

VERIFICATION REPORT FOR BLUE SOURCE SPARTANBURG LANDFILL GAS COMBUSTION PROJECT



Document Prepared By: SCS Global Services

Contact Information: www.SCSglobalServices.com

Project Title	Blue Source Spartanburg Landfill Gas Combustion Project
Version	1.0
Report ID	VCS Verification Report _Spartanburg_11-22-2013

Report Title	Verification Report for Blue Source Spartanburg Landfill Gas Combustion Project
Client	Blue Source LLC
Pages	21
Date of Issue	08-December-2013 report issued
Prepared By	SCS Global Services
Contact	2000 Powell Street, Ste. 600 Emeryville, CA 94608 Phone: 510-452-9091 Website: www.SCSglobalServices.com
Approved By	Mark Lutz, Sr. Internal Reviewer
Work Carried Out By	Tina Sentner, Lead Verifier

Summary:

SCS Global Services (SCS) conducted a periodic verification of the Blue Source Spartanburg Landfill Gas Combustion Project. In this project, methane gas was collected from active and inactive portions of the Wellford landfill located in Spartanburg County, South Carolina. Landfill gas was destroyed in one of three destruction devices: 1) Landfill gas was used to generate electricity from a Caterpillar internal combustion engine that was coupled to an electricity generator (“generator set”); 2) landfill gas was used in a beneficial project to produce thermal energy (i.e. boilers); and 3) landfill gas not consumed by the other two destruction devices was burned in an open flare. The Project also displaced fossil fuels consumed for baseline thermal energy generation. These activities resulted in a net reduction of CO₂-equivalent emissions.

Blue Source LLC engaged SCS to verify its emission reductions from January 1, 2013 to September 30, 2013. SCS verified the asserted emission reductions against criteria found in assertion against the criteria stated in the Verified Carbon Standard (VCS) Standard dated October 8, 2013, v3.4, and the Approved consolidated baseline methodology ACM0001: “Consolidated baseline and monitoring methodology for landfill gas project activities”: Version 11.

The objective of the verification was to determine, with reasonable assurance, that the calculated emission reductions for this project were, in all material respects, accurately stated. The SCS verification team conducted its verification in accordance with ISO 14064, Part 3, *Greenhouse gases – Specification with guidance for the validation and verification of greenhouse gas assertions*. During the verification process, SCS issued several new information requests – all of which were addressed sufficiently by the project participants.

On the basis of work conducted, SCS was able to conclude with reasonable assurance that Blue Source asserted vintage 2013 methane emission reductions were fairly stated. More detail concerning this conclusion is provided in Section V of this report.

Table of Contents

Table of Contents	3
1 Introduction	4
1.1 Objective	4
1.2 Scope and Criteria.....	4
1.3 Level of Assurance.....	5
1.4 Summary Description of the Project	5
2 Verification Process.....	5
2.1 Method and Criteria.....	5
2.2 Document Review.....	7
2.3 Interviews	7
2.4 Site Inspections	7
2.5 Resolution of Findings.....	8
2.5.1 Forward Action Requests	9
2.6 Eligibility for Validation Activities.....	9
3 Validation Findings	10
3.1 Participation under Other GHG Programs	10
3.2 Methodology Deviations	10
3.3 Project Description Deviations	10
3.4 Grouped Project	12
4 Verification Findings.....	12
4.1 Project Implementation Status.....	12
4.2 Accuracy of GHG Emission Reduction and Removal Calculations	17
4.3 Quality of Evidence to Determine GHG Emission Reductions and Removals	19
4.4 Non-Permanence Risk Analysis.....	20
5 Verification conclusion.....	20
5.1 Verification Summary:	20

1 INTRODUCTION

1.1 Objective

The objective of this verification audit was to determine, with reasonable assurance that

- Methods and monitoring procedures were implemented in accordance with the validated project description. This includes ensuring conformance with the monitoring plan.
- GHG emissions reductions quantified, monitored, and reported in the monitoring report were materially accurate.

1.2 Scope and Criteria

The scope of the engagement included quantification, monitoring and reporting of greenhouse gas project emissions reductions associated with the voluntary destruction of landfill gas from an expanded landfill gas collection system at the Wellford Landfill in Spartanburg County, South Carolina. The project boundary is defined as the landfill, which is the site where landfill gas is collected via separate header and piping system from a pre-existing landfill gas conveyance and collection system, the Lockhart Power generation facility, and the Milliken Dewey Chemical Plant facility located approximately six miles from the landfill site where landfill gas is consumed in boilers. Although there is electricity generated by the combustion of landfill gas within the project, which would have been generated by power generation sources connected to the grid, emission reductions from this portion of the project are not claimed. Therefore, the project boundary does not include these grid-connected power generation sources. This exclusion is conservative as it reduces baseline emissions. The gases included in the project included methane (CH₄) and carbon dioxide (CO₂). The period under this verification is January 1, 2013 to September 30, 2013.

The project developers implemented their methane emission reduction project in accordance with the requirements of the CDM methodology ACM0001– *Consolidated baseline and monitoring methodology for landfill gas project activities*, Version 11 and the Verified Carbon Standard Version 3.4. SCS conducted its verification of the reported emission reductions in accordance with

- the Verified Carbon Standard Version 3.4,(10-08-2013),
- the Verified Carbon Standard Program Guidelines Version 3.5 (10-08-2013),
- ISO 14064-2 and
- ISO 14064:2006 Part 3, Greenhouse gases – Specification with guidance for the validation and verification of greenhouse gas assertions. NSF-ISR is a GHG validation and verification body accredited by the American National Standards Institute in the project scope of waste management.

1.3 Level of Assurance

This engagement was performed at the reasonable level of assurance. Emission reduction reports were considered fairly stated if they varied by no more than 5% from a complete statement of the project's emission reductions.

1.4 Summary Description of the Project

The Project consisted of the voluntary destruction of landfill gas from an expanded landfill gas collection system at the Wellford Landfill in Spartanburg County, South Carolina. Landfill gas was destroyed in one of three destruction devices: 1) Landfill gas was combusted to generate electricity from a Caterpillar internal combustion engine that was coupled to an electricity generator ("generator set"); 2) landfill gas was combusted in a beneficial project to produce thermal energy (i.e. boilers); and 3) landfill gas not consumed by the other two destruction devices was burned in an open flare.

The landfill gas piping systems and headers for the project, LFG collection and control system (LFGCCS), were constructed separately from a pre-project system existing at the Wellford landfill. Greenhouse gas (GHG) emission reductions were claimed from the destruction of methane, which would have otherwise been emitted directly to the atmosphere, and also from the displacement of fossil fuels that were used for thermal energy generation at the Milliken Dewey Chemical plant prior to the project activities. GHG emission reductions are not claimed for the displacement of fossil fuel based electricity generation. The VCS Project Description provides additional details regarding the project activities.

2 VERIFICATION PROCESS

2.1 Method and Criteria

The following is a summary of the verification process implemented by SCS:

- Conflict of Interest Review and Appointment of Team
- Kick-off meeting with Blue Source;
- Begin Risk Assessment by conducting a Documents Review including the Project Description (PD), the monitoring report, and supporting data;
- Development of the verification and sampling plan;
- Execution of the sampling plan;
- Review and evaluation of raw data and emission reduction calculations for the period under review;
- Follow-up of Non-conformities and Clarification Requests as needed; and
- Final statement and report development.

Conflict of Interest Review

Conflict of Interest inquiries were completed for SCS and for the verification team and a finding of low COI risk was confirmed by SCS's internal COI process. The COI assessment was conducted to identify any potential conflict of interests with the verification/project.

Appointment of Verification Team

This verification was performed by Tina Sentner, SCS Lead Verifier, and reviewed by Mark Lutz, SCS Internal Reviewer. Tina Sentner and Mark Lutz are lead verifiers approved by SCS to conduct landfill gas project verifications.

Project Kick off Meeting

A kick off meeting was conducted between the verification team and Blue Source. The purpose of the kick off meeting was to review the timeline of verification; confirm verification criteria; determine any changes in the site, sources, GHG management systems or personnel, and to begin gathering information.

Desk Review

SCS reviewed the Project Description Document, Project monitoring report, the Validation Report and supporting documentation. A detailed discussion is provided below. A risk assessment was conducted to identify key factors that impact the reported emission reductions and removals. A Verification Plan was created to focus on the critical elements presenting potential risk for errors with the project. A separate sampling plan was designed to review all project elements in areas of risk of inaccuracy or non-conformance. The verification plan with an audit agenda was submitted prior to the site visit.

Site Visit

A site visit was conducted during this verification period on October 16, 2013. A detailed discussion regarding the site visit is found below.

Quantitative Review

An assessment of the emission reduction calculation inputs and procedures was performed to review the quantitative analyses undertaken by the Project Proponent, of converting the raw inventory data into emission reduction estimates.

Findings

Throughout the verification, there was an iterative exchange between SCS and the Project Proponent to gather additional information for review and examination. The Project Proponent responded to all Findings and subsequently all issues were closed by SCS. See section 2.5 below.

Final Report and Opinion

The last step in the verification process included a final review of the submitted data, completion of the Verification Report, and drafting of the Deed of Representation. The draft report is presented to an internal SCS Technical Reviewer who determines the Verification Opinion to be justified given the evidence presented. Once completed, the Verification Report and Deed of Representation are presented to the project proponent for approval and subsequent submittal to the VCS.

Exit meeting with client:

The exit meeting entails a review of the verification process, summary of the verification findings and to initiate scheduling for the next verification period.

2.2 Document Review

The verification team conducted a document review to inform the planning process in advance of performing verification activities. Documents reviewed included the Spartanburg_Monitoring Report_Jan-Sept 2013 against the project developer's Validated Project Design Document, version 3 (March 7, 2012) and ACM0001 Version 11 with the following associated tools:

- Tool to determine project emissions from flaring gases containing methane (version 1).
- Tool to calculate baseline, project and/or leakage emissions from electricity consumption (version 1).
- Tool to calculate project or leakage CO2 emissions from fossil fuel combustion (version 2).

A risk assessment was conducted to identify key factors that impact the reported emission reductions and removals. As a result of the document review and correspondence with project management personnel, a verification plan and a sampling plan were developed for this engagement. The verification plan with an audit agenda was submitted prior to the site visit. Discrepancies between project documentation and the verification criteria were considered material and identified for corrective action. Monitoring deviations were reviewed and justification from Blue Source was assessed. In addition, SCS assessed the GHG emission reduction assertion and underlying monitoring data to determine if either contained material or immaterial misstatements. The results of these reviews are discussed in greater detail below.

2.3 Interviews

Throughout the course of verification activities and during the site visit, SCS interviewed the following project personnel:

Person	Title	Organization
Will Overly	Manager, Carbon Projects	Blue Source LLC
Scott Thompson	LFG Specialist	Lockhart Power

The purpose of the interviews were to assess and confirm information and data provided in the Project Description and monitoring report, identify relevant competencies to assigned roles and responsibilities, and to assess the GHG management systems implemented onsite.

2.4 Site Inspections

As a result of its planning process, on October 16, 2013, SCS conducted a site visit of the Wellford landfill, Lockhart Power facility and the Milliken Chemical Company in Spartanburg County, South Carolina. SCS interviewed key personnel during its site visit to assess the management control environment of Spartanburg County, Lockhart Power, Milliken Dewey Chemical Company and Blue Source LLC. Controls include staffing key positions with competent personnel, exercising supervisory and management oversight, and managing data.

The nature of verification activities conducted included:

- Verification of the implementation of the landfill gas project to report emission reductions in accordance with the ACM 0001, Version 11, "Consolidated baseline and monitoring methodology for landfill gas project activities" and the Project Description Document;

- Verification of evidence presented by the various Project Proponents to demonstrate their knowledge of and assertion of compliance with applicable air and water regulations;
- Verification of applicable methane and carbon dioxide emission sources within the project boundary and their quantification as defined by the ACM 0001, Version 11, “Consolidated baseline and monitoring methodology for landfill gas project activities”;
- Verification of the Project’s compliance with monitoring of key operational parameters of its landfill gas collection and destruction project as noted in the project description;
- Assessment of the capability of the Project’s management system and procedures to produce accurate, reliable, and reproducible data and information;
- Determination of the Project’s conformity in all material respects with the requirements of the ACM 0001, Version 11, “Consolidated baseline and monitoring methodology for landfill gas project activities”;
- Visiting the selected work locations and interviewing personnel, observing operations, and reviewing relevant documents and records, and
- Reviewing the basis for and results achieved from the calculated methane emission reductions from its landfill gas collection and destruction project.

2.5 Resolution of Findings

SCS Global Services issued requests for clarification and non-conformities during the verification process. This exchange included Findings—New Information Requests (NIR), Non-Conformity (NC) and Opportunities for Improvement (OFIs)—that were issued by SCS to the Project Proponent. For this project, three NIRS were issued. Blue Source responses were sufficient to resolve all clarification requests. The findings with the responses provided are summarized in the tables below:

No.	Type	Issue	Reply by Responsible Party	Lead Assessor Comment
1	NIR	The monitoring plan and PDD indicate that the flow meters (LFG electricity,y) and (LFG thermal,y) pressure sensor is currently calibrated approximately annually, but this may be extended to the 3 year interval in accordance with the manufacturer’s recommendations. Was the pressure sensor calibrated during the reporting period?	Correct, the pressure sensor calibration schedule has been extended to the 3 year interval in accordance with the manufacturer’s recommendations so it was not calibrated on an annual basis.	Response acceptable. Instruments were last calibrated in March and April of 2011 and within three year period. Issue closed.
2	NIR	Please provide the back-up data for the determination of the total quantity of Methane Generated (MG, pr,y) for 2013.	This is calculated in an excel workbook “Spartanburg_VALIDATIONESTIMATES_LandG	Received the backup calculations for Methane Generated. Comparison of MGy to MD combusted provided for 2013. Sum of

			em_sitespecific_Methane Generated_2013.xls” and the monitoring report has been updated to reflect this.	quantities fed to destruction devices was confirmed less than Methane generated. Response accepted, issue closed.
3	NIR	Please clarify the monitoring plan to update the following parameters: 1. Wx, total waste in tonnes for 2013 . 2. pCH _{4,n} / DCH ₄ include the density of methane at 68 deg and 1 atm.	1. Travis Brown from Spartanburg County LFG provided the waste in place numbers. 2. The methane density at all three temperatures: 60, 68, 75 has been updated to meet the data unit of tCH ₄ / m ³ CH ₄ instead of tCH ₄ /ft ³ .	The landfill waste in place totals were provided. Observed the monitoring plan to include all densities. Issue closed.

2.5.1 Forward Action Requests

There were no Forward Action Requests reviewed this verification period.

2.6 Eligibility for Validation Activities

SCS conducted a project description deviation review, which is considered a validation activity. SCS does not hold accreditation for validation in the sector 13. Waste Handling and Disposal, however the following eligibility requirements were met as set out in the VCS Program Guide.

- 1) It holds accreditation or approval for validation in at least one other sectoral scope:
 - SCS holds validation accreditation under ISO14065 for Sector Scope 14: Agriculture, Forestry and Land Use (AFOLU).
- 2) It has completed validation of at least five projects under the VCS Program or an approved GHG program, and such projects have been registered under the relevant program.
 - The following evidence of fulfillment of SCS' eligibility requirements is presented in accordance with Section 5.1 of the VCS Program Accreditation Requirements noted in the VCS Program Guide ver. 3.5 (8 October 2013).

SCS has completed five project validations under sectoral scope 14 (AFOLU). A summary of the first five project validations performed by SCS is as follows:

Project and Project ID	Date validation report issued	Date project registered	Name of GHG program under which project registered
INFAPRO Rehabilitation of	31-Aug-2011	2-Sep-2011	Verified Carbon

logged-over dipterocarp forest in Sabah, Malaysia (672)			Standard
Natural High Forest Rehabilitation Project on degraded land of Kibale National Park (673)	6-Sep-2011	6-Sep-2011	Verified Carbon Standard
Protection of a Tasmanian Native Forest (Project 3: Peter Downie) (587)	18-Mar-2011	7-Apr-2011	Verified Carbon Standard
Redd Forests Grouped Project: Protection of Tasmanian Native Forest (641)	13-May-2011	1-Jul-2011	Verified Carbon Standard
Protection of a Tasmanian native forest – Project 1 – REDD Forests Pilot (605)	18-Mar-2011	3-May-2011	Verified Carbon Standard

Note that the above is not necessarily an exhaustive list of all validations performed by SCS.

- 3) The validation activity does not entail the validation of a project description deviation that impacts the applicability of the methodology, additionality or the appropriateness of the baseline scenario.
 - As noted below, SCS has confirmed that the project description deviations do not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario.

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

This project does not seek registration under Other GHG Programs.

3.2 Methodology Deviations

The project did not implement any new methodology deviations this verification period.

3.3 Project Description Deviations

The scope of this verification included a review of two project description deviations:

1. The original Project Description (Spartanburg PD 3-07-2012) states that the equations 6-8 ($MD_{\text{flared},y}$, $MD_{\text{electricity},y}$, and $MD_{\text{thermal},y}$) are calculated by using an equation format such as:

$$MD_{\text{destruction device } y} = LFG_{\text{Project total},y} * w_{CH_4,y} * D_{CH_4} * \text{Proportion}_{\text{destruction device},y}$$

The project developer stated this equation format could result in overstating emission reductions; thus a change to the equation was necessary. This overstatement is possible if the LFG eligible (collected by the system) is more than LFG destroyed. Therefore for conservativeness, a comparison of LFG eligible vs LFG destroyed is taken into consideration so that emission reductions would not be overstated. The lower of the two values is used as $LFG_{\text{Project total},y}$. This is taken into consideration in the calculations on tabs "Project_Flaring, Project Milliken,

Project_Lockhart" in column D. An "IF" statement is used to determine: If the eligible gas is greater than the amount destroyed:

- if true, destroyed gas is less than eligible gas, then the destroyed amount of gas (which is lesser of the two) is used to multiply against the % proportion of the destruction device.
- .if false, eligible gas is less than the amount destroyed, then the eligible amount of gas (which is less than destroyed) is used to multiply the % proportion of the destruction device.

The Project Proponent determined the Project Description Deviation does not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario. In order to assess this conclusion, SCS assessed the justification and assessment according to CDM Annex 67: "Guidelines on Assessment of Different Types of Changes from The Project Activity as Described in the Registered PDD". Based on our review, SCS concurs the Project Deviation does not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario and only impacts the calculations of the ACM001. SCS reviewed supporting evidence in the form of recorded Project total flow data for the system and flow data to each destruction device. A comparison was observed in the emission reduction calculations to take the lower value of the two, which resulted in more conservative emission reductions. Lastly, SCS reviewed the revised Project Monitoring report version 3.0, which appropriately describes and justifies the Project Description Deviation.

2. The PDD states that the flow meters to Milliken and Lockhart would be measured and recorded at 60F 1 atm. The two flow meters were Factory calibrated to 68 F instead of 60 F, and thus the appropriate methane density for 68 F (20C) has been used in the calculations to accurately account for the methane destroyed at both Milliken and Lockhart.

The Project Proponent determined the Project Description Deviation does not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario. In order to assess this conclusion, SCS assessed the justification and assessment according to CDM Annex 67: "Guidelines on Assessment of Different Types of Changes from The Project Activity as Described in the Registered PDD". Based on our review, SCS concurs the Project Deviation does not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario; however, it does impact the calculations of ACM001. SCS reviewed supporting evidence in for the form of factory calibration records and the emission reduction calculation spreadsheets to ensure the appropriate methane densities were applied. The change does not affect the conservativeness of the project. Lastly, SCS reviewed the revised Project Monitoring report version 3.0, which appropriately describes and justifies the Project Description Deviation.

Based on review above, the Project deviations result in conservativeness of the emission reduction calculations; reduces the possibility of overstating emission reductions; are valid; and in compliance with the VCS rules.

3.4 Grouped Project

This section does not apply.

4 VERIFICATION FINDINGS

4.1 Project Implementation Status

The Blue Source Spartanburg Landfill Gas Combustion Project (the “Project”) was implemented as indicated in the validated project description. The Project was fully operational throughout the monitoring period (January 1, 2013 – September 30, 2013) and was implemented according to the validated PD except as noted below. The Project start date is April 29, 2010. The start date was verified by reference to the project validation report and by review of construction records and initial readings from the data acquisition device.

SCS confirmed the landfill continued to be owned and operated by the Spartanburg County DPW in Spartanburg County, South Carolina. The County owns and operates the landfill gas collection system, gas treatment system, flare, and pipeline to the Milliken Dewey Chemical plant. Lockhart Power owns and operates the energy facility and also contracted with the County to maintain and operate the landfill gas monitoring equipment and pipeline activities. The Milliken Dewey Chemical Plant owns and operates the boilers and all associated equipment for thermal energy generation. Due to these shared responsibilities, all three entities, i.e., the County, Lockhart, and Milliken, are considered the project proponents. The carbon credit originator, purchaser, and preparer of the monitoring report was Blue Source LLC.

The project baseline scenario is defined as the partial atmospheric release of landfill gas from Phases I through VI of the Wellford Landfill, the continued generation of electricity from grid-connected power plants, and the continued generation of thermal energy from existing fossil fuel-fired equipment at the Milliken Dewey Chemical plant. GHG emission reductions are claimed both for methane destruction and the displacement of fossil fuel sources of thermal energy but not for the displacement of fossil fuel sources of electricity generation.

Project Monitoring:

Project monitoring was implemented and performed by Lockhart Power technicians for the landfill gas monitoring system, flare skid, pre-treatment skid, pipeline activities and the production of energy through the Caterpillar generator set as indicated by the Project Description. Milliken Dewey Chemical Plant technicians conducted monitoring of the thermal production process through operation of the boilers. All monitoring results were reported to Blue Source LLC and reviewed by SCS.

The flow rate of LFG was metered at four locations; in the field prior to comingling with the pre-project gas stream, at the flare inlet, prior to delivery to the Lockhart Power facility and prior to delivery to Milliken Facility. The following is an overview of the metering and measurement:

Location 1: Flow measurement prior to comingling with pre-project system: Gas flow for the project is measured continuously on a wet basis prior to comingling with the pre-project gas stream. Landfill gas flow from the project system was monitored using an FCI Thermal Mass flow meter that measures flow on a wet basis and normalizes flow to standard temperature and pressure conditions of 60 degrees and 1 ATM.

Location 2: Flow measurement at the Flare Inlet: Landfill gas flow was measured continuously at the flare blower/ flare station using a Thermal Instrument 62/9 Thermal Mass flow meter. Flow was measured on a wet basis. A Pyromation thermocouple was used to monitor

temperature. Flow and temperature data from the flare is recorded at least once every fifteen minutes. Additionally, an ultraviolet flame detector is in place to monitor the presence of a flame and activate the safety interlock system.

Location 3: Flow measurement to Lockhart Power, the electricity phase of the Project:

Gas flow to Lockhart's 3250 Caterpillar Engine and generator set was metered continuously using a Rosemount 3051 SFC compact conditioning orifice plate mass flow meter with integrated pressure and temperature integration. Flow is measured on a wet basis and recorded at least once every fifteen minutes.

Location 4: Flow measurement prior to delivery to Milliken Dewey Chemical Company:

Gas flow to the Milliken Facility was metered continuously using a Rosemount 2051 SFC compact conditioning orifice plate mass flow meter with integrated pressure and temperature integration. Flow was measured on a dry basis and is recorded at least once every fifteen minutes.

Temperature and pressure were not separately monitored because the project used flow meters that automatically measured temperature and pressure, expressing LFG volumes in normalized scf. Refer to the PDD and monitoring report for a diagram of the metering.

Methane concentration for the Project was measured at location 1 using an in-line Siemens Ultramat 23 continuous gas analyzer. Gas composition for the project was measured prior to comingling with pre-project gas stream. Gas composition was also measured after comingling the project and pre-project gas. The gas analyzer was factory calibrated prior to installation and observed to be field calibrated to span gas on a quarterly basis. There was no manufacturer requirement for further factory calibration noted. SCS reviewed these calibration records, which indicated the meter was operating accurately.

Data was assured by the proper monitoring and maintenance of the various flow meters and methane concentration analyzer. All calibrations for the flow meters and methane analyzer for the project were checked to verify that they were calibrated to manufacturers' specifications. The following is an overview of the accuracy of the project monitoring devices:

Parameter	Instrument	OEM Calibration	Calibration conducted	Comments
Location 1: Total amount of LFG collected from the project system.	FCI Thermal Mass Flow meter (Serial No. 324341)	12 months for first 2 years and 24 months thereafter.	09/27/2012- Delta R ok	Meter performing within OEM specifications
Location 2: Total amount of landfill gas sent to flare.	Thermal Instruments TI 62/9 thermal mass flow meter (Serial No. 98181)	12-18 months	07/27/2012-	Meter maintained to OEM specifications. Data recorded at 60 deg F and 1 atm.

Location 3: Total amount of landfill gas sent to engine. (Energy- Lockhart)	Rosemount 3051 SFC compact conditioning mass flow meter (Sn: 3046770) with integrated pressure and temperature (SN: 0043190)	1. Orifice Plate- Rosemont every 3 years.	1. 3/11/2011- Rosemont 3051 orifice plate checked. Ok 2. 4/6/2011- SN: 0043190-Pressure transmitter and temp-Pass by Emerson	Meter maintained to OEM specifications. Data measured at 68 deg and 1 atm.
Location 4: Total amount of landfill gas sent to the boilers. (Thermal- Milliken).	Veris Verabar DPSN (V17909-01.1) with Rosemont transmitter 2051- (SN:SN00420 55)	1. Orifice checked every 3 years, 2. Calibration of Rosemont every 3 years.	1. Rosemont 2051- SN:0042055 3/1/2011- Press. Transmitter. -pass	Meter maintained to OEM specifications Data measured at 68 deg and 1 atm.
Methane fraction in landfill gas sent to the flare, engine, and boilers.	Siemens Ultramat 23 Continuous Gas Analyzer	6-12 months	Initial: June 15, 2010- by Third party. Monthly by Lockhart and factory Calibration done on 8/21/2013- .	Meter Roughly calibrated monthly by Lockhart and maintained according to OEM specifications

SCS verified the operation hours of the engine/generator was monitored to ensure that methane was only flowing to the engines when operating by review of logs. The operation of the flare was monitored through the flare's thermocouple temperature readings. Hours of operation of the boilers were not directly monitored, because the boilers are equipped with fail-safe values that automatically shut when the landfill gas line is switched off or the boiler(s) goes down.

The flow rate for all metering measurement point locations one through four above and methane concentration of the project are documented in a Supervisory Control and Data Acquisition system (SCADA) system. The SCADA operates Wonderware, Historian In-Touch, Active Factory, and Microsoft Terminal Server 2003 software on a Dell Power Edge server located at the Lockhart facility. The data was confirmed backed up on the Lockhart technician's laptop. The SCADA system uploads data to the on site server on a monthly basis and data will also be aggregated on a monthly and yearly basis.

SCS has concluded from the evidence presented that the flow meters remained reliable during the reporting period and the project monitoring was implemented as indicated in the validated PD with the exception of the deviations noted below.

There are no remaining issues from the previous validation.

The initial validation of the project identified seven methodology deviations between the monitoring or measurement requirements of the validation criteria and the Project's monitoring

plan. The methodology deviations were reviewed by the validation body and found to be acceptable, as summarized in the table below.

#	Parameter	ACM0001 Requirement	Deviation from Requirement	Validation Conclusion
1	MD _{project, y} - Ex ante estimation of the amount of methane that would have been destroyed or combusted during the year.	Use a first order decay model per the CDM Annex 10 Tool to determine methane emissions avoided from disposal of waste at a solid waste disposal site.	Emission reductions for 2010 through 2020 are estimated using the quantity of waste disposed at the landfill and the EPA LandGEM model.	Deviation acceptable. The LFG volumes generated by LandGEM model are for illustrative purposes only, as emission reductions will be based on ex-post monitoring data of the Project performance. The LandGEM model provides a reasonable estimate of landfill gas volumes based on site-specific factors and engineering expertise.
2	EF _{EL,j,y} – Emission factor for electricity generation for source j in year y.	Following option A2 of the Tool to calculation baseline, project, and/or leakage emissions from electricity consumption, a conservative default value of 1.3 tCO ₂ /MWh may be used.	An emission factor for electricity generation (EF _{EL,j,y}) is assigned a value of 0.507 tonnes CO ₂ per MWh based on US EPA's eGrid 2010 for the SRVC sub region. This value will be reviewed annually upon the release of updated eGrid data.	The 1.3 tCO ₂ /MWh default value provided by the tool is not representative of the emission intensity of grid-connected electricity generation in the United States. Further, the Project does not consume a significant quantity of electricity and therefore electricity consumption does not represent a large emission source for the Project. As such, this approach is reasonable.
3	η _{flare,h} – Flare efficiency	A default flare efficiency of 50% for open flares and 90% for enclosed flares must be applied in cases where methane composition is measured quarterly.	The flare efficiency has been fixed ex-ante as 98%.	For projects where gas composition is measured continuously, no such default values are specified in the tool. The regulation 40 CFR §60.18 specifies requirements for flare operating variables (i.e., Btu content, exit velocity) that must be met in order to achieve a 98% or higher flare destruction efficiency. Blue Source provided evidence that the flare onsite is designed and operated in accordance with 40 CFR §60.18 and has identified

				mechanisms for ensuring that the flare is operated accordingly throughout the crediting period. Therefore, 98% destruction efficiency is acceptable.
4	MD _{BL} – Amount of methane destroyed in the absence of the project	Per ACM0001, in situations where in the baseline landfill gas captured and destroyed, for reasons other than regulation and/or contract, historic data on actual amount captured shall be used as MD _{BL} . MD _{BL} is subtracted from MD _{project,y} to determine the amount of methane destroyed above the baseline scenario.	MD _{BL} is considered zero. Landfill gas from the previously installed collection system is monitored separately, as well as the total quantity of landfill gas delivered to the flare, engine and boilers. The latter will be used as a ratio to assign the appropriate destruction efficiency to each quantity of landfill gas.	Deviation acceptable. Since the quantity of landfill gas from the project activity is directly measured, there is no need to separately account for landfill gas from the pre-existing system. The Audit Team also reviewed an analysis demonstrating that the potential for the project system to pull landfill gas that had been previously collected from the pre-project system is minimal.
5	ET _{LFG,y} – Quantity of thermal energy produced utilizing landfill gas	Per ACM0001, ET _{LFG,y} is monitored using a steam meter or temperature, pressure, and mass flow measurements.	ET _{LFG,y} is determined using the quantity of landfill gas, methane content, default boiler efficiency, and net calorific value (NCV) of methane. The boiler efficiency is determined using the CDM Tool to determine the baseline efficiency of thermal or electric energy generation systems (version 1).	Deviation acceptable. Direct measurement of the landfill gas used to fuel the boilers is more accurate than monitoring the total enthalpy generated by the equipment, because the boilers consume multiple fuel types. The default values applied for boiler efficiency and NCV represent conservative values and therefore should not negatively impact the conservativeness of the GHG emission reductions.
6	Operation of heat generating equipment	Per ACM0001, hours of operation of the heat generating equipment should be monitored in order to ensure that methane destruction is only claimed when the equipment is operational.	Hours of operation are not directly monitored, because the boilers are equipped with fail-safe values that automatically shut when the landfill gas line is switched off or the boiler(s) goes down.	Deviation acceptable. Due to the presence of the physical mechanism to ensure that landfill gas is not sent to the boilers when they are not operational, monitoring the hours of operation is not necessary.

7	LFG _{thermal,y} and WCH _{4,thermal,y} — Quantity of landfill gas and methane content of landfill gas sent to Milliken	Per ACM0001, methane content of the landfill gas and the landfill gas flow must be measured on the same basis (either wet or dry).	The methane content of the landfill gas sent to Milliken is measured on a wet basis prior to landfill gas treatment, while the flow is measured on a dry basis after landfill gas treatment.	Deviation acceptable. The proposed monitoring arrangement results in a conservative determination of the total quantity of methane destroyed by Milliken.
---	---	--	--	---

During the previous verification periods, the following additional deviations were noted between the monitoring systems described in the validated PDD and those described in the monitoring report, as follows

Parameter	Monitoring	Deviation	Verifier conclusion
LFG _{thermal,y}	A Rosemount 3051 SFC-Compact conditioning orifice plate mass flow meter to measure flow.	A Rosemount 2051 SFC compact conditioning orifice plate mass flow meter with integrated pressure and temperature integration used instead of a Rosemount 3051 SFC-Compact conditioning orifice plate mass flow meter to measure flow.	Deviation acceptable. The flow meter used is acceptable for the application. Does not impact eligibility, conformance, or performance of the Project against ACM0001.

SCS confirmed the GHG emission reductions or removals generated by the project were not intended to be included in an emission trading program or any other mechanism that includes GHG allowance trading by interview of Blue Source LLC and by review of the project monitoring plan that indicated no such activities were considered. In addition, during the kick off meeting the Blue Source confirmed the project has not received or sought any other form of environmental credit, or become eligible to do so since validation or previous verification. Lastly, the project has not participated or been rejected under any other GHG programs since validation or previous verification. This was confirmed through a review of other registry websites.

Based on the above review, SCS concluded that the project was implemented as described in the project description and the project monitoring remained effective during the verification period.

4.2 Accuracy of GHG Emission Reduction and Removal Calculations

The emission reduction calculation assessment included the review of project assumptions, raw data inputs and accuracy of calculations. The formulas and raw data inputs used to determine emission reduction calculations as described in the emission reduction calculation spreadsheets were first reviewed for compliance with ACM 0001, version 11 methodology and the validated Project Description document.

SCS reviewed emission reduction calculations for the reporting period, using the following specific tests and checks:

- Samples of raw data were tested for continuity and consistency of flow rates, methane content and for handling of outliers.
- Methane fraction readings were compared to the data used in the calculations.

- Excel formulas that transposed data from one worksheet to another were checked.
- All formulas used were tested to ACM 0001 v11 and to the validated PDD.
- Samples of raw data were examined and followed through to final calculations.
- Confirmation of operation and calculation of the flare, electricity generator and boilers to the required parameters (temperatures, flow rates, efficiency factors, etc...) defined in the validated PDD.
- Samples of spreadsheet aggregation formulas were checked for accuracy.
- Default factors were verified to the validated PDD.
- Data from project emissions were checked against samples of original invoices.
- Independent calculations, using aggregated spreadsheet data, were used to compare final results from Blue Source spreadsheets

SCS reviewed the project monitoring data for methane fraction (W_{CH_4}) and LFG collected and Landfill gas destroyed as used to calculate the amount of methane destroyed by the project. Incremental flow was first calculated by taking the flare flow difference between the aggregated monitoring periods (15 min data intervals) from the raw data. The incremental methane destroyed flow was then calculated based on the above parameters with temperature and maximum flow capacity taken into consideration. Incremental methane destroyed from each destruction device was aggregated on a monthly basis and the annual monthly summaries were brought forward to the emission reduction calculation spreadsheet for further calculation. The methane destroyed by the Project ($MD_{project,y}$) was calculated based on the quantity of methane flared, used to generate electricity or used to generate thermal energy as follows:

$$MD_{project,y} = MD_{flared,y} + MD_{electricity,y} + MD_{thermal,y}$$

$$MD_{project,y} = (261) + (1910) + (1187)$$

$$MD_{project,y} = 3,358 \text{ tCH}_4$$

Total methane destroyed was then proportionally calculated and converted from a volumetric to a mass flow using appropriate methane densities for the various destruction devices using the following equations:

$$MD_{flared,y} = LFG_{Project\ total,y} * W_{CH_4,y} * D_{CH_4} * Proportion_{Flared,y} - PE_{flare,y} / GWP_{CH_4}$$

$$MD_{electricity,y} = LFG_{Project\ total,y} * W_{CH_4,y} * D_{CH_4} * Proportion_{Electricity,y}$$

$$MD_{thermal,y} = LFG_{Project\ total,y} * W_{CH_4,y} * D_{CH_4} * Proportion_{Thermal,y}$$

For conservativeness, the equations above were modified to first compare $LFG_{Project\ total,y}$ (eligible) to LFG destroyed by all three destruction devices. The lesser of two values was used to calculate methane destroyed for each destruction device. The modification eliminated the potential overstatement of emission reductions when instances of $LFG_{Project\ total,y}$ (eligible) were more than total LFG destroyed by all three destruction devices. The deviation was noted in section 4.1 above.

Baseline emissions were then further correctly calculated using the formula:

$$BE_y = (MD_{project,y} - MD_{BL,y}) * GWP_{CH_4} + ET_{LFG,y} * CEF_{ther,BL,y}$$

$$BE_y = (3358.4 \text{ tCH}_4 - 0) * 21 + (58,401 * 0.05029)$$

$$BE_y = 73,464 \text{ tCO}_2e$$

As the flow of methane from the project system was metered prior to comingling with the pre-project collection system therefore the baseline deduction ($MD_{BL,y}$) was equal to zero.

Project emissions from electricity use and propane consumption were calculated and deducted from the overall emission reductions created by the Project in conformance with the validated Project Description using equation:

$$ER_y = BE_y - PE_y$$

$$ER_y = 73,464 - 523.0$$

$$ER_y = 72,941 \text{ tCO}_2\text{e}$$

Through examination of the calculations in the Excel spreadsheet provided by Blue Source LLC, and through an independent recalculation of the emission reductions from the verification period using the available raw flow, and methane data, SCS confirmed the emission reduction calculations were free from material misstatement.

4.3 Quality of Evidence to Determine GHG Emission Reductions and Removals

Blue Source LLC provided documentation for emissions data, the data collection process and the quality systems associated with this project. Additional supplementary evidence was provided by Lockhart Power, and Spartanburg County regarding details of the landfill itself, monitoring equipment history, and maintenance and calibration details of the equipment on the gas collection system, the flare skid and the operation of the electricity generator. Supplementary evidence was also provided by Milliken Chemical Company representatives regarding the operation, regulatory status, and maintenance of the boilers. Documented evidence included electronic flow records, methane analyzer records, flow aggregation and calculation records, invoices and equipment/well field O&M records.

Spartanburg County, the landfill operator, provided personnel for maintaining the gas collection system. Lockhart provided personnel for inspecting and maintaining the monitoring devices at the flare, for maintaining and calibrating the flow meters and methane analyzer, for maintaining the treatment skids and pipeline activities. Lockhart Power is also responsible for managing the operations of the generator sets and monitoring operational data that feeds into its SCADA system. Milliken Chemical Company provided personnel for operation and maintenance of the thermal energy production (i.e. boilers). SCS concluded that the project participants were qualified for the functions that they performed. In addition, the project destruction devices were observed to be monitored and maintained in all aspects to manufacturer's recommendations.

Monitored data was available directly on the SCADA system in real time and a raw data is provided to Blue Source. Operating reports are internally checked within Lockhart Power weekly for any irregularities. Blue Source also cross checks the reported gas flow to the various destruction devices to identify irregularities in reporting.

Data permanence was assured through redundancy of computers running in separate buildings with separate power connections. The data is also backed up on the technician's laptop. At least once per week, data from the PLC is uploaded to the Lockhart server. The SCADA system uploads data to the on site server on a monthly basis and data also be aggregated on a monthly and yearly basis.

Project monitoring is documented in the Project Design Document (version 3, March 7, 2011), and in "VCS Monitoring Report." For this project period, SCS reviewed several versions of the monitoring report with the final revised version stated as "Spartanburg_Monitoring Report Jan-Sept 2013 version 3.0."

The evidence provided was sufficient for verification of the project and consistent with the requirements of the VCS Standard, v3.3 (October 4, 2012), ACM0001 (Version 11), the validated PDD and the Project Monitoring Report and meets generally accepted evidentiary standards for best practice in GHG accounting.

4.4 Non-Permanence Risk Analysis

This section is not applicable to the project.

5 VERIFICATION CONCLUSION

Blue Source LLC has supplied a Project Monitoring report, Validated Project Design Document and the necessary evidence requested during the verification process to enable SCS to arrive at an opinion on the Blue Source Spartanburg County Landfill Gas Combustion Project. The emission reductions generated from the capture and destruction of landfill gas methane via a flare, a beneficial use project consisting of thermal energy generation and electricity generation have been compiled in a transparent manner, the data was found to be accurate within the uncertainty limits of the measurement equipment and emission reduction calculations were found to include all the required sources. SCS has determined that the Blue Source Spartanburg County Landfill Gas Combustion Project, developed by Spartanburg County, Lockhart Power and Milliken Dewey Chemical Company, is in conformance with the Consolidated Baseline Methodology ACM001, version 11 and the VCS Standard v 3.4 (October 8, 2013). Furthermore, the Project Plans and data are considered accurate, complete, transparent, and free of material misstatements. The GHG emission reductions are considered verified to a reasonable level of assurance.

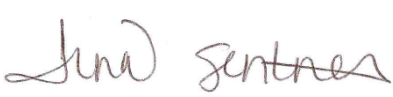
Verification period: From *01 January 2013 to 30 September 2013*

Verified GHG emission reductions and removals in the above verification period:

Year	Baseline emissions or removals (tCO ₂ e)	Project emissions or removals (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Net GHG emission reductions or removals (tCO ₂ e)
Year 2013	73,464	523.00	0	72,941
Total	73,464	523.00	0	72,941

5.1 Verification Summary:

Project Developer	Blue Source as credit originator for the Blue Source Spartanburg County Landfill Gas Combustion Project
Project Location	Spartanburg County, SC, USA
Project Type	Landfill gas destruction
Project Periods:	2013 (1 January – September 30, 2013)

Verification Objective	To determine, with reasonable assurance, that Blue Source LLC had quantified, monitored, and fairly reported to the Verified Carbon Standard its landfill gas emission reductions at the Wellford Landfill in accordance with all applicable criteria.
Verification Scope	The scope of the engagement included the quantification, monitoring and reporting of greenhouse gas project emissions reductions associated with the operation of 1) open flaring, 2) internal combustion engine with electricity generator set and 3) thermal energy production.
Nature of Data Verified	Historical
Protocol/Methodology	CDM ACM0001, version 11 Verified Carbon Standard Version 3.4 (October 8, 2013) Verified Carbon Standard Program Guidelines Version 3.5 (October 8, 2013)
Emissions/Removals Verified	Vintage 2013 (January- September): 72,941 metric tons of CO ₂ -equivalent
Verification Conclusion, with Reasonable Assurance	Based upon the verification activities described above, SCS has concluded that the reported 2013 vintage methane emission reductions are, in all material respects, fairly stated.
Representation	SCS represents that the Emission Reductions verified in this report have occurred in accordance with the applicable VCS Rules.
Lead Verifier	 Tina Sentner, November 22, 2013
Final Approver	 Mark Lutz, December 8, 2013