plants or (b) retrofit and replacements or (c) capacity additions?                                                                                           | ACM  | 000<br>2<br>v.11 |                                                                                                              |                |                |
| iii. Are the Leakage appropriately calculated?                                                                                                                                                                                                       | ACM  | 000<br>2         | There is no leakage for the project activity.                                                                | OK             | OK             |

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| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                               | Ref. | §                | COMMENTS                                                                      | Draft<br>Concl | Final<br>Concl |
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| iv. Are the Emission reductions appropriately calculated?                                                                                                                                                                                                                                                                                                                                                                                                        | ACM  | 000<br>2<br>v.11 | Yes, the emission reductions calculated appropriately.                        | OK             | OK             |
| Have project participants prepared as part of the CDM-PDD an estimate of likely emission reductions for the proposed crediting period? This estimate should, in principle, employ the same methodology as selected for the calculation of emission reductions. Where the grid emission factor (EFCM,grid,y) is determined ex post during monitoring, project participants may use models or other tools to estimate the emission reductions prior to validation. | ACM  | 000<br>2<br>v.11 |                                                                               |                |                |
| Does the methodology provide for selection between different options for equations or parameters?                                                                                                                                                                                                                                                                                                                                                                | VVM  | 90               | Yes, PDD clearly describes selections between options or equations.           | OK             | OK             |
| If yes, has adequate justification been provided (based on the choice of the baseline scenario, context of the proposed CDM project activity and other evidence provided)?                                                                                                                                                                                                                                                                                       | VVM  | 90               | Yes, sufficient justification has been provided for the selections.           | OK             | OK             |
| If yes, have correct equations and parameters been used, in accordance with the methodology selected?                                                                                                                                                                                                                                                                                                                                                            | VVM  | 90               | Refer to (5.e.b) above                                                        | -              | -              |
| Will data and parameters be monitored throughout the crediting period of the proposed CDM project activity?                                                                                                                                                                                                                                                                                                                                                      | VVM  | 91               | Emission Factor data and parameters will be same during the crediting period. | OK             | OK             |
| If no, and these data and parameters will remain fixed throughout the crediting period, are all data sources and assumptions:                                                                                                                                                                                                                                                                                                                                    | VVM  | 91               |                                                                               |                |                |
| i. Appropriate and correct?                                                                                                                                                                                                                                                                                                                                                                                                                                      | VVM  | 91               | Yes, the calculations are appropriate and                                     | OK             | OK             |

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|                    |      |   | correct. |                |                     |

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| CHECKLIST QUESTION                                                                                                                                                                         | Ref.     | §                | COMMENTS                                                                                         | Draft<br>Concl | Final<br>Concl |
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| ii. Applicable to the proposed CDM project activity?                                                                                                                                       | VVM      | 91               | The calculations and the parameters are applicable for the methodology and the project activity. | OK             | OK             |
| iii. Resulting in a conservative estimate of the emission reductions?                                                                                                                      | VVM      | 91               |                                                                                                  |                |                |
| Will data and parameters be monitored on implementation and hence become available only after validation of the project activity?                                                          | VVM      | 91               | Yes, data and parameters will be available only after the validation of the project activity.    | OK             | OK             |
| If yes, are the estimates provided in the PDD for these data and parameters reasonable?                                                                                                    | VVM      | 91               | Yes, estimated for the emission reductions are reasonable.                                       | OK             | OK             |
| <b>8. Additionality of a project activity</b>                                                                                                                                              |          |                  |                                                                                                  |                |                |
| b. Does the PDD describe how a proposed CDM project activity is additional?                                                                                                                | VVM      | 94               | Yes, PD describes the how the project activity is additional.                                    | OK             | OK             |
| c. Does the CDM-PDD state the latest version of the additionality tool being used?                                                                                                         | ACM      | 000<br>2<br>v.11 | Yes, latest Version 05.2 has been used to demonstrate additionality.                             | OK             | OK             |
| d. Were the following steps of the tool to assess additionality used:                                                                                                                      | EB<br>39 | Ann<br>10        |                                                                                                  |                |                |
| i. Identification of alternatives to the project activity?                                                                                                                                 | EB<br>39 | Ann<br>10        | Yes, identification of the alternatives has been followed under assessment of additionality.     | OK             | OK             |
| ii. Investment analysis to determine that the proposed project activity is either: 1) not the most economically or financially attractive, or 2) not economically or financially feasible? | EB<br>39 | Ann<br>10        | Yes, investment analysis has been demonstrated.                                                  | OK             | OK             |
| iii. Barriers analysis?                                                                                                                                                                    | EB<br>39 | Ann<br>10        | Yes, barrier analysis has been demonstrated.                                                     | OK             | OK             |
| iv. Common practice analysis?                                                                                                                                                              | EB       | Ann              | Yes, common practice analysis has been                                                           | OK             | OK             |

| CHECKLIST QUESTION | Ref. | §  | COMMENTS      | Draft<br>Concl | Final<br>Conc<br>I |
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|                    | 39   | 10 | demonstrated. |                |                    |

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| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                   | Ref.  | §      | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Draft<br>Concl | Final<br>Concl |
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| e. In step 1 (i) have all the sub-steps as below been followed?                                                                                                                                                                                                                                                      | EB 39 | Ann 10 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |                |
| i. Sub-step 1a: Define alternatives to the project activity                                                                                                                                                                                                                                                          | EB 39 | Ann 10 | Yes, alternatives have been identified.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | OK             | OK             |
| ii. Sub-step 1b: Consistency with mandatory laws and regulations                                                                                                                                                                                                                                                     | EB 39 | Ann 10 | Yes, consistency with the mandatory laws has been explained in the PD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | OK             | OK             |
| f. Have the following alternatives been included while defining alternatives as per sub-step 1a?                                                                                                                                                                                                                     | EB 39 | Ann 10 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |                |
| i. (a) The proposed project activity undertaken without being registered as a CDM project activity;                                                                                                                                                                                                                  | EB 39 | Ann 10 | Yes, proposed project activity without being registered as a VCS project activity has been defined as an alternative.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | OK             | OK             |
| ii. (b) Other realistic and credible alternative scenario(s) to the proposed CDM project activity scenario that deliver outputs services or services with comparable quality, properties and application areas, taking into account, where relevant, examples of scenarios identified in the underlying methodology; | EB 39 | Ann 10 | Construction of a coal fired power plant with equivalent installed capacity or annual electricity generation has been defined as other realistic alternative. However since annual operation hours of a thermal power plant is different than the hydropower plant, the annual electricity generation and associated supply reliability remain incomparable in spite of their similar installed capacity that's why the alternative is eliminated.<br>Construction of a new power plant generating the same annual power generation from other renewable sources such as wind power, solar power and thermal energy has been defined as other realistic alternative however since | OK             | OK             |

| CHECKLIST QUESTION | Ref. | § | COMMENTS                                                                                                                                                                                            | Draft<br>Concl | Final<br>Concl<br>I |
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|                    |      |   | thermal power plant needs a lot of input material, which is lacking in the area where the project is located and since the area is not feasible for the wind project the alternative is eliminated. |                |                     |



| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                       | Ref.  | §      | COMMENTS                                                                                                                                                                                    | Draft<br>Concl | Final<br>Concl<br>I |
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| iii. (c) If applicable, continuation of the current situation (no project activity or other alternatives undertaken).                                                                                                                                                                                                                                                    | EB 39 | Ann 10 | Continuation of current situation has been defined as an alternative which defines that equivalent electricity will be provided by the existing power units connected to the national grid. | OK             | OK                  |
| g. Has the project participant included the technologies or practices that provide outputs or services with comparable quality, properties and application areas as the proposed CDM project activity and that have been implemented previously or are currently being introduced in the relevant country/region?                                                        | EB 39 | Ann 10 | Yes, the project participant included alternatives that have been implemented previously. (Construction of coal power plant and other renewable sources)                                    | OK             | OK                  |
| h. Has the outcome of Step 1a: Identified realistic and credible alternative scenario(s) to the project activity done correctly? Please briefly mention the outcome.                                                                                                                                                                                                     | EB 39 | Ann 10 | Alternative 4 and 1 found realistic which continuation of current situation and proposed project activity without being registered as a VCS project.                                        | OK             | OK                  |
| i. Is the alternative(s) in compliance with all mandatory applicable legal and regulatory requirements, even if these laws and regulations have objectives other than GHG reductions, e.g. to mitigate local air pollution.?                                                                                                                                             | EB 39 | Ann 10 | Please define the legal requirements regarding to the defined alternatives in section sub-step 1.b.                                                                                         | CL18           | OK                  |
| j. If an alternative does not comply with all mandatory applicable legislation and regulations, has it been shown that, based on an examination of current practice in the country or region in which the law or regulation applies, those applicable legal or regulatory requirements are systematically not enforced and that noncompliance with those requirements is | EB 39 | Ann 10 | n.a.                                                                                                                                                                                        | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                       | Ref.     | §         | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Draft<br>Concl | Final<br>Concl<br>I |
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| <p>widespread in the country?</p> <p>k. Has the outcome of Step 1b: Identified realistic and credible alternative scenario(s) to the project activity that are in compliance with mandatory legislation and regulations taking into account the enforcement in the region or country and EB decisions on national and/or sectoral policies and regulations done correctly? Please state the outcome.</p> | EB<br>39 | Ann<br>10 | <p>Outcome of Step 1-b defined as follows, "The only plausible and realistic alternatives are "The proposed project activity undertaken without being registered as a VCS project activity and Alternative 1 "The continuation of the current situation. The equivalent electricity will be provided by the existing power units connected to the national grid" Based on the above analysis, the proposed project activity is not the only alternative amongst the project participants that is in compliance with mandatory regulations. Therefore, the proposed VCS project activity may be additional." Please correct the alternative numbers.</p> | CL19           | OK                  |
| <p>I. Has PP selected Step 2 (Investment analysis) or Step 3 (Barrier analysis) or both Steps 2 and 3?</p>                                                                                                                                                                                                                                                                                               | EB<br>39 | Ann<br>10 | Both investment analysis and barrier analysis has been selected to demonstrate additionality.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | OK             | OK                  |
| <p>m. In step 2, have all the sub-steps as below been followed?</p>                                                                                                                                                                                                                                                                                                                                      | EB<br>39 | Ann<br>10 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                |                     |
| <p>i. Sub-step 2a: Determine appropriate analysis method;</p>                                                                                                                                                                                                                                                                                                                                            | EB<br>39 | Ann<br>10 | Yes, Step 2a has been followed in the PDD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | OK             | OK                  |
| <p>ii. Sub-step 2b: Option I. Apply simple cost analysis;</p>                                                                                                                                                                                                                                                                                                                                            | EB<br>39 | Ann<br>10 | n.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | OK             | OK                  |
| <p>iii. Sub-step 2b: Option II. Apply investment comparison analysis;</p>                                                                                                                                                                                                                                                                                                                                | EB<br>39 | Ann<br>10 | n.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                    | Ref.  | §      | COMMENTS                                                                                                                                                                                                                                       | Draft<br>Concl | Final<br>Concl<br>I |
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| iv. Sub-step 2b: Option III. Apply benchmark analysis;                                                                                                                                                                                                                                                | EB 39 | Ann 10 | Benchmark Analysis has been followed for the project activity.                                                                                                                                                                                 | OK             | OK                  |
| v. Sub-step 2c: Calculation and comparison of financial indicators (only applicable to Options II and III);                                                                                                                                                                                           | EB 39 | Ann 10 | Calculation and comparison of financial indicators has been followed.                                                                                                                                                                          | OK             | OK                  |
| vi. Sub-step 2d: Sensitivity analysis (only applicable to Options II and III).                                                                                                                                                                                                                        | EB 39 | Ann 10 | Sensitivity Analysis has been done for the project activity.                                                                                                                                                                                   | OK             | OK                  |
| n. In sub-step 2a has the determination of appropriate method of analysis done as per the guidance as below?                                                                                                                                                                                          | EB 39 | Ann 10 | Yes, since the project has financial benefits from the sales of electricity option 1 is eliminated. Option 2 is also eliminated since investment comparison is not possible since no similar project is available. Option 3 has been selected. | OK             | OK                  |
| i. Simple cost analysis if the CDM project activity and the alternatives identified in Step 1 generate no financial or economic benefits other than CDM related income (Option I).                                                                                                                    | EB 39 | Ann 10 | Yes, project has benefits from sales of electricity.                                                                                                                                                                                           | OK             | OK                  |
| ii. Otherwise, use the investment comparison analysis (Option II) or the benchmark analysis (Option III). Specify option used with justification.                                                                                                                                                     | EB 39 | Ann 10 | Benchmark Analysis has been selected since no similar project is available.                                                                                                                                                                    | OK             | OK                  |
| o. Has the below guideline followed for sub-step 2b Option I. Apply simple cost analysis? Document the costs associated with the CDM project activity and the alternatives identified in Step1 and demonstrate that there is at least one alternative which is less costly than the project activity. | EB 39 | Ann 10 | n.a.                                                                                                                                                                                                                                           | OK             | OK                  |
| p. Has the below guideline followed for sub-step 2b Option II. Apply investment comparison analysis?                                                                                                                                                                                                  | EB    | Ann    | n.a.                                                                                                                                                                                                                                           | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Ref.     | §         | COMMENTS                                                                        | Draft<br>Concl | Final<br>Concl<br>I |
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| Identify the financial indicator, such as IRR, NPV, cost benefit ratio, or unit cost of service most suitable for the project type and decision-making context. Please specify                                                                                                                                                                                                                                                                                                                                                          | 39       | 10        |                                                                                 |                |                     |
| q. Has the below guideline followed for Sub-step 2b: Option III. Apply benchmark analysis?                                                                                                                                                                                                                                                                                                                                                                                                                                              | EB<br>39 | Ann<br>10 |                                                                                 |                |                     |
| i. Identify the financial/economic indicator, such as IRR, most suitable for the project type and decision context.                                                                                                                                                                                                                                                                                                                                                                                                                     | EB<br>39 | Ann<br>10 | Yes, IRR has been identified as the financial indicator.                        | OK             | OK                  |
| ii. When applying Option II or Option III, the financial/economic analysis shall be based on parameters that are standard in the market, considering the specific characteristics of the project type, but not linked to the subjective profitability expectation or risk profile of a particular project developer. Only in the particular case where the project activity can be implemented by the project participant, the specific financial/economic situation of the company undertaking the project activity can be considered. | EB<br>39 | Ann<br>10 | Yes, Turkish Eurobond has been selected which is standard in the market.        | OK             | OK                  |
| iii. Discount rates and benchmarks shall be derived from: (a) Government bond rates, increased by a suitable risk premium to reflect private investment and/or the project type, as substantiated by an independent (financial) expert or documented by official publicly available financial data; (b) Estimates of the cost of financing and required return on capital                                                                                                                                                               | EB<br>39 | Ann<br>10 | Turkish Eurobond rates have been selected which is increased with risk premium. | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Ref.  | §      | COMMENTS                                                                   | Draft<br>Concl | Final<br>Concl |
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| (e.g. commercial lending rates and guarantees required for the country and the type of project activity concerned), based on bankers' views and private equity investors/funds' required return on comparable projects; (c) A company internal benchmark (weighted average capital cost of the company), only in the particular case referred to above in 2. The project developers shall demonstrate that this benchmark has been consistently used in the past, i.e. that project activities under similar conditions developed by the same company used the same benchmark; (d) Government/official approved benchmark where such benchmarks are used for investment decisions; (e) Any other indicators, if the project participants can demonstrate that the above Options are not applicable and their indicator is appropriately justified. Please specify benchmark and justify. |       |        |                                                                            |                |                |
| r. Has the below guideline followed for Sub-step 2c: Calculation and comparison of financial indicators (only applicable to Options II and III)?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | EB 39 | Ann 10 |                                                                            |                |                |
| i. Calculate the suitable financial indicator for the proposed CDM project activity and, in the case of Option II above, for the other alternatives. Include all relevant costs (including, for example, the investment cost, the operations and maintenance costs), and revenues (excluding CER revenues, but possibly including inter alia subsidies/fiscal incentives,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | EB 39 | Ann 10 | The suitable financial indicators have been used for the project activity. | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                  | Ref.  | §      | COMMENTS                                                           | Draft<br>Concl | Final<br>Concl |
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| ODA, etc, where applicable), and, as appropriate, non-market cost and benefits in the case of public investors if this is standard practice for the selection of public investments in the host country.                                                                                            |       |        |                                                                    |                |                |
| ii. Present the investment analysis in a transparent manner and provide all the relevant assumptions, preferably in the CDM-PDD, or in separate annexes to the CDM-PDD.                                                                                                                             | EB 39 | Ann 10 | Please provide the objective evidence to confirm the input values. | CAR5           | OK             |
| iii. Justify and/or cite assumptions.                                                                                                                                                                                                                                                               | EB 39 | Ann 10 | Please refer to investment analysis section.                       | OK             | OK             |
| iv. In calculating the financial/economic indicator, the project's risks can be included through the cash flow pattern, subject to project-specific expectations and assumptions.                                                                                                                   | EB 39 | Ann 10 | Please refer to investment analysis section                        | OK             | OK             |
| v. Assumptions and input data for the investment analysis shall not differ across the project activity and its alternatives, unless differences can be well substantiated.                                                                                                                          | EB 39 | Ann 10 | Please refer to investment analysis section                        | OK             | OK             |
| vi. Present in the CDM-PDD a clear comparison of the financial indicator for the proposed CDM activity. Please specify details for above.                                                                                                                                                           | EB 39 | Ann 10 | Please refer to investment analysis section                        | OK             | OK             |
| s. Has the below guideline followed for Sub-step 2d: Sensitivity analysis (only applicable to Options II and III)? Include a sensitivity analysis that shows whether the conclusion regarding the financial/economic attractiveness is robust to reasonable variations in the critical assumptions. | EB 39 | Ann 10 | Please refer to investment analysis section                        | OK             | OK             |
| t. Has the outcome of Step 2 clearly mentioned                                                                                                                                                                                                                                                      | EB    | Ann    | Please refer to investment analysis section                        | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Ref.  | §      | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Draft<br>Concl | Final<br>Concl |
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| with justification?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 39    | 10     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |                |
| u. In step 3: Barrier analysis have all the sub-steps as below been followed?                                                                                                                                                                                                                                                                                                                                                                                                                                             | EB 39 | Ann 10 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |                |
| Sub-step 3a: Identify barriers that would prevent the implementation of the proposed CDM project activity.                                                                                                                                                                                                                                                                                                                                                                                                                | EB 39 | Ann 10 | Yes, Step 3a has been followed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | OK             | OK             |
| Sub-step 3 b: Show that the identified barriers would not prevent the implementation of at least one of the alternatives (except the proposed project activity).                                                                                                                                                                                                                                                                                                                                                          | EB 39 | Ann 10 | Yes, Step 3b has been followed to demonstrate additionality.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | OK             | OK             |
| v. Has the below guideline followed for Sub-step 3a: Identify barriers that would prevent the implementation of the proposed CDM project?                                                                                                                                                                                                                                                                                                                                                                                 | EB 39 | Ann 10 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |                |
| (a) Investment barriers: For alternatives undertaken and operated by private entities: Similar activities have only been implemented with grants or other non-commercial finance terms. No private capital is available from domestic or international capital markets due to real or perceived risks associated with investment in the country where the proposed CDM project activity is to be implemented, as demonstrated by the credit rating of the country or other country investments reports of reputed origin. | EB 39 | Ann 10 | Financial barriers shall be inline with the following information;<br>For alternatives undertaken and operated by private entities: Similar activities have only been implemented with grants or other non-commercial finance terms. No private capital is available from domestic or international capital markets due to real or perceived risks associated with investment in the country where the proposed CDM project activity is to be implemented, as demonstrated by the credit rating of the country or other country investments reports of reputed origin. | CAR6           | OK             |
| (b) Technological barriers: Skilled and/or properly trained labour to operate and maintain the                                                                                                                                                                                                                                                                                                                                                                                                                            | EB 39 | Ann 10 | n.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Ref.  | §      | COMMENTS                                                                                                                                                                                                                 | Draft<br>Concl | Final<br>Concl |
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| <p>technology is not available in the relevant country/region, which leads to an unacceptably high risk of equipment disrepair and malfunctioning or other underperformance; Lack of infrastructure for implementation and logistics for maintenance of the technology. Risk of technological failure: the process/technology failure risk in the local circumstances is significantly greater than for other technologies that provide services or outputs comparable to those of the proposed CDM project activity, as demonstrated by relevant scientific literature or technology manufacturer information, The particular technology used in the proposed project activity is not available in the relevant region.</p> |       |        |                                                                                                                                                                                                                          |                |                |
| (c) Barriers due to prevailing practice: The project activity is the "first of its kind".                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | EB 39 | Ann 10 | Project is not first of its kind and climate conditions (heavy rain) can not identified as a barrier in black sea region.                                                                                                | CAR7           | OK             |
| (d) Other barriers, preferably specified in the underlying methodology as examples.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | EB 39 | Ann 10 | The barriers shall be in line with the investment decision date. Road near to the power house, minimum water amount and construction of second part of the project has been occurred after the investment decision date. | CAR8           | OK             |
| w. Has the outcome from Step 3a clearly mentioned in PDD?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | EB 39 | Ann 10 | Yes, the outcome of the Step 3a has been clearly mentioned.                                                                                                                                                              | OK             | OK             |
| x. Has the below guideline followed for Sub-step 3 b: Show that the identified barriers would not                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | EB    | Ann    |                                                                                                                                                                                                                          |                |                |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                    | Ref.  | §      | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Draft<br>Concl | Final<br>Concl |
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| prevent the implementation of at least one of the alternatives (except the proposed project activity)?                                                                                                                                                                                                                                                                                                                                                | 39    | 10     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                |                |
| If the identified barriers also affect other alternatives, explain how they are affected less strongly than they affect the proposed CDM project activity. In other words, demonstrate that the identified barriers do not prevent the implementation of at least one of the alternatives. Any alternative that would be prevented by the barriers identified in Sub-step 3a is not a viable alternative, and shall be eliminated from consideration. | EB 39 | Ann 10 | Please explain if the identified barriers also affect other alternatives, explain how they are affected less strongly than they affect the proposed CDM project activity. In other words, demonstrate that the identified barriers do not prevent the implementation of at least one of the alternatives. Any alternative that would be prevented by the barriers identified in Sub-step 3a is not a viable alternative, and shall be eliminated from consideration.<br>Technical Barrier is not defined in section 3.a however it is given in 3.b.<br>Thermal Power plant alternative has been deleted however comparison with thermal power plant has been given in 3.b. | CAR9           | OK             |
| Provide transparent and documented evidence, and offer conservative interpretations of this documented evidence, as to how it demonstrates the existence and significance of the identified barriers and whether alternatives are prevented by these barriers.                                                                                                                                                                                        | EB 39 | Ann 10 | Barrier Analysis has been removed from the PDD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | OK             | OK             |
| The type of evidence to be provided should include at least one of the following: (a) Relevant legislation, regulatory information or industry norms; (b) Relevant (sectoral) studies                                                                                                                                                                                                                                                                 | EB 39 | Ann 10 | Barrier Analysis has been removed from the PDD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Ref.  | §      | COMMENTS                                                                          | Draft<br>Concl | Final<br>Concl |
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| or surveys (e.g. market surveys, technology studies, etc) undertaken by universities, research institutions, industry associations, companies, bilateral/multilateral institutions, etc; (c) Relevant statistical data from national or international statistics; (d) Documentation of relevant market data (e.g. market prices, tariffs, rules); (e) Written documentation of independent expert judgments from industry, educational institutions (e.g. universities, technical schools, training centres), industry associations and others. Please specify. |       |        |                                                                                   |                |                |
| y. Has the outcome from Step 3 clearly mentioned in PDD?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | EB 39 | Ann 10 | Yes, the outcome of Step3 has been provided.                                      | OK             | OK             |
| z. In step 4: Common practise analysis have all the sub-steps as below followed?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | EB 39 | Ann 10 |                                                                                   |                |                |
| Sub-step 4a: Analyze other activities similar to the proposed project activity;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | EB 39 | Ann 10 | Yes, step 4a has been followed.                                                   | OK             | OK             |
| Sub-step 4b: Discuss any similar Options that are occurring.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | EB 39 | Ann 10 | Yes, Step 4b has been followed.                                                   | OK             | OK             |
| æ. Has the below guideline followed for Sub-step 4a: Analyze other activities similar to the proposed project activity? Provide an analysis of any other activities that are operational and that are similar to the proposed project activity. Other CDM project activities are not to be included in this analysis. Provide documented evidence and, where relevant, quantitative information. On the basis of that analysis, describe whether and to                                                                                                         | EB 39 | Ann 10 | Please define other activities projects that are similar to the project activity. | CAR10          | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Ref.  | §      | COMMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Draft<br>Concl | Final<br>Concl |
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| <p>which extent similar activities have already diffused in the relevant region.</p> <p>ø. Has the below guideline followed for Sub-step 4b: Discuss any similar Options that are occurring? If similar activities are identified, then it is necessary to demonstrate why the existence of these activities does not contradict the claim that the proposed project activity is financially/economically unattractive or subject to barriers. This can be done by comparing the proposed project activity to the other similar activities, and pointing out and explaining essential distinctions between them that explain why the similar activities enjoyed certain benefits that rendered it financially/economically attractive (e.g., subsidies or other financial flows) and which the proposed project activity cannot use or did not face the barriers to which the proposed project activity is subject. In case similar projects are not accessible, the PDD should include justification about non-accessibility of data/information.</p> | EB 39 | Ann 10 | <p>In section 4b it is defined that no similar activities has been defined regarding to section 4.a however similar activities are not listed in section 4.a.</p> <p>If similar activities occurs than please demonstrate why the existence of these activities does not contradict the claim that the proposed project activity is financially/economically unattractive or subject to barriers. This can be done by comparing the proposed project activity to the other similar activities, and pointing out and explaining essential distinctions between them that explain why the similar activities enjoyed certain benefits that rendered it financially/economically attractive (e.g., subsidies or other financial flows) and which the proposed project activity cannot use or did not face the barriers to which the proposed project activity is subject. In case similar projects are not accessible, the PDD should include justification about non-accessibility of data/information.</p> | CAR11          | OK             |
| å. Has the outcome from Step 4 clearly mentioned in PDD?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | EB 39 | Ann 10 | Please state the outcome of Step 4.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | CL20           | OK             |

| CHECKLIST QUESTION                                     | Ref.     | §         | COMMENTS                                                | Draft<br>Concl | Final<br>Concl<br>I |
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| aa. Has it been proved that the porject is additional? | EB<br>39 | Ann<br>10 | Yes, it is decided that project activity is additional. | OK             | OK                  |



| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                    | Ref. | §   | COMMENTS                                                                                                                      | Draft<br>Concl | Final<br>Concl<br>I |
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| <b>a. Prior consideration of the clean development mechanism</b>                                                                                                                                                                                                                                      |      |     |                                                                                                                               |                |                     |
| Is the project activity start date prior to the date of publication of the PDD for stakeholder comments?                                                                                                                                                                                              | VVM  | 98  | Web hosting is not required by VCS.<br>N.A.                                                                                   | OK             | OK                  |
| If yes, were the CDM benefits considered necessary in the decision to undertake the project as a proposed CDM project activity?                                                                                                                                                                       | VVM  | 98  | n.a.                                                                                                                          | OK             | OK                  |
| Is the start date of the project activity, reported in the PDD, in accordance with the "Glossary of CDM terms", which states that "The starting date of a CDM project activity is the earliest date at which either the implementation or construction or real action of a project activity begins."? | VVM  | 99  | Regarding to the VCS Project start date is the date when the emission reduction starts and it is defined as 30 November 2010. | OK             | OK                  |
| Does the project activity require construction, retrofit or other modifications?                                                                                                                                                                                                                      | VVM  | 99  | The project requires construction.                                                                                            | OK             | OK                  |
| If yes, is it ensured that the date of commissioning cannot be considered as the project activity start date?                                                                                                                                                                                         | VVM  | 99  | Regarding to the VCS Project start date is the date when the emission reduction starts and it is defined as 30 November 2010. | OK             | OK                  |
| Is it a new project activity (a project activity with a start date on or after 02 August 2008) or an existing project activity (a project activity with a start date before 02 August 2008)?                                                                                                          | VVM  | 100 | Regarding to the VCS Project start date is the date when the emission reduction starts and it is defined as 30 November 2010. | OK             | OK                  |
| For a new project, for which PDD has not been published for global stakeholder consultation or a new methodology proposed to the CDM Executive Board before the project activity start date, had PPs informed the host Party DNA and                                                                  | VVM  | 101 | n.a.                                                                                                                          | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                          | Ref. | §   | COMMENTS                                                                                                                                                        | Draft<br>Concl | Final<br>Concl<br>I |
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| the UNFCCC secretariat in writing of the commencement of the project activity and of their intention to seek CDM status? (Provide reference to such confirmation from host Party DNA and UNFCCC secretariat).               |      |     |                                                                                                                                                                 |                |                     |
| For an existing project activity, for which the start date is prior to the date of publication of the PDD for global stakeholder consultation, are the following evidences provided:                                        | VVM  | 102 |                                                                                                                                                                 |                |                     |
| evidence that must indicate that awareness of the CDM prior to the project activity start date, and that the benefits of the CDM were a decisive factor in the decision to proceed with the project, including, inter alia: | VVM  | 102 | Please provide original document for Annex 3.                                                                                                                   | CL21           | OK                  |
| minutes and/or notes related to the consideration of the decision by the Board of Directors, or equivalent, of the project participant, to undertake the project as a proposed CDM project activity?                        | VVM  | 102 | The board decision which clearly states that project activity can be done with the VER-CER incomes dd. 2004 has been provided to the validation team.           | OK             | OK                  |
| reliable evidence from project participants that must indicate that continuing and real actions were taken to secure CDM status for the project in parallel with its implementation, including, inter alia:                 | VVM  | 102 | After the feasibility report of the project activity the first contacts with the PDD consultants have been done.                                                | OK             | OK                  |
| contract with consultants for CDM/PDD/methodology services?                                                                                                                                                                 | VVM  | 102 | Contract with PDD consultant is dated April 25 <sup>th</sup> 2008 which is prior to the investment decision dd.10 <sup>th</sup> of October 2008(Board Decision) | OK             | OK                  |
| Emission Reduction Purchase Agreements or                                                                                                                                                                                   | VVM  | 102 | n.a.                                                                                                                                                            | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                | Ref. | §   | COMMENTS                                                                                                                   | Draft<br>Concl | Final<br>Concl |
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| other documentation related to the sale of the potential CERs (including correspondence with multilateral financial institutions or carbon funds)?                |      |     |                                                                                                                            |                |                |
| evidence of agreements or negotiations with a DOE for validation services?                                                                                        | VVM  | 102 | n.a.                                                                                                                       | OK             | OK             |
| submission of a new methodology to the CDM Executive Board?                                                                                                       | VVM  | 102 | n.a.                                                                                                                       | OK             | OK             |
| publication in newspaper?                                                                                                                                         | VVM  | 102 | n.a.                                                                                                                       | OK             | OK             |
| interviews with DNA?                                                                                                                                              | VVM  | 102 | n.a.                                                                                                                       | OK             | OK             |
| earlier correspondence on the project with the DNA or the UNFCCC secretariat?                                                                                     | VVM  | 102 | n.a.                                                                                                                       | OK             | OK             |
| Has the chronology of events including time lines been appropriately captured and explained/detailed in the PDD?                                                  | VVM  | 102 | Yes, the timeline has been provided in sub-step 3a of the PDD.                                                             | OK             | OK             |
| <b>b. Identification of alternatives</b>                                                                                                                          |      |     |                                                                                                                            |                |                |
| b. Does the approved methodology that is selected by the proposed CDM project activity prescribe the baseline scenario and hence no further analysis is required? | VVM  | 105 | Yes, baseline scenario has been identified by the selected methodology as taking same amount of electricity from the grid. | OK             | OK             |
| c. If no, does the PDD identify credible alternatives to the project activity in order to determine the most realistic baseline scenario?                         | VVM  | 105 | n.a.                                                                                                                       | OK             | OK             |
| d. Does the list of alternatives given in the PDD ensure that:                                                                                                    | VVM  | 106 | n.a.                                                                                                                       | OK             | OK             |
| the list of alternatives includes as one of the options that the project activity is undertaken without being registered as a proposed CDM project activity?      | VVM  | 106 | n.a.                                                                                                                       | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                        | Ref. | §   | COMMENTS                                                                                              | Draft<br>Concl | Final<br>Concl |
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| the list contains all plausible alternatives that the DOE, on the basis of its local and sectoral knowledge, considers to be viable means of supplying the outputs or services that are to be supplied by the proposed CDM project activity?              | VVM  | 106 | n.a.                                                                                                  | OK             | OK             |
| the alternatives comply with all applicable and enforced legislation?                                                                                                                                                                                     | VVM  | 106 |                                                                                                       |                |                |
| <b>c. Investment analysis</b>                                                                                                                                                                                                                             |      |     |                                                                                                       |                |                |
| i. Has investment analysis been used to demonstrate the additionality of the proposed CDM project activity?                                                                                                                                               | VVM  | 108 | Investment analysis has been used to demonstrate the additionality of the proposed CDM activity.      | OK             | OK             |
| j. If yes, does the PDD provide evidence that the proposed CDM project activity would not be:                                                                                                                                                             | VVM  | 108 |                                                                                                       |                |                |
| i. the most economically or financially attractive alternative?                                                                                                                                                                                           | VVM  | 108 | The PDD provides evidence that the proposed project activity is not the most financially alternative. | OK             | OK             |
| ii. economically or financially feasible, without the revenue from the sale of certified emission reductions (CERs)?                                                                                                                                      | VVM  | 108 | The project is not feasible without the CER revenue.                                                  | OK             | OK             |
| k. Was this shown by one of the following approaches?                                                                                                                                                                                                     | VVM  | 109 |                                                                                                       |                |                |
| i. The proposed CDM project activity would produce no financial or economic benefits other than CDM-related income. Document the costs associated with the proposed CDM project activity and the alternatives identified and demonstrate that there is at | VVM  | 109 | N/A                                                                                                   | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                    | Ref.  | §      | COMMENTS                                                                                                                                                                                                          | Draft<br>Concl | Final<br>Concl<br>1 |
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| least one alternative which is less costly than the proposed CDM project activity.                                                                                                                                                                                                    |       |        |                                                                                                                                                                                                                   |                |                     |
| ii. The proposed CDM project activity is less economically or financially attractive than at least one other credible and realistic alternative.                                                                                                                                      | VVM   | 109    | N/A                                                                                                                                                                                                               | OK             | OK                  |
| iii. The financial returns of the proposed CDM project activity would be insufficient to justify the required investment.                                                                                                                                                             | VVM   | 109    | N/A                                                                                                                                                                                                               | OK             | OK                  |
| l. Is the period of assessment limited to the proposed crediting period of the CDM project activity?                                                                                                                                                                                  | EB 51 | Ann 58 | The analysis is done both for 20,30,40 and 50 years and it is not limited to the crediting period.                                                                                                                | OK             | OK                  |
| m. Does the project IRR and equity IRR calculations reflect the period of expected operation of the underlying project activity (technical lifetime), or - if a shorter period is chosen - include the fair value of the project activity assets at the end of the assessment period? | EB 51 | Ann 58 | For the analysis which is done for a period of 20,30 and 40 years, the fair value calculation is done. But for the 50 years analysis there is no need to calculate fair value because all assets are depreciated. | OK             | OK                  |
| n. Does the IRR calculation include the cost of major maintenance and/or rehabilitation if these are expected to be incurred during the period of assessment?                                                                                                                         | EB 51 | Ann 58 | All necessary cost items are included in the analysis.                                                                                                                                                            | OK             | OK                  |
| o. Do the project participants justify the appropriateness of the period of assessment in the context of the underlying project activity, without reference to the proposed CDM crediting period?                                                                                     | EB 51 | Ann 58 | The assessment period of the project is in line with the with the crediting period.                                                                                                                               | OK             | OK                  |
| p. Does the cash flow in the final year include a fair value of the project activity assets at the end of                                                                                                                                                                             | EB 51 | Ann 58 | The fair value calculation is done in the analysis which has lower than 50 years.                                                                                                                                 | OK             | OK                  |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                | Ref.  | §      | COMMENTS                                                                                          | Draft<br>Concl | Final<br>Concl |
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| the assessment period?                                                                                                                                                                                                                                            |       |        |                                                                                                   |                |                |
| q. Has the fair value been calculated in accordance with local accounting regulations where available, or international best practice?                                                                                                                            | EB 51 | Ann 58 | Local accounting principles are used in the fair value calculations.                              | OK             | OK             |
| r. Does the fair value calculations include both the book value of the asset and the reasonable expectation of the potential profit or loss on the realization of the assets?                                                                                     | EB 51 | Ann 58 | Potential profit or loss is not taken into consideration. Accounting based calculations are done. | OK             | OK             |
| s. Was depreciation, and other non-cash items related to the project activity, which have been deducted in estimating gross profits on which tax is calculated, added back to net profits for the purpose of calculating the financial indicator (e.g. IRR, NPV)? | EB 51 | Ann 58 | Depreciation is added back to the net profits.                                                    | OK             | OK             |
| t. Has taxation been included as an expense in the IRR/NPV calculation in cases where the benchmark or other comparator is intended for post-tax comparisons?                                                                                                     | EB 51 | Ann 58 | Tax is a cash outflow item in the analysis.                                                       | OK             | OK             |
| u. Are the input values used in all investment analysis valid and applicable at the time of the investment decision taken by the project participant?                                                                                                             | EB 51 | Ann 58 | No extraordinary figure is noticed in terms of being up-to-date at the time of investment.        | OK             | OK             |
| v. Is the timing of the investment decision consistent and appropriate with the input values?                                                                                                                                                                     | EB 51 | Ann 58 | The investment decision date is given in PDD clearly.                                             | OK             | OK             |
| w. Are all the listed input values been consistently applied in all calculations?                                                                                                                                                                                 | EB 51 | Ann 58 | The input values have been consistently applied in the calculations                               | OK             | OK             |
| x. Does the investment analysis reflect the economic decision making context at point of the decision to recommence the project in the case of                                                                                                                    | EB 51 | Ann 58 | As validated through the site; the implementation has not ceased after the commencement           | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                      | Ref.  | §      | COMMENTS                                                                                        | Draft<br>Concl | Final<br>Concl |
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| project activities for which implementation ceases after the commencement and where implementation is recommenced due to consideration of the CDM?                                      |       |        |                                                                                                 |                |                |
| y. Have project participants supplied the spreadsheet versions of all investment analysis?                                                                                              | EB 51 | Ann 58 | All necessary spreadsheets are supplied.                                                        | OK             | OK             |
| z. Are all formulas used in this analysis readable and all relevant cells be viewable and unprotected?                                                                                  | EB 51 | Ann 58 | All formulas used in this analysis readable and all relevant cells be viewable and unprotected. | OK             | OK             |
| aa. In cases where the project participant does not wish to make such a spreadsheet available to the public has the PP provided an exact read-only or PDF copy for general publication? | EB 51 | Ann 58 | N/A                                                                                             | OK             | OK             |
| bb. In case the PP wishes to black-out certain elements of the publicly available version, is it justifiable?                                                                           | EB 51 | Ann 58 | All formulas used in this analysis readable and all relevant cells be viewable and unprotected. | OK             | OK             |
| cc. Was the cost of financing expenditures (i.e. loan repayments and interest) included in the calculation of project IRR?                                                              | EB 51 | Ann 58 | N/A Project IRR is not calculated.                                                              | OK             | OK             |
| dd. In the calculation of equity IRR, has only the portion of investment costs which is financed by equity been considered as the net cash outflow?                                     | EB 51 | Ann 58 | Only Equity financing is used as a cash inflow in the analysis to calculate the equity IRR      | OK             | OK             |
| ee. Has the portion of the investment costs which is financed by debt been considered a cash outflow in the calculation of equity IRR? (this is not allowed)                            | EB 51 | Ann 58 | The debt portion of the investment financing is not taken into equity IRR calculations.         | OK             | OK             |
| ff. Was a pre-tax benchmark be applied?                                                                                                                                                 | EB 51 | Ann 58 | The analysis is done based on the after tax values and the benchmark is applied accordingly.    | OK             | OK             |
| gg. In cases where a post-tax benchmark is applied,                                                                                                                                     | EB    | Ann    | N/A                                                                                             | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                  | Ref.     | §         | COMMENTS                                                      | Draft<br>Concl | Final<br>Concl |
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| Is actual interest payable taken into account in the calculation of income tax?                                                                                                                                                                                                                                                     | 51       | 58        |                                                               |                |                |
| hh. In such situations, was interest calculated according to the prevailing commercial interest rates in the region, preferably by assessing the cost of other debt recently acquired by the project developer and by applying a debt-equity ratio used by the project developer for investments taken in the previous three years? | EB<br>51 | Ann<br>58 | N/A                                                           | OK             | OK             |
| ii. In cases where a benchmark approach is used is the applied benchmark appropriate to the type of IRR calculated?                                                                                                                                                                                                                 | EB<br>51 | Ann<br>58 | The benchmark is appropriate to the calculated IRR.           | OK             | OK             |
| jj. Has local commercial lending rates or weighted average costs of capital (WACC) selected as appropriate benchmarks for a project IRR?                                                                                                                                                                                            | EB<br>51 | Ann<br>58 | WACC is not calculated. N/A                                   | OK             | OK             |
| kk. Has required/expected returns on equity selected as appropriate benchmark for an equity IRR?                                                                                                                                                                                                                                    | EB<br>51 | Ann<br>58 | appropriate benchmark is used to compare with the equity IRR. | OK             | OK             |
| ll. In case benchmarks supplied by relevant national authorities selected is it applicable to the project activity and the type of IRR calculation presented?                                                                                                                                                                       | EB<br>51 | Ann<br>58 | N/A                                                           | OK             | OK             |
| mm. In the cases of projects which could be developed by an entity other than the project participant is the benchmark applied based on publicly available data sources which can be clearly validated?                                                                                                                             | EB<br>51 | Ann<br>58 | N/A                                                           | OK             | OK             |
| nn. Have internal company benchmarks/expected returns (including those used as the expected return on equity in the calculation of a weighted                                                                                                                                                                                       | EB<br>51 | Ann<br>58 | N/A                                                           | OK             | OK             |

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| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                             | Ref.  | §      | COMMENTS                                                                                                                                                                                | Draft<br>Concl | Final<br>Concl |
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| average cost of capital - WACC) been applied in cases where there is only one possible project developer?                                                                                                                                                                                                                                                                                                                      |       |        |                                                                                                                                                                                         |                |                |
| oo. In such cases, have these values been used for similar projects with similar risks, developed by the same company or, if the company is brand new, would have been used for similar projects in the same sector in the country/region?                                                                                                                                                                                     | EB 51 | Ann 58 | N/A                                                                                                                                                                                     | OK             | OK             |
| pp. Has a minimum clear evidence of the resolution by the company's Board and/or shareholders been provided to the effect as above?                                                                                                                                                                                                                                                                                            | EB 51 | Ann 58 | N/A                                                                                                                                                                                     | OK             | OK             |
| qq. Has a thorough assessment of the financial statements of the project developer - including the proposed WACC - to assess the past financial behavior of the entity during at least the last 3 years in relation to similar projects been conducted?                                                                                                                                                                        | EB 51 | Ann 58 | N/A                                                                                                                                                                                     | OK             | OK             |
| rr. Does the risk premiums applied in the determination of required returns on equity reflect the risk profile of the project activity being assessed, established according to national/international accounting principles? (It is not considered reasonable to apply the rate general stock market returns as a risk premium for project activities that face a different risk profile than an investment in such indices.) | EB 51 | Ann 58 | Country risk is taken into calculations to obtain benchmark.                                                                                                                            | OK             | OK             |
| ss. Has an investment comparison analysis and not a benchmark analysis used when the proposed baseline scenario leaves the project participant no other choice than to make an investment to                                                                                                                                                                                                                                   | EB 51 | Ann 58 | The baseline does not leave project participant no other choice than to make an investment to supply the same (or substitute) products or services; hence the checklist question is not | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Ref.  | §      | COMMENTS                                                                                                                                                                         | Draft<br>Concl | Final<br>Concl |
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| supply the same (or substitute) products or services?                                                                                                                                                                                                                                                                                                                                                                                                                 |       |        | applicable.                                                                                                                                                                      |                |                |
| tt. Have variables, including the initial investment cost, that constitute more than 20% of either total project costs or total project revenues been subjected to reasonable variation (positive and negative) and the results of this variation been presented in the PDD and be reproducible in the associated spreadsheets?                                                                                                                                       | EB 51 | Ann 58 | presented in the PDD. However the table couldn't be reproduced. There should be more explanation and clarifications needed. The results can be reproducible.                     | OK             | OK             |
| uu. Have a corrective action been raised for a variable to be included in the sensitivity analysis which constitute less than 20% and have a material impact on the analysis?                                                                                                                                                                                                                                                                                         | EB 51 | Ann 58 | There is no parameter to be included in the sensitivity analysis which constitute less than 20% and have a material impact on the analysis.                                      | OK             | OK             |
| vv. Is the range of variations selected is reasonable in the project context?                                                                                                                                                                                                                                                                                                                                                                                         | EB 51 | Ann 58 | 10% of variations is reasonable to see the project risks.                                                                                                                        | OK             | OK             |
| ww. Dos the variations in the sensitivity analysis at least cover a range of +10% and -10%, unless this is not deemed appropriate in the context of the specific project circumstances?                                                                                                                                                                                                                                                                               | EB 51 | Ann 58 | The sensitivity analysis and obtained results are appropriate. There is nothing to do more.                                                                                      | OK             | OK             |
| xx. In cases where a scenario will result in the project activity passing the benchmark or becoming the most financially attractive alternative, is an assessment done of the probability of the occurrence of this scenario in comparison to the likelihood of the assumptions in the presented investment analysis, taking into consideration correlations between the variables as well as the specific socio-economic and policy context of the project activity? | EB 51 | Ann 58 | All scenarios in the sensitivity analysis can happen by one by or together.<br>There is no major exception expected due to the correlation impact or the probability occurrence. | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                          | Ref.     | §         | COMMENTS                                                                                                                                                                                                                                                                              | Draft<br>Concl | Final<br>Concl |
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| yy. Was the plant load factor defined ex-ante in the CDM-PDD according to one of the following options:                                                                                                                                                                     | EB<br>48 | Ann<br>11 |                                                                                                                                                                                                                                                                                       | OK             | OK             |
| i. The plant load factor provided to banks and/or equity financiers while applying the project activity for project financing, or to the government while applying the project activity for implementation approval?                                                        | EB<br>48 | Ann<br>11 | In the project feasibility which is nationally approved maximum annual generation value has been defined as 197,7 GWh. Capacity factor has been calculated as %55 with dividing 197700 to installed capacity (40,65). And the total working hour 48634 hour has been divided to 8760. | OK             | OK             |
| ii. The plant load factor determined by a third party contracted by the project participants (e.g. an engineering company)?                                                                                                                                                 | EB<br>48 | Ann<br>11 | n.a.                                                                                                                                                                                                                                                                                  | OK             | OK             |
| zz. Was a thorough assessment of all parameters and assumptions used in calculating the relevant financial indicator, and determine the accuracy and suitability of these parameters using the available evidence and expertise in relevant accounting practices conducted? | VVM      | 111       | Closed                                                                                                                                                                                                                                                                                | OK             | OK             |
| aaa. Were the parameters cross-checked against third-party or publicly available sources, such as invoices or price indices?                                                                                                                                                | VVM      | 111       | All the financial figures are cross checked (Exchange rate, tax rate, risk premium etc)                                                                                                                                                                                               | OK             | OK             |
| bbb. Were feasibility reports, public announcements and annual financial reports related to the proposed CDM project activity and the project participants reviewed?                                                                                                        | VVM      | 111       | They are reviewed                                                                                                                                                                                                                                                                     | OK             | OK             |
| ccc. Was the correctness of computations carried out and documented by the project participants assessed?                                                                                                                                                                   | VVM      | 111       | The correctness of computations are checked.                                                                                                                                                                                                                                          | OK             | OK             |
| ddd. Was the sensitivity analysis by the project                                                                                                                                                                                                                            | VVM      | 111       | There is no need to do any improvement in the                                                                                                                                                                                                                                         | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                   | Ref. | §   | COMMENTS                                                                               | Draft<br>Concl | Final<br>Concl |
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| participants to determine under what conditions variations in the result would occur, and the likelihood of these conditions assessed?                               |      |     | sensitivity table.                                                                     |                |                |
| eee. Is the type of benchmark applied is suitable for the type of financial indicator presented?                                                                     | VVM  | 112 | The benchmark calculation is suitable for the IRR calculation                          | OK             | OK             |
| fff. Do any risk premiums applied determining the benchmark reflect the risks associated with the project type or activity?                                          | VVM  | 112 | Country risk is taken into calculations to obtain benchmark.                           | OK             | OK             |
| ggg. To determine this, was it assessed whether it is reasonable to assume that no investment would be made at a rate of return lower than the benchmark by:         | VVM  | 112 |                                                                                        | OK             | OK             |
| i. assessing previous investment decisions by the project participants involved?                                                                                     | VVM  | 112 | N/A                                                                                    | OK             | OK             |
| ii. determining whether the same benchmark has been applied?                                                                                                         | VVM  | 112 | There is no information if there is a previous project that the investor participated. | OK             | OK             |
| iii. determining if there are verifiable circumstances that have led to a change in the benchmark?                                                                   | VVM  | 112 | N/A                                                                                    | OK             | OK             |
| hhh. Did the project participants rely on values from Feasibility Study Reports (FSR) that are approved by national authorities for proposed CDM project activities? | VVM  | 113 | The figures used in the IRR analysis are in lie with the FSR                           | OK             | OK             |
| ccc. If yes:                                                                                                                                                         | VVM  | 113 |                                                                                        |                |                |
| i. has the FSR been the basis of the decision to proceed with the investment in the project, i.e. that the period of time between                                    | VVM  | 113 | Yes                                                                                    | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                          | Ref. | §   | COMMENTS                                                                                                                                                                                                                          | Draft<br>Concl | Final<br>Concl |
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| the finalization of the FSR and the investment decision is sufficiently short for the DOE to confirm that it is unlikely in the context of the underlying project activity that the input values would have materially changed?             |      |     |                                                                                                                                                                                                                                   |                |                |
| ii. Are the values used in the PDD and associated annexes fully consistent with the FSR?                                                                                                                                                    | VVM  | 113 | Yes, the values are fully consistent with the FSR.                                                                                                                                                                                | OK             | OK             |
| iii. If not, was the appropriateness of the values validated?                                                                                                                                                                               | VVM  | 113 | N/A                                                                                                                                                                                                                               | OK             | OK             |
| iv. On the basis of its specific local and sectoral expertise, is confirmation provided, by cross-checking or other appropriate manner, that the input values from the FSR are valid and applicable at the time of the investment decision? | VVM  | 113 | Yes, investment analysis specialist has been confirmed all values used for the calculations.                                                                                                                                      | OK             | OK             |
| <b>d. Barrier analysis</b>                                                                                                                                                                                                                  |      |     |                                                                                                                                                                                                                                   |                |                |
| e. Has barrier analysis been used to demonstrate the additionality of the proposed CDM project activity?                                                                                                                                    | VVM  | 115 | Investment barrier has been demonstrated in the PD. IT is confirmed by the validation team since the project owner has the letter which clearly states that VER incomes were considered to get the loan for the project activity. | OK             | OK             |
| f. If yes, does the PDD demonstrate that the proposed CDM project activity faces barriers that:                                                                                                                                             | VVM  | 115 |                                                                                                                                                                                                                                   |                |                |
| viii. prevent the implementation of this type of proposed CMD project activity?                                                                                                                                                             | VVM  | 115 | Financial barrier can prevent the implementation of the project activity.                                                                                                                                                         | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Ref. | §   | COMMENTS                                                                                            | Draft<br>Concl | Final<br>Concl |
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| ix. do not prevent the implementation of at least one of the alternatives?                                                                                                                                                                                                                                                                                                                                                                                             | VVM  | 115 | n.a.                                                                                                | OK             | OK             |
| g. Are there any issues that have a clear direct impact on the financial returns of the project activity, other than: risk related barriers, for example risk of technical failure, that could have negative effects on the financial performance; or barriers related to the unavailability of sources of finance for the project activity? (If yes, these issues cannot be considered barriers and shall be assessed by investment analysis. [Refer to (6.c) above]) | VVM  | 116 | Yes, regarding to the bank letter, VER incomes considered to get the loan for the project activity. | OK             | OK             |
| h. Were the barriers determined as real by:                                                                                                                                                                                                                                                                                                                                                                                                                            | VVM  | 117 |                                                                                                     |                |                |
| i. assessing the available evidence and/or undertaking interviews with relevant individuals (including members of industry associations, government officials or local experts if necessary) to determine whether the barriers listed in the PDD exist?                                                                                                                                                                                                                | VVM  | 117 | The bank letter has been provided as an objective evidence.                                         | OK             | OK             |
| ii. ensuring that existence of barriers is substantiated by independent sources of data such as relevant national legislation, surveys of local conditions and national or international statistics?                                                                                                                                                                                                                                                                   | VVM  | 117 | n.a.                                                                                                | OK             | OK             |
| iii. Is existence of a barrier substantiated only by the opinions of the project participants? (If yes, this barrier cannot be considered as adequately substantiated)                                                                                                                                                                                                                                                                                                 | VVM  | 117 | n.a.                                                                                                | OK             | OK             |
| i. Were the barriers determined as preventing the                                                                                                                                                                                                                                                                                                                                                                                                                      | VVM  | 117 | Yes, financial barrier prevents the implementation of                                               | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                                                                                            | Ref. | §   | COMMENTS                                                                                      | Draft<br>Concl | Final<br>Concl<br>I |
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| implementation of the project activity but not the implementation of at least one of the possible alternatives by applying local and sectoral expertise to judge whether a barrier or set of barriers would prevent the implementation of the proposed CDM project activity and would not equally prevent implementation of <i>at least one of</i> the possible alternatives, in particular the identified baseline scenario? |      |     | the project activity but not the implementation of at least one of the possible alternatives. |                |                     |
| <b>e. Common practice analysis</b>                                                                                                                                                                                                                                                                                                                                                                                            |      |     |                                                                                               |                |                     |
| b. Is this a proposed large-scale, or first-of-its kind small-scale project activity?                                                                                                                                                                                                                                                                                                                                         | VVM  | 119 | The project is not first of its kind.                                                         | OK             | OK                  |
| c. If yes, was common practice analysis carried out as a credibility check of the other available evidence used by the project participants to demonstrate additionality?                                                                                                                                                                                                                                                     | VVM  | 119 | n.a.                                                                                          |                | OK                  |
| d. Was it assessed whether the geographical scope (e.g. defined region) of the common practice analysis is appropriate for the assessment of common practice related to the project activity's technology or industry type? (For certain technologies the relevant region for assessment will be local and for others it may be transnational/global.                                                                         | VVM  | 120 | The national and geographical assessment has been done under common practice analysis.        | OK             | OK                  |
| e. Was a region other than the entire host country chosen?                                                                                                                                                                                                                                                                                                                                                                    | VVM  | 120 | The national and geographical assessment has been done under common practice analysis.        | OK             | OK                  |
| f. If yes, was the explanation why this region is more appropriate assessed?                                                                                                                                                                                                                                                                                                                                                  | VVM  | 120 | The national and geographical assessment has been done under common practice                  | OK             | OK                  |

| CHECKLIST QUESTION | Ref. | § | COMMENTS                                                   | Draft<br>Concl | Final<br>Conc<br>I |
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|                    |      |   | analysis which found acceptable by the<br>validation team. |                |                    |

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| CHECKLIST QUESTION                                                                                                                                                                                                                                         | Ref. | §   | COMMENTS                                                                                                                                                            | Draft<br>Concl | Final<br>Concl |
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| g. Using official sources and local and industry expertise, was it determined to what extent similar and operational projects (e.g., using similar technology or practice), other than CDM project activities, have been undertaken in the defined region? | VVM  | 120 | Other projects in the region have been listed however it is shown that completion and the capacity of the other projects are not similar with the project activity. | OK             | OK             |
| h. Are similar and operational projects, other than CDM project activities, already "widely observed and commonly carried out" in the defined region?                                                                                                      | VVM  | 120 | Other projects in the region have been listed however it is shown that completion and the capacity of the other projects are not similar with the project activity. | OK             | OK             |
| i. If yes, was it assessed whether there are essential distinctions between the proposed CDM project activity and the other similar activities?                                                                                                            | VVM  | 120 | Other projects in the region have been listed however it is shown that completion and the capacity of the other projects are not similar with the project activity. | OK             | OK             |
| <b>9. Monitoring plan</b>                                                                                                                                                                                                                                  |      |     |                                                                                                                                                                     |                |                |
| a. Does the PDD include a monitoring plan?                                                                                                                                                                                                                 | VVM  | 122 | Yes, PD includes a monitoring plan.                                                                                                                                 | OK             | OK             |
| b. Is this monitoring plan based on the approved monitoring methodology applied to the proposed CDM project activity?                                                                                                                                      | VVM  | 122 | Yes, the monitoring plan is in line with the applied methodology.                                                                                                   | OK             | OK             |
| c. Were the list of parameters required by the the selected methodology identified?                                                                                                                                                                        | VVM  | 123 | Yes, the list of the parameters has been provided.                                                                                                                  | OK             | OK             |
| d. Does the monitoring plan contains all necessary parameters?                                                                                                                                                                                             | VVM  | 123 | Yes, the monitoring plan contains all necessary parameters.                                                                                                         | OK             | OK             |
| e. Are the parameters clearly described?                                                                                                                                                                                                                   | VVM  | 123 | Yes, the parameters are clearly described.                                                                                                                          | OK             | OK             |
| f. Does the means of monitoring described in the plan comply with the requirements of the methodology?                                                                                                                                                     | VVM  | 123 | Yes, the mp is in line with the methodology.                                                                                                                        | OK             | OK             |

| CHECKLIST QUESTION                                                                                                                                                                                                       | Ref. | §                | COMMENTS                                                                                                                             | Draft Concl | Final Concl |
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| g. Are all data and parameters monitored as per monitoring methodology?                                                                                                                                                  | ACM  | 000<br>2<br>v.11 | Yes, all monitoring plans are in line with the methodology.                                                                          | OK          | OK          |
| h. Are all data collected as part of monitoring archived electronically and kept at least for 2 years after the end of the last crediting period?                                                                        | ACM  | 000<br>2<br>v.11 | Yes, in section 3.2 it is stated that all data's will be kept for 2 years after crediting period ends.                               | OK          | OK          |
| i. Are 100% of the data monitored, if not indicated otherwise?                                                                                                                                                           | ACM  | 000<br>2<br>v.11 | Yes, %100 of data will be monitored.                                                                                                 | OK          | OK          |
| j. Are measurements conducted with calibrated measurement equipment according to relevant industry standards?                                                                                                            | ACM  | 000<br>2<br>v.11 | The calibrations are under control of TEIAS. During the installation of measuring equipments the calibrations will be done by TEIAS. | OK          | OK          |
| k. Are the monitoring provisions in the tools referred to in the methodology correctly applied?                                                                                                                          | ACM  | 000<br>2<br>v.11 | Yes, monitoring provisions that are in the tools referred to in the methodology correctly applied.                                   | OK          | OK          |
| l. Are the monitoring arrangements described in the monitoring plan feasible within the project design?                                                                                                                  | VVM  | 123              | Yes, the monitoring plan is feasible for the project activity.                                                                       | OK          | OK          |
| m. Are the following means of implementation of the monitoring plan sufficient to ensure that the emission reductions achieved by/resulting from the proposed CDM project activity can be reported ex post and verified: | VVM  | 123              |                                                                                                                                      |             |             |
| i. data management procedures?                                                                                                                                                                                           | VVM  | 123              | Yes, data management is sufficient.                                                                                                  | OK          | OK          |
| ii. quality assurance procedures?                                                                                                                                                                                        | VVM  | 123              | Quality assurance is sufficient.                                                                                                     | OK          | OK          |
| iii. quality control procedures?                                                                                                                                                                                         | VVM  | 123              | Quality control is sufficient for the defined parameters.                                                                            | OK          | OK          |

| CHECKLIST QUESTION                                                                                                                                                                                                                                                                                                                                    | Ref. | §   | COMMENTS                                                                 | Draft<br>Concl | Final<br>Concl<br>I |
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| <b>10. Sustainable development</b>                                                                                                                                                                                                                                                                                                                    |      |     |                                                                          |                |                     |
| a. Does the CDM project activity assist Parties not included in Annex I to the Convention in achieving sustainable development?                                                                                                                                                                                                                       | VVM  | 125 | n.a.                                                                     | OK             | OK                  |
| b. Does the letter of approval by the DNA of the host Party confirm the contribution of the proposed CDM project activity to the sustainable development of the host Party?                                                                                                                                                                           | VVM  | 126 | n.a.                                                                     | OK             | OK                  |
| <b>11. Local stakeholder consultation</b>                                                                                                                                                                                                                                                                                                             |      |     |                                                                          |                |                     |
| a. Were local stakeholders (public, including individuals, groups or communities affected, of likely to be affected, by the proposed CDM project activity or actions leading to the implementation of such an activity) invited by the PPs to comment on the proposed CDM project activity prior to the publication of the PDD on the UNFCCC website? | VVM  | 128 | Yes, local stakeholder consultation has been done on June 2009.          | OK             | OK                  |
| b. Have comments by local stakeholders that can reasonably be considered relevant for the proposed CDM project activity been invited?                                                                                                                                                                                                                 | VVM  | 129 | Local stakeholder consultation is not required for the project activity. | OK             | OK                  |
| c. Is the summary of the comments received as provided in the PDD complete?                                                                                                                                                                                                                                                                           | VVM  | 129 | Please provide the comments received in the PD.                          | CL22           | OK                  |
| d. Have the project participants taken due account of any comments received and described this process in the PDD?                                                                                                                                                                                                                                    | VVM  | 129 | n.a.                                                                     | OK             | OK                  |
| <b>12. Environmental impacts</b>                                                                                                                                                                                                                                                                                                                      |      |     |                                                                          |                |                     |
| a. Have the project participants submitted documentation on the analysis of the                                                                                                                                                                                                                                                                       | VVM  | 131 | Please provide EIA Report.                                               | CL23           | OK                  |

| CHECKLIST QUESTION                                                                      | Ref. | §   | COMMENTS                                                           | Draft<br>Concl | Final<br>Concl |
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| environmental impacts of the project activity?                                          |      |     |                                                                    |                |                |
| b. Have the project participants undertaken an analysis of environmental impacts?       | VVM  | 132 | Yes, the project participants undertook the environmental impacts. | OK             | OK             |
| c. Does the host Party require an environmental impact assessment?                      | VVM  | 132 | Yes, EIA requires in Turkey.                                       | OK             | OK             |
| d. If yes, have the project participants undertaken an environmental impact assessment? | VVM  | 132 | Yes, project has EIA positive certificate.                         | OK             | OK             |

TABLE 3 RESOLUTION OF CORRECTIVE ACTION AND CLARIFICATION REQUESTS

| • Draft report clarifications and corrective action requests by validation team                                                                                                                                                                                                     | • R ef. to checklist question in table 1 and 2 | • Summary of project owner response                                    | • Validation team conclusion                                                                                                                                                         |
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| <p>CAR1</p> <p>The project proponent applied ACM0002 Version 11 which is approved methodology under CDM and applicable under VCS. However ACM0002 Version 12 is applicable since 17 September 2010 which is prior to the VCS PD date 10.10.2010. Please update the methodology.</p> |                                                | <p>Please see related changes in the PD</p> <p>Review 2: Corrected</p> | <p>Please also correct the version of the methodology on pg.43.</p> <p><u>Review2</u></p> <p>The methodology has been corrected. <u>The corrective action request is closed.</u></p> |

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| <p>CAR2</p> <p>Origin of the data's has been indicated in section 3.2 figure 6 of the PD. However electricity invoices defined as origin for the data's however electricity consumption cannot define from the bill. Also generation may not be defined on the bill. These values can be available from the PMUM.</p> <p>Also in figure 6 it is stated that if net electricity delivered to the grid according to on site measurement is equals to net electricity delivered to the grid according to the bills it will be validated. However these data's can not be same because of the transmission line lost. Please correct.</p> |  | <p>The data source which will be monitored is changed to PMUM documents. The cross check will be done with the data which will be gathered on site visit by the DOE.</p> | <p>The data sources has been corrected. <u>The corrective action request is closed.</u></p>                                           |
| <p>CAR3</p> <p>Please give quantified emission reductions for the baseline scenario in section 4.2 as it is requested in the VCS PD template. Only emission factor has been given in the section. Please also submit the baseline calculation excel sheet.</p>                                                                                                                                                                                                                                                                                                                                                                        |  | <p>Relevant changes have been done in the PD.</p>                                                                                                                        | <p>The estimated emission reductions has been presented in section 4.2 of the PD. <u>The corrective action request is closed.</u></p> |
| <p>CAR4</p> <p>Please provide the baseline calculation sheet.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | <p>The baselien calculation has been provided as an attachement to this mailing.</p>                                                                                     | <p>Emission factor calculation sheet has been provided. <u>The corrective action request is closed.</u></p>                           |

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| <p>CAR5</p> <p>Please provide the objective evidence to confirm the input values.</p> | <p>All input values were presented in a separate table (Table 5) with their sources.</p> <p><b>Answers to Review 2:</b></p> <ol style="list-style-type: none"> <li>1- Annual production figures which have been used in IRR calculation had been taken from the feasibility not the license to reflect figures at the investment decision taking time.</li> <li>2- The guaranteed price by the State is not 5.5 euro cent. The guaranteed price is 5 euro cents but this can be increased to 5.5 euro cents with the decision of board of ministers. Actually this possibility has been reflected to calculations in the sensitivity section.</li> <li>3- There is no written document to prove the debt /equity assumption of calculations. However, this is a typical debt to equity assumption for this type of projects. It should be also noted that the equity IRR does not exceed the benchmark neither with 0% nor with 100% equity. In addition to this, this is a general assumption for Sanko in their investments (Please see Cevizlik HEPP assumptions)</li> </ol> <p><b>Response to Review 2:</b></p> <p>A 70:30 debt to equity ratio is a general acceptance. Please see the links below to verify this general acceptance:</p> <p><a href="http://sjvn.nic.in/faq.asp#">http://sjvn.nic.in/faq.asp#</a></p> <p><a href="http://hydropowerstation.com/?p=543">http://hydropowerstation.com/?p=543</a></p> <p><a href="http://www.zafer.org.tr/downloads/desigler/tkb2.pdf">http://www.zafer.org.tr/downloads/desigler/tkb2.pdf</a> (p. 17)</p> <p><b>Response to Review 3:</b></p> <p>1)- Please see generation license of the project attached. The electricity generation of the project is 179,050 MWh/yr in the PDD and 178,000 MWh/yr in the generation license. Since the generation range applied in the analysis includes this value, we believe that there is no need to apply electricity generation value given in the license separately. 2)- We can increase the guarantee price to 5.5 euro cent. However, in this case, when the sensitivity analysis is applied, the upper values (10% and 5% increase) for electricity generation price cannot be applied, since the guarantee purchasing price cannot be more than 5.5 euro cent and less than 5 euro cent, according to the Energy Efficiency Law.</p> | <p>To confirm the annual production please provide the generation licence with its annexes.</p> <p>Electricity sales price has been taken as 5 euro cent. However to be conservative 5,5 euro cent which is the maximum guarantee price shall be used.</p> <p>Please provide an objective evidence for equity/debt ratio at the time of investment decision.</p> <p><b>Review3</b></p> <p>1- Please provide the generation licence with its annexes. Also generation licence value shall be reflected in the sensitivity analysis.</p> <p>2- Electricity guarantee sales price is referred as 5-5,5 eurocent regarding to the following regulation "Yenilenebilir Enerji Kaynaklarının Elektrik Üretimi". Please clarify why 5 euro cent used for the project activity.</p> <p>3-Debt Equity ratio has been accepted as 70:30 regarding to the publicly available sources.</p> <p><b>Review4</b></p> <p>Generation licence has been provided.</p> <p>5,5 eurocent has been used for the irr calculation.</p> <p><u>The corrective action request is closed.</u></p> | 120 |
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| CAR6<br>Financial barriers shall be inline with the following information;<br>For alternatives undertaken and operated by private entities: Similar activities have only been implemented with grants or other non-commercial finance terms. No private capital is available from domestic or international capital markets due to real or perceived risks associated with investment in the country where the proposed CDM project activity is to be implemented, as demonstrated by the credit rating of the country or other country investments reports of reputed origin. |  | The carbon revenue possibility had played a major role in the financing of the project. Please see related bank letter in the attachment. | The financial barrier explanation has been accepted by the validation team. A letter from the bank has been provided as an objective evidence which states that VER revenues has been considered to guarantee the loan. <u>The corrective action request is closed.</u> |
| CAR7<br>Project is not first of its kind and climate conditions (heavy rain) can not identified as a barrier in black sea region.                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | The barrier had been removed                                                                                                              | The barrier has been deleted. <u>The corrective action request is closed.</u>                                                                                                                                                                                           |
| CAR8<br>The barriers shall be in line with the investment decision date. Road near to the power house, minimum water amount and construction of second part of the project has been occurred after the investment decision date.                                                                                                                                                                                                                                                                                                                                               |  | The barrier had been removed                                                                                                              | The barrier has been deleted. <u>The corrective action request is closed.</u>                                                                                                                                                                                           |

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| <p>CAR9</p> <p>Please explain If the identified barriers also affect other alternatives, explain how they are affected less strongly than they affect the proposed CDM project activity. In other words, demonstrate that the identified barriers do not prevent the implementation of at least one of the alternatives. Any alternative that would be prevented by the barriers identified in Sub-step 3a is not a viable alternative, and shall be eliminated from consideration.</p> <p>Technical Barrier is not defined in section 3.a however it is given in 3.b.</p> <p>Thermal Power plant alternative has been deleted however comparison with thermal power plant has been given in 3.b.</p> | <p>Technical barrier line had been removed from the table 10.</p> <p>The comparison had been removed from the table 10.</p> | <p>The barrier has been deleted. <u>The corrective action request is closed.</u></p> |
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| <p>CAR10<br/>Please define other activities projects that are similar to the project activity.</p> |  | <p>The project is comprised of two seperate power houses whereas the project employees only one weir. This is a rare project application in the region (Blacksea) where the projects have only one power houses in general. This characteristic of the project differentiate the project from other similar activities (HEPP projects) as far as the operation management and construction issues are concerned. Therefore, there is no similar project activity in the region.</p> <p><b><u>Response to Review 2:</u></b><br/>Please see the explanations added under Sub-step 2b of the common practice Section of the revised VCS PD.</p> | <p>Please provide the list of the projects in the region and add the discussions about the differences of your project activity. (capacity, technical difficulties).</p> <p><u>Review2</u><br/>Common practice analysis has been done in the country then in the region. It is clearly shows that project is not common practice. <u>The corrective action request is closed.</u></p> |
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| <p>CAR11</p> <p>In section 4b it is defined that no similar activities has been defined regarding to section 4.a however similar activities are not listed in section 4.a.</p> <p>If similar activities occurs than please demonstrate why the existence of these activities does not contradict the claim that the proposed project activity is financially/economically unattractive or subject to barriers. This can be done by comparing the proposed project activity to the other similar activities, and pointing out and explaining essential distinctions between them that explain why the similar activities enjoyed certain benefits that rendered it financially/economically attractive (e.g., subsidies or other financial flows) and which the proposed project activity cannot use or did not face the barriers to which the proposed project activity is subject. In case similar projects are not accessible, the PDD should include justification about non-accessibility of data/information.</p> |  | <p>The project is comprised of two seperate power houses whereas the project employs only one weir. This is a rare project application in the region (Blacksea) where the projects have only one power houses in general. This characteristic of the project differentiate the project from other similar activities (HEPP projects) as far as the operation management and construction issues are concerned. Therefore, there is no similar project activity in the region.</p> <p><b>Response to Review 2:</b><br/>Similar project activities are discussed in the revised VCS PD.</p> | <p>Please refer to CAR 10.<br/><u>Review2</u></p> <p>In revised PDD dd. February 2011 it is clearly demonstrated that project is not common practice in the region. <u>The corrective action request is closed.</u></p> |
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| <p><b>CAR12</b></p> <p>1- The sum of 35 years depreciation figure for the Machinery and Equipment is 16,336,510 but the total asset value 16,813,250. So, there is some amount left to be depreciated. Please do the necessary corrections.</p> <p>2- Starting with 2045, depreciation starts for the renewal costs. Since, it is effective for 14 years there would be amount to be depreciated. So, please add the fair value as a cash inflow at the end of assessment period. The same problem exist for the buildings as well. Please calculate the fair value and add as a cash inflow at the end of the assessment period. Please also note that, corporate tax should be applied to the fair value. In addition, please calculate the fair values automatically in running sensitivity analysis scenarios</p> <p>3- It is seen that there is no depreciation calculation is done for Etud, Project Design and Control, Expropriation and Unknown costs. In fact, either they should have been expensed in the construction period or put into investment cost to be depreciated (expensed) in the following years. In the analysis it is seen that they are not expensed so please calculate depreciation for these items. Unknown costs can be distributed to other items in the calculations.</p> <p>4- Please affirm if there is no VAT in the investment costs.</p> <p>5- Please affirm if the investment cost in 2011 is financed by equity only. Please note that, in this case 70% of debt usage is not applicable then the total investment is considered.</p> <p>6- In the IRR analysis in which VER revenue included, VER revenue is directly added as a cash inflow. In fact, there must be a corporate tax applied to the revenue items. So, please apply corporate tax to the VER revenues.</p> <p>7- The investment schedule in the Model sheet doesn't match the schedule in the "Investment Schedule" sheet. Also, the investment costs between Annual Cost sheet and Model sheet are not equal. Please do the necessary corrections.</p> | <p><b>Answers to Review 1:</b></p> <p>1- The residual value was added to the year 2045 in the original document. Therefore, the depreciation value adds up to 16,813.5. No change was done to calculations.</p> <p>2- Please note that all machinery and equipments are project specific and there is most probably no market for used machinery and equipments. On the buildings front, again they are project specific and there is no alternative usage area for these buildings. Therefore, if the project owner decides not to renew its license, there will be cost of removal of buildings instead of a revenue from sales. However, all requested changes have been done in the IRR calculation to be on the conservative side.</p> <p>3- Depreciation of Unknown costs have been added to the depreciation calculation of buildings. Therefore nothing has been done as amendment for the calculation of unknown costs depreciation. On the other hand necessary changes have been done for other cost items and they are added to the depreciation calculation of buildings.</p> <p>4- There is no VAT in the investment costs.</p> <p>5- 70% debt usage is a target. However, the project can not reach this target and the deficit is assumed to be financed through equity.</p> <p>6- There are different opinions among tax experts about how to record carbon revenues. Our method is conservative as it increases the revenues (since there is no tax deduction). However, tax has been calculated to satisfy the request.</p> <p>7- These comments are not understood. Investment costs seem consistent.</p> | <p>All corrections has been done. <u>The corrective action request is closed.</u></p> |
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| <p>CAR13-</p> <ul style="list-style-type: none"> <li>In the PDD, p.31 the OM-formula and its units are given correctly. However, it does not correspond to the Excel spreadsheet: in the worksheet "OM Calculations" EFCO2 is referred to as t CO2/GJ – this is, like the units of FC and NCV, in accordance with the PDD. So why is it then necessary to divide by 1000 (formula cells B:47-H:53) ? According to the formula, there should be no division by 1000 - so which is correct: units in the PDD or in the Excel ? The authors should take a closer look at the NCV values (and their corresponding statement of unit) in the spreadsheet and make the necessary corrections.</li> <li>There should be an explanation in the PDD about the particular choices made for generation efficiencies for LPG and Naphta as those choices are not self-explanatory.</li> </ul> |  | <ul style="list-style-type: none"> <li>The corrective actions have been made in the baseline excel.</li> <li>The necessary explanations have been added to the PDD regarding the efficiencies for Lpg and naphta.</li> </ul> <p><u>Corrective action request is closed.</u></p> |
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| <p>CAR 14-</p> <p>Please update the electricity sales price. 5.5 euro cent is the higher value.</p> <p>Please give accuracy class of the metering equipments.</p> <p>Please clarify which documents will be used for the monitoring</p> <p>Please update the operational lifetime of the project regarding to EB50 Annex 15.</p> <p>Please check the PD to clarify the selected IRR. Equity IRR has been calculated however project IRR has been written in the PD.</p> |  | <p>5.5 euro cent has been used in the revised IRR calculation.</p> <p>Accuracy class of the meters has been provided.</p> <p>The monitoring of electricity generation of the power plant will be used via PMUM Records and to be crosschecked with the Monthly Meter Reading Protocols. The necessary explanations have been added to the revised PDD.</p> <p>Operational lifetime has been defined as indicated in the FSR, in line with the EB 50 Report, Annex 15.</p> <p>There were some misstatements in the PDD, although it is clear that the equity IRR is selected indicator for the Benchmark analysis. The misstatements have been corrected.</p> | <p><u>FAR1 has been created for the cross checking information.</u></p> <p><u>Corrections has been done. Clarifications has been added. Corrective action request is closed.</u></p>                                                                                                |
| <p>CAR15-</p> <p>Please remove barrier analysis from PD.</p> <p>Please clarify why capacity increased from 40.65 Mwe to 43.47 Mwe</p> <p>In PD pg.17 licensing period has been given as the calculation period for IRR. However it has been corrected as the operational life time.</p> <p>Please add operational costs to the sensitivity analysis.</p>                                                                                                                |  | <p>All barriers have been removed from the PDD and it has been indicated that Step 3 – Barrier Analysis is not applied.</p> <p>Please see attached document for the reason of capacity change. (<i>LISANS TADIL TALEBIMIZ EPDKYA_15.07.2009.pdf</i>)</p> <p>The statement has been corrected as “<i>The cash flow was prepared for 35 years operational lifetime (technical lifetime of the electromechanical equipments.)</i>.”</p> <p>Annual Operational Costs (General Production Expenses) has been added to the Sensitivity analysis.</p>                                                                                                               | <p>Barriers has been removed.</p> <p>The clarification for the capacity change has been provided.</p> <p>Operational lifetime has been corrected.</p> <p>Annual operational cost has been added to the sensitivity analysis.</p> <p><u>Corrective action request is closed.</u></p> |

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| <p>CAR16-<br/>1- Page 5 - It is indicated in the VCS PD as follows: "The average annual emission reductions of the proposed Project for the initial crediting period are estimated to be 97,869 tonnes of CO<sub>2</sub>e (tCO<sub>2</sub>e)" However, emission reduction is given as 100,190 tCO<sub>2</sub>e in the emission reduction table. Please clarify.<br/>2- Page 21 – Timelinelt is indicated in the timeline table that the loan is not signed yet. Please clarify the current situation.<br/>3- Page 21 –Barrier analysis was excluded from the VCS PD. However, sub-step 3b is still defined in the VCS PD. Please correct.<br/>4- Page 24 – Monitoring Plan - It is indicated in the monitoring plan that electrical engineers will make calibration according to procedures. However, the TEIAS is responsible for the calibration. Please clarify.<br/>5- Page 26 – Monitoring Plan - The notation of "Quantity of net electricity generation supplied by the project to the grid in year y" is not in line with the ACM0002. Please clarify the notation.<br/>6- Page 30 – Baseline - Under step 3, it is mentioned that Option C of Simple OM is applied. However, the applied version of the tool (Tool to calculate the emission factor for an electricity system, Version 02) does not include Option C.<br/>7- Baseline Calculation - The combined emission factor is defined as 0.559 tCO<sub>2</sub>/MWh in the VCS PD. When multiplying the annual generation with the emission factor, it does not equal to defined annual emission reduction.<br/>8- Please give the excel sheets for all calculations used in the sensitivity analysis.</p> | <p>1- The annual electricity generation of the project when all turbines are in operation is 179,050 MWh. Therefore, the emission reduction for fully operational years is calculated as 100,190 tCO<sub>2</sub>/year. Since the project did not start to generate electricity with all turbines for Kalkandere and Kizilgac Plants, the annual generations for 2011 and 2012 are lower than 179,050 MWh. The crediting period is 10 years, and when the total emission reduction over the 10 year crediting period is divided to 10 years, the annual average emission reduction is 97,869 tCO<sub>2</sub>/year. That's why the average emission reduction is different from the annual emission reductions between 2013 and 2020.<br/>2- The statement regarding the loan agreement has been removed from the Timeline.<br/>3- Sub-step 3b has been removed from the VCS PD.<br/>4- The statement "will make calibration according to procedures" has been deleted.<br/>5- The notation is corrected as:<br/><b>EG<sub>facility,y</sub></b> (Quantity of net electricity generation supplied by the project plant/unit to the grid in year y)<br/>6- The statements under Step 3 of the Baseline Calculation Section has been corrected in line with the latest version of the methodology.<br/>7- A footnote has been added to the page 43 of the PDD. (footnote 60: <i>The combined Margin emission Factor is 0.559566 tCO<sub>2</sub>/MWh</i>)<br/>8- The Sensitivity analysis has been revised accordingly.</p> | <p>1- Clarification found acceptable by the validation team. The clarification has been accepted.<br/>2- Loan agreement date is not a relevant date for the emission reduction calculation or investment analysis. The correction has been accepted.<br/>3- Barrier Analysis has been removed from PD. Correction has been accepted.<br/>4- The statement has been corrected. Correction has been accepted.<br/>5- Notation has been corrected. Correction has been accepted.<br/>6- Option B has been selected. The correction has been accepted.<br/>7- Defined emission factor 0.559 has been used for the emission reduction calculation.<br/>8- All formulas in the sensitivity are presented in the excelsheets.<br/><u>Corrective Action Request is closed.</u></p> |
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| <p>CL1<br/>Please provide an English translation of the generation license</p>                                                                                                                                    |  | <p>The document below explains that this license is provided to Akim Enerji Uretim Sanayi ve Ticaret A.S. for Yokuslu Kalkandere project which is planned to be installed in Rize province, in accordance with Energy Market Law and the Decision of Energy Market Regulatory Authority (Date: 14.09.2006, Number: 915-2) for 49 years.</p> | <p>The english translation has been added. <u>The clarification request is closed.</u></p>                    |
| <p>CL2<br/>The project is located in Rize. 2 powerhouses will be installed and the GPS coordinates of the project has been provided in section 1.5 of the PD. Please also provide delineation of the project.</p> |  | <p>Please see Figure 3 in the PD</p>                                                                                                                                                                                                                                                                                                        | <p>Project lay out has been presented in figure-3 of the PDD. <u>The clarification request is closed.</u></p> |

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| <p>CL3<br/>No, The project start date is earlier than 2006. In the PD project start date defined both 30 November 2010 and January 2011. Please clarify.</p> |  | <p>The project start date has been defined in line with VCS as the start of emission reduction date.</p> <p><b><u>Response to Review 2:</u></b><br/>The starting date of the project activity is the commissioning date of the project. Since the first part of the project (Kalkandere power plant) was commissioned in November 2010, the starting date of the project activity and as a result, starting date of the first crediting period are defined as November 2010 in the revised VCS PD.</p> <p><b><u>Response to Review 3:</u></b><br/>The first unit of the first power house was commissioned on December 30th, 2010. The other two units of the first power house started electricity generation on January 28th, 2010. In addition, the second power house (Kizilagac) is expected to be commissioned in March 2012. The VERs were recalculated based on these updated dates. Please find attached "<b><i>Gecici Kabul Tutanağı</i></b>" for the commissioning of the power plant.</p> <p>In addition, the crediting period is started from the first day of 2011, since the electricity generation in 2010 (just one day) is negligible.</p> | <p>In section 1.6 of the PD project start date has been defined as 30 November 2010. However in the project timeline it is defined as January 2011. Please clarify.</p> <p>In section 1.6 of the PD the crediting period start date defined as December 2011 please clarify why it is not defined as the emission reduction start date.</p> <p><b><u>Review3</u></b><br/>Project start date has been corrected in the PD. It is defined as 30 November 2010. Please provide sayaç mühürleme tutanağı which is issued by TEİAŞ.</p> <p><b><u>Review4</u></b><br/>The provisional acceptance has been provided. <u>The clarification request is closed.</u></p> |
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| <p>CL4<br/>The related laws and regulations defined in section 1.10 of the PD. Generation license and the EIA positive certificate has been provided in annex of the PD. <a href="http://www.rec.org/REC/Programs/ExtensionToTurkey/TurkeysEnvironment.pdf">http://www.rec.org/REC/Programs/ExtensionToTurkey/TurkeysEnvironment.pdf</a> Is not working. Please provide the document. Please provide letter number 254 which is issued by Ministry of Culture and Tourism, Trabzon Regional Council of Protection of Cultural and Natural Assets, dated May 26th 2005</p> | <p>The link has been changed to "<a href="http://archive.rec.org/REC/Programs/ExtensionToTurkey/TurkeysEnvironment.pdf">http://archive.rec.org/REC/Programs/ExtensionToTurkey/TurkeysEnvironment.pdf</a>"</p> <p><b><u>Response to Review 3:</u></b></p> <p>Please see attached the report under the link: "<a href="http://www.rec.org/REC/Programs/ExtensionToTurkey/TurkeysEnvironment.pdf">http://www.rec.org/REC/Programs/ExtensionToTurkey/TurkeysEnvironment.pdf</a>"</p> <p>Also, please see the mentioned letter under Annex-I (EK-I : Resmi Yazışmalar) of the Project Description File (Proje Tanıtım Dosyası) of the project.</p> | <p>The link is not available, please send the copy.<br/>The letter from the Ministry of Culture and Tourism, Trabzon Regional Council of Protection of Cultural and Natural Assets has been provided which stated that project activity has no impact on the Cultural and Natural Assets.<br/><u>Review3</u><br/>The documents are not provided.<br/><u>Review4</u><br/>The document has been provided. <u>The clarification request is closed.</u></p> |
| <p>CL5<br/>In section 2.3 GHG sources, sinks and reservoirs for the baseline and project shall be identified. However Turkish Electricity Sector has been identified. Please correct.</p>                                                                                                                                                                                                                                                                                                                                                                                 | <p>The PD has been ammended as requested.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Needed correction has been done. <u>Clarification request is closed.</u></p>                                                                                                                                                                                                                                                                                                                                                                         |

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| <p><b>CL6</b><br/>In pg.31 measurement section spreadsheet is referred as figure 9. However it is not available in the PD.<br/>It is stated that selecting of electricity measuring equipment is not finalized yet, however project start date defined as January 2011. Please update the information.</p> |  | <p><b>Spreadsheet verilcek</b><br/><br/><b>2<sup>nd</sup> Response:</b><br/>The transmission line losses are not included to the emission reduction calculations. The electricity consumed by the power plant is deducted from the produced electricity and the net electricity supplied to the grid is calculated. And, the emission reduction is calculated by multiplying this value with the grid emission factor. Transmission line losses are excluded from the spreadsheet. Please see the revised PDD.</p> <p><b>Response to Review 3:</b><br/>In the methodology, the <math>EG_{pj,y} = EG_{facility,y}</math> and <math>EG_{pj,y}</math> is defined as "Quantity of net electricity generation that is produced and fed into the grid as a result of the implementation of the CDM project activity in year y (MW<sub>h</sub>/yr)"<br/>The project boundary includes electricity supplied to the grid and the electricity traction from the grid. (which equals to the "net electricity supply to the grid") Therefore, the transmission loss will not be monitored. There is no need to revise the spreadsheet.</p> | <p>In PDD, the parameters that will be monitored has been identified. Also spreadsheet has been provided. Transmission loss has been only identified in the spreadsheet it is not stated in the PD monitoring description section.<br/><u>Review3</u><br/>Revised monitoring excel for Kalkandere is not submitted.<br/><u>Review4</u><br/>The monitoring plan has been updated. <u>The clarification request is closed.</u></p> |
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| CL7<br>In PD section 3.2 it is defined that electrical engineers will receive sufficient and continues trainings in terms of monitoring and verification aspects. Please define the frequency.                                                                 |  | The Electrical Engineers will receive sufficient and continuous training in terms of monitoring and verification on aspects such as meter's reading and calibration and reading's recording, adjustment and reporting <b>every year</b> | The frequency of the training has been identified. <u>The clarification request is closed.</u>             |
| CL8<br>Please include all needed parameters for the emission factor calculation for the next crediting period.(FC,.)                                                                                                                                           |  | No parameter related to the next crediting period had been defined.                                                                                                                                                                     | All parameters that used for the baseline has been identified. <u>The clarification request is closed.</u> |
| CL9<br>Please define the data unit for the capacity addition.                                                                                                                                                                                                  |  | The unit has been defined as "MW".                                                                                                                                                                                                      | Data unit has been added. <u>The clarification request is closed.</u>                                      |
| CL10<br>Please update the source of the data's to be used for the capacity additions for the next crediting period.                                                                                                                                            |  | No parameter related to the next crediting period had been defined.                                                                                                                                                                     | All parameters that used for the baseline has been identified. <u>The clarification request is closed.</u> |
| CL11<br>A summary of environmental impact has been provided in section 5 of the PD. EIA is not required certificate is not attached as it is stated in annex-1 of the PD. Please provide them to DOE with all its annexes. Also Please provide the EIA report. |  | Please see related documents in the attachments                                                                                                                                                                                         | All documents with EIA positive letter has been provided. <u>The clarification request is closed.</u>      |

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| <p>CL12<br/>Stakeholder consultation has been done on June 20<sup>th</sup> 2009. Please provide the summary of the comments received and mechanism for on going communication.</p>                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p><b><u>Response to Review 2:</u></b><br/>Please see the explanations added to the Section 6 of the revised VCS PD. ("In addition to the community Meeting, the company will be open for further comments during the construction and operation of the project and the site manager will be the contact person for the stakeholders.")</p> | <p>The comments received has been provided in section 6 of the PDD. However it is not identified how the on-going communication will be done.<br/><u>Review3</u><br/>On going communication will be done through project site manager. <u>The clarification request is closed.</u></p> |
| <p>CL13<br/>Chronological plan has been provided in section 7 of the PD. Please also provide objective evidences for first VER consideration (original document for Annex 3), investment decision and the base document to decide to perform the project activity with related approval.</p> | <p>Please see Board of Directors' resolution for early consideration in the attached document. You can also find the last feasibility for the project in the attached file.</p> <p><b><u>Response to Review 2:</u></b><br/>The original document is to be provided to the validation team.</p> <p><b><u>Response to Review 3:</u></b><br/>The original of the document for prior consideration is provided to the validation team.</p> | <p>Original document is not provided for the early consideration.<br/><u>Review3</u><br/>The document for prior consideration is not provided.<br/><u>Review4</u><br/>The original board decision dd.2004 has been provided to the validation team. <u>The clarification request is closed.</u></p>                                         |                                                                                                                                                                                                                                                                                        |

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| CL14<br>Project is hydro power plant and results with new reservoir. Power density is calculated as grater than 10w/m2. Please provide the feasibility of the project activity to verify the lake area.                                                                   |  | <p>Please see attached a drawing where the lake level and surface area were calculated.</p> <p><b><u>Response to Review 2:</u></b><br/>Please see attached e-mail to verify how the lake area is calculated.</p> <p><b><u>Response to Review 3:</u></b><br/>Please find attached the e-mail. Also the e-mail is forwarded to:<br/><a href="mailto:burcu.mutman@tr.bureauveritas.com">burcu.mutman@tr.bureauveritas.com</a></p> | <p>The lake area has been calculated as 2,205 m2. Please provide the input values and their references to calculate the lake area.</p> <p><u>Review3</u><br/>The email is not provided.</p> <p><u>Review4</u><br/>The lake area drawing has been provided.</p> <p><u>The clarification request is closed.</u></p> |
| CL15<br>Please provide the feasibility report.                                                                                                                                                                                                                            |  | Please see attach                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Feasibility report has been provided.</p> <p><u>The clarification request is closed.</u></p>                                                                                                                                                                                                                   |
| CL16<br>Please give the physical delineation of the project activity. Delineation shall cover correct project boundary and include identification of all locations, processes and equipment including secondary equipment and associated processes such as logistics etc. |  | Please see Figure 3 in the PD                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Project lay out has been provided. <u>The clarification request is closed.</u></p>                                                                                                                                                                                                                             |
| CL17<br>In table 4, included and excluded greenhouse gasses are showed. Please use the tabular format. GH4 in the baseline is not defined.                                                                                                                                |  | The table has been ammended as requested                                                                                                                                                                                                                                                                                                                                                                                       | <p>The tabular format has been used. <u>The clarification request is closed.</u></p>                                                                                                                                                                                                                              |

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| CL18<br>Please define the legal requirements regarding to the defined alternatives in section sub-step 1.b.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | The alternatives are also obliged to be in line with Electricity Market Law, The Renewable Energy Law and Environmental Law. | The applicable laws has been defined under sub-step 1-b. <u>The clarification request is closed.</u> |
| CL19<br>Outcome of Step 1-b defined as follows, "The only plausible and realistic alternatives are "The proposed project activity undertaken without being registered as a VCS project activity and Alternative 1 "The continuation of the current situation. The equivalent electricity will be provided by the existing power units connected to the national grid" Based on the above analysis, the proposed project activity is not the only alternative amongst the project participants that is in compliance with mandatory regulations. Therefore, the proposed VCS project activity may be additional." Please correct the alternative numbers. |  | Alternative 1 is ammended as Alternative 4.                                                                                  | The needed correction has been done. <u>The clarification request is closed.</u>                     |
| CL20<br>Please state the outcome of Step 4.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | All in all the results of sub-step 4a and sub-step 4b clearly mention that the project is not a common practice.             | The outcome of step 4 has been stated. <u>The clarification request is closed.</u>                   |

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| <p>CL21<br/>Please provide original document for Annex 3</p> | <p>Original document can be found in the attachment</p> <p><b><u>Response to Review 2:</u></b></p> <p>The original document is to be provided to the validation team.</p> <p><b><u>Response to Review 3:</u></b></p> <p>The original of the document for prior consideration is provided to the validation team.</p> | <p>The document is not provided.<br/><u>Review3</u><br/>Annex 3 is not provided<br/><u>Review4</u><br/>The original document for prior consideration dd. 23.07.2004 has been provided to the validation team. Since the investment decision has been taken on 10th of October 2008 by the board the document dd.23.07.2004 which clearly mentions that "Kalkandere Project can become feasible with the CER-VER incomes" has been accepted. <u>The clarification request is closed.</u></p> |
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| <p>CL22<br/>Please provide the comments received in the PD.</p> |  | <p>Stakeholders' comments in this meeting were intensified on 2 major subjects. The first one is how this project will provide economic advantage to the region. Project owners replied this question with the fact that the project will make employments from the region during both construction and operation phases. The other question topic was about how the project will affect the environment in the region. Project owners mentioned that there will be limited negative effect during the construction especially in dust emissions and noise issues. They also mentioned that these issues will be followed closely and regular measurements will be done. In addition to this, they have also underlined the fact that the water amount in the river bed will reduce within project boundaries. However, there will always be enough amount of water in the river bed for the continuation of river life.</p> | <p>The stakeholder comments has been received. The <u>clarification request is closed.</u></p>                                              |
| <p>CL23<br/>Please provide EIA Report.</p>                      |  | <p>Please see attached files.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>EIA report has been provided. Regarding to the EIA project got EIA positive certificate. <u>The clarification request is closed.</u></p> |