

VALIDATION REPORT

Carbon Capital Inc. & Cia. Ltda.

Title of PoA:

“Chilean Programme of Activities for integrated Non
Conventional Renewable Energies”

Report No. CCL0087/CMMUDP/15092011

Revision No. 01

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PoA Title: Chilean Programme of Activities for integrated Non Conventional Renewable Energies		Estimated CERs (tCO₂e/Year of the 1st CPA): 191,134	
GHG reducing measure/technology of the CPAs of the PoA:		Country: Chile	
Client/CME: Carbon Capital Inc. & Cia. Ltda.		Client contact: Gregory Dunne Cirujano Guzman 179, Providencia Santiago, Metropolitana – 7500515 Chile. greg@lesscarbon.com +56 2 897 7846	
Report No.: CCL0087/CMMUDP/15092011		Revision: 01	Date of this report: 29/12/2012
Technical Reviewer: Vikash Kumar Singh		Date of approval: 30/12/2012	
Approved by (Final Report): Priyesh Ramlall 		Date of approval: 30/12/2012	
Report Distribution: <input type="checkbox"/> Unrestricted Distribution <input type="checkbox"/> Limited Distribution <input checked="" type="checkbox"/> No Distribution (without permission from the Client or responsible organisational unit)			
Organisational unit: Carbon Check (Pty) Ltd			
GPS coordinates of the geographical boundary of PoA::		17° 30' 00" and 56° 30' 00" S latitude, and its central meridian is 70° 30' 00" W longitude	
Methodology			
Number: ACM0002	Title: Consolidated baseline methodology for grid – connected electricity generation from renewable sources.	Scale:	Scope: 1
Version: 12.3.0		Small <input type="checkbox"/> Large <input checked="" type="checkbox"/>	TA: 1.2
Carbon Check Pty Ltd., (CCL) is commissioned by Carbon Capital Inc. & Cia. Ltda. (the CME) to perform the validation of the Program of activities “Chilean Programme of Activities for integrated Non Conventional Renewable Energies”, with regard to the relevant requirements for CDM programme of activities.			
Summary of the PoA Validation and Opinion: <input checked="" type="checkbox"/> The review of the project design documentation and the subsequent follow-up interviews have provided CCL with sufficient evidence for the determination of the PoA’s fulfillment of all stated criteria. In our opinion, the PoA meets all relevant UNFCCC requirements for the CDM. Therefore, CCL recommends the PoA for registration by the CDM Executive Board. <input type="checkbox"/> The reviews of the project design documentation and the subsequent follow-up interviews have not provided CCL with sufficient evidence for the determination of the PoA’s fulfillment of all stated criteria.			

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Therefore, CCL will not recommend the PoA for registration by the CDM Executive Board and will inform the project participants and the CDM Executive Board of this decision.

Validation Team		Role					
Full Name	Appointed for Sectoral scopes (Technical Areas)	Team Leader	Trainee Auditor	Local Expert	Team Member (Auditor)	Technical Expert	Technical Reviewer
Prakash Kumar Mishra	1.2, 3.1, 13.1	X				X	
Arshi Vimal	1.2				X	X	
Ravi Shankar	1.2, 2.1, 2.2, 3.1,13.1				X	X	
Stephanie Crichton	1.2, 13.2			X	X		
Pamela Gonzalez	--		X	X			
Dhananjay Kumar	1.2, 13.1				X	X	
Vikash Kumar Singh	1.2,3.1,13.1					X	X

VALIDATION PHASE	VALIDATION STATUS
<input checked="" type="checkbox"/> Desk Review	<input type="checkbox"/> Corrective Actions / Clarifications requested
<input checked="" type="checkbox"/> Follow up interviews	<input checked="" type="checkbox"/> Full approval and submission for registration
<input checked="" type="checkbox"/> Resolution of outstanding issues	<input type="checkbox"/> Rejected

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Executive Summary – Validation Opinion

The validation team of Carbon Check (Pty) Ltd performed the validation of the PoA titled “Chilean Programme of Activities for integrated Non Conventional Renewable Energies”.

Standard auditing techniques have been used for the validation of the PoA. An analysis, as provided by the applied methodology ACM0002 (version 12.3.0), demonstrates that the proposed PoA is not a likely baseline scenario. Emission reductions attributable to the PoA (eligible CPAs of the PoA) are assessed to be additional to any that would occur in the absence of the proposed eligible CPAs. Given that the PoA is implemented as designed, the CPAs are likely to achieve the emission reductions.

The validation is based on the information made available to Carbon Check (Pty) Ltd, as well as the engagement conditions detailed in this report. Based on the review of PoA-DD followed by site visit and assessment of supporting evidences validation team concludes that the requirement of paragraph 37 of CDM Modalities and Procedure have been made. The validation has been performed following the VVM requirements.

The validation was executed in the following steps:

- Receipt of PoA-DD CPA DD (generic) and specific CPA-DD (version 1.0, dated 18/04/2012) for global stakeholder comments.
- Global stakeholder comment process (25/04/2012 – 24/05/2012)
- On-site visit with stakeholder interviews (31/05/2012)
- Issue of checklist with corrective action requests (CARs) and clarification requests (CLs) and the draft validation report and protocol 02/08/2012
- Desk review of revised DDs applying ACM0002 (version 12.3.0).
- Review of responses for CARs/CLs
- Issue of the final validation report and protocol

During the course of validation a total of 13 Corrective Action Requests (CARs) and 19 Clarification Requests (CLs) were identified on webhosted PoA-DD^{01/} and 05 Corrective Action Requests were identified on the webhosted gCPA-DD^{03/}. Upon evaluation of responses provided by the Project Participants, all the identified issues were closed successfully.

The single purpose of this report is its use during the registration process as part of the CDM project cycle. In the opinion of Carbon Check (Pty) Ltd, the PoA meets all relevant UNFCCC requirements for the CDM if the underlying assumptions do not change. Carbon Check (Pty) Ltd thus recommends the PoA to be registered with the UNFCCC.

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Abbreviations

BE	Baseline Emissions
BM	Build Margin
CAR	Corrective Action Request
CC	Cross Check
CCL	Carbon Check (Pty) Ltd
CDM	Clean Development Mechanism
CDM M&P	Modalities and Procedures CDM
CER(s)	Certified Emission Reduction(s)
CL	Clarification Request
CM	Combined Margin
CO ₂	Carbon dioxide
CO ₂ e	Carbon dioxide equivalent
CME	Coordinating/managing entity and participants of PoA
CPA	CDM Programme Activity
CPA-DD	CDM Programme Activity design document
DEA	Department of Environmental Affairs
DR	Document Review
DNA	Designated National Authority
DOE	Designated Operational Entity
EB	Executive Board
EIA	Environmental Impact assessment
ER	Emission Reductions
FAR	Forward Action Request
GHG(s)	Greenhouse gas(es)
GWP	Global Warming Potential
I	Interview or any follow up action
IPCC	Intergovernmental Panel on Climate Change
LA	Lead Auditor
LoA	Letter of Approval
MoV	Means of Validation/Verification
MP	Monitoring Plan
MR	Monitoring Report
OM	Operating Margin
ODA	Official Development Assistance
PE	Project Emission
PoA	Programme of Activities
PoA-DD	Programme of Activities design document
PP(s)	Project Participant(s)
Ref.	Document Reference
SD	Sustainable Development
SS(s)	Sectoral Scope(s)
TA	Trainee Auditor
TL	Team Leader
TM	Team Member
TR	Technical Reviewer
UNFCCC	United Nations Framework Convention on Climate Change
VVM	Validation and Verification Manual

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1. INTRODUCTION

Carbon Capital Inc. & Cia. Ltda¹. (hereafter referred as “CME”) has commissioned the DOE Carbon Check (Pty) Ltd to perform validation of the proposed CDM Programme of Activities (PoA)^{/15/} “Chilean Programme of Activities for integrated Non Conventional Renewable Energies” in the Republic of Chile (hereafter called the “PoA”). This report summarizes the findings of the validation of the PoA identified in the PoA Design Document (PoA-DD); the CDM Programme Activity Design Document (gCPA-DD) template with generic information relevant to all CDM Program Activities (CPAs) to be included in the PoA, and the associated real case CPA-DD. The validation was performed on the basis of UNFCCC criteria for the PoAs under the CDM, as well as criteria given to provide for consistent programme operations, monitoring and reporting. The term “UNFCCC criteria” refers to Article 12 of the Kyoto Protocol, the CDM modalities and procedures, the simplified modalities and procedures for small-scale CDM project activities, the procedures for registration of a programme of activities and the subsequent decisions by the COP/MOP and CDM Executive Board. In addition to these criteria, host country criteria are also taken into account.

1.1 Objective

The purpose of a validation is to have an independent third party assessment of the PoA-DD, CPA-DD template and the associated real case CPA-DD (also known as specific CPA-DD). In particular, the eligibility criteria for inclusion and demonstration of additionality of CPAs, the programme’s baseline determination, monitoring plan, and the programme’s compliance with relevant UNFCCC and host Party criteria are validated in order to confirm that the programme design, as documented, is sound and reasonable and meets the identified criteria. Validation is a requirement for all CDM PoAs and is seen as necessary to provide assurance to stakeholders of the quality of the programme and its intended generation of certified emission reductions (CERs).

1.2 Scope

The validation scope is defined as an independent and objective review of the PoA-DD, CPA-DD template and the real case CPA-DD. The PoA-DD, CPA-DD template and the real case CPA-DD were reviewed against the criteria stated in Article 12 of the Kyoto Protocol, the CDM modalities and procedures, the procedures for registration of a programme of activities as a single CDM project activity and the relevant decisions by the CDM Executive Board, including the approved baseline and monitoring methodology ACM0002 (version 12.3.0).

The validation team has, based on the requirements contained in the Validation and Verification Manual and the procedures for registration of a programme of activities as a single CDM project activity employed a rules-based approach, focusing on the identification of significant risks for programme implementation and the generation of CERs.

The validation is not meant to provide any consulting towards the PoA Managing Entity, CPA Implementer(s) and/or project participant(s) (PP). However, stated requests for clarifications, corrective actions, and/or forward actions may provide input for improvement of the programme design.

2. METHODOLOGY

The validation consists of the following four phases:

- I. Publication of the program design documents (PoA-DD, CPA-DD template and specific CPA-DD) on UNFCCC website for global stakeholder consultation;
- II. A desk review of the PoA-DD, CPA-DD template and the associated real case CPA-DD;
- III. On-site visit and follow-up interviews with programme stakeholders; and
- IV. The resolution of outstanding issues and the issuance of the final validation report and opinion.

The following sections outline each step in more detail.

¹ In the webhosted PoA-DD CME was listed as Carbon Capital Inc. y Cia. Ltda. (Less Carbon), however in the final PoA-DD CME is listed as Carbon Capital Inc. & Cia. Ltda. There is no change in CME only the correct name of the entity has been provided in the revised PoA DD and acceptable to the validation team. Moreover CME’s certificate of incorporation of company has also been assessed and found to be in line with the correct name of the CME.

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2.1 Document Review

The following table lists the documentation that was reviewed during the validation.

Ref	Document
/01/	CDM-PoA-DD "Chilean Programme of Activities for integrated Non Conventional Renewable Energies", Version 01 dated 18/04/2012
/02/	CDM-CPA-DD 1 "Sol del Loa Photovoltaic Power Plant Project (Proyecto Central Fotovoltaica Sol del Loa)", CPA Serial Number 001, Version 001 dated 18/04/2012
/03/	Generic CDM-CPA-DD "[CPA NAME] [CPA Technology CHOOSE: Solar (PV, CSP), wind farm, wave/tidal, or geothermal power plant]" version 01 dated 18/04/2012
/04/	CDM-PoA-DD "Chilean Programme of Activities for integrated Non Conventional Renewable Energies", Version 1.2 dated 27/12/2012
/05/	CDM-CPA-DD 1 "Sol del Loa Photovoltaic Power Plant Project (Proyecto Central Fotovoltaica Sol del Loa)", CPA Serial Number 001, Version 1.2 dated 27/12/2012
/06/	Generic CDM-CPA-DD "[CPA NAME] [CPA Technology CHOOSE: Solar (PV, CSP), wind farm, wave/tidal, or geothermal power plant]" (Final version)
/07/	CER calculation spread sheet corresponding to /02/
/08/	CER calculation spread sheet corresponding to /05/
/09/	EF calculation spread sheet corresponding to /02/
/10/	<ul style="list-style-type: none"> • EF calculation spread sheet for SIC corresponding to /05/ • EF calculation spread sheet for SING corresponding to /05/
/11/	Economic evaluation spread sheet corresponding to /02/
/12/	Economic evaluation spread sheet corresponding to /05/
/13/	Letter of Approval issued by Chilean DNA, reference number 122628 dated 01/08/2012
/14/	Modalities of Communication dated 19/12/2012
/15/	Validation contract in between Carbon Check (Pty) Ltd. and the CME dated 16/11/2011
/16/	<ul style="list-style-type: none"> • Attendance Sheet of the stakeholders present in the LSC meeting. • Minutes of the LSC Meeting
/17/	Prior Consideration Letter sent to DNA dated 23/04/2012
/18/	Kas Ingenieria; Environmental Impact Statement for Sol del Loa Plant Project dated 10/2011
/19/	Website of Environmental Evaluation Service, at http://www.sea.gob.cl/ ; "Project File for Sol del Loa Plant Project"
/20/	Alvaro Fernández Slater from Regional Evaluation Commission of the Antofagasta Region II: Environmental Approval for Sol del Loa Plant Project dated 16/03/2012
/21/	Ministry of Economy, Development and Reconstruction; "Non Conventional Energy Sources Law 20,257" dated 20/03/2008
/22/	United Nations Framework Convention on Climate Change; Clean Development Mechanism web site, http://cdm.unfccc.int/
/23/	Environmental Ministry; DNA web page; http://www.mma.gob.cl/1304/w3-propertyvalue-16236.html
/24/	Intergovernmental Panel on Climate Change; web page, http://www.ipcc.ch/
/25/	Google: Satellite overview of the project site
/26/	CEDEC; Electricity generation for the four national electricity systems of Chile
/27/	CEDEC; Installed Capacity for the four national electricity systems of Chile 2010
/28/	CDEC-SIC webpage; www.cdec-sic.cl
/29/	CDEC-SING webpage; www.cdec-sing.cl

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/30/	Carbon Capital Inc. and Cia. Limited Company Incorporation dated 21/01/2010
/31/	Proof of formal training in PoA of one staff member dated 18/11/2011
/32/	Less Carbon Coordinating Managing Entity (CME) Procedures Manual dated 15/05/2012
/33/	Proof of CME monitoring data collection and storage, data security, backup and recovery dated 03/03/2012
/34/	Government of Chile, Secretary of Economy; "Technical Standard with Requirements Dictated by Safety and Quality of Service for the Northern Grid and Central Grid Interconnected Systems" dated 14/03/2005
/35/	Sol del Loa S.A. Company Incorporation dated 13/12/2011
/36/	CME record system excel sheet, v.1.1 dated 07/11/2012
/37/	Proof of radio stakeholder invitation
/38/	Proof of newspaper stakeholder public invitation
/39/	Kas Ingenieria: "Report of the Public Consultation Process, CDM project, Sol del Loa Plant" dated 20/04/2012
/40/	Proof of CDM Report distribution to stakeholders
/41/	Letter to the DNA by the CPA Implementer stating that Sol del Loa Photovoltaic Power Plant Project is presenting voluntarily to the process of obtaining the LoA dated 23/04/2012
/42/	Letter requesting the change of holder for Sol del Loa Photovoltaic Power Plant Project under the Environmental Services. From Ventus Solaris S.A. to Sold del Loa S.A. dated 22/02/2012
/43/	Environmental Service: Approval for the request in change of holder for Sol del Loa Photovoltaic Power Plant Project, from Ventus Solaris S.A. to Sold del Loa S.A. dated 13/03/2012
/44/	Ministry of Economy, Development and Reconstruction; Decree with force of law 4, for sustain the 10% benchmark dated 12/05/2006
/45/	Mr. Sergio Corvalán: E-mail confirmation from the Chief of the Legal Division of electricity and fuels regarding clarification of the 10% benchmark dated 29/10/2012
/46/	Kas Ingenieria; Estimation of Firm Power of Sol del Loa, reference number IT-KM-060-12-R01 dated 27/04/2012
/47/	Jinko Module datasheet with technical specifications for the module JKM295P-72 (275-295 Watt).
/48/	Jinko warranty for PV Modules
/49/	Gehrlicher Solar; EPC supplier Offer, reference number FV-08811 dated 20/12/2011
/50/	Maintenance cost for the Sol del Loa Photovoltaic Power Plant Project for the first five years.
/51/	Email communications between the PP and the EPC supplier, regarding the maintenance cost for the first five years for the Sol del Loa Photovoltaic Power Plant Project dated 09/01/2012
/52/	Energy generation modelling provided by the EPC supplier, for the Jinko modules assessed with the project location dated 20/12/2011
/53/	National Commission of Energy (CNE); "Nodal Price Fixation for the Grand North Interconnected System (SING)" dated 10/2011
/54/	Kas Ingenieria: Study and analysis of tolls and price for Solar Park Sol del Loa, reference number IT-KM-046-11-R02 dated 28/12/2011
/55/	Email from the third party engineering company answering the queries of energy price dated 16/04/2012
/56/	Tax /1/Service: 19% Tax for goods and services dated 06/09/2012
/57/	CDEC-SIC: Yearbook CEDEC SIC ^{2001/} 2010, to sustain values used in the EF calculations 2010
/58/	National Commission of Energy (CNE); "National Energy Balance 2008", to sustain the NCV used in the EF calculations 2008

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/59/	KAS engineering; “Energy Monitoring Scheme for Sol del Loa Photovoltaic Park”, reference number IT-KM-059-12-R01 dated 27/04/2012
/60/	Secretariat Ministry of the Presidency: “Environmental General Basis Law 19,300” dated 01/03/1994
/61/	<ul style="list-style-type: none"> Identification of relevant stakeholders participating in the CDM project “Sol del Loa” consultation process dated 10/04/2012
/62/	Evidence of the e-mail invitations of the public consultation process sent to authorities regarding the stakeholder meeting.
/63/	Certificate form the CME of non ODA declaration dated 23/10/2012
/64/	Regional Ministerial Secretariat of national assets, represented by Ms. Marcela Lorca Peña: Land lease concession for construction of Photovoltaic Park in Quillague dated 01/09/2011
/65/	Letter form the CME to the DNA applying for the LoA dated 26/04/2012
/66/	E-mail confirmation from the DNA stating that there is no definition of specific criteria for sustainability dated 30/11/2011
/67/	Ministry of Economy, Development and Reconstruction; “General Electrical Services Law 19,940” also known as “Short Law I” dated 12/03/2004
/68/	Ministry of Economy, Development and Reconstruction; Amending framework of the Electricity Sector Law 20,018” also known as “Short Law II” dated 09/05/2005
/69/	Environmental Ministry; National Project Approval Requirements under the Clean Development Mechanism. DNA conditions for LoA dated 26/05/2012
/70/	CDEC-SIC: Geographical MAP of the SIC
/71/	CDEC-SING: Geographical MAP of the SING
/72/	International Energy Agency (IEA): Energy Policy Review 2009
/73/	Environmental Ministry; Web page information on environmental permits and authorizations scheme dated 07/11/2012
/74/	National Commission of Energy (CNE); “Projection of the Evolution of Greenhouse Gas Emissions in the Energy Sector 2000-2025”
/75/	Aswath Damodaran; “Equity Risk Premiums (ERP): Determinants, Estimation and Implications – The 2011 Edition” dated 02/2011
/76/	SMA Solar Technology; Inverter technical specification for sunny central models.
/77/	Inclusion Agreement between Carbon Capital Inc. and Cia Limitada and Sol del Loa S.A. dated 09/11/2012
/78/	Sol del Loa S.A: Implementation Schedule dated 06/11/2012
/79/	Board meeting where Sol del Loa S.A. (CPA Implementer) approved to sign an Inclusion Agreement with Carbon Capital Inc. y Compañía Limitada (CME) dated 16/11/2012
/80/	Mr. Gregory James Dunne; Sworn statement on behalf of Carbon Capital Inc. and Cia Limitada stating the roles and responsibilities of the Coordinating/Managing Entity (CME) dated 26/04/2012
/81/	Sol del Loa S.A statement confirming the CPA start date, that it is a greenfield project and that the CPA implementer has not undertaken another similar project activity in the same region dated 01/06/2013
/82/	KAS Ingeniería: Estimation of energy generated Sol del Loa Photovoltaic Power Plant Project 110 MW”, in order to sustain the PLF used for the project dated 20/12/2012
/83/	Maetel: Economic offer for the substation and transmission line for Sol del Loa project.
/84/	Sol del Loa S.A.; Board minute of the consideration of the CDM for the implementation of Sol del Loa Photovoltaic Power Plant Project dated 01/02/2012
/85/	Incorporation certificate of Carbon Capital Inc. Cia. Limitada, Reference No. 252-10

Background documents/websites:

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/B01/	CDM Validation And Verification Manual, Version 01.2, EB 55 (Annex 1)
/B02/	ACM0002 Consolidated baseline methodology for grid-connected electricity generation from renewable sources (Version 12.3.0).
/B03/	Tool to calculate the emission factor for an electricity system, version 02.2.1, EB 63 (Annex 19)
/B04/	<p>PoA Specific guidelines / standards published by UNFCCC:</p> <ol style="list-style-type: none"> 1. Programme of activities design document form (CDM-PoA-DD) Version 01 2. CDM programme activity design document form (CDM-CPA-DD) Version 01 3. Procedures for registration of a programme of activities as a single CDM project activity and issuance of certified emission Reductions for a programme of activities, Version 04.1, EB 55 (Annex 38) 4. Procedures for review of erroneous inclusion of a CPA, version 03, EB 61 (Annex 22) 5. Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities, version 01, EB 65 (Annex 03) 6. Clarifications regarding the "Procedures for registration of a programme of activities as a single CDM project activity and issuance of certified emission reductions for a programme of activities", version 01, EB 60 (Annex 26) 7. Tool for the demonstration and assessment of additionality, version 06.0.0 EB 65, annex 21. 8. Procedures for processing and reporting on validation of CDM project activities, version 03, EB 50 (Annex 48) 9. EB 47 report. 10. Guidelines on the assessment of investment analysis, Version 05, EB 62 (Annex 5) 11. Guidelines on the demonstration and assessment of prior consideration of the CDM, Version 04, EB 62 (Annex 13) 12. Guidelines on common practice, version 02.0, EB 69 (Annex 8)
/B05/	Glossary of CDM terms, version 06, EB 66 (Annex 6)
/B06/	<p>Websites:</p> <ol style="list-style-type: none"> 1. www.unfccc.int 2. http://en.wikipedia.org/
/B07/	<p>Documents referred for the assessment of formula and approach used for the assessment of CAPM and WACC</p> <ol style="list-style-type: none"> 1. A. Damodaran, 2010. Equity Risk Premiums (ERP): Determinants, Estimations and Implications – The 2011 Edition. Stern School of Business. Is publicly available at: http://people.stern.nyu.edu/adamodar/pdfiles/papers/ERP2011.pdf ; Accessed 29.11.2011. 2. http://www.bvresources.com/pdfs/TC030311/BVR-DPRPR11.pdf 3. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=254587

The changes between the PoA-DD^{01/} version 1.0 published for the 30 days stakeholder commenting period and the final version submitted for registration^{03/} are addressed in the findings of validation process summarized in the subsequent sections as a part of this report.

The main changes between the PoA-DD^{01/} version 1.0 published for the 30 days stakeholder commenting period and the final version^{03/} submitted for registration are presented in the below table as follows:

TOPIC	POA-DD – GSC ^{01/}	FINAL POA-DD ^{04/}	ASSESSMENT
PoA title	"Chilean Programme of Activities for integrated Non	"Chilean Programme of Activities for integrated Non	No Change

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	Conventional Energies"	Renewable Energies"	
Parties	Chile (Host)	Chile (Host)	No change
Scope	1: Energy Industries (renewable / non-renewable sources)	1: Energy Industries (renewable / non-renewable sources)	No change
Project Participant/ CME	Carbon Capital Inc. Cia. y Ltda. ("Less Carbon")	Carbon Capital Inc. & Cia. Ltda.	No change only correct name of the entity has been provided in the revised PoA DD /04/ and acceptable to the validation team. Moreover CME's certificate of incorporation of company ^{/85/} vide Reference No. 252-10 has also been assessed and found to be in line with the correct name of the CME.
Methodology / Activity	ACM0002 version 12.3.0	ACM0002 Version 12.3.0	No change
Amount of emission reductions (tCO ₂)	Quantification of ERs at PoA level is not required as per the PoA DD template.	Quantification of ERs at PoA level is not required as per the PoA DD template.	No change
PoA starting date	Expected date of publishing of the PoA for global stakeholders comments	01/03/2013	Starting date has been changed to 01/03/2012 by CME.
PoA Location	Chile	Chile	No change

1.2 Follow-up actions

On 31/05/2012, Carbon Check visited the project proponent and technology provider, project implementation team and CDM Consultant of the Programme of Activities to resolve questions and issues identified during the document review and to perform interviews with relevant stakeholders in the Host Country.

The key personnel interviewed and the main topics of the interviews are summarized in the table below.

SL No	Date	Name and Role	Organization	Topic
1	31/052012	María Pía Bravo	Kas	Project concept and Design Decision to undertake the project as CDM Project.
2	31/052012	Luis Rivera Vergara	Kas	Baseline and additionality Decision to undertake the project as CDM Project.

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3	31/052012	Varnelo Arbina	Sol del LoA S.A	Sol del Loa S.A.
4	31/052012	Marcos Miranda	Less Carbon	CME - Senior Analyst
5	31/052012	Andrés Morales	Less Carbon	CME - Originator Executive
6	31/052012	Héctor Belmar	Less Carbon	CME - Originator Executive
7	31/052012	Clara Bowman	Sol del Loa S.A	General Manager Sol del Loa
8	31/052012	Mauro Fadda	EON	EON Representative

Validation Team considered the views obtained in these interviews while arriving at Validation Opinion.

1.3 Resolution of outstanding issues

The objective of this phase of the validation is to resolve any outstanding issues, which need be clarified prior to Carbon Check's conclusion on the PoA design. In order to ensure transparency a validation protocol is customised for the programme. The protocol shows in transparent manner criteria (requirements), means of verification and the results from validating the identified criteria. The validation protocol serves the following purposes:

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

The validation protocol consists of three tables. The different columns in these tables are described in the figure below. The completed validation protocol for the PoA is enclosed in Appendix A to this report.

Findings established during the validation could either be seen as a non-fulfilment of CDM criteria or where a risk to the fulfilment of programme objectives is identified. Corrective Action Requests (CAR) are issued, where:

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

A request for clarification (CL) may be raised if information is insufficient or not clear enough to determine whether the applicable CDM requirements have been met.

A forward action request (FAR) may be raised during validation to highlight issues related to project implementation that require review during the first verification of the project activity.

Validation Protocol

In order to ensure consideration of all relevant assessment criteria, a validation protocol is used. The protocol shows, in a transparent manner, criteria and requirements, means of validation and the results from pre-validating the identified criteria. The validation protocol reflects the generic CDM requirements as well as PoA and CPA specific issues which have to be met by the PoA and those to be included CPAs. The validation protocol serves the following purposes:

- It organises, details and clarifies the requirements that a PoA and those to be included CPAs are expected to meet;
- It ensures a transparent validation process where the validating entity will document how a particular requirement has been validated and the result of the determination.

The validation protocol as described in Figure 1.

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Validation Protocol Table 1: Requirement checklist					
Checklist Item	Reference	MoV	Comments by Validation Team	Draft Conclusion	Final Conclusion
The checklist items in Table 1 are linked to the various requirements of the PoA-DD which should meet, and Table 2 are linked to requirements of the generic CPA-DD should meet. The checklists are organised in various sections. Each section is then further subdivided as per the requirements of the topic and the individual project activity.	Gives reference to the information source on which the assessment is based on	Means of verification (MoV) are document review (DR) , interview (I) or any other follow-up actions (e.g., on site visit and telephone or email interviews) and cross-checking (CC) with available information relating to projects or technologies similar to the proposed CDM project activity under validation.	The section is used to elaborate and discuss the checklist item in detail. It includes the assessment of the validation team and how the assessment was carried out. The reporting requirements of the VVM shall be covered in this section.	Assessment based on evidence provided if the criterion is fulfilled (OK), or a CAR, CL or FAR (see below) is raised. The assessment refers to the draft validation stage.	In case a corrective action or a clarification the final assessment at the final validation stage is given.

Table 2: Corrective Action/Clarification/Forwarded Action Requested

Finding	No. of finding		
Classification	<input type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	Validation team shall provide a complete and transparent description of finding.		
Corrective Action #1	PP shall write a detailed and clear corrective action as per finding.		
DOE Assessment #1	The assessment shall encompass all open issues in annex A-1. In case of non-closure, additional corrective action and DOE assessments (#2, #3, etc.) shall be added.		
Conclusion	Tick the appropriate checkbox <input type="checkbox"/> To be checked during the first periodic verification <input type="checkbox"/> Outstanding finding (not closed) <input type="checkbox"/> The finding is closed		

1.4 Internal quality control

Before the assessment begins, members of the team covering the technical area(s), sectoral scope(s) and relevant host country experience for evaluating the CDM PoA/CPA are appointed. The validation report including the validation findings underwent a technical review. A technical reviewer qualified in accordance with Carbon Check's qualification scheme for CDM validation and verification performed the technical review.

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1.5 Validation team and the technical reviewer(s)

The validation team and the technical reviewers consist of the following personnel:

VALIDATION TEAM		Type of Involvement						
Full Name	Role/Qualification	Supervision of work	Desk review	Site visit & Interview	Report & protocol writing	Technical Area	Reporting support	Technical Reviewer
Prakash Kumar Mishra	Team Leader/Lead Assessor	X		X		1.2	X	
ArshiVimal	Team Member		X		X	1.2	X	
Ravi Shankar	LATeam Member			X		1.2		
Stephanie Crichton	LATeam Member		X	X	X	1.2	X	
Pamela Gonzalez	Trainee Auditor		X	X	X		X	
Mr Dhananjay Kumar	LATeam Member		X		X	1.2	X	
Vikash Kumar Singh	Technical reviewer/Expert					1.2		X

2 VALIDATION FINDINGS

The findings of the validation are stated in the following sections. The validation criteria (requirements), the means of verification and the results from validating the identified criteria are documented in more detail in the validation protocol in Annex 1.

The validation findings related to the programme design as documented and described in the PoA-DD^{/01/} and g-CPA-DD^{/03/}.

2.1 Approval and Participation

The below table summarizes the project participant and party involved. The validation team received coloured copy of the letter of approval for Host party from the CME of the PoA^{/13/}. This LoA is therefore regarded as valid and meeting the CDM requirements.

The Validation Team can confirm that the issued LoA from the host party refers to the precise proposed PoA title as stated in the PoA-DD^{/01/} and g-CPA-DD^{/03/}. The validation team can confirm that the project participant i.e. the CME is listed in tabular form in section A.3 of the PoA-DD^{/04/} and this information is consistent with the contact details provided in Annex 1 of the PoA-DD^{/04/}. The letter of approval^{/13/} is valid and authentic as verified from UNFCCC website that the DNA of Chile (issuing authority of LoA) is the listed party. The LoA^{/13/} is found to be unconditional with respect to paragraph 45 (a) to (d) of VVM, version 01.2^{/B01/}. And hence this letter is in accordance with paragraphs 45 - 48 of VVM version 01.2. The LoA^{/13/}, was checked and found in compliance of CDM requirements including requirements of PoA vide § 8, 9 and 10 of annex 38, EB 55^{/B04-3/}.

The below table summarizes the project participants and parties involved:

PROJECT PARTICIPANT/CME	CARBON CAPITAL INC. & CIA. LTDA.
Party Involved	Chile

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Approval ^{/13/}	
LoA Received	Yes
Date of LoA	01/08/2012
LoA received from	DNA of Chile
Approval Number	122628
Validity of LoA	Valid
Validation of authenticity	A coloured copy of the LoA with the seal of DNA was received from the project participant; hence Validation team does not doubt authenticity of LoA.
Participation	
Party is party to the Kyoto Protocol	Yes
Voluntary participation	Yes
Diversion of Official Development Assistance (ODA) towards host country	No
Project contribution to Sustainable Development	Yes

CAR PoA-1 was raised and successfully closed during the course of validation.

Validation of ODA

The validation did not reveal any evidence that this PoA can be seen as a diversion of ODA^{/63/}. It is also confirmed by the interview with CME, and through the declaration provided by CME^{/63/} about no ODA diversion from Annex-I party in the development of the PoA.

Confirmation of Modalities of Communication (MoC)

The project Modalities of Communication (MoC)^{/14/} signed on 19/12/2012 was received from the CME. As required in Procedures for Modalities of Communication between Project Participants and the Executive Board, the Validation Team has verified the names of authorised signatories for future communication related to the corresponding scope of authority with UNFCCC from the Host country project participant. The Validation Team can confirm that the signatory and contact details on the MoC are authorized and credible. The MoC^{/14/} has been directly received from the CME.

CAR PoA-2 was raised and successfully closed during the course of validation.

2.2 Programme of Activities Design Document

The PoA-DD^{/04/} and the CPA-DD template^{/06/} are in compliance with relevant form^{/B04-1.2/} and guidance^{/B04/} as provided by UNFCCC. The most recent version of the forms is used. The validation team confirms that the guidelines for the completion of the PoA documents (as contained in the DD form itself) in their most recent version have been followed. The Managing entity and/or project participants in the applicable PoA sections provided the relevant information. The validation team further confirms the consistency between PoA-DD^{/04/} and the PoA generic CPA-DD^{/06/} to be used for inclusion of a CPA in the registered PoA, this confirms to the requirement of § 15 (d) of EB 55 annex 38.

However, during course of validation CL PoA-1, CL PoA-3, CL PoA-17 and CL PoA-18 were raised and closed successfully. Please refer table 2 of this report.

2.3 Programme Description

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The “Chilean Programme of Activities for integrated Non Conventional Renewable Energies” (here in after referred as the “PoA”) is promoted by the Coordinating and Managing Entity (CME) “Carbon Capital Inc. & Cia. Ltda.”.

The description of the project activity contained in the PoA-DD and CPA-DDs is transparent, detailed and provides a clear overview of the project. Its content was confirmed by means of document review, site visit to the PP/CPA implementer and interviews on 31/05/2012 in order to validate the accuracy and completeness of the project description.

Main changes between the PoA documentation (Version 1, dated 18/04/2012)^{/01/} published for the 30-day stakeholder commenting period and the final Version (Version 1.2)^{/04/}, submitted for registration are issues related to the CARs and CLs identified during validation.

Review of PoA-DD^{/04/} encourage the wide scale adoption of grid-connected renewable energy projects. Activities included into this programme are renewable energy projects (CPAs) which uses natural resources (i.e. the kinetic energy from wind and waves/tides, heat from the earth or solar radiation) in order to convert it into electrical energy. The PoA aims to support sustainable development^{/13/} in the host country, Chile. This has been confirmed from the Letter of Approval provided by the PP^{/13/}. As verified from the PoA-DD^{/04/} and declaration from the CME, the validation team confirms that the proposed programme is a voluntary co-ordinated action by the CME and the stated goal (voluntary which PoA seeks to promote) of the PoA is transparently explained in the PoA-DD^{/04/}, this also confirms to the requirement of § 4 of EB 55 annex 38^{/B04-3/}. There are no mandatory legislative or regulatory policies mandating the installation of grid connected renewable power project in PoA geographical boundary. Review of PoA-DD^{/04/} reveals the definition of the boundary for the PoA in terms of a geographical area i.e. within host country of Chile (within which all CPAs included in the PoA will be implemented) has been transparently defined and it take into consideration all applicable national and/or sectoral policies and regulations within that chosen boundary are reflected in the determination of the baseline. This confirms to the requirement of §6 (b) of EB 55 annex 38^{/B04-3/}. This has also been confirmed based on interview with CME.

PoA will provide the generated electricity to the national grids of Chile SIC or SING. The emission reduction would happen by displacing the fossil fuel based grid electricity equivalent to the net electricity supplied by the renewable energy power plants i.e. the CPAs of the PoA to the Chilean grids. Each CPA of the programme involves implementation of renewable energy power project/s with an installed capacity that will be decided by the project participant prior to the inclusion of CPA into the registered PoA and supplying electricity to the Chilean grids.

The validation team confirms that the PoA-DD^{/04/}, transparently describes a typical CPA that will be included in the PoA covering the technology or measures to be used, justification of the choice of an approved baseline and monitoring methodology i.e. ACM0002, this also confirms to the requirement of § 6(f) of EB 55 annex 38. As per the PoA-DD, there is no fossil fuel consumption by the CPAs of the PoA and their project site and hence there is no project emission. The CPAs of the PoA shall use Approved consolidated baseline and monitoring methodology ACM0002 (Version 12.3.0).

The reduction of GHG emissions as a result of the implementation of the independent activities will be achieved due to reduction of CO₂ emissions from combustion of fossil fuel at the existing grid-connected power plants and plants which would likely be built in the absence of the independent activities. In PoA, the total emission reduction for any CPA is accounted to a difference of Baseline emissions and Project Emissions. GHG emissions from the electricity generation by the applicable renewable energy plants other than geothermal energy power plant accounts to zero as per the applied approved methodology ACM0002. From visit / interview to the project proponent and review of PoA-DD^{/04/}, as per applied methodology ACM0002 version 12.3.0 leakage emission for these type of projects are zero. Therefore total emission reduction is equal to the baseline emissions in all the cases except geothermal power projects.

The CDM programme activities (CPAs) under the PoA will be implemented within the geographical boundary of Chile. Thus, the PoA aims to support Chile's efforts to move to a low carbon future, considering the contribution to sustainable development through environmental, social and economic benefits.

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The operating and implementing framework of the PoA has been clearly described and illustrated in section A.2 of the PoA-DD^{/04/}, checked and found appropriate to the validation team.

According to the description provided under PoA-DD^{/04/} and based on the LoA^{/13/} issued by Chilean DNA this PoA is a voluntary co-ordinated action by the CME.

As per the PoA-DD^{/04/} and interviews it was confirmed that there are no existing laws or policy in Chile that mandates or promotes the use of renewable sources of electricity generation.

From the desk review of PoA-DD^{/04/} and submitted non-ODA letter (undertaking)^{/63/} it is revealed that this programme does not involve any ODA funding. Thus, the validation team considers that no ODA funding from any Annex 1 country has been involved under this programme.

The starting date of the PoA in the PoA-DD^{/04/} is 01/03/2013. The length of the PoA is taken as 28 years. The starting date of the validation of the PoA is 25/04/2012 i.e. the date the PoA was published for GSC. In the PoA-DD^{/04/} and generic CPA-DD^{/06/}, it has been confirmed that no CPA shall be applicable for the inclusion in the PoA if the start date is before the start of validation of PoA. This is in conformity with the § 7(d) of annex 38 of EB 55^{/B04-3/}.

However, CARs PoA-4, PoA-5 and PoA-10 and CL PoA-2 were raised and closed successfully during validation process.

2.4 Eligibility Criteria for CPA Inclusion

Review of PoA-DD^{/04/}, CPA-DD template^{/06/} and interview with representatives of CME reveals that the CME of the PoA employs clear and unambiguous criteria for the inclusion of the CPAs. The eligibility criteria have been stated and validation team confirms the eligibility criteria are in line with requirement of § 14, annex 3 of EB 65^{/B04-5/}. This also confirms to the requirement of the § 15(b) of EB 55 annex 38. Additionality demonstration and compliance with the applicability of the applied methodology are the eligibility criteria as per the PoA-DD^{/04/}, which is deemed appropriate and acceptable to the validation team. The eligibility criteria can be checked at the CPA level by the CME and shall be confirmed by the DOE before inclusion of the CPAs in the PoA.

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SL. NO.	ELIGIBILITY CRITERIA DESCRIPTION IN POA-DD ^{/04/} AND G-CPA-DD	INFORMATION/DOCUMENT REQUIRED AS LISTED IN THE POA-DD ^{/04/} AND G-CPA-DD ^{/06/}	ASSESSMENT BY THE VALIDATION TEAM
1.	The geographical boundary of the CPA including any time-induced boundary consistent with the geographical boundary set in the PoA;	Confirmation that the Project Activity's boundary is within the geographical territory of Chile based on UTM and/or geographic coordinates (latitude and longitude) of the project location. The CPA Implementer is an entity incorporated within the CDM-PoA boundary.	At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.
2.	Conditions that avoid double counting of emission reductions like unique identifications of product and end-user locations (e.g. programme logo);	<p>In order to avoid double counting, confirm in writing that:</p> <ul style="list-style-type: none"> Grid connected electricity generation with a different technology has not been considered as an alternative to the project. The CPA has not been and will not be registered as a single CDM project activity or as a CPA under another PoA. The CPA Implementer is aware and has agreed that the CPA will be part of the present CDM-PoA. For more details refer to Section A.4.4.1. of the CDM-PoA-DD The CPA Implementer cedes its rights to claim and own emission reductions under the Clean Development Mechanism of the UNFCCC, or any voluntary scheme, to the CME of this CDM-PoA. The CPA Implementer must confirm in writing that 100% of the CPA will be monitored (in accordance with the procedures described in A.4.4.2. of the CDM-PoA-DD 	At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.
3.	The specifications of technology/measure including the level and type of service, performance specifications including compliance with testing/certifications;	<p>Confirmation that:</p> <ul style="list-style-type: none"> The CPA will be a renewable energy generation units such as solar (PV or CSP), geothermal, tidal/wave or wind, which delivers electricity to a grid, as described in section A.4.2.1. and A.4.1.2. of the CDM- 	At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.

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		PoA-DD	
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4.	<p>Conditions to check the start date of the CPA through documentary evidence;</p>	<p>Confirmation that:</p> <ul style="list-style-type: none"> The starting date of the Project Activity (CPA) is not before the date of commencement of validation of the PoA, whereas “starting date” of the Project Activity (CPA) means the earliest date at which either the equipment purchase order, financial closure, implementation or construction or real action of a Project Activity (CPA) begins. 	<p>At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.</p>
5	<p>Conditions that ensure compliance with applicability and other requirements of single or multiple methodologies applied by CPAs;</p> <p>The applicability criteria of the methodology ACM0002 (Version 12.3.0) are the following:</p> <p>1. <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 plant); (b) involve a capacity addition; (c) involve a retrofit of (an) existing plant(s); or (d) involve a replacement of (an) existing plant(s.)</i></p>	<p>Confirmation that:</p> <ul style="list-style-type: none"> A CPA under this PoA will be renewable energy generation units, grid connected (either to the SING or to the SIC system) complying with either requirement (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 plant); or (b) involve a capacity addition; <p>This criteria is applicable to current and future CPAs to be included under this CDM-PoA</p> <p>(c) and (d) are not applicable under this CDM-PoA</p>	<p>At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.</p>
	<p>2. <i>The methodology is applicable under the following conditions:</i></p> <p><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;</i></p>	<p>Confirmation that a CPA under this PoA will comprise of greenfield renewable energy power plants or capacity additions to existing power plants/units only of the following types (as described in Section A.4.2.1. of the CDM-PoA-DD):</p> <ul style="list-style-type: none"> a geothermal power plant a wind farm power plant, on-shore and/or off-shore a wave/tidal power plant a solar farm power plant (solar photovoltaic (PV) or concentrated solar power (CSP)) 	<p>At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.</p>

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		<p>In which a greenfield renewable energy power plants is, as per methodology ACM0002 (Version 12.3.0) <i>“a new power plant at a site where there was no renewable energy power plant operating prior to the implementation of the project activity (greenfield plant)”</i>;</p> <p>And a capacity addition corresponds to <i>“an increase in the installed power generation capacity of an existing power plant through: (i) The installation of a new power plant besides the existing power plant/units; or (ii) The installation of new power units, additional to the existing power plant/units continue to operate after the implementation of the project activity.”</i></p> <p>This criteria is applicable to current and future CPAs to be included under this CDM-PoA</p> <p>Hydro power plants are not eligible to be part of this CDM-PoA. Retrofit or replacement of a power plant/unit are not eligible under this CDM-PoA</p>	
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	<p>3. In the case of capacity additions, retrofits or replacements (except for capacity addition projects for which the electricity generation of the existing power plant(s) or unit(s) is not affected): 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 addition or retrofit of the plant has been undertaken between the start of this minimum historical reference period and the implementation of the project activity;</p>	<p>Confirmation that:</p> <p>A CPAs under this PoA will comprise of greenfield renewable energy power plants (as described in Section A.4.2.1. of the CDM-PoA-DD) or capacity additions to existing power plants/units only. In case of capacity addition the existing plant should have start commercial operations 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 addition of the plant has been undertaken between the start of this minimum historical reference period and the implementation of the project activity (except for capacity addition CPAs for which the electricity generation of the existing power plant(s) or unit(s) is not affected).</p> <p>This criteria is applicable to current and future CPAs to be included under this CDM-PoA</p> <ul style="list-style-type: none"> • Retrofits and replacements are not eligible to be part of this CDM-PoA. 	
	<p>4. In case of hydro power plants:</p> <ul style="list-style-type: none"> • At least one of the following conditions must apply: <ul style="list-style-type: none"> ○ The project activity is implemented in an existing single or multiple reservoirs, with no change in the volume of any of the reservoirs; or ○ The project activity is implemented in an existing single or multiple reservoirs, where the volume of any of reservoirs is increased and the power density of each reservoir, as per the definitions given in the Project Emissions section, is greater than 4 W/m² after the implementation of the project activity; or 	<p>Not applicable as hydro power plants are not eligible to be part of this CDM-PoA.</p>	<p>This criteria is not applicable as the hydro plants will not be included under this PoA.</p>

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	<i>The project activity results in new single or multiple reservoirs and the power density of each reservoir, as per the definitions given in the Project Emissions section, is greater than 4 W/m² after the implementation of the project activity.</i>		
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	<p>5. In case of hydro power plants using multiple reservoirs where the power density of any of the reservoirs is lower than 4 W/m² after the implementation of the project activity all of the following conditions must apply:</p> <ul style="list-style-type: none"> • The power density calculated for the entire project activity using equation 5 is greater than 4 W/m²; • All reservoirs and hydro power plants are located at the same river and where designed together to function as an integrated project that collectively constitutes the generation capacity of the combined power plant; • The water flow between the multiple reservoirs is not used by any other hydropower unit which is not a part of the project activity; • The total installed capacity of the power units, which are driven using water from the reservoirs with a power density lower than 4 W/m², is lower than 15MW; <p>Total installed capacity of the power units, which are driven using water from reservoirs with power density lower than 4 W/m², is less than 10% of the total installed capacity of the project activity from multiple reservoirs.</p>	<p>Not applicable as hydro power plants are not eligible to be part of this CDM-PoA.</p>	<p>This criteria is not applicable as the hydro plants will not be included under this PoA.</p>
	<p>6. The methodology is not applicable to the following:</p> <ul style="list-style-type: none"> • Project activities that involve switching from fossil fuels to renewable energy sources at the site of the project activity, since in this case the baseline may be the continued use of fossil fuels at the site; • Biomass fired power plants; <p>A hydro power plant that results</p>	<ul style="list-style-type: none"> • Not applicable. Switching from fossil fuels to renewable energy sources, biomass fired power plants or hydro power plants are not eligible to be part of this CDM-PoA. 	<p>This criteria is not applicable for this PoA as Switching from fossil fuels to renewable energy sources, biomass fired power plants or hydro power plants will not be included in this PoA.</p>

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	<i>in the creation of a new single reservoir or in the increase in an existing single reservoir where the power density of the reservoir is less than 4 W/m².</i>		
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	<p>7. 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 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".</p>	<p>Confirmation that:</p> <p>A CPA under this PoA may include the addition of renewable energy generation units at an existing renewable power generation plant. CPA involving capacity additions will be eligible under this PoA only if the most plausible baseline scenario is the continuation of 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".</p> <p>This criteria is applicable to current and future CPAs to be included under this CDM-PoA</p> <p>Retrofits and replacements are not eligible to be part of this CDM-PoA</p>	<p>It shall be checked that CPAs involving capacity additions will be eligible under this PoA only if the most plausible baseline scenario is the continuation of 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".</p>
6	<p>The conditions that ensure that CPAs meet the requirements pertaining to the demonstration of additionality as specified in Section A above;</p> <p>Under this PoA, additionality is demonstrated and assessed at CPA level. In order to assess the additionality for a CDM-CPA under this PoA EB 65 Annex 21 methodological tool "Tool for the demonstration and assessment of additionality" (Version 06.0.0) will be considered</p>	<p>Confirmation that:</p> <p>A CPA is in compliance with the additionality assessment by following the required steps described under Section E.5.1. of this CDM-PoA.</p> <p>The CPA has to demonstrate additionality by conducting an investment analysis at CPA level in accordance with the "Tool for the demonstration and assessment of additionality" (Version 06.0.0) in which, as a result, it will be determined whether the proposed project activity is not financially/economically attractive without the revenue from the sale of certified emission reductions (CERs). Therefore, demonstrating that in the absence of CDM, none of the implemented CPAs would occur.</p> <p>The financial indicator for this analysis will be the (Internal Rate of Return) IRR. This analysis will compare the IRR with a suitable benchmark, whereas the IRR of the CPA has to be lower than the suitable benchmark.</p>	<p>At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check. Investment analysis shall be done as per the criteria provided in the section E.5.1 and E.5.2 of the PoA DD.</p>

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7.	The PoA-specific requirements stipulated by the CME including any conditions related to undertaking local stakeholder consultations and environmental impact analysis;	<p>Confirmation that:</p> <ul style="list-style-type: none"> The CPA Implementer has conducted a stakeholder consultation as per the requirements of the CDM. The proposed CPA is in compliance with all relevant host country laws and regulations available at the time of the CPA inclusion into the PoA, especially in relation to environmental impact analysis. The proposed CPA does not cause trans-boundary impacts² Confirmation that Environmental Approval (RCA) has been obtained by the proposed CPA or that the "Relevance Letter" has been issued by the CPA Implementer to the relevant national/local authority as applicable 	At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.
8.	Conditions to provide an affirmation that funding from Annex I parties, if any, does not result in a diversion of official development assistance;	Confirmation in writing by the CPA Implementer that no public funding declared as Official Development Assistance (ODA) from Annex I parties will be used in CPA development.	At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.
9.	Where applicable, target group (e.g. domestic/commercial/industrial, rural/urban, grid connected/off-grid) and distribution mechanisms (e.g. direct installation);	<p>Confirmation that:</p> <p>The CPA supplies (or will supply) electricity to the national grid (SING or SIC) complying with either requirement (a) or (b) as per applicability conditions of ACM0002 (Version 12.3.0) (see eligibility criteria 5 point 1. of the CDM-PoA-DD)</p>	It is evident in the PoA-DD that generated electricity will be exported to the national grid (SIC or SING) of Chile. At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.
10.	Where applicable, the conditions related to sampling	Not applicable the CME has decided not to use statistically	Not applicable

² Trans-boundary impacts are defined under the Convention on Environmental Impact in a Trans-boundary Context (see <http://www.unece.org/fileadmin/DAM/env/cia/documents/legaltexts/conventiontextenglish.pdf>).

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	requirements for a PoA in accordance with the approved guidelines/standard from the Board pertaining to sampling and surveys;	sound sampling methods/procedures for monitoring. All the CPAs included in the PoA will be monitored individually. As defined in section E.7.1. and E.7.2., the CPA Implementer will monitor all relevant parameters (as per project type) according to the established procedures.	
11.	Where applicable, the conditions that ensure that every CPA in aggregate meets the small-scale or microscale threshold criteria and remains within those thresholds throughout the crediting period of the CPA;	Not applicable A large scale methodology i.e. ACM0002 (Version 12.3.0) is applied to this CDM-PoA.	Not applicable
12.	Where applicable, the requirements for the debundling check, in case CPAs belong to small-scale (SSC) or microscale project categories	Not applicable A large scale methodology i.e. ACM0002 (Version 12.3.0) is applied to this CDM-PoA.	Not applicable
13.	The CPA is a voluntary initiative and is not implemented due to mandatory policies or regulations.	Confirmation that: The CPA is a voluntary initiative, not mandated by policies or regulations of the host party.	At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.
14.	Signature of a contract of services between the CPA Implementer and the CME	Confirmation that: The CPA Implementer has signed a contract of services (e.g. Inclusion Agreement or other contract with similar characteristics) with the CME and comply with its requirements.	At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.
15.	Project size	The CPAs under this PoA will be considered eligible regardless of its installed capacity	At the time of inclusion request of any proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check.

Validation team has checked the CME Procedure Manual^{/32/} of CME and based on this documents and interview with personnel involved from the CME, the validation team confirms that the CME has competencies to check the features of potential CPAs of PoA and also have competency to check that each CPA meets all requirements and eligibility criteria before submission to the DOE for the inclusion. Based on above validation team confirms the compliance of § 14 -15 of annex 3 of EB 65^{/B04-5/}.

However, during the course of validation CAR PoA-3 was raised in this regard and closed successfully.

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Operation and Management Plan

Validation team based on the review of PoA-DD^{/04/} and CME Procedure Manual^{/32/} confirms that clear and transparent description of the operational and management arrangement has been established by the CME for the PoA. All the details of individual CPAs including the documents shall be controlled by the CME. Furthermore the records of individual CPAs shall be maintained by the CME at their office in electronic and hard copy format.

Individual CPA implementer shall sign agreements included in CME Procedure Manual^{/32/} with the CME and agrees to comply with all terms and conditions of the PoA including those related to the monitoring and data control. Hence any CPA, which would be included in the PoA, shall follow the operation and management plan of the PoA as stated in the PoA-DD^{/04/}.

The system to avoid double counting and technical review of the potential CPAs of the PoA has been clearly indicated in the CME Procedure Manual^{/32/} specifically developed for the PoA. By reviewing the CME Procedure Manual^{/32/} the validation team confirms that the CME have the competencies to check the features of potential CPAs and can ensure that each CPA meets all requirements and eligibility criteria before inclusion in the registered PoA. Based on the above, the validation team confirms the compliance with the management system of CME (in line with the requirement of §17 annex 3 of EB 65^{/B04-5/}).

The CME Procedure Manual^{/32/} shall in due course of time as a part of continual improvement address any other relevant elements if required. This shall be checked again by the DOE at the time of inclusion of any CPAs in the PoA in line with the requirement of §17 of annex 3 of EB 65^{/B04-5/}.

Based on the above it can be confirmed that the CME would be able to ensure that no double counting occurs. Also, as each CPA is uniquely identified in the format of 'CPA ###' under PoA 'Chilean Programme of Activities for integrated Non Conventional Renewable Energies', the CME can check whether a CPA under the PoA is already a registered CDM project or CPA in another PoA from the UNFCCC website.

Based on above validation team confirms to the requirement of the §6 (i) and § 15(c) of EB 55 annex 38^{/B04-3/}.

However, CL PoA-6, CL PoA-8 and CL PoA-16 were raised and closed successfully during the validation process.

Monitoring Plan

There is no sampling approach for the verification of the CPAs of the PoA. As per PoA-DD/04/, the CME of the PoA opts for verification of the each CPA. The same has been verified from the PoA-DD^{/04/}.

The monitoring plan provides a transparent system to ensure that no double accounting occurs and that the status of verification can be determined at any time for each CPA. The system to avoid double counting has been indicated in the PoA-DD^{/04/}. The CPA implementer at the time of each CPA inclusion shall sign an agreement with CME where he shall contractually agree that the activity has neither been and will not be registered as a CDM project activity nor as a CPA under another PoA; and CME shall check the UNFCCC CDM project database to verify that each activity to be included in the proposed CPA, has not been previously submitted to the UNFCCC, before inclusion into the CPA, as well as provide a declaration for the same. This confirms to the requirement of the §6 (j) of EB 55 annex 38^{/B04-3/}.

The description provided in the PoA-DD on the operational and management arrangements were confirmed based on review of CME Procedure Manual^{/32/} and interviews with the CME.

However, CL PoA-10 raised during the course of validation and successfully closed out.

Baseline and monitoring methodology

2.5.1. Applicability of selected methodology

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The PoA has applied^{/04/} ACM0002 (version 12.3.0). The applied version of the methodology i.e. ver. 12.3.0 is not the latest version of methodology, however Requests for registration can be submitted until 11/01/2013 23:59:59 GMT, hence acceptable to the validation team. The compliance of the applied baseline and monitoring methodology^{/B02/} is a part of eligibility criteria as mentioned in the PoA-DD^{/04/} and g-CPA-DD^{/04/}. The DOE shall check the same during inclusion of the CPA in the PoA. The assessment of the validation team (for the requirement to be checked during inclusion) is summarised below:

Applicability of ACM0002 (version 12.3.0)

S. NO.	CRITERIA OF METHODOLOGY	JUSTIFICATION IN POA-DD/04/ AND G-CPA-DD/04/	ASSESSMENT BY THE VALIDATION TEAM
1	<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 plant); (b) involve a capacity addition; (c) involve a retrofit of (an) existing plant(s); or (d) involve a replacement of (an) existing plant(s).</i>	<p>Applicable</p> <p>CPAs under this PoA will be renewable energy generation units, grid connected (either to the SING or to the SIC) complying with either requirement (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 plant); or (b) involve a capacity addition;</p> <p>This criteria is applicable to current and future CPAs to be included under this CDM-PoA</p> <p>(c) and (d) are not applicable under this CDM-PoA</p>	It shall be checked during inclusion of the CPA that specific CPA comprises either the installation or capacity addition for renewable electricity generation by renewable sources of energy other than hydro as specified in the applied methodology ACM0002 ^{/B02/} .
2	<p><i>The methodology is applicable under the following conditions:</i></p> <ul style="list-style-type: none"> <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;</i> 	<p>CPAs under this PoA will comprise of greenfield renewable energy power plants or capacity additions to existing power plants/units only of the following types (as described in Section A.4.2.1. of the CDM-PoA-DD):</p> <ul style="list-style-type: none"> ○ a geothermal power plant ○ a wind farm power plant, on-shore and/or off-shore ○ a wave/tidal power 	<p>It shall be checked during inclusion of the CPA that specific CPA under this PoA are green field renewable energy power plants or capacity additions to existing power plants/units of:</p> <ul style="list-style-type: none"> • a geothermal power plant • a wind farm power plant, on-shore and/or

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		<p>plant</p> <ul style="list-style-type: none"> ○ a solar farm power plant (solar photovoltaic (PV) or concentrated solar power (CSP)) <p>In which a greenfield renewable energy power plants is, as per methodology ACM0002 (Version 12.3.0) “a new power plant at a site where there was no renewable energy power plant operating prior to the implementation of the project activity (greenfield plant)”;</p> <p>And a capacity addition corresponds to “an increase in the installed power generation capacity of an existing power plant through: (i) The installation of a new power plant besides the existing power plant/units; or (ii) The installation of new power units, additional to the existing power plant/units continue to operate after the implementation of the project activity.”</p> <p>This criteria is applicable to current and future CPAs to be included under this CDM-PoA</p> <p>Hydro power plants are not eligible to be part of this CDM-PoA. Retrofit or replacement of a power plant/unit are not eligible under this CDM-PoA</p>	<p>off-shore</p> <ul style="list-style-type: none"> • a wave/tidal power plant • a solar farm power plant (solar photovoltaic (PV) or concentrated solar power (CSP)) <p>Hydro power plants are not eligible to be part of this CDM-PoA. Retrofit or replacement of a power plant/unit are not eligible under this CDM-PoA</p>
3	<ul style="list-style-type: none"> • In the case of capacity additions, retrofits or replacements (except for capacity addition projects for which the electricity generation of the existing power plant(s) 	CPAs under this PoA will comprise of greenfield renewable energy power plants	Not applicable as per the PoA-DD ^{/04/} and g-CPA-DD ^{/06/} .

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	<p><i>or unit(s) is not affected): 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 addition or retrofit of the plant has been undertaken between the start of this minimum historical reference period and the implementation of the project activity;</i></p>	<p>(as described in Section A.4.2.1.) or capacity additions to existing power plants/units only. In case of capacity additions the existing plant should have start commercial operations 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 addition of the plant has been undertaken between the start of this minimum historical reference period and the implementation of the project activity (except for capacity addition CPAs for which the electricity generation of the existing power plant(s) or unit(s) is not affected).</p> <p>This criteria is applicable to current and future CPAs to be included under this CDM-PoA</p> <p>Retrofits and replacements are not eligible to be part of this CDM-PoA.</p>	
4	<p><i>In case of hydro power plants:</i></p> <ul style="list-style-type: none"> • <i>At least one of the following conditions must apply:</i> <ul style="list-style-type: none"> ○ <i>The project activity is implemented in an existing single or multiple reservoirs, with no change in the volume of any of the reservoirs; or</i> ○ <i>The project activity is implemented in an existing single or multiple reservoirs, where the volume of any of reservoirs is increased and the power density of each reservoir, as per the definitions given in the Project Emissions section, is greater</i> 	<p>Not applicable as hydro power plants are not eligible to be part of this CDM-PoA.</p>	<p>Not applicable as per the PoA-DD^{04/} and g-CPA-DD^{06/}.</p>

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	<p>than 4 W/m² after the implementation of the project activity; or</p> <ul style="list-style-type: none"> The project activity results in new single or multiple reservoirs and the power density of each reservoir, as per the definitions given in the Project Emissions section, is greater than 4 W/m² after the implementation of the project activity. 		
5	<p>In case of hydro power plants using multiple reservoirs where the power density of any of the reservoirs is lower than 4 W/m² after the implementation of the project activity all of the following conditions must apply:</p> <ul style="list-style-type: none"> The power density calculated for the entire project activity using equation 5 is greater than 4 W/m²; All reservoirs and hydro power plants are located at the same river and where designed together to function as an integrated project that collectively constitutes the generation capacity of the combined power plant; The water flow between the multiple reservoirs is not used by any other hydropower unit which is not a part of the project activity; The total installed capacity of the power units, which are driven using water from the reservoirs with a power density lower than 4 W/m², is lower than 15MW; Total installed capacity of the power units, which are driven using water from reservoirs with power density lower than 4 W/m², is less than 10% of the total installed capacity of the project activity from multiple reservoirs. 	Not applicable as hydro power plants are not eligible to be part of this CDM-PoA.	Not applicable as per the PoA-DD ^{/04/} and g-CPA-DD ^{/06/} .
6	<p>The methodology is not applicable to the following:</p> <ul style="list-style-type: none"> Project activities that involve switching from fossil fuels to renewable energy sources at the site of the project activity, since in this case the baseline may be the continued use of fossil fuels at the site; Biomass fired power plants; A hydro power plant that results in the creation of a new single reservoir or in the increase in an existing single reservoir where the power density of the reservoir is less than 4 W/m². 	Not applicable. Switching from fossil fuels to renewable energy sources, biomass fired power plants or hydro power plants are not eligible to be part of this CDM-PoA.	Not applicable as per the PoA-DD ^{/04/} and g-CPA-DD ^{/06/} .
7	<p>In the case of retrofits, replacements, or capacity additions, this methodology is only</p>	CPAs under this PoA may include the	It shall be checked during inclusion of

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	<p><i>applicable if the most plausible baseline scenario, as a result of the identification of 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".</i></p>	<p>addition of renewable energy generation units at an existing renewable power generation plant. CPA involving capacity additions will be eligible under this PoA only if the most plausible baseline scenario is the continuation of current situation. i.e. <i>"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"</i>.</p> <p>This criteria is applicable to current and future CPAs to be included under this CDM-PoA</p> <p>Retrofits and replacements are not eligible to be part of this CDM-PoA</p>	<p>the CPA that specific CPA comprises capacity addition for renewable electricity generation by renewable sources of energy other than hydro as specified in the applied methodology ACM0002^{/B02/}.</p>
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Based on the above the validation team confirms to the requirement of the §6 (f) of EB 55 annex 38^{/B04-3/}.

However, CAR PoA-7, CAR PoA-8 and CAR PoA-9 were raised during the validation process and closed out.

3.7.2. CPA boundary

The boundary of the potential/future CPAs of the PoA has been assessed by the validation team.

Validation team confirms that the identified boundary, the selected sources, and gases as documented in the PoA-DD^{/04/} are justified for the CPA; hence all sources and GHGs required by the methodology^{/B02/} have been included within the project boundary.

The spatial extent of the CPA boundary includes the proposed renewable energy power plants and all power plants physically connected to the within the coverage of the 2 main electricity networks, SING or SIC of the Chile.

There is only one GHGs involved in the project activity i.e., CO₂ (baseline emissions) from power plants serving the electricity grid.

The validation team confirms that the identified boundary, the selected gases and sources as documented in the PoA-DD^{/04/} are justified for the future CPAs of the PoA and is in line with the requirements set by the applied methodologies ACM0002 (Version 12.3.0)^{/B02/}.

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However CL PoA-4 and CL PoA-13 were raised and successfully closed during the course of validation.

3.7.3. Baseline identification (scenario)

In accordance with the applied methodology ACM0002 (Version 12.3.0)^{/B02/}, the baseline scenario is listed below.

All the CPAs to be included in this PoA will have only two alternatives, viz.,

- (a) The proposed project activity undertaken without being registered as a CDM project activity.
- (b) Continuation of the current situation (no project activity or other alternatives undertaken).

In Chile, there is no legal requirement on the choice of a particular technology or mandatory legal requirement to use of renewable sources of energy and hence, the CPAs included under the PoA will be voluntary initiatives. Therefore, both the alternatives are credible, complete and are in conformity with local regulations. Moreover, since approved Methodologies ACM0002^{/B02/} prescribes the base line, as per paragraph 105 of VVM (01.2)^{/B01/}, no discussion on alternatives is necessary. In the above background, the validation team confirms that the PoA conforms to paragraph 106 of VVM (01.2)^{/B01/}.

3.8. Additionality

2.8.1. Additionality of PoA

Additionality of the PoA is demonstrated on the basis of Tool for the demonstration and assessment of additionality" (Version 06.0.0). However additionality will be assessed at CPA level.

2.8.2. Approach for demonstrating CPA Additionality

A typical CPA to be included in this PoA will consist of installation of power generating plants based on Solar PV/ Solar CSP/Wave/tidal/geothermal energy at a site where no power plant was operational prior to the implementation of the project activity (green-field plant) or addition to an already operating power plants with a total installed capacity of 15 MW or more. The entire generation would be exported through national grid. Accordingly, the CPA under this PoA will use the approved methodology ACM0002.

CME has identified a common approach for demonstration of investment barrier. In response to the finding under CL PoA-19, PP has excluded the technological barrier for additionality demonstration. Thus, the additionality of all CPAs under this PoA will be demonstrated based on "Tool for the demonstration and assessment of additionality" version 6.0.0 read with "Guidelines on the Assessment of Investment Analysis" (Annex 5, EB 62).

Prior Consideration CDM

All CPAs to be included in the PoA will have start date after 25/04/2012, that is, the date on which the validation of PoA commenced. Since the start date of the project will be after 25/04/2012, all the CPAs to be included in the PoA will be new project activities as per Annex 13, EB 62. As per clarifications offered by EB Vide Annex 26, EB 60, since no CPAs will commence prior to the start date of validation of PoA, provisions of Annex 13, EB 62 do not apply to CPAs. In order to make the CPA transparent, the CPAs to be included in the PoA will clearly state the start date of the project, in conformity with Glossary or CDM terms (Ver 06)^{/B05/} and furnish credible documentary evidence in support of the same or a declaration to the effect that the 'start date' of the project has not yet occurred.

Appropriateness of Alternatives

All the CPAs to be included in this PoA will have only two alternatives, viz.,

- (a) The proposed project activity undertaken without being registered as a CDM project activity.

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(b) Continuation of the current situation (no project activity or other alternatives undertaken).

In Chile, there is no legal requirement on the choice of a particular technology or mandatory legal requirement to use of wind/solar PV/solar CSP/tidal/wave/geothermal energy and hence, the CPAs included under the PoA will be voluntary initiatives. Therefore, both the alternatives are credible and are in conformity with local regulations. Moreover, since approved Methodologies ACM0002 prescribes the base line, as per paragraph 105 of VVM (01.2), no discussion on alternatives is necessary. In the above background, validation team confirms that the PoA conforms to paragraphs 105 and 106 of VVM (01.2).

Appropriateness of Investment Analysis

The project activities getting registered under the PoA would be either new (green-field) or expansion projects (brown-field) installing wind/solar PV/solar CSP/tidal/wave/geothermal energy generators for electrical energy generation. Since the generated electricity will result in income generation, as the generated electricity will be sold to grid, over and above CER income, simple cost analysis cannot be used. Since the CPA operators have an option to invest or not to invest and the baseline is outside the direct control of CPA operators, investment comparison analysis is not appropriate; hence benchmark analysis will be used. Validation team is, therefore, convinced that the use of bench mark analysis is appropriate as the selected investment analysis conforms to Guidance 19 of Annex 5, EB 62 and paragraph 108 of VVM (Ver. 01.2).

Appropriateness of Financial Indicator

Since the generated power will result in income, other than CER income, CPAs will use Internal Rate of Return (IRR) as financial indicator for additionality demonstration. IRR is one of the financial indicators used by banks and investors alike all over the world to ascertain the investment worthiness of the project. Moreover, Additionality Tool /B04-7/ and Guidelines on Investment Analysis /B04-10/ also permit the use of equity and project IRR as one of the financial indicators for additionality demonstration. As per the PoA DD, CPA shall opt between either of project IRR or equity IRR, most suitable for the project type at the time of the CPA investment decision, this is inline with the requirements of additionality tool hence, acceptable to the validation team. Therefore, validation team considers the project/equity IRR as most suitable financial indicators for the project type and decision making context and is in conformity with paragraph 109 (a) and (c) of VVM (01.2)/B01/.

Benchmark

CPAs included in the PoA will select the benchmark depending on the financing pattern of the projects and the financial indicator used for additionality demonstration. In general, CPAs will use local commercial lending rates or weighted average costs of capital (WACC) as benchmark for project IRR, and when Equity IRR is used the expected return on equity e.g. Capital Asset Pricing Model (CAPM) will be, for instance, an appropriate benchmark. The selected benchmarks are appropriate for the financial indicator selected as they conform to paragraph 12 of Annex 5, EB 62 /B04-10/. The benchmark selection, therefore conforms to Annex 5, EB 62 /B04-10/ read with paragraph 112 of VVM (01.2) /B01/. Validation team further noted that in the PoA DD, CME has proposed to use Alternative approaches for the selection of benchmark in proposed CPA, it shall be comprehensively explained and documented at a CPA level and shall be confirmed by the DOE doing inclusion validation regarding its conformity with the additionality tool read with "Guidelines on the Assessment of Investment Analysis" (Annex 5, EB 62). Validation team further assessed that methods including formulas and variables provided for the calculation of CAPM and WACC in the PoA DD is standard and based on well accepted accounting practice /B07/ and conformity with the additionality tool read with "Guidelines on the Assessment of Investment Analysis" (Annex 5, EB 62), checked and confirmed by the validation team.

Validation of input parameters

The PoA has, therefore, standardised the input parameters and the documentary evidence to be submitted in support of each of the input parameters. Depending on the projects, a few parameters will not be applicable. The acceptable source for input parameters has been determined in the PoA-DD /03/ and leaves no scope for the projects to use alternative sources. Besides, while validating each

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project seeking registration under the PoA, the DOE will cross check the input parameters with available evidence, third-party or publicly available sources and with other parameters located in the same area and set up around the same time. In case the input parameters is sourced from FSR, the validation team would cross check the information contained in the PoA-DD vis-a-vis the FSR and based on its local and sectoral expertise, ensure the input parameters are valid and applicable at the time of investment decision. CME has prepared an IRR calculation template. The template also clearly states the input parameters (requiring manual entry) used and what are calculations (which the system automatically does once the input parameters are entered). The effectiveness of the IRR calculation template has been checked by the validation team for the real case CPA. All the cells are linked appropriately and with very little manual intervention, the template will yield the financial indicator. The validation team will check the calculations and ensure the CPA conforms to guidance given vide paragraph 88 and 113 of VVM (01.2) /B01/.

Sensitivity analysis

PoA project activities would be tested for the robustness of the conclusion, viz., that the project activity is not economically or financially attractive by subjecting critical parameters to reasonable variations. Accordingly, the following parameters will be subjected to sensitivity analysis:

- a) Fixed investment
- b) O&M Costs
- c) Energy price

All the costs reckoned above will constitute 20% of the project cost/total revenue. Depending on the projects, a few other costs will also be subjected to sensitivity analysis. All the parameters will be subjected to a 10% variation on either side in conformity with guidance 21 of Annex 5, EB 62 /B04-10/. Template contains facility to check the sensitivity analysis results. The validation team is, therefore, convinced that the sensitivity analysis conforms to Guidance 20 and 21 of Annex 5, EB 62 /B04-10/ and paragraph 111 of VVM (01.2) /B01/.

Common Practice Analysis

Step 4 of Additionality Tool states that unless the proposed project type has demonstrated to be 'first-of-its kind', project developer has to complement additionality tests with an analysis of the extent to which the proposed project type has already diffused in the relevant sector and region as a credibility check. Therefore, the CPA operators have to either demonstrate the project is 'first-of-its-kind' in the geographical region in conformity with Annex 7, EB 69/B04-12/ or demonstrate common practice analysis in conformity with Step 4 of Additionality Tool read with Annex 8 of EB 69 /B04-13/. All the CPAs to be included in the PoA would involve generation of power (output), using renewable energy (technology) in Chile (geographical region). CPAs to be included in the PoA will have to furnish credible documentary evidence on the projects generating similar output, within the output range, in the geographical region and were operational before the submission of CPA for validation or the start date of the CPA, whichever is earlier. The common practice analysis should conclusively prove that the project is not a common practice in the selected region in conformity with step 4 of Additionality Tool read with Annex 8 of EB 69/B04-12/.

Conclusion

The performance of the template has been checked for the real case CPA submitted along with the PoA-DD. The financial spreadsheet calculation of the real case CPA has also been presented, which confirms that IRR of project activity is less than the benchmark. In the above background, validation team is convinced that the proposed methodology for evaluating the additionality of the PoA project activities is appropriate and valid. However CAR PoA-11, CAR PoA-12, CAR PoA-13 and CL PoA-19 on the PoA-DD and CAR gCPA-2, gCPA-3, gCPA-4, and gCPA-5 were raised and successfully closed during the course of validation.

2.9. Emission reduction from a typical CPA of the PoA

CCL conducted the assessment of baseline emissions, project emissions, leakage, and emission reductions. The parameters and equations presented in the PoA-DD, as well as other applicable

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documents, have been compared with the information and requirements stipulated in the methodology^{/B02/} and respective tools^{/B03/}. The assumptions and data used to determine the emission reductions are found to be appropriately described in the PoA-DD^{/04/} and all the sources have been assessed and confirmed by validation team. Based on the reviewed information, it is concluded that the sources used are correctly quoted and interpreted in the PoA-DD^{/04/}. The baseline methodology^{/B02/} is correctly applied.

a) Baseline Emissions

Baseline emissions include only CO₂ emissions from electricity generation in fossil fuel fired power plants that are displaced by the proposed CPA.

The baseline emissions are calculated as follows which is in line with the applied methodology:

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

Where:

BE_y = Baseline emissions in year y (tCO₂/yr)

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

$EF_{grid,CM,y}$ = Combined margin CO₂ emission factor for grid connected power generation in year y calculated using the latest version of the "Tool to calculate the emission factor for an electricity system" (tCO₂/MWh)

As per the methodology if the project activity is the installation of a new grid-connected renewable power plant/unit (which is the case of subject project) at a site where no renewable power plant was operated prior to the implementation of the project activity, then:

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

Where:

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

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

The above equation as provided by the applied methodology^{/B02/} has been transparently provided in the section E.4 of the PoA-DD^{/04/}, checked by the validation team.

Assessment of calculation of Grid Emission Factor ($EF_{CO_2, grid,y}$)

Calculation of CO₂ emission factor of the grid ($EF_{CO_2, grid,y}$) is done^{/10/} according to the "Tool to calculate the emission factor for an electricity system, version 02.2.1"^{/B03/}, and data used for determination of ex-ante EF is obtained from official records of CDEC SIC and SING^{/28//29/}. The combined margin emission factor (CM) of the electricity system consists of the combination of operating margin (OM) and build margin (BM). The resultant CM emission factor for SIC is 0.6834 and for SING is 0.7865 tCO₂/MWh. Emission factor (CM) calculation^{/13/} is hence, found to be correct and in accordance with the procedure and formulas laid down under "Tool to calculate the emission factor for an electricity system, version 02.2.1, EB 63 (Annex 19)"^{/B03/} {not the latest version of the tool however can be used(not later than the calendar day (at 24:00 GMT) eight months from the publication date of EB 70 meeting report) as per paragraph 60 of EB 70 meeting report, in accordance with paragraph 36 of the "Procedure for the submission and consideration of requests for revision of approved baseline and monitoring methodologies and tools for large-scale CDM project activities"}.The table below

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describes how the validation team cross-checked the calculation of emission the factor of the grid ($EF_{CO_2, grid, y}$):

Step	Description	Determination and Assessment of GEF calculation		Justified
		SING Ex-ante ^{/10/}	SIC Ex-ante ^{/10/}	
1	Identify the relevant electricity systems.	<p>Electricity generated by the proposed project activity will be supplied to one of the four interconnected electric systems of the Republic of Chile. The systems are independent from the other, which is confirmed from the National Commission of Energy (CNE) website. The project is connected to one of the relevant electricity system that is the Grand North Interconnected System (SING). The SING is a private entity, which is constituted by the generators and distributors. The SIC is regulated by the Economic Load Dispatch Center (CDEC-SIC)^{/29/}, that is an organization defined in General Law of Electrical Services. The primary role of the CDEC is to ensure system security and programming the dispatch of generating units in order to satisfy the demand at minimum cost, subject to security restrictions.</p> <p>The project activity is connected to one of the national grid of the Republic of Chile and hence for the purpose of estimation of baseline emission factor the consideration of SING grid is appropriate and correct and is in line with the requirements specified in the tool^{/B03/}.</p>	<p>Electricity generated by the proposed project activity will be supplied to one of the four electric systems in Chile. The system are independent, and that is confirmed by the website of the National Commission of Energy (Spanish; Comisión Nacional de Energía "CNE" – www.cne.cl).</p> <p>The project is connected to the Central Interconnected System (Spanish: Sistema Interconectado Central (SIC)), which extends between the towns Taltal and Chiloé with 71.03% of the installed capacity in the country. The SIC is a private entity which is constituted by the generators and distributors, which is regulated by the Economic Load Dispatch Center (CDEC-SIC), that is an organization defined in the General Law of Electrical Services.</p> <p>The project activity is connected to one of the national grid of the Republic of Chile and hence for the purpose of estimation of baseline emission factor the consideration of SIC grid is appropriate and correct and is in line with the requirements specified in the tool^{/B03/}.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2	Choose whether to include off-grid power plants in the project electricity system (optional).	<p>Option I (Only grid power plants are included in the calculation) is selected. SING database has only available grid connected power plants data for the calculation of grid emission factor, hence Option I chosen by the PP is acceptable to the validation team.</p>	<p>Option I (Only grid power plants are included in the calculation) is selected. As was check in the CEDEC-SIC data base used for the calculations^{/10/}.</p> <p>PP has correctly considered only grid connected power plants for the calculation of grid emission factor and the same is in line with the tool^{/B03/}, hence is acceptable to the validation team.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3	Select a method to determine the operating margin	<p>Option (a) Simple OM (one of the four methods provided in the tool^{/B03/}) is applied for the calculation of the operating margin, since in the SING the low-cost/must-run resources constitute less than 50% of total</p>	<p>Option (b) Simple Adjust OM, one of the four methods provided in the tool^{/B03/} for calculating the operating margin is selected.</p> <p>The Simple Adjust OM method is</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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	(OM).	<p>generation of the northern grid system (SING^{/10/}).</p> <p>The average values of the five most recent years shows that low cost/must run resources constitute approximately 0.4% of the SING generation capacity, whereas low-cost and must-run power plants, constitute almost 99.6% of the northern grid generation.</p> <p>The validation team confirms that data applied is consistent with the official information provided by the CEDEC-SING. Thus the selection of OM calculation method is justified.</p> <p>The ex-post option for determining the Simple OM is opted by the PP, using a 3-year generation-weighted average, based on the most recent data available (2009, 2010 and 2011), which is as per the tool^{/B03/}.</p>	<p>selected by the PP in the PDD^{/02/} and justified appropriately by; the average participation of the power plants "Low cost/must run" in the SIC for the years 2006 - 2010 as more than 50% (59%^{/10/}). This was checked by the validation team with the CDEC-SIC database and found it traceable and acceptable. The ex-ante option for determining the Simple Adjust OM is opted by the PP, which is as per the tool^{/B03-1/}.</p> <p>The currently available information of the CEDEC-SIC at the time of validation is the daily power generation of the electricity system until 2011, but the amount and type of fuel used for each plant is not available yet. Therefore, the PP has used the data value from the yearbook^{/2001/}-2010^{/37/} issued at the official website of the Economic and Charge Dispatch Centre of the Central Interconnected System (CEDEC-SIC) for calculation of the grid emission factor, year 2008, 2009 and 2010, considered the most recent data available at the time of submission of the PoA-DD^{/04/} to the DOE for validation and the same is in line with the tool^{/B03/} acceptable to the validation team.</p>	
4	<p>Calculate the operating margin emission factor (EF_{grid,OM,y}) according to the selected method.</p>	<p>In the PoA DD, Option A, is selected to calculate the operating margin emission factor, based on the net electricity generation and a CO₂ emission factor of each power unit.</p> <p>For the determination of EF_{EL, m, y}, Option A1 was followed. The PP used the data of NCV from National average default values (second option of the tool^{/B03/}) sourced from National Energy Balance 2008 of the National Commission of Energy, while the value of emissions factors EF_{CO2, i, y} was taken from IPCC 2006 (default values at the lower limit of the 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).</p> <p>The National Energy Commission does not give the information if the</p>	<p>The simple adjusted OM emission factor (EF_{grid,OM-adj,y}), is calculated as the generation weighted average CO₂ emissions per unit net electricity generation (tCO₂/MWh) of all generating power plants serving the system, where the power plants/units (including imports) are separated in low-cost/must-run power sources (k) and other power sources (m).</p> <p>As per the tool^{/B03/} the simple adjusted OM is calculated by Option A, based on the net electricity generation and a CO₂ emission factor of each power unit.</p> <p>For the determination of EF_{EL, m, y}, Option A1 was followed. The PP used the data of NCV from National average default values</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

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	<p>value is the net or the gross calorific value, therefore, as a conservative approach the PP decided to use the gross calorific value for calculations. This is found accepted by the team.</p> <p>For the determination of $EG_{m, y}$, the PP provide values according to the requirement of the tool^{/B03/} in monitoring table (section B.6.2. of the PDD), the real annual operation values where considered from the CDEC-SING website, what is acceptable by the validation team.</p> <p>As the SING is not connected to other grids, there is no net electricity imports considered.</p> <p>The validation team confirms that data of quantity of electricity generated, types of fuel used and consumption of each fuel type are the latest 3 years data, most recent data available at the time of submission of the CDM-DDs to the DOE for validation and they are sourced from available data published by the CEDEC-SING website^{/29/} (Yearbook for 2011), which is in line with the requirement of tool^{/B03/}. All the data base explained and presented in the excel sheet for Grid Emission Factor calculation^{/10/} & Annex 3 of the PoA-DD^{/04/} were sourced from CEDEC-SING website, considered the national and official published data for electricity generation (http://cdec2.cdec-sing.cl/portal/page?_pageid=33,4121&dad=portal&schema=PORTAL)</p> <p>Therefore, the calculated OM = 0.7588 tCO₂/MWh is correct and inline with the requirements of tool.</p>	<p>(second option of the tool^{B04/}) sourced from National Energy Balance 2008 of the National Commission of Energy, while the value of emissions factors $EF_{CO_2, i, y}$ was taken from IPCC 2006 (default values at the lower limit of the 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).</p> <p>The National Energy Commission does not give the information if the value is the net or the gross calorific value, therefore, as a conservative approach the PP decided to use the gross calorific value for calculations. This is found accepted by the team.</p> <p>For the determination of $EG_{m, y}$, the PP provide values according to the requirement of the tool^{/B03/} in monitoring table, the real annual operation values where considered from the CDEC-SIC website, what is acceptable by the validation team.</p> <p>When for a power unit m only data on electricity generation is available, an emission factor of 0 tCO₂/MWh (Option A.3) this approach is considered by the PP, as a validation team this conservative approach is acceptable.</p> <p>All the data explained in the spreadsheet presented by the PP for the OM calculation are sourced from CDEC-SIC website; has considered the national and official published data for electricity generation^{/10/} & CDEC-SIC Yearbook^{/28/} for additional information e.g; commissioning year, fuel consumption, type fuel). All this data was cross checked with the source above mention and found that PP has correctly calculated the generation weighted average value and this is in line with the tool^{/B03/}</p> <p>Therefore, the calculated OM = 0.7216 tCO₂/MWh is correct and inline with the requirements of tool.</p>	
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5	Calculate the build margin (BM) emission factor.	<p>Option 1 is chosen by the PP in which the BM is calculated ex-ante for the first crediting period of the PDD based on the most recent available data at the time of submission of the CDM-DDs to the DOE for validation i.e., for the year 2011.</p> <p>Validation team based on document review^{/04//10/} confirms that the annual electricity generation of the set of five power units (SET5-units) is larger than the annual electricity generation of the set of power capacity additions in the electricity system that comprise 20% of the system generation and that have been built most recently (AEG>20%) and the power units in SET_{sample} started to supply electricity to the grid less than 10 years. Also they do not include registered CDM projects.</p> <p>The validation team confirms that the BM calculation is correctly applied complying with the Tool.</p> <p>Therefore, BM = 0.8694 tCO₂/MWh is justified.</p>	<p>PP has chosen option 1 and calculated build margin emission factor ex-ante based on the most recent information available on units already built for sample group m at the time of submission of the PoA-DD^{/04/} to the DOE for validation i.e., for the year 2010, and the same is in line with the tool^{/B03/}.</p> <p>The sample group of power units <i>m</i> used to calculate the build margin was determinate with points (a) (b) and (c) as per the procedure of the tool^{/B03/}. The PP identify the 5 most recent power units, excluding CDM (SET_{5-units}) and the units that comprise at least 20% of the system generation, excluding CDM (SET_{≥20%}) for determine the SET_{sample}.</p> <p>Validation team based on document review confirms that the AEG_{SET≥20%} > AEG_{SET-5-units} for the SIC grid 2010 and hence consideration of AEG_{SET≥20%} for the SET_{sample} is a correct approach. PP has calculated the Build Margin emission factor ex-ante for data values for 2010.</p> <p>The validation team confirms that the BM calculation is correctly applied complying with the Tool.</p> <p>Therefore, BM = 0.5687 tCO₂/MWh is justified.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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6	Calculate the combined margin (CM) emissions factor.	<p>According to the “<i>Tool to calculate the emission factor for an electricity system</i>” (Version 02.2.1)^{/B03/}.</p> <p>The weighting of OM emission factor and BM emission factor for calculate CM emission factor is categorized by type of CDM project:</p> <p>1) The default weights applicable for wind and solar projects are $w_{OM} = 0.75$ and $w_{BM} = 0.25$ The CM has been calculated for the first crediting period and fixed ex-ante by option (a) of the step “Weighted average CM”</p> <p>The calculation of CM = 0.7865 tCO₂/MWh for wind and solar project is justified.</p> <p>2) The default weights applicable for other renewable projects are $w_{OM} = 0.50$ and $w_{BM} = 0.50$ The CM has been calculated for the first crediting period and fixed ex-ante by option (a) of the step “Weighted average CM”</p> <p>The calculation of CM = 0.8141 tCO₂/MWh for other renewable projects is justified.</p>	<p>According to the “<i>Tool to calculate the emission factor for an electricity system</i>” (Version 02.2.1)^{/B03/}.</p> <p>The weighting of OM emission factor and BM emission factor for calculate CM emission factor is categorized by type of CDM project:</p> <p>1) The default weights applicable for wind and solar projects are $w_{OM} = 0.75$ and $w_{BM} = 0.25$ The CM has been calculated for the first crediting period and fixed ex-ante by option (a) of the step “Weighted average CM”</p> <p>The calculation of CM = 0.6834 tCO₂/MWh for wind and solar project is justified.</p> <p>2) The default weights applicable for other renewable projects are $w_{OM} = 0.50$ and $w_{BM} = 0.50$ The CM has been calculated for the first crediting period and fixed ex-ante by option (a) of the step “Weighted average CM”</p> <p>The calculation of CM = 0.6451 tCO₂/MWh for other renewable projects is justified.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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As per the PoA DD^{/04/}, the CM is fixed for the first crediting period of the PoA for all CPAs to be included during the first crediting period of PoA.

CAR PoA-9 and gCPA1 is raised and successfully closed during the course of validation on the type of crediting period chosen.

b) Project Emissions

Being a renewable energy programme, consideration of project emission as zero is appropriate as per the applied methodology ACM0002 version 12.3.0^{/B02/}.

As per section E.6.1 of the PoA-DD most of the CPAs to be included under this PoA, irrespective of the grid to which the generated electricity will be delivered, will have zero project emissions (PEy=0). This will be applicable to solar, wind and wave/tidal renewable energy projects.

However geothermal power plants, may have some project emissions different to zero. According to ACM0002 (Version 12.3.0), some project activities may involve project emissions that can be significant (PEy tCO₂/yr) and then shall be accounted for as project emissions (e.g. combustion in process j, when a diesel generator is used as a back-up). These will be assessed according to the procedures described in ACM0002 (Version 12.3.0) baseline and monitoring methodology and as per the procedures described in EB 41 Annex 11 “Tool to calculate project or leakage CO₂ emissions from fossil fuel combustion” (Version 02) at specific CPA level.

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c) Leakage

As the CPAs will not involve into activities such as power plant construction and upstream emissions from fossil fuel use (e.g. extraction, processing and transport), hence the applied methodology ACM0002 (12.3.0) /B02/ confirms that No leakage emissions are considered. ($LE_y = 0$)

d) Emission Reduction

In summary, the calculation of emission reductions was correctly demonstrated by the PP according to the methodology ACM0002 (Version 12.3.0)^{/B02/} and its tool "Tool to calculate the emission factor for an electricity system (version 02.2.1)"^{/B03/}.

The validation team based on the review of PoA-DD^{/04/} confirms that the formulae are correctly presented for the determination of emission reductions. The parameters and equations presented in the PoA-DD^{/04/}, as well as other applicable documents, have been compared with the information and requirements presented in the methodology. An equation comparison has also been made to ensure consistency between all the formulae presented in the PoA-DD^{/04/}.

2.10. Monitoring Plan of a typical CPA

The monitoring plan presented in the PoA-DD^{/04/} and g-CPA-DD^{/04/} complies with the requirements of the applicable methodology. The validation team checked all parameters in the monitoring plan against the requirements of the methodology and monitoring plan found to be adequate for proposed programme type.

The validation team through the document review and interviews with the relevant personnel has reviewed the procedures. The information provided has allowed the validation team to confirm that the proposed monitoring plan is feasible within the project design. The relevant points of monitoring plan have been discussed with the CME of the PoA and the CPA implementer.

Procedures Manual^{/32/} of the CME provide sufficient information, which forms the basis of confirmation by the validation team on the issues related but not limited to the monitoring methodology, data management, and the quality assurance and quality control procedures to be implemented in the context of the programme. Therefore, it can be concluded that the CME and/or CPA implementer(s) will be able to implement the monitoring plan and the achieved emission reductions can be reported ex-post and verified. This confirms to the requirement of the §6 (j) of EB 55 annex 38.

However, CL PoA-10 was raised during the course of validation and successfully closed out.

2.10.1. Parameters determined ex-ante

Following are the parameters as per the PoA DD^{/04/}, fixed either ex-ante at the PoA level or shall be fixed ex-ante at the time of inclusion of the CPA:

- Combined margin emission factor for grid connected power generation in year y for the SIC
- Net quantity of electricity generated and delivered to the grid by power unit m in year y
- Net quantity of electricity generated and delivered to the grid by power unit k in year y
- Amount of fossil fuel type i consumed by power unit m in year y .
- Combined margin emission factor for grid connected power generation in year y for the SING
- Net quantity of electricity generated and delivered to the grid by power unit m in year y
- Net quantity of electricity generated and delivered to the grid by power unit k in year y
- Amount of fossil fuel type i consumed by power unit m in year y .
- Net calorific value (energy content) of fossil fuel type i in year y .
- CO₂ emission factor of fossil fuel type i in year y .
- CO₂ emission factor of fossil fuel type i in year y .
- Average net energy conversion efficiency of power unit m in year y
- Annual average historical net electricity generation by the existing renewable energy plant that was operated at the project site prior to the implementation of the project activity

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- Standard deviation of the annual average historical net electricity generation supplied to the grid by the existing renewable energy plant that was operated at the project site prior to the implementation of the project activity
- Point in time when the existing equipment would need to be replaced in the absence of the project activity
- Global warming potential of methane valid for the relevant commitment period

Parameters determined ex-ante are found to be appropriate and in line with the applied Tool to calculate the emission factor for an electricity system, version 02.2.1, EB 63 (Annex 19)^{B03/} and applied methodology ACM0002 version 12.3.0^{B02/}.

However CAR PoA-9 was raised and successfully closed during the course of validation.

2.10.2. Parameters determined ex-post

The parameter as per the PoA-DD^{04/}, shall be monitored (based on the type of CPA) ex-post by the CPAs of the PoA will be $EG_{\text{facility}, y}$ (for capacity additions the parameter is called $EG_{PJ \text{ Add}, y}$) (On-site measurement with electricity meters, yielding the net electricity supplied to the national grid of the Chile. Readings will be cross-checked with records for sold/purchased electricity) for all CPAs. Specific parameters " $W_{\text{steam}, \text{CO}_2, y}$, $W_{\text{steam}, \text{CH}_4, y}$, and $M_{\text{steam}, y}$ " will be monitored for geothermal power plants, parameters " $FC_{i,j,y}$, $W_{C,i,y}$, $\rho_{i,y}$, $NCV_{i,y}$, and $EF_{\text{CO}_2, i,y}$ " will be monitored for the CPAs which have fossil fuel combustion. Based on the assessment of PoA-DD^{04/} and CPA-DD^{05/} against the applied methodology ACM0002^{B02/}, ex-post parameter is found to be appropriate by the validation team.

2.10.3. Monitoring and reporting system and quality assurance

The operational and management structure of the CME in context of the PoA has been clearly described in the PoA-DD^{04/} and checked from the review of CME Procedure Manual^{32/} provided by the CME. The responsibilities and institutional arrangements for data collection and archiving have been clearly provided in the same document^{32/}.

Monitoring structure for the project activity is comprehensively detailed in the PoA-DD^{04/} including description of the responsibility, procedure reference, equipment details, calibration frequency, and maintenance and archiving of the records is clearly indicated. By reviewing the monitoring procedure and requirements provided in CME Procedure Manual^{32/} for the PoA and interview with the PPs, validation team confirms that the monitoring arrangements described in the monitoring plan are feasible within the PoA-DD^{04/}, and the means of implementation of the monitoring plan is sufficient to ensure the emission reductions achieved by the PoA can be reported ex post and verified.

2.11. Environmental Impacts

It has been indicated in the PoA-DD^{04/}, that the environmental analysis shall be done at the individual CPA level. The localized impact of each CPA shall be assessed individually which justifies separate environmental analysis. This is deemed appropriate in the context of the CPAs of the PoA.

However, CL PoA-12 was raised and closed successfully.

2.12. Local stakeholders consultation

It has been indicated in the PoA-DD^{04/}, that the local stakeholder consultation shall be done at the individual CPA level. As, in order to include essential project specific information and to ensure that all the affected parties have the best opportunity to attend. This is deemed appropriate in the context of the CPAs of the PoA.

However, CAR PoA-6 was raised and closed successfully during validation process.

3. COMMENTS BY PARTIES, STAKEHOLDERS AND NGOS

The PoA-DD^{01/}, g-CPA-D^{D/03/} and real-case CPA-DD^{02/} dated 18/04/2012, were made publicly available on UNFCCC's website <http://cdm.unfccc.int/ProgrammeOfActivities/Validation/DB/UMM092OR6GP4H2EL4I36E05NKQ57V0/>

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[view.html](#) and parties, stakeholders and NGOs were through the CDM website invited to provide comments during a 30 days period from 25/04/2012 to 24/05/2012, where no comments were received.

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APPENDIX A

VALIDATION PROTOCOL FOR PROGRAMME OF ACTIVITIES

“Chilean Programme of Activities for integrated Non Conventional Renewable Energies”

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Table 1: Conformity of CDM Programme of Activities

CHECKLIST TOPIC / QUESTION	Ref.	COMMENTS	Draft Conc.	Final Conc.
A. GENERAL DESCRIPTION OF CDM PROGRAMME OF ACTIVITIES (POA)				
A.1. Title of the programme of activities (PoA)				
A.1.1. Are title, current version number and the date of document completion given in section A.1 of the PoA-DD? Does the used PoA title clearly enable to identify the unique CDM programme of activities?	/01/	<p>The title "Chilean Programme of Activities for integrated Non Conventional Renewable Energies" version 01 of 18/04/2012, as stated in section A.1 of the PoA-DD, clearly enables to identify the unique CDM programme of activities. The same was verified from the UNFCCC website.</p> <p>However Letter of Approval from the host country DNA has not been submitted to the DOE for validation and hence CAR PoA-1 is raised.</p>	CAR PoA-1	OK
A.1.2. Are there any indications concerning the revision number and the date of the revision?	//01/	The PoA-DD has indicated version number 1, dated 18/04/2012 under section A.1 of the webhosted PoA-DD which is found appropriate.	OK	OK
A.1.3. Is this consistent with the time line of the programme's history?	/01/	Yes, this is consistent with the time line of the programme's history.	OK	OK
A.2. Description of the programme of activities				
A.2.1. Is the description delivering a transparent overview of the general operating and implementing framework of the PoA?	/01/	It has been clearly stated that Carbon Capital Inc. & Cia. Ltda. (Less Carbon) is the coordinating/managing entity (CME) of the PoA and will develop and promote the PoA. The project will be implemented in Chile. The description considers the project activity as grid-connected renewable energy projects. However from point 1 of Section A.2 of the PoA, it has not been evident the objectives of Kyoto Protocol like GHG emission reduction, technology transfer and sustainable development and an overview of general operation and implementing framework. Hence CL PoA-1 is raised.	CL PoA-1	OK

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A.2.2. Is the policy/measure or stated goal of the PoA clearly and unambiguously presented?	/01/	<p>A description of the policy/measure or stated goal that the PoA seeks to promote is clearly and transparently described under section A.2. However in point 2 of this section, first paragraph follows the requirements, but the following justification is ambiguous referring to the title of point 2.</p> <p>Also, it has been stated “generation from large hydro power plants (>20MW) is not considered as renewable energy source under Chilean law”. Please clarify. Whereas, the web link provided in foot note number 5 of PoA-DD do not provide the information been referred.</p> <p>Footnote numbers 1 to 4 are not accessible, traceable web links or documents need to be submitted to the DOE.</p>	CL PoA-2	OK
A.2.3. Is there a valid confirmation that the proposed PoA is a voluntary action by the coordinating/managing entity?	/01/	<p>Point 3 of Section A.2 confirms that the CDM-PoA is a voluntary action coordinated and managed by Carbon Capital Inc. y Cía. Ltda. (“Less Carbon”).</p> <p>However, the CME has not demonstrated through a valid confirmation (i.e Letter of approval from the DNA) that the proposed PoA is a voluntary action by the coordinating/managing entity; hence CAR PoA-1 has been raised.</p>	Pending closure of CAR PoA-1	OK
A.2.4. Does the description of the technology to be applied provide sufficient and transparent input to evaluate its impact on the greenhouse gas balance?	/01/	Description of the technology measure to be applied under the proposed PoA is provided in a transparent manner under section A.4.2.1 of the PoA-DD to evaluate impact on the greenhouse gas balance.	OK	OK
A.2.5. Is the brief explanation how the programme will reduce greenhouse gas emission transparent and suitable?	/01/	In Section A.2 it is not evident how the programme will reduce greenhouse gas emissions.	CL PoA-3	OK

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A.3. Coordinating/managing entity and participants of CDM-PoA				
A.3.1. Is the form required for the indication of project participants correctly applied?	/01/ /11/	<p>In Section A.3 it is mentioned that Carbon Capital Inc. y Cia Ltda. ("Less Carbon") will be the entity that will communicate with the Board.</p> <p>However, the form (MoC) has not been provided.</p> <p>Also in Section A.3 the PP has not provided a clear description whether the party involved is private or public entity.</p> <p>Moreover, the name of the entity mentioned in section A.3 of the PoA-DD and Annex 1 is not consistent.</p>	CAR PoA-2	OK
A.3.2. Is the participation of the listed entities or Parties in the PoA confirmed by each one of them?	/01/	It is only Party involved (Republic of Chile) and participant is Carbon Capital Inc. y Cia Ltda. ("Less Carbon"). Whereas, refer CAR PoA-1.	Refer to CAR PoA-1	OK
A.3.3. Is all information on participants / Parties provided in consistency with details provided by further chapters of the POA-DD (in particular annex 1)?	/01/	Refer CAR PoA-2 above.	Refer to CAR PoA-2	OK
A.3.4. Is it evident that the coordinating or managing entity of the PoA is the entity which communicates with the Executive Board (EB)?	/01/	It is evident from section A.3 of the PoA-DD that CME of the PoA is the entity, which will communicate with the EB. However, the form (MoC) has not been provided. Refer CAR PoA-2 above.	Refer to CAR PoA-2	OK
A.4. Technical description of the CDM programme of activities				
A.4.1. Location of the programme of activities				
A.4.1.1. Does the information provided on the location of the programme allow for a clear definition identification of the boundary for the PoA in terms of a geographical area, within which all CPAs included in this PoA will be implemented?	/01/	<p>The CPAs under the PoA will be implemented throughout the host country i.e., Republic of Chile.</p> <p>However, from the interview with CME it was evident that the boundary may exceed beyond the Republic of Chile.</p> <p>Clarify the true intended geographical boundary of the PoA.</p>	CL PoA-4	OK
A.4.1.2. Is the consideration of all applicable national and/or sectoral policies and	/01/	The PoA-DD does clarify all applicable national regulations regarding the description of the	Refer CL PoA-2	OK

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regulations of each host country within the boundary evident and substantiated?		policy/measure of the Host Country in Section A.2 of the PoA-DD. Moreover refer CL PoA-2.		
A.4.1.3. Is/are the Host Party (ies) stated?	/01/	Yes, Republic of Chile has been identified as the host party.	OK	OK
A.4.2. Description of a typical CDM programme activity (CPA)				
A.4.2.1. Is it unambiguously stated which technology or measures are to be employed by the CPA?	/01/	<p>Section A.4.2.1 of the webhosted PoA-DD describes technology or measures to be employed by the CPA. Whereas, PP need to mention the name of the grids to which electricity will be exported in section A.4.2.1 too.</p> <p>Moreover, more elaborated technical design for the different technologies being employed in proposed PoA need to be provided. Also clarify is the CME not accepting CPAs with an installed capacity less than 15MW?</p> <p>During the interview it has been conclude that the PoA has the provision to provide technology from Annex 1 countries and also most of the intended renewable technologies are available in the Host Country. Same is required to be mentioned in the PoA-DD.</p> <p>It is not clear from the description if the technology being utilised is environmentally safe for the proposed PoA, and if the type of technology will be the state of the art technology and / or does the technology result in a significantly better performance than any commonly used technologies in the host country?</p>	CL-PoA-5	OK
A.4.2.2. Is the type and category of project activities correctly identified and indicated?	/01/	Type and category of the proposed PoA is mentioned under section A.4.2.1 of the PoA-DD	OK	OK
A.4.2.3. Does the technical design of the project activity reflect current good practices?	/01/	The PoA correspond to one or more greenfield renewable energy power plants with a minimum installed capacity of 15MW, or a capacity addition to an existing renewable energy project with a minimum of 15MW of installed capacity. Production of electricity by renewable resource technology in the region is a good practice.	OK	OK

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A.4.2.4. Does the implementation of the project activity require any technology transfer from Annex-I-countries to the host country (ies)?	/01/	Refer to CL PoA-5 above.	Refer to CL PoA-5	OK
A.4.2.5. Is the technology implemented by the project activity environmentally safe?	/01/ /61/	Refer to CL PoA-5 above.	Refer to CL PoA-5	OK
A.4.2.6. Is the information provided in compliance with actual situation or planning?	/01/	Refer to CL PoA-5 above.	Refer to CL PoA-5	OK
A.4.2.7. Does the project use state of the art technology and / or does the technology result in a significantly better performance than any commonly used technologies in the host country?	/01/	Refer to CL PoA-5 above.	Refer to CL PoA-5	OK
A.4.2.8. Does the project require extensive initial training and maintenance efforts in order to be carried out as scheduled during the project period?	/01/	The PP is requested to clearly specify in the PoA-DD about what training and maintenance efforts required to carry out the project as per schedule during the project period.	CL PoA-6	OK
A.4.2.9. Is information available on the demand and requirements for training and maintenance?	/01/	Depends on the closure of CL PoA-6 in section A.4.2.8 above.	Refer to CL PoA-6	OK
A.4.2.10. Are there clear and unambiguous eligibility criteria for the inclusion of a CDM-CPA into the PoA?	/01/ /03/	<p>In section A.4.2.2, the eligibility criteria for inclusion of a CPA in the PoA are not in line with “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities (version 01.0)” EB 65 Annex 3.</p> <p>Also Eligibility criteria given in sec. B.2 of the gCPA-DD is not in conformity with “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities” (version 01.0) EB 65 Annex 3.</p> <p>Eligibility criteria in the gCPA-DD does not include the conformity of the project activity to the methodology ACM0002.</p>	CAR PoA-3 and CAR gCPA-2, CAR gCPA-3	OK
A.4.3. Description of how the anthropogenic emissions of GHG by sources are reduced by a CDM-CPA below those that would have occurred in				

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<i>the absence of the registered PoA (assessment and demonstration of additionality of the PoA as a whole)</i>				
A.4.3.1. Is it evident and clearly documented that the proposed PoA is a voluntary coordinated action?	/01/	<p>In section A.2 the PP has stated that the PoA is a voluntary action undertaken by Carbon Capital Inc. y Cía Ltda. ("Less Carbon").</p> <p>However, a valid confirmation (i.e Letter of approval from the DNA) has not been provided.</p> <p>Please refer section A.2.3 above.</p>	Refer to CAR PoA-1	OK
A.4.3.2. Is it evident and substantiated that this voluntary coordinated action would not be implemented in the absence of the PoA?	/01/	No, in section A.4.3 it has not been substantiated clearly that this voluntary coordinated action would not be implemented in the absence of the PoA. For the same, no evidence or procedure to evaluate this has been explained. Hence a CL is raised.	CL PoA-7	OK
A.4.3.3. Is it evident and substantiated that in case the PoA implements a mandatory policy or regulation this would not be enforced otherwise?	/01/	In section A.4.3 of the PoA-DD, PP has stated that Chilean law does not oblige the generation of energy from renewable energy.	OK	OK
A.4.3.4. Is it evident and substantiated that in case the PoA implements a mandatory policy or regulation that is enforced the PoA will lead to a greater level of enforcement?	/01/	In section A.4.3 of the PoA-DD, PP has stated that Chilean law does not oblige the generation of energy from renewable energy.	OK	OK
<i>A.4.4. Operational, management and monitoring plan for the programme of activities (PoA)</i>				
A.4.4.1. Is there a clear and transparent description of the operational and management arrangements established by the coordinating/managing entity?	/01/ /32/	<p>Section A.4.4.1 of the webhosted PoA-DD is not in line with the requirements laid down under Annex 3 of EB 65 § 17. This section lacks in the following:</p> <ul style="list-style-type: none"> • A clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies; • Records of arrangements for training and capacity development for personnel; • Procedures for technical review of inclusion of CPAs; • Records and documentation control process for each CPA under the PoA; 	CAR PoA-4	OK

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		<ul style="list-style-type: none"> Measures for continuous improvements of the PoA management system; <p>Also, during the site visit, the CME Procedures Manual was provided. However, the document is not referenced in the PoA-DD.</p>		
A.4.4.2. Is there a record keeping system for each CPA under the PoA?	/01/	<p>Yes, a provision for record keeping system for each CPA under the PoA has been provided in section A.4.4.1 of the PoA-DD. The PP has proposed a record system for CPAs; describing a database that lists all CPAs in order to identify CPAs considering specific characteristics in each case /30/. During the site visit this database has been provided to substantiate the same.</p> <p>However, it has been mentioned in the PoA-DD that record keeping will be stored at least 2 years after the crediting period expires, but it is not evident that the records could be preserved till verification date, whichever is later.</p> <p>CL PoA-8: The PP needs to make evident that record keeping system will be stored at least 2 years after the crediting period expires or until verification date, whichever is later.</p>	CL PoA-8	OK
A.4.4.3. Is there a system or procedure to avoid double accounting, i.e. to avoid that an included CPA under this PoA already is a registered CDM project or CPA in another PoA?	/01/	<p>In section A.4.4.1 of the PoA-DD it has been stated that each CPA operator will confirm in writing at the time of inclusion that the CPA does not belong to any other PoA or other registered CDM project activity to ensure avoidance of double counting. However, a written confirmation has not been provided.</p> <p>Also, in section A.4.4.1 of the PoA-DD, it has been provided the provision to avoid double counting. However this has not been complete/adequate to conclude that the project is or will not be registered as a CPA of other PoA or stand alone CDM project. Hence CL is raised.</p> <p>CL 9:</p>	CL PoA-9	OK

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		A system/procedure to avoid double accounting mentioned under section A.4.4.1 is not appropriately and transparently provided. Moreover the procedure provided to detect that a CPA to be included is not a de-bundled component of is also not appropriate. It should be the responsibility of the CME and not the CPA implementer only. The same is required to be corrected with proper references.		
A.4.4.4. Is there a system or procedure to detect whether a CDM-CPA to be included in the PoA is not a de-bundled component of another CPA or CDM project?	/01/	Please refer CL PoA-9 above	Refer CL PoA-9	OK
A.4.4.5. Are provisions in place to ensure that those operating the CPA are aware of and have agreed that their activity is being subscribed to the PoA?	/01/	In section A.4.4.1 of the PoA-DD it has been stated that each CPA operator will ensure that the CPA developer is aware of, and has agreed that, it's activity is being included in the PoA through a contract with the CME. An agreement between CPA and CME has not been provided to substantiate the same.	CAR PoA-5	OK
A.4.4.6. Is there a monitoring plan for the PoA, including a description of the proposed statistically sound sampling methods or procedures to be used by the DOE for the verification (please consider sampling among CPAs and within CPAs)?	/01/	In section A.4.4.2 of the PoA-DD, the monitoring plan for the PoA has been described, which established that the CME decided not to use sound sampling methods/procedures for monitoring. All CPAs included in the PoA will be monitored individually. The following findings have been identified regarding the same section: <ul style="list-style-type: none"> The PP has established that CPA developer will monitor all relevant parameters (as per project type), however the parameters based on the different projects has not been identified. A procedure to ensure consistency between the CME monitoring report and the CPA monitoring report is not described. The PoA-DD stated that emissions reductions will be correctly estimated. However, at record stage it will be calculated. Please clarify. 	CL PoA-10	OK
A.4.4.7. In case the coordinating/managing entity	/01/	Yes, the CME opts for a verification method that does	Depends on	OK

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opts for a verification method that does not use sampling but verifies each CPA, does the monitoring plan provide a transparent system to ensure that no double accounting occurs and that the status of verification can be determined any time for each CPA?		not use sampling but verifies each CPA. Please refer to section A.4.4.3.	closure of CL PoA-9	
A.4.5. Public funding of a programme of activities				
A.4.5.1. Is the information provided on public funding in compliance with the actual situation or planning as available by the project participants?	/01/	In section A.4.5 of the PoA-DD, the PP states, "No public funding is provided for the PoA or any of the CPAs included in the PoA". But no supporting evidence has been provided to validate that such a funding has not been availed and does not result in diversion of ODA. Also, the procedures to which ensures that no CPA availing ODA will be included in the PoA, is not evident from the PoA-DD.	CL PoA-11	OK
A.4.5.2. Is all information provided consistent with the details given in remaining chapters of the PoA-DD (in particular annex 2)?	/01/	Please refer to CL 11 above.	Refer to CL PoA-11	OK
B. DURATION OF THE PROGRAMME OF ACTIVITIES				
B.1. Starting date of the programme of activities				
B.1.1. Is the programme's starting date clearly defined and reasonable?	/01/ /06/ /11/	Starting date of the PoA is 26/04/2012, which is after the date of publication of the PoA-DD for Global Stakeholder's Comment period. Hence starting date of PoA is accepted as reasonable.	OK	OK
B.2. Length of the programme of activities (PoA)				
B.2.1. Is the assumed length of the PoA clearly defined by the coordinating managing entity and reasonable (max 28 years)?	/01/	Yes, the length of the PoA is taken is 28 years which is in accordance with the requirements of EB 55 Annex 38. However CAR gCPA-1 is raised on the type of crediting period chosen in the generic CPA-DD	CAR gCPA-1	OK
C. ENVIRONMENTAL ANALYSIS				

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C.1. Definition of the level at which environmental analysis as per requirements of the CDM modalities and procedures is undertaken:				
C.1.1. Is it defined whether the environmental analysis takes place at PoA or CPA level?	/01/	As per section C.1 of the webhosted PoA-DD, the environmental analysis is done at CPA level.	OK	OK
C.1.2. Is the choice whether the environmental analysis takes place at PoA or CPA level justified?	/01/	In Section C.1 the PP has given a description considering the applicability of environmental laws of Republic of Chile seeking to justify environmental analysis at CPA level. However the reason for the decision is not clearly define. Hence a CL PoA-12 is raised.	CL PoA-12	OK
C.2. Documentation on the analysis of the environmental impacts of the PoA, including transboundary impacts:				
C.2.1. Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, has an EIA been approved?	/01/	In Section C.3, the PP has explained the Host Party laws/regulations for EIA or DIA required for a typical CPA, to be included in the PoA. A DIA (Environmental Impact Statement) has been approved by the Environmental Ministry of the Republic of Chile for CPA No. 1 /51/	OK	OK
C.2.2. Has the analysis of the environmental impacts of the project activity been sufficiently described?	/01/	Since, the EIA is done at CPA level, this checklist question is not applicable.	NA	OK
C.2.3. Will the project create any adverse environmental effects?	/01/	Since, the EIA is done at CPA level, this checklist question is not applicable.	NA	OK
C.2.4. Were trans-boundary environmental impacts identified in the analysis?	/01/	Documentation on the analysis of the environmental impacts will be provided at CPA level. The CME has stated that projects with trans-boundary impacts will not be eligible under the PoA. However this criteria is not clearly define in section A.4.2.2. as one of the criteria's for inclusion of the CPAs in the PoA. Hence a CL PoA-13 is raised.	CL PoA-13	OK
C.3. Please state whether in accordance with the host Party laws/regulations, an environmental impact assessment is required for a typical CPA of the PoA:				
C.3.1. Have the identified environmental impacts been addressed in the project design sufficiently?	/01/	Since, the EIA is done at CPA level, this checklist question is not applicable.	NA	OK
C.3.2. Does the project comply with environmental legislation in the host	/01/	Since, the EIA is done at CPA level, this checklist question is not applicable.	NA	OK

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country?				
C.3.3. Is, per host country laws/regulations, an environmental impact assessment necessary for a typical CPA?	/01/ /61/	Environmental impact assessments will be carried out at CPA level according to the applicable laws and regulations of the host country (Chile) before the inclusion of the CDM-CPA in the CDM-PoA. Law 19.300 will be applicable to a typical CPA under the PoA.	OK	OK
D. STAKEHOLDERS' COMMENTS				
D.1. Please indicate the level at which local stakeholder comments are invited. Justify the choice:				
D.1.1. Is there a clear statement whether the stakeholder comments will be invited at PoA or CPA level?	/01/	Yes, stakeholder comments will be invited at CPA level.	OK	OK
D.1.2. Is the choice justified in a clear and reasonable manner?	/01/	No reasonable justification has been provided in section D.1 of the PoA-DD for choosing to carry out stakeholder consultation at CPA level. Hence CAR is raised. CAR PoA-6: PP is required to provide the justification of his choice of conducting stakeholder consultation meeting at CPA level	CAR PoA-6	OK
D.1.3. If the stakeholder comments will be invited at PoA level, is there sufficient information provided, on how comments by local stakeholders were invited?	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not applicable.	OK	OK
D.1.4. If the stakeholder comments will be invited at PoA level, is there a summary of the contents?	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not applicable.	OK	OK
D.1.5. If the stakeholder comments will be invited at PoA level, is there sufficient information provided, on how due account was taken of any comments received?	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not applicable.	OK	OK
D.2. Brief description how comments by local stakeholders have been invited and compiled				
D.2.1. Have relevant stakeholders been consulted?	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not applicable.	OK	OK
D.2.2. Have appropriate media been used to invite	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not	OK	OK

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comments by local stakeholders?		applicable.		
D.2.3. If a stakeholder consultation process is required by regulations/laws in the host country, has the stakeholder consultation process been carried out in accordance with such regulations/laws?	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not applicable.	OK	OK
D.2.4. Is the undertaken stakeholder process that was carried out described in a complete and transparent manner?	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not applicable.	OK	OK
D.3. Summary of the comments received				
D.3.1. Is a summary of the received stakeholder comments provided?	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not applicable.	OK	OK
D.4. Report on how due account was taken of any comments received				
D.4.1. Has due account been taken of any stakeholder comments received?	/01/	Stakeholders consultation process will be carried out at CPA level, therefore this checklist question is not applicable.	OK	OK
E. APPLICATION OF A BASELINE AND MONITORING METHODOLOGY TO A TYPICAL CPA				
E.1. Title and reference of the approved baseline and monitoring methodology applied to CPA included in the PoA				
E.1.1.1. Are reference number, version number, and title of the baseline and monitoring methodology clearly indicated?	/01/	Yes, the proposed PoA under section E.1 is correctly provided with approved methodology ACM0002 "Consolidated baseline methodology for grid-connected electricity generation from renewable sources" Version 12.3.0	OK	OK
E.1.1.2. Is the applied version the most recent one and / or is this version still applicable?	/01/	Version 12.3.0 of applied methodology is not the latest version. However Request for registration based on version 12.3.0 can be made till 11 January 2013.	OK	OK
E.1.1.3. Is the applied methodology approved by the board, for use in PoA?	/01/	Yes, the CDM Executive Board has approved the applied methodology for use in PoA.	OK	OK
E.2. Justification of the choice of the methodology and why it is applicable to a CPA				
E.2.1.1. Is the applied methodology considered the most appropriate one?	/01/	Yes, the applied methodology ACM0002 is the most appropriate for grid-connected renewable power plants. In section E.2, the PP has justified their choice of the applied methodology, and all applicability criteria thereof are fulfilled. Therefore, the applied methodology is	CAR PoA-7	OK

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		<p>considered the most appropriate one.</p> <p>However, following findings has been raised based on the description provided for methodology applicability:-</p> <ol style="list-style-type: none"> 1. A column mentioning the serial numbers and a column providing the reference of the documents for the justification provided must be added along with the table provided in section E.2 of the PoA-DD. 2. 2nd & 3rd applicability criteria: section A.4.2.1 contains the required description, however the justification for the concerned criteria is required to be mentioned here too. 		
E.2.1.2. Does the methodology account for leakage in the context of a CPA?	/01/	As per ACM0002 v.12.3.0, no leakage emissions are considered.	OK	OK
E.2.1.3. 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 plant); (b) involve a capacity addition; (c) involve a retrofit of (an) existing plant(s); or (d) involve a replacement of (an) existing plant.	/01/	As stated in Section E.2. of the PoA-DD, potential CPAs under the PoA will be energy generation units, under conditions (a) or (b), which will supply electricity to one of the following national grids; SING or SIC, which meets the requirements of the apply meth ACM0002.	OK	OK
E.2.1.4. 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	/01/	Please refer CAR PoA-7 above.	Refer CAR PoA-7	OK
E.2.1.5. In the case of capacity additions, retrofits or replacements (except for capacity addition projects for which the electricity generation of the existing power plant(s)	/01/	In Section E.2. of the PoA-DD, is not evident if the applicability criterion is applicable to future CPA under the proposed PoA. Hence a CAR is raised.	CAR PoA-8	OK

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<p>or unit(s) is not affected): 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 addition or retrofit of the plant has been undertaken between the start of this minimum historical reference period and the implementation of the project activity;</p>		<p>CAR PoA-8: PP is required to specify if this criterion is applicable to the CPAs under the proposed PoA.</p>		
<p>E.2.1.6. In case of hydro power plants:</p> <ul style="list-style-type: none"> At least one of the following conditions must apply: <ul style="list-style-type: none"> The project activity is implemented in an existing single or multiple reservoirs, with no change in the volume of any of the reservoirs; or The project activity is implemented in an existing single or multiple reservoirs, where the volume of any of reservoirs is increased and the power density of each reservoir, as per the definitions given in the Project Emissions section, is greater than 4 W/m² after the implementation of the project activity; or The project activity results in new single or multiple reservoirs and the power density of each reservoir, as per the definitions given in the Project Emissions section, is greater than 4 W/m² after the implementation of the project activity. 	/01/	<p>As stated in Section E.2. of the PoA-DD, this criteria is not applicable to future CPA under the proposed PoA.</p>	OK	OK
<p>E.2.1.7. In case of hydro power plants using multiple reservoirs where the power density of any of the reservoirs is lower than 4 W/m² after the implementation of the project activity all of the following conditions must apply:</p>	/01/	<p>As stated in Section E.2. of the PoA-DD, this criteria is not applicable to future CPA under the proposed PoA.</p>	OK	OK

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<ul style="list-style-type: none"> • The power density calculated for the entire project activity using equation 5 is greater than 4 W/m²; • All reservoirs and hydro power plants are located at the same river and where are designed together to function as an integrated project that collectively constitutes the generation capacity of the combined power plant; • The water flow between the multiple reservoirs is not used by any other hydropower unit which is not a part of the project activity; • The total installed capacity of the power units, which are driven using water from th reservoirs with a power density lower than 4 W/m², is lower than 15MW; • Total installed capacity of the power units, which are driven using water from reservoirs with power density lower than 4 W/m², is less than 10% of the total installed capacity of the project activity from multiple reservoirs. 				
<p>E.2.1.8. The methodology is not applicable to the following:</p> <ul style="list-style-type: none"> • Project activities that involve switching from fossil fuels to renewable energy sources at the site of the project activity, since in this case the baseline may be the continued use of fossil fuels at the site; • Biomass fired power plants; • A hydro power plant that results in the creation of a new single reservoir or in the increase in an existing single 	/01/	As stated in Section E.2. of the PoA-DD, switching from fossil fuels to renewable energy sources, biomass fired power plants or hydro power plants are not eligible to be part of the PoA.	OK	OK

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reservoir where the power density of the reservoir is less than 4 W/m ² .				
E.2.1.9. 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 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”.	/01/	As stated in Section E.2. of the PoA-DD, potencial CPAs under the PoA may include the addition of renewable energy generation units at an existing renewable power generation plant. CPAs comprising capacity additions will be eligible under the PoA only if the most plausible baseline scenario is the continuation of current situation, which meets the requirements of the apply meth ACM0002.	OK	OK
E.2.1.10. Are all applicability criteria in the methodology, the applied tools or any other methodology component referred to there in fulfilled?	/01/	As described in sections E.2.1.3 – E.2.1.9. above, CPAs to be included under this PoA are of such nature that they meet the applicability criteria as laid down in the applied methodology ACM0002. As stated in Section E.2. of the PoA-DD, applicability conditions included in the “Tool to calculate the emission factor for an electricity system” v.02.2.1; methodological tool “Tool for the demonstration and assessment of additionality” v.06.0.0 and “Tool to calculate project or leakage CO2 emissions from fossil fuel combustion” v.02 may apply to the CPAs.	OK	OK
E.3. Description of the sources and gases included in the CPA boundary				
E.3.1.1. Does the CPA boundary include the physical and geographical location where the programme activities take place?	/01/	Yes, it is indicated at the PoA, the physical/geographical boundary includes all CDM projects connected to the Interconnected Central System (SIC) or the Grand North Interconnected System (SING) in the territory of Chile. However, from the interview with CME it was evident that the boundary may exceed beyond the Republic of Chile. Also, in section A.2 (end of point 2) the PP has stated that CPA will be either restricted to the SING or the SIC.	CL PoA-14	OK

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		Although in section A.4.1.2, the PP has stated that CDM projects will be connected to the SIC and SING. Please clarify.		
E.3.1.2. Are all sources and gases within the boundary considered in a clear manner?	/01/	As per the methodology ACM0002 (Version 12.3.0), all the sources and gases within the project boundary have considered in a clear and transparent manner in section E.3 of the PoA-DD. However, emissions sources included in or excluded from the project boundary are not consistent with the potential CPAs as listed by the PP in section A.4.2.1. In section E.3, table 2, of PoA-DD, PP should ensure consistency regarding the inclusion of hydro power plant sources under the PoA.	CL PoA-15	OK
E.3.1.3. Do the spatial and technological boundaries as verified on-site comply with the discussion provided by / indication included to the PoA-DD?	/01/	Yes, the spatial and technological boundaries as verified by the coordinates on Google maps comply with the discussion provided in the PoA-DD.	OK	OK
E.4. Description of how the baseline scenario is identified and description of the identified baseline scenario:				
E.4.1.1. Have all technically feasible baseline scenario alternatives to the PoA been identified and discussed by the PoA-DD? Why can this list be considered as being complete?	/01/	Yes, the PP in section E.4 has identified that CPAs could fall under new grid-connected renewable power plants or capacity addition to an existing grid-connected renewable power plants. The list of technically feasible baseline scenario alternatives to the PoA is complete.	OK	OK
E.4.1.2. Does project identify correctly and exclude those options not in line with regulatory or legal requirements?	/01/	In section E.5 of the PoA-DD, the possible options for CPAs to be included under the PoA have been identified and listed. The host country does not have any legal or statutory requirements to generate renewable energy.	OK	OK
E.4.1.3. Have applicable regulatory or legal requirements been identified?	/01/	Yes, the applicable regulatory or legal requirements have been identified and discussed. The host country does not have any legal or statutory requirements to generate renewable energy.	OK	OK

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<p>E.4.1.4. Does the PoA-DD identify the most likely baseline scenario in absence of the project activity?</p>	<p>/01/</p>	<p>As per the proposed PoA baseline scenario are identified in accordance with the applied methodology ACM0002, version 12.3.0. The following baseline scenario will apply new grid connected renewable power plants for each relevant grid:</p> <p><i>"Electricity delivered to the grid by the project activity would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the combined margin (CM) calculations described in the "Tool to calculate the emission factor for an electricity system (v.0.2.2.1)".</i></p> <p>The following baseline scenario will apply to capacity addition to an existing grid-connected renewable power plants for each relevant grid:</p> <p><i>"In the absence of the CDM project activity, the existing facility would continue to supply electricity to the grid at historical levels, until the time at which the generation facility would likely be replaced or retrofitted (DATEBaselineRetrofit). From that point of time onwards, the baseline scenario is assumed to correspond to the project activity, and no emission reductions are assumed to occur."</i></p>	<p>OK</p>	<p>OK</p>
<p>E.4.1.5. Is this identification supported by official and/or verifiable documents (e.g. studies, web pages, certificates, etc)?</p>	<p>/01/</p>	<p>Proposed PoA is a voluntary action by the project proponent and not mandated by any law and legal regulation by the host country to implement this type of project in the region.</p> <p>Nevertheless, applied methodology itself provided with a clear cut instruction on the selection of the baseline scenario and found to be appropriate by the validation team.</p>	<p>OK</p>	<p>OK</p>
<p>E.5. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of a typical CPA, included in a registered PoA (assessment and demonstration of additionality):</p>				

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<p>E.5.1. Are the key criteria and data for assessing additionality of a CPA that is to be included into the PoA clearly and unambiguously stated?</p>	<p>/01/ /03/</p>	<p>The CME has stated that for the inclusion of a CPA in the PoA, they have to demonstrate that the CPA complies with the additionality test described in section E.5. However in section A.4.2.2. it is not conclusive which are the criteria and data that the CPA must fulfil for demonstrate additionality. Hence a CAR is raised.</p> <p>Refer to section A.4.2.10 above. Also Write up given in Sec. B.3 of the gCPA-DD is not appropriate. As this represents the way in which the CPAs will be presented, the write up needs substantial modification. In particular, DOE has the following observations to make:</p> <ul style="list-style-type: none"> a) There is no explanation on the conformity of the investment analysis to guidance 19 of EB 62, Annex 5 b) The CAPM given in this section does not conform to CAPM requirements and also the guidelines c) The input parameters given in the table is not exhaustive and there appears to be no reason to split the parameters into equity IRR and project IRR d) Sensitivity analysis section does not explain the conformity of the parameters selected and the variation to which they have been subjected to guidance 20 and 21 of EB 62, Annex 5 e) Since 10% variation results are given, 5% variation results do not add any value in the sensitivity analysis 	<p>Refer CAR PoA-3 and gCPA-4</p>	<p>OK</p>
<p>E.5.2. Key criteria and data for assessing additionality of a CPA</p>				
<p>E.5.2.1. Are the key criteria and data for assessing additionality of a CPA that is to be included into the PoA based on the additionality assessment in section E.5.1 of the PoA-</p>	<p>/01/ /03/</p>	<p>Depends on the closure of CAR PoA-3 and gCPA-4 in section E.5.1 above</p>	<p>Refer CAR PoA-3 and gCPA-4</p>	<p>OK</p>

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DD?				
E.5.2.2. Is the choice of the criteria justified, based on the analysis in section E.5.1 of the PoA-DD?	/01/ /03/	Depends on the closure of CAR PoA-3 and gCPA-4 in section E.5.1 above	Refer CAR PoA-3 and gCPA-4	OK
E.5.2.3. Does it become evident how these criteria would be applied to assess the additionality of a typical CPA at the time of inclusion?	/01/ /03/	Depends on the closure of CAR PoA-3 and gCPA-4 in section E.5.1 above	Refer CAR PoA-3 and gCPA-4	OK
E.5.2.4. Is this information incorporated into the specific CDM-CPA-DD ("real case")?	/01/ /03/	Depends on the closure of CAR PoA-3 and gCPA-4 in section E.5.1 above	Refer CAR PoA-3 and gCPA-4	OK
E.5.2.5. If the starting date of the programme activity is before the date of validation, is evidence available to prove that incentive from the CDM was seriously considered in the decision to proceed with the programme activity?	/01/ /03/	Depends on the closure of CAR PoA-3 and gCPA-4 in section E.5.1 above	Refer CAR PoA-3 and gCPA-4	OK
E.5.2.6. Is a complete list of barriers developed that prevents the project activity to occur?	/01/ /03/	Depends on the closure of CAR 3 in section E.5.1 above and clarify whether barrier analysis will be used to demonstrate additionality. If so how the CPAs will demonstrate the conformity of the barrier analysis to Annex 13, EB50 has not been explained. And Clarify whether barrier analysis will be used to demonstrate additionality and once the barrier is selected, CPA operator has to demonstrate the barrier as per Annex 13, EB50	Refer CAR PoA-3 gCPA-4 gCPA-5 and CL PoA-19	OK
E.5.2.7. Does this list include at least one of the following barriers?	/01/ /03/	Depends on the closure of CAR PoA-3, gCPA-3, gCPA-4, gCPA-5 and CL PoA-19 in section E.5.2.6 above	Refer CAR PoA-3 gCPA-4 gCPA-5 and CL PoA-19	OK
E.5.2.8. Does the discussion sufficiently take into account relevant national and/or sectoral policies?	01/ /03/	Depends on the closure of CAR PoA-3 and gCPA-4 in section E.5.1 above	Refer CAR PoA-3 and gCPA-4	OK
E.5.2.9. Is transparent and documented evidence provided on the existence and	/01/ /03/	Depends on the closure of CAR PoA-3 and gCPA-4 in section E.5.1 above	Refer CAR PoA-3 and	OK

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significance of these barriers?			gCPA-4		
E.5.2.10. Is it appropriately explained how the approval of the project activity will help to overcome the identified barriers?	/01/ /03/	Depends on the closure of CAR PoA-3 and gCPA-4 in section E.5.1 above	Refer CAR PoA-3 and gCPA-4		
E.6. Estimation of Emission reductions of a CPA					
E.6.1. Explanation of methodological choices, provided in the approved baseline and monitoring methodology applied, selected for a typical CPA					
E.6.1.1. Is it explained how the procedures provided in the methodology are applied?	/01/	Yes, as described in Section E.6.1, according to ACM0002, the two different types of project activities (i.e. Greenfield projects and capacity addition) will guide the methodological choices as to how the emission reductions will be estimated. The methodological choices made in terms of the emission factor derivation have also been described.	OK	OK	
E.6.1.2. Is every selection of options offered by the methodology correctly justified and is this justification in line with the situation verified on-site?	/01/	In section E.6.1 the methodological choice for the calculation of emission reductions has been explained. It has been identified that two relevant electric systems, to which the CPAs will be connected to, are included in the PoA, In the PoA two options have been offered for determining the emission factor of the SING and SIC (Option B and Option A, respectively). The tool to calculate the emission factor for an electricity system has been chosen, which is in line with the situation verified on-site.	OK	OK	
Determination of Project Emission (Comment on any line answered “No”)					
E.6.1.3. Component 1: Project emissions from fossil fuel consumption	/01/			OK	OK
		Project emission checklist	Yes / No /NA		
		Component discussed in the PoA?	YES		
		Formulae correctly applied?	YES		
E.6.1.4. Component 2: Project emissions from the operation of geothermal power plants due to the release of non-condensable gases	/01/			OK	OK
		Project emission checklist	Yes / No /NA		
		Component discussed in the PoA?	YES		
		Formulae correctly applied?	YES		
E.6.2 Equations, including fixed parametric values, to be used for calculation of emission reductions of a CPA:					

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E.6.2.1 Are the formulae required for the determination of emission reductions correctly presented, enabling a complete identification of parameters to be used and / or monitored?	/01/	Yes, the formulae required for the determination of emission reductions are correctly presented in the PoA-DD, enabling a complete identification of parameters to be used and / or monitored.	OK	OK
E.6.2.2 Are the equations, including fixed parametric values, to be used for calculation of emission reductions of a CPA, completely presented?	/01/	Yes, the equations, including fixed parametric values, to be used for calculation of emission reductions of a CDM-CPA, are completely presented.	OK	OK
E.6.3 Data and parameters that are to be reported in CDM-CPA-DD form				
E.6.3.1 Is the list of parameters presented in chapter E.6.3 considered to be complete with regard to the requirements of the applied methodology?	/01/	No, the list of parameters presented in chapter E.6.3 are not complete with regard to the requirements of the applied methodology. Hence a CAR is raised. CAR PoA-9: The list of parameters to be presented in E.6.3 of the PoA-DD is not complete and the values for parameters to be fixed ex-ante have not been provided (i.e NCV and EF of fossil fuels). Also it has not been specified if it is an ex-ante data.	CAR PoA-9	OK
E.7. Application of the monitoring methodology and description of the monitoring plan				
E.7.1. Data and parameters to be monitored by each CDM-CPA				
E.7.1.1. Is the list of parameters presented in chapter E.7.1 considered to be complete with regard to the requirements of the applied methodology?	/01/	Section E.7.1 of the webhosted PoA-DD has been provided with a complete and required monitoring parameter in accordance with the applied methodology.	OK	OK
E.7.2. Description of the monitoring plan for a CPA				
E.7.2.1. Is the operational and management structure clearly described and in	/01/	The operational and management structure has not been clearly described in the PoA-DD. Hence CL has been raised.	CL PoA-16	OK

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compliance with the envisioned situation?		CL PoA-16: In section E.7.2 of the PoA-DD, the PP needs to clearly specify the operation and management structure along with procedure for responsibilities, hierarchy for flow of information, data collection, recording, checking, data transfer and archiving system for CPA under PoA and justify how it is consistent for all CPA under this PoA.		
E.7.2.2. Are responsibilities and institutional arrangements for data collection and archiving clearly provided?	/01/	Depends on the closure of CL PoA-16 in section E.7.2.1 above.	Refer to CL PoA 16	OK
E.7.2.3. Does the monitoring plan provide current good monitoring practice?	//01/	Depends on the closure of CL PoA-16 in section E.7.2.1 above.	Refer to CL PoA 16	OK
E.7.2.4. If applicable: Does annex 4 provide useful information enabling a better understanding of the envisioned monitoring provisions?	/01/	N/A	OK	OK
E.8. Date of completion of the application of the baseline study and monitoring methodology and the name of the responsible person(s)/entity(ies)				
E.8.1.1. Is there any indication of a date when the baseline was determined?	/01/	Yes, under section E.8 of the PoA-DD a date of application of the baseline and monitoring methodology has been provided; 18/04/2012	OK	OK
E.8.1.2. Has dd/mm/yyyy format been used to indicate the date?	/01/	Yes the correct format has been applied: 18/04/2012	OK	OK
E.8.1.3. Is this consistent with the time line of the PoA-DD history?	/01/	Yes it is consistent with the time line of the PDD (the date of the PoA-DD is 18/04/2012)	OK	OK
E.8.1.4. Is the information on the person(s) / entity (ies) responsible for the application of the baseline and monitoring methodology provided consistent with the actual situation?	/01/	The information on the person responsible for the development of the baseline study and monitoring methodology was clearly stated and presents in section E.8 of the PoA-DD. However, in the interview during the site visit, the contact person they indicate does not match with the one defined in the PoA. Please clarify.	CL PoA-17	OK
E.8.1.5. Is information provided whether this	/01/	Carbon Capital Inc. & Cia. Ltda. (CME) is the entity responsible for the application of the baseline study and	CAR PoA-10	OK

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person / entity are also considered a project participant?		monitoring methodology. However it is not clear in section E.8 whether it is a project participant or not. Hence a CAR PoA-10 is raised. CAR PoA-10: It has also not been clearly mentioned whether the entity responsible for determining the same are also the project participant as mentioned in Annex I of PoA-DD.		
F. ANNEXES 1 – 4				
F.1. Annex 1: Contact Information				
F.1.1. Is the information provided consistent with the one given under section A.3?	/01/	Information provided in Annex 1 is consistent with the one given under section A.3. However, during the site visit, the PP showed intention on changing the contact E-mail. Please clarify. Also, please refer CAR PoA-2 of section A.3.1.	CL PoA-18 Also, Refer to CAR PoA-2	OK
F.1.2. Is the information on all private participants and directly involved Parties presented?	/01/	Depends on the closure of CAR PoA-2 in section A.3.1 above.	Refer to CAR PoA-2	OK
F.2. Annex 2: Information regarding public funding				
F.2.1. Is the information provided on the inclusion of public funding (if any) in consistency with the actual situation presented by the project participants?	/01/	Depends on the closure of CL PoA-11 in section A.4.5.1 above.	Refer to CL PoA-11	OK
F.2.2. If necessary: Is an affirmation available that any such funding from Annex-I countries does not result in a diversion of ODA?	/01/	Depends on the closure of CL PoA-11 in section A.4.5.1 above.	Refer to CL PoA-11	OK
F.3. Annex 3: Baseline information				
F.3.1. If additional background information on baseline data is provided: Is this information consistent with data presented by other sections of the PDD?	/01/	No additional background information for baseline emissions has been provided under annex 3. The PP has specified that this information will be provided at CPA level.	OK	OK

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F.3.2.	Is the data provided verifiable? Has sufficient evidence been provided to the validation team?	/01/	NA	OK	OK
F.3.3.	Does the additional information substantiate / support statements given in other sections of the PDD?	/01/	NA	OK	OK
F.4. Annex 4: Monitoring information					
F.4.1.	If additional background information on monitoring is provided: Is this information consistent with data presented in other sections of the PoA-DD?	/01/	No, additional background information on monitoring has been provided in Annex-4.	OK	OK
F.4.2.	Is the information provided verifiable? Has sufficient evidence been provided to the validation team?	/01/	NA	OK	OK
F.4.3.	Do the additional information and / or documented procedures substantiate / support statements given in other sections of the PoA-DD?	/01/	NA	OK	OK

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Table 2: Resolution of Clarification and Corrective Action Requests

The findings of validation process for PoA-DD are summarized in the tables below.

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-1	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	Letter of Approval from the host country DNA has not been submitted to the DOE for validation and hence CAR 1 is raised.			

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>The LoA (N° 122628) has been issued on August 01st, 2012 by the Chilean Designated National Authority. The LoA states that the Chilean DNA authorize Carbon Capital Inc. & Cia. Ltda. As Coordinating/managing entity for this programme of activities and confirms that this PoA contributes to sustainable development in Chile and has been presented voluntarily. The LoA is attached to this DVR as well as a signed and stamped CME declaration (in accordance with Section A.2. of the CDM-PoA-DD) as supporting evidence and is provided to the DOE.</p> <p>File name: SD01 DOC010812 PoA LoA.pdf</p> <p>SD115 Carbon Capital Statement Responsibilities.pdf</p> <p>In addition in Section A.1 of the CDM-PoA-DD, the version number and the date of document completion has been amended in order to reflect the current status of the project. In Section E.8. of the CDM-PoA-DD, the completion date and the email address of the representative of the CME has also been amended. The PoA name has been amended in sections A.1. and A.2. of the CDM-PoA-DD in order to make it consistent with the programme name stated in the LoA. Also the name of the Host Party (Chile) has been amended in sections A.2., A.4.1., A.4.1.1. and A.4.1.2. in order to make it consistent with the LoA. Also, Section B.1. of the CDM-PoA-DD has been amended in order to include the CDM-PoA starting date as the information is publicly available at UNFCCC website at the following link:</p> <p>http://cdm.unfccc.int/ProgrammeOfActivities/Validation/DB/UMM092OR6GP4H2EL4I36E05NKQ57V0/view.html</p> <p>In addition, section A.2. of the CDM-PoA-DD has been amended in order to include a correct reference source (Chilean Central Bank) to the exchange rate used for the calculation of the non compliance fines. The relevant link is attached to this DVR as follows:</p> <p>http://si3.bcentral.cl/Siete/secure/cuadros/arboles.aspx</p>
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DOE Assessment #1	<p>Validation team checked the submitted LoA vide reference no. 122628 dated 01/08/2012. Submitted LoA is unconditional with the requirements of paragraph 45 (a) to (d) of VVM, version 01.2 and is in accordance with paragraphs 45 - 48 of VVM version 01.2.</p> <p>Validation team confirm there is no change in CME only correct name of the entity has been provided in the revised PoA DD /03/ and acceptable to the validation team. Moreover CME's certificate of incorporation of company vides Reference No. 252-10 has also been assessed and found to be in line with the correct name of the CME.</p> <p>CAR PoA-1 is successfully closed.</p>
<p>Conclusion</p> <p><i>Tick the appropriate checkbox</i></p>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD		<input type="checkbox"/> real case CPA-DD	
Finding	PoA-2	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR	
Description of finding	Carbon Capital Inc. y Cía Ltda. ("Less Carbon") will be the entity that will communicate with the Board, but the form (MoC) has not been provided. Clarify whether the parties involved are private or public entity. Moreover, the name of the entity mentioned in section A.3 of the PoA-DD and Annex 1 is not consistent.				

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>A completed MoC form, signed by the legal representative of the CME is attached.</p> <p>File name: SD114 MoC – CDM PoA large scale.pdf</p> <p>Section A.3. of the has been amended in order to clarify that the entity involved (Carbon Capital Inc. & Cia. Ltda.) is a private entity, therefore it is in accordance with the guideline for completing PDD Version 07 (EB41 Annex12). Also, it is clarified that the project participant of the PoA may or may not be involved in the CPAs related to the PoA. In order to demonstrate that the entity does exist and that it is a private entity, the following supporting evidence is attached to the DVR:</p> <p>File name: SD08 incorporation less carbon.pdf</p> <p>Sections A.2. and Annex1, as well as sections A.3. and E.8. of the CDM-PoA-DD, have been amended in order to make the CME name and data consistent throughout the document as per the name and data stated in the LoA.</p> <p>In addition, in Annex1 of the CDM-PoA-DD the name of the legal representative of the CME has been amended as per the full name stated in the LoA.</p>
<p>DOE Assessment #1</p>	<p>Validation team checked the submitted MoC and found that it is duly filled and signed the legal entity “Carbon Capital Inc. y Cía Ltda.” which is CME. Incorporation certificate of the company is also verified by the validation team in order to confirm authenticity of the company.</p> <p>Section A.3 of the revised PoA DD has been found amended to show that party involved is a private entity.</p> <p>Name of the CME is found identical throughout the revised PoA-DD.</p> <p>CAR PoA-2 is successfully closed.</p>
<p>Conclusion <i>Tick the appropriate checkbox</i></p>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p>

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<input type="checkbox"/>	Additional action should be taken
<input checked="" type="checkbox"/>	The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-3	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	In section A.4.2.2, the eligibility criteria for inclusion of a CPA in the PoA are not in line with "Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities (version 01.0)" EB 65 Annex 3		
Corrective Action #1 <i>This section shall be filled by the PP..</i>	Eligibility criteria has been modified and the revised version is in conformity with EB 65 Annex 3		
DOE Assessment #1	PoA-DD has been revised and the eligibility criteria given in the revised version conforms to EB 65 Annex 3. CAR is closed		
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-4	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	Section A.4.4.1 of the webhosted PoA-DD is not in line with the requirements laid down under Annex 3 of EB 65 § 17. This section lacks in the following: <ul style="list-style-type: none"> • A clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies; • Records of arrangements for training and capacity development for personnel; • Procedures for technical review of inclusion of CPAs; • Records and documentation control process for each CPA under 		

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	<div>the PoA;</div> <div><ul style="list-style-type: none">Measures for continuous improvements of the PoA management system;</div> <div>Also, during the site visit, the CME Procedures Manual /29/ was provided. However, the document is not referenced in the PoA-DD.</div>
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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section A.4.4.1. of the CDM-PoA-DD has been amended in order to comply with the requirements of EB65 Annex3 para17.</p> <p>Then:</p> <ul style="list-style-type: none"> • A clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies has been described and explained <p>In relation to staff competencies the following supporting documents are attached to this DVR:</p> <p>File names:</p> <p>SD09 CDM_PoA_Report_1 Marcos Miranda.pdf</p> <p>SD10 To_participants_CDM_PoA_Final_report Marcos Miranda.pdf</p> <p>SD11 WBI PoA Course Payment Marcos Miranda.pdf</p> <p>SD12 DOC010512 Certificate MMiranda.pdf</p> <ul style="list-style-type: none"> • Records of arrangements for training and capacity development for personnel have been described and explained • Procedures for technical review of inclusion of CPAs have been described and explained • Records and documentation control process for each CPA under the PoA have been described and explained • Measures for continuous improvements of the PoA management system have been described and explained <p>The procedures manual provided to the DOE "<i>Less Carbon Coordinating Managing Entity (CME) Procedures Manual</i>", has been referenced in the CDM-PoA-DD.</p>
<p>DOE Assessment #1</p>	<p>A clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs including a review of their competencies; Records of arrangements for training and capacity development for personnel; Procedures for technical review of inclusion of CPAs; Records and documentation control process for each CPA under the PoA; and measures for continuous improvements of the PoA management system is found included under section A.4.4.1 of the revised PoA-DD.</p>

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	<p>Also submitted supporting documents related to CDM Programme of Activities: Challenges and Opportunities (E-Learning) Course, CDM Programme of Activities: Challenges and Opportunities (E-Learning) Course Final Report, payment confirmation for the training and training certificate to Mr. Marcos Miranda from World Bank Institute^{/31/} were assessed in order to confirm that the specific training related to PoA was given to the CME personnel.</p> <p>Procedure manual provided to DOE at the time of site visit is also found referred under sections A.4.4.1, A.4.4.2 and E.7.2 of the revised PoA-DD.</p> <p>CAR PoA-4 is closed.</p>
<p>Conclusion</p> <p><i>Tick the appropriate checkbox</i></p>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-5	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	An agreement between CPA and CME has not been provided to substantiate that the CPA developer is aware of, and has agreed that, it's activity is being included in the PoA.			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>The executed Inclusion Agreement between the CME and the CPA Implementer, including a clause that substantiates that the CPA Proponent is aware of, and has agreed that its CPA is being included under this proposed CDM-PoA, is attached to this DVR.</p> <p>File name: SD112 Inclusion Agreement Sol del Loa.pdf</p>
DOE Assessment #1	<p>Validation team checked the submitted copy of agreement between CME and CPA implementer which is substantiating that the CPA implementer is aware of and agreed that their CPA is being included in the proposed PoA.</p> <p>CAR PoA-5 is closed.</p>
Conclusion <i>Tick the appropriate checkbox</i>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-6	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	PP is required to provide the justification of his choice of conducting stakeholder consultation meeting at CPA level.			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>Section D.1. of the CDM-PoA-DD has been amended in order to justify the choice of conducting the stakeholder consultation meeting at CPA level as follows:</p> <p>“The stakeholders will be invited to provide their comments which will be received, compiled and due accounted.</p> <p>The CME decision to conduct the consultation at a CPA level is justified because CPAs will typically be in different locations within Chile and as a result, the individual circumstances of each CPA may affect different communities in the implementation area of each CPA.”</p>
DOE Assessment #1	Justification provided by project proponent regarding choice of conducting stakeholder consultation meeting at CPA level is valid and acceptable to the validation team. CAR PoA-6 is closed.
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-7	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	Following findings have been raised based on the description provided for methodology applicability:- <div><div>1.</div><div>A column mentioning the serial numbers and a column providing the reference of the documents for the justification provided must be added along with the table provided in section E.2 of the PoA-DD.</div></div> <div><div>2.</div><div>2nd & 3rd applicability criteria:- the section A.4.2.1 contains the required description, however the justification for the concerned criteria is required to mentioned here too.</div></div>			

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section E.2. of the CDM-PoA-DD has been amended as follows:</p> <ol style="list-style-type: none"> 1. In order to include a column mentioning serial numbers and a column provided the corresponding reference/supporting evidence, serial numbers corresponding to each applicability criteria of the methodology ACM0002 (Version 12.3.0) have been added to the table. Also, the supporting document / likely evidence needed to fulfil the applicability criteria by a CPA to be included under this proposed CDM-PoA are mentioned in the relevant box. In addition, each box contains the sentence "and/or other documents e.g. engineering studies, pre/feasibility studies, etc." as future local environmental regulation may change from time to time and/or studies available by the CPA Proponent changes on a project by project basis. 2. The description and justification for the applicability criteria 2nd and 3rd as per section A.4.2.1 have been mentioned in section E.2. <p>In addition texts transcribed literally, names and version of the methodology, tools and guidelines have been reviewed and amended as appropriate throughout the document in order to make it consistent with those currently applied. Also, as the applied methodology and tools are already defined, wherever applicable, references to its update in the future have been excluded from the CDM-PoA-DD, as only the applied versions at the time of producing the CDM-PoA-DD are considered. Moreover, formula reference numbers have been included as per the relevant methodology and tools applied.</p>										
<p>DOE Assessment #1</p>	<ol style="list-style-type: none"> 1. Two columns mentioning serial no, corresponding to each applicability criteria of the methodology ACM0002, and reference no. corresponding to the related reference/supporting evidence are found added in the table 3 of section E.2 of the revised PoA-DD. 2. The descriptions and justifications of the applicability criterion 2nd and 3rd are found transparently mentioned under section E.2 and identical with the information provided under section A.4.2.1 of the revised PoA-DD. <p>CAR PoA-7 is successfully closed.</p>										
<p>Conclusion <i>Tick the appropriate checkbox</i></p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td>To be checked during the first periodic verification</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Appropriate action was taken</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Project documentation is corrected</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Additional action should be taken</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>The project complies with the requirements</td> </tr> </table>	<input type="checkbox"/>	To be checked during the first periodic verification	<input checked="" type="checkbox"/>	Appropriate action was taken	<input checked="" type="checkbox"/>	Project documentation is corrected	<input type="checkbox"/>	Additional action should be taken	<input checked="" type="checkbox"/>	The project complies with the requirements
<input type="checkbox"/>	To be checked during the first periodic verification										
<input checked="" type="checkbox"/>	Appropriate action was taken										
<input checked="" type="checkbox"/>	Project documentation is corrected										
<input type="checkbox"/>	Additional action should be taken										
<input checked="" type="checkbox"/>	The project complies with the requirements										

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Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-8	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	PP is required to specify if this criteria is applicable to the CPAs under the proposed PoA.		
Corrective Action #1 <i>This section shall be filled by the PP..</i>	Section E.2. of the CDM-PoA-DD has been amended in order to specify that the relevant criteria are applicable to current and future CPAs to be included under this CDM-PoA.		
DOE Assessment #1	Applicability criteria are applicable to all current and future CPAs. The same is found mentioned in table 3 of section E.2 of the revised PoA-DD. CAR PoA-8 is successfully closed.		
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-9	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	The list of parameters to be presented in E.6.3 of the PoA-DD is not complete and the values for parameters to be fixed ex-ante have not been provided (i.e NCV and EF of fossil fuels). Also it has not been specified if it is an ex-ante data.		

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section E.6.3 of the CDM-PoA-DD has been amended in order to include all the relevant parameters to be fixed ex-ante and, if applicable, its corresponding values. Relevant ex-ante data has been specified.</p> <p>In addition, section E.6.1., section E.6.2., section E.7.1. and Annex 3 of the CDM-PoA-DD have been amended in order to correctly show that the grid emissions factor is calculated ex-ante for this proposed the CDM-PoA. The grid emissions factors have been calculated for both relevant systems SIC and SING. The changes have been made in accordance with the methodology, guidelines and tools applied (see the CDM-PoA-DD text). Also, the number of formulas and their source has been included. The grid emission factor spreadsheets for both SING and SIC systems are attached to this DVR in the following files:</p> <p>File names: EF SING 2011 -2009 v.1.1.xlsx</p> <p>EF-SIC calculation 2010 09 10 12.xlsx</p> <p>In addition table 9 of section E.6.1, has been amended in order to include the year 2011 as data available for the SING. The CME has attempted to access the website of the national energy commission, containing the data used to elaborate tables 8 and 9, the 20/10/2012, and has found that the reference links are no longer available. Accessible web links have been amended in the CDM-PoA-DD and are attached to this DVR as follows:</p> <p>Links: http://www.cne.cl/images/stories/estadisticas/energia/Electricidad/generacion_bruta_sic_sing.xls</p> <p>Also, the grid emissions factor data/parameters in section E.7.1 of the CDM-PoA-DD have been deleted as they are no longer applicable. Finally, all the relevant background information on baseline data is provided in Annex 3 of the CDM-PoA-DD.</p>
<p>DOE Assessment #1</p>	<p>Grid emission factors for both SIC and SING grids of Chile are being fixed by the project proponent for the crediting period, which is correct as per the applied CDM methodology ACM0002 version 12.3.0, also it is now</p>

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	<p>clear that these parameters are ex-ante fixed.</p> <p>Generation data for the calculation of grid emission factor has been found revised and the CME has taken latest available data for the years 2009, 2010 and 2011, which is also verified from the publically available data of CDEC. Hence same is confirmed to be correct and CAR PoA9 is successfully closed.</p>
<p>Conclusion</p> <p><i>Tick the appropriate checkbox</i></p>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD		<input type="checkbox"/> real case CPA-DD	
Finding	PoA-10	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR	
Description of finding	It has also not been clearly mentioned whether the entity responsible for determining the same are also the project participant as mentioned in Annex I of PoA-DD.				
Corrective Action #1 <i>This section shall be filled by the PP..</i>	Section E.8. of the CDM-PoA-DD has been amended in order to clarify that Carbon Capital Inc. & Cia. Ltda. ("Less Carbon") is a project participant and the Coordinating Managing Entity (CME) responsible for developing and implementing this PoA in accordance with Annex 1.				
DOE Assessment #1	Section E.8 of the revised PoA-DD is found to be correct in order to include Carbon Capital Inc. & Cia. Ltda. ("Less Carbon") as a project participant and CME, which is not identical with Annex 1 of the PoA-DD, hence CAR PoA-10 is closed.				
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/>	To be checked during the first periodic verification			
	<input checked="" type="checkbox"/>	Appropriate action was taken			
	<input checked="" type="checkbox"/>	Project documentation is corrected			
	<input type="checkbox"/>	Additional action should be taken			
	<input checked="" type="checkbox"/>	The project complies with the requirements			

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Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-11	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	The explanation given sec. E.5.1 on additionality demonstration is inadequate and is not exhaustive			
Corrective Action #1 <i>This section shall be filled by the PP..</i>	Sec. E.5.1 has been modified and all the details have been given in the revised version.			
DOE Assessment #1	Additionality section has been expanded and the revised version covers all aspects. CAR is closed			
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements			

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-12	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	<ol style="list-style-type: none"> 1. Sec. E.5.1 does not explain the conformity of the investment analysis to guidance 19 of EB 62, Annex 5 2. The section does not explain when equity IRR will be used and when project IRR will be used 3. The CAPM given in this section does not conform to CAPM requirements and also the guidelines and conservative beta of 1 is not acceptable 4. Clarify the reasons for not using Government determined benchmark, if any 5. The input parameters given in the table is not exhaustive and there appears to be no reason to split the parameters into equity IRR and project IRR 6. Purchase orders, can at best be used to justify sensitivity analysis results and cannot be used for additionality determination as it is not in conformity with guidance 6 of EB 62, Annex 5 			

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	<ol style="list-style-type: none">7. The statement that loan finance will not be considered for project IRR is incorrect as interest provides tax shield and cannot be ignored. After arriving at profit after tax, interest, which has been deducted to arrive at profit before taxation should be added back8. Sensitivity analysis section does not explain the conformity of the parameters selected and the variation to which they have been subjected to guidance 20 and 21 of EB 62, Annex 59. Since 10% variation results are given, 5% variation results do not add any value in the sensitivity analysis
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Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>We give below the responses in seriatim</p> <ol style="list-style-type: none"> 1. The conformity of investment analysis to guidance 19 of EB62, Annex 5 has been explained in revised version 2. Revised version states when the equity IRR will be used and when the project IRR will be used 3. Explanation on CAPM and WAC has been suitably revised in the section E.5.1 of the PoA DD. 4. Government determined benchmark is included in the revised version as an alternative benchmark 5. All input parameters have been included and the division has been removed 6. Purchase orders as the basis for additionality demonstration has been removed in the revised version 7. The sentence relating to loan finance has been removed 8. Necessary corrections have been made in the sensitivity analysis section. 9. 5% variation results have been removed 										
DOE Assessment #1	<ol style="list-style-type: none"> 1.Conformity of investment analysis to guidance 19 of EB 62, Annex 5 has been explained. CAR is closed 2.The usage of equity and project IRR has been stated clearly in the revised version. CAR is closed 3.Appropriate correction done, CAR is closed 4.Govt. prescribed benchmark is included as alternative benchmark. CAR is closed 5.Input parameter table has been made exhaustive and all input parameters have been included. CAR is closed 6.Purchase orders have been made an additional document. CAR is closed 7.The sentence relating to loan finance has been removed. CAR is closed 8.Sensitivity analysis section is corrected. CAR is closed 9.Results of 5% variation have been removed. CAR is closed 										
Conclusion <i>Tick the appropriate checkbox</i>	<table> <tr> <td><input type="checkbox"/></td> <td>To be checked during the first periodic verification</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Appropriate action was taken</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Project documentation is corrected</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Additional action should be taken</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>The project complies with the requirements</td> </tr> </table>	<input type="checkbox"/>	To be checked during the first periodic verification	<input checked="" type="checkbox"/>	Appropriate action was taken	<input checked="" type="checkbox"/>	Project documentation is corrected	<input type="checkbox"/>	Additional action should be taken	<input checked="" type="checkbox"/>	The project complies with the requirements
<input type="checkbox"/>	To be checked during the first periodic verification										
<input checked="" type="checkbox"/>	Appropriate action was taken										
<input checked="" type="checkbox"/>	Project documentation is corrected										
<input type="checkbox"/>	Additional action should be taken										
<input checked="" type="checkbox"/>	The project complies with the requirements										

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Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-13	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	The explanation given in sec. E.5.2 is not exhaustive.			
Corrective Action #1 <i>This section shall be filled by the PP..</i>	The contents of sec. E.5.1 and E.5.2 have been reorganized and the explanation on additionality demonstration has been made exhaustive in sec. E.5.2.			
DOE Assessment #1	PoA-DD has been suitably revised and the revised version explains additionality demonstration in detail. CAR is closed.			
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements			

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-1	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	From point 1 of Section A.2 of the PoA, it has not been evident the objectives of Kyoto Protocol like GHG emission reduction, technology transfer and sustainable development and an overview of general operation and implementing framework. Hence CL 1 is raised.			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>Section A.2. of the CDM-PoA-DD has been amended in order to make evident that the objectives of the Kyoto Protocol, <i>inter alia</i>, GHG emission reductions, technology transfer and sustainable development are included. Also, an introduction has been included and the overview of the general operation and implementing framework has been complemented with additional information.</p> <p>The CME has attempted to access the environment ministry links with the requirements to obtain the LoA the 20/10/2012 and has found that the reference links are no longer available. Accessible web links have been amended in the CDM-PoA-DD and are attached to this DVR as follows.</p> <p>Links: http://www.mma.gob.cl/1304/w3-article-44986.html </p>
DOE Assessment #1	<p>Objectives of the Kyoto Protocol like GHG emission reduction, technology transfer and sustainable development and an overview of general operation and implementing framework and sustainable development criterion are found to be mentioned under section A.2 of the revised PoA-DD.</p> <p>The revised link containing the requirements to obtain the LoA has also been checked by the validation team and found to be correct.</p> <p>CL PoA-1 is successfully closed.</p>
Conclusion <i>Tick the appropriate checkbox</i>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-2	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	In point 2 of section A.2, first paragraph follows the requirements, but the following justification is ambiguous referring to the tittle of point 2. Also, it has been stated that “generation from large hydro power plants (>20MW) is not considered as renewable energy source under Chilean			

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	<p>law". Please clarify. Whereas, the web link provided in footnote number 5 of PoA-DD do not provide the information been referred.</p> <p>Footnote numbers 1 to 4 are not accessible, traceable web links or documents need to be submitted to the DOE.</p>
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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section A.2. of the CDM-PoA-DD has been amended in order to clarify and justify unambiguously the statement made. The word “renewable” has been changed to “non conventional” in the paragraph mentioned, therefore it is in accordance with the Chilean law 20,257 ((2008) Article 150° bis, aa) 2). The relevant law is attached to this DVR as follows.</p> <p>File name: SD02 Law 20257 01042008.pdf</p> <p>The CME has accessed the relevant link on 10/10/2012 and has found that it does provide the information referred (as amended above). A printed version of the accessed weblink is attached to this DVR as follows:</p> <p>File name: SD03 WebLink Law 20257 01042008.pdf</p> <p>The CME has attempted to access the relevant links on 10/10/2012 and has found that the reference links are no longer available. Accessible web links as well as excel spreadsheets are attached to this DVR as follows:</p> <p>Links: http://www.cne.cl/images/stories/estadisticas/energia/Electricidad/generacion_bruta_sic_sing.xls http://www.cne.cl/images/stories/estadisticas/energia/Electricidad/generacion_bruta_Magallanes.xls http://www.cne.cl/images/stories/estadisticas/energia/Electricidad/generacion_bruta_Aysxn.xls http://www.cne.cl/images/stories/estadisticas/energia/Electricidad/capacidad_instalada_de_generacion.xls</p> <p>File names: SD04 generation_sic_sing.xls SD05 generation_Magallanes.xls</p>
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	<p>SD06 generation_Aysxn.xls</p> <p>SD07 generation installed capacity.xls</p> <p>In addition Section A.2. of the CDM-PoA-DD has been amended in order to clarify the stated goal of the PoA and to clarify in table 1 that thermal generation comprises of thermal fossil fuel-based electricity generation and thermal biomass-based electricity generation. Similarly the percentage values (%) of the installed capacity for hydro and wind in the SEA system have been amended. Also, a clarification is provided as the emissions reduction of the government of Chile (i.e. "The government of Chile intends that by 2020, Chile's growth rate of greenhouse gas emissions will be reduced by 20% using 2007 as the base year") is a declaration of interest but is not legally binding. Therefore, the relevant paragraph has been amended.</p>
DOE Assessment #1	<p>Point 2 of section A.2 has been found amended and the justification is made clear for Policy/Measure or Stated Goal of the PoA. Use of the word non-conventional in place of renewable is making the sentence correct and clear as per Chilean law 20,257 ((2008) Article 150° bis, aa) 2). Also the revised links (as on the assessment of this CAR dated: 21/12/2012) and printed versions related to the generation of all the web links are accessible to the validation team and hence CL PoA-2 is successfully closed.</p>
<p>Conclusion</p> <p><i>Tick the appropriate checkbox</i></p>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-3	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	In Section A.2 it is not evident how the programme will reduce greenhouse gas emissions.			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	Section A.2. of the CDM-PoA-DD has been amended in order to clarify and explain that the PoA will reduce greenhouse gas emissions. It is also explained how the greenhouse gas emissions reductions will be achieved.
DOE Assessment #1	Validation team checked the section A.2 of the revised PoA-DD and found that the explanation how project will reduce the GHG emission is incorporated now. CL PoA-3 is successfully closed.
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-4	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	From the interview with CME it was evident that the boundary may exceed beyond the Republic of Chile. Clarify the true intended geographical boundary of PoA.			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>Currently, the PoA boundary of the CDM-PoA is the Host Party Chile. However, if allowed by the UNFCCC regulations, in the future the CME may wish to extend the boundary of the CDM-PoA to other Latin-American countries following completion of the relevant UNFCCC regulatory process. Section A.4.1.2. of the CDM-PoA-DD has been amended in order to make this intention explicit.</p> <p>In addition, the geographical coordinates for Chile have been included and it is also clarified that each CPA will be either connected to the SIC or to the SING grids. Finally, section C.2. of the CDM-PoA-DD has been amended in order to make it consistent with this intention.</p>
DOE Assessment #1	PoA boundary has been clearly described under section A.4.1.2. of the CDM-PoA-DD as per the applied methodology and hence acceptable to the validation team. CL PoA-4 is successfully closed.
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-5	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	<p>Section A.4.2.1 of the webhosted PoA-DD describes technology or measures to be employed by the CPA. Whereas, PP need to mention the name of the grids to which elctricity will be exported in section A.4.2.1 too.</p> <p>Moreover, more elaborated technical design for the different technologies being employed in proposed PoA need to be provided. Also clarify is the CME not accepting CPAs with an installed capacity less than 15MW?</p> <p>During the interview it has been conclude that the PoA has the provision to provide technology from Annex 1 countries and also most of the intended renewable technologies are available in the Host Country. Same is required to be mentioned in the PoA-DD.</p>			

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	It is not clear from the description if the technology being utilised is environmentally safe for the proposed PoA, and if the type of technology will be the state of the art technology and / or does the technology result in a significantly better performance than any commonly used technologies in the host country?
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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section A.4.2.1. of the CDM-PoA-DD has been amended in order to mention the name of the grids to which the electricity will be delivered.</p> <p>Section A.4.2.1 of the CDM-PoA-DD has been amended in order to provide a more elaborate technical design for each technology being employed in the proposed CDM-PoA. The CME wishes to clarify that there will be no restriction in relation to project size (installed capacity) of the CPAs to be included under the proposed CDM-PoA. Therefore, sections A.2., A.4.2., A.4.2.1., A.4.2.2. and C.1. of the CDM-PoA-DD have been amended accordingly.</p> <p>For clarification, the CME declares that there is no commitment with any specific technology provider for this proposed CDM-PoA or any CPA to be included. The equipment provision will be determined by the CPA implementer and the technology may or may not come from an Annex 1 country. Independently of the manufacture of the technology to be used by a CPA it will not, under any circumstances, fall under any type of Technology Transfer from an Annex1 party to Chile or to the CPA proponent. Section A.4.2.1. of the CDM-PoA-DD has been amended accordingly.</p> <p>Section A.4.2.1. of the CDM-PoA-DD has been amended in order to clarify that the technology used by the CPAs included under this CDM-PoA will have a significantly better performance than any commonly used technology in Chile and will be environmentally sound and in compliance with national environmental regulations. In this regard the Letter of Approval issued by the Chilean DNA states that “6. <i>This authorization is valid for all the project activities (CPADD) that comply with environmental regulations that declared the project environmentally sound.</i>”. The LoA is attached to this DVR as follows:</p> <p>File name: SD01 DOC010812 PoA LoA.pdf</p>
<p>DOE Assessment #1</p>	<p>Name of the Chilean grids, to which electricity will be delivered, SIC and SING are found mentioned under section A.4.2.1 of the revised PoA-DD.</p> <p>Section A.4.2.1 of the revised PoA-DD is found corrected and a more elaborate technical design for each technology which will be employed in</p>

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	<p>the proposed PoA is found incorporated. Sections A.2., A.4.2., A.4.2.1., A.4.2.2. and C.1. of the revised PoA-DD are found to be corrected and now it is stated that there will be no restrictions in project size (installed capacity) of the CPAs which will be included under this proposed CDM-PoA.</p> <p>Regarding the no commitment with any specific technology provider for this proposed CDM-PoA CME has submitted the declaration which was assessed and found acceptable to the validation team.</p> <p>It is also found stated under section A.4.2.1 of the revised PoA-DD that the technology for the CPAs may or may not come from an Annex 1 country, but in any condition CPAs will not fall under the condition of transfer of technology from Annex 1 country.</p> <p>Section A.4.2.1 of the revised PoA-DD has been found amended in order to clarify that the technology used by the CPAs included under this CDM-PoA will have a significantly better performance than any commonly used technology in Chile and will be environmentally sound and in compliance with national environmental regulations. The same is also found mentioned in the LoA issued by the Chilean DNA.</p> <p>CL PoA-5 is closed</p>
<p>Conclusion</p> <p><i>Tick the appropriate checkbox</i></p>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-6	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	The PP is requested to clearly specify in the PoA-DD about what training and maintenance efforts are required to carry out the project as per schedule during the project period.			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	Sections A.4.2.1., A.4.4.2. and E.7.2. of the CDM-PoA-DD have been amended in order to clearly specify the training and maintenance which will be required to carry out each CPA during the operational period. The aim, frequency and responsibilities for the training have also been included.
DOE Assessment #1	Sections A.4.2.1., A.4.4.2. and E.7.2. of the revised PoA-DD have been found amended in order to include the training and maintenance which will be required to carry out each CPA during the operational period, also aim, frequency and responsibilities for the training are found mentioned in the same sections. CL PoA-6 is successfully closed.
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-7	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	In section A.4.3 it has not been substantiated clearly that this voluntary coordinated action would not be implemented in the absence of the PoA. For the same, no evidence or procedure to evaluate this has been explained. Hence a CL is raised.			

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section A.4.3. of the CDM-PoA-DD has been amended in order to clearly substantiate that this CDM-PoA and all the CPAs to be included under this CDM-PoA will not be implemented in the absence of the CDM as will be demonstrated at CPA level by assessing its additionality in compliance with EB65 Annex3 para7. The procedure to evaluate this is explained as follows:</p> <p>As stated in Section A.2. points 1 and 3 and as confirmed by the Chilean Designated National Authority, this CDM-PoA is a voluntary coordinated action (also see answer to CAR1).</p> <p>As described in section A.4.2.2., eligibility criteria have been established for the inclusion of CPAs under this proposed CDM-PoA, which is a voluntary coordinated action. Therefore, each CPA wishing to be part of this CDM-PoA must comply with the eligibility requirements and its additionality must be demonstrated at CPA level in order to be included under this CDM-PoA, as described in section E.5.1. of the CDM-PoA-DD,.</p> <p>Therefore, it can be concluded that, in the absence of CDM, none of the implemented CPAs would occur and as a result this CDM-PoA proposed by the CME would not be implemented in the absence of CDM. In addition this CDM-PoA has been developed by the CME specifically for the CDM and the only expected income for the CME will come from the trading of the CERs in the carbon market, therefore confirming that this voluntary coordinated action would not be implemented in the absence of CDM.</p> <p>In addition the CME has attempted to access the website of the environment ministry outlining the requirements to obtain the LoA, and the website of the national energy commission containing the expected emissions for Chile in the period 2000-2025 (section A.4.3) on 20/10/2012 and has found that the reference links are no longer available. Accessible web links have been amended in the CDM-PoA-DD and are attached to this DVR as follows:</p> <p>Links:</p> <p>http://www.iea.org/publications/freepublications/publication/chile2009.pdf</p> <p>http://antiguo.cne.cl/cnewww/export/sites/default/05_Public_Estudios/emi</p>
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	siones de gases 2000 2025/Resumen Ejecutivo GEIS.pdf
DOE Assessment #1	<p>Section A.4.3 of the revised PDD transparently states that this voluntary coordinated action will not be implemented in the absence of the proposed PoA. The same is also being substantiated from the LoA issued by DNA of Chile. Amended links are also checked and found accessible to the validation team as on 21/12/2012.</p> <p>CL PoA-7 is successfully closed.</p>
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-8	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	The PP needs to make evident that record keeping system will be stored at least 2 years after the crediting period expires or until verification date, whichever is later.			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	Sections A.4.4.1., A.4.4.2 and section E.7. have been amended in order to show, and make consistent throughout the CDM-PoA-DD, that all the data will be physically and electronically stored and kept for at least 2 years after the end of the last crediting period, or the last verification date, whichever occurs later by both the CPA Proponent and the CME.
DOE Assessment #1	Sections A.4.4.1, A.4.4.2 and E.7 have been found corrected and records storage period i.e. for at least 2 years after the end of the last crediting period, or the last verification date, whichever occurs later by both the CPA Proponent and the CME is found mentioned. Hence CL PoA-8 is successfully closed.
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-9	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	A system/procedure to avoid double accounting mentioned under section A.4.4.1 is not appropriately and transparently provided. Moreover the procedure provided to detect that a CPA to be included is not a de-bundled component of is also not appropriate. It should be the responsibility of the CME and not the CPA implementer only. The same is required to be corrected with proper references.			

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section A.4.4.1. has been amended in order to appropriately and transparently provide a system/procedure to avoid double counting which allows the CME to review the status of verification for each CPA at any time. The spreadsheet provided to the DOE at the time of the site visit has also been amended in order to be consistent, complete, and adequate allowing the CME to conclude that the CPA is or will not be registered as a CPA under other PoA nor an individual CDM project activity. In addition the procedure described in the “<i>Less Carbon Coordinating Managing Entity (CME) Procedures Manual</i>”, Procedure for Double Counting avoidance check at CPA level is also attached to this DVR as follows:</p> <p>File name: SD14 B.b_.a.iv. PoA procedures Double counting avoidance clean.pdf</p> <p>SD24 CME CDM-CPA-DD record system v.1.1 (EN).xls</p> <p>A confirmation in writing (i.e. executed Inclusion Agreement between the CME and the CPA Proponent) that the CPA has not been and will not be registered as a single CDM project activity or as a CPA under another PoA which also contains other clauses stated in the PoA is attached to this DVR and is provided to the DOE.</p> <p>File name: SD112 Inclusion Agreement Sol del Loa.pdf</p> <p>Proper references to the UNFCCC website are provided as follows:</p> <p>http://cdm.unfccc.int/Projects/Validation/index.html</p> <p>http://cdm.unfccc.int/ProgrammeOfActivities/Validation/index.html</p> <p>http://cdm.unfccc.int/Projects/Projects/request_reg.html</p> <p>http://cdm.unfccc.int/ProgrammeOfActivities/request_reg.html</p> <p>http://cdm.unfccc.int/Projects/registered.html</p> <p>http://cdm.unfccc.int/ProgrammeOfActivities/registered.html</p>
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	<p>No de-bundling provisions have been included. As this proposed CDM-PoA applies a large scale methodology (ACM0002 (Version 12.3.0), de-bundling provisions and de-bundling assessment are not applicable as per EB54 Annex13 para8, "Guidelines on assessment of de-bundling for SSC project activities v.3", Section II - Guidance for determine the occurrence of de-bundling under a Programme of Activities (PoA) which states the following:</p> <p><i>"For the purposes of registration of a Programme of Activities (PoA)^[2], a proposed small-scale CPA of a PoA shall be deemed to be a de-bundled component of a large scale activity if there is already an activity, which satisfies both conditions (a) and (b) below^[3]:</i></p> <p><i>(a) Has the same activity implementer as the proposed small scale CPA or has a coordinating or managing entity, which also manages a large scale PoA of the same technology/measure, and;</i></p> <p><i>(b) The boundary is within 1 km of the boundary of the proposed small-scale CPA, at the closest point."</i></p>
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^[2] Only those PoAs need to be considered in determining de-bundling that are: (i) in the same geographical area; and (ii) use the same methodology; as the PoA to which proposed CPA is being added.

^[3] http://cdm.unfccc.int/Reference/Guidclarif/ssc/methSSC_guid17.pdf

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DOE Assessment #1	<p>Section A.4.4.1 of the revised PoA-DD is found corrected and procedures to avoid double counting have been included. Also submitted spread sheet and <i>Less Carbon Coordinating Managing Entity (CME) Procedures Manual</i> were assessed by the validation team and found that CME has established proper measures to avoid double counting of the certified emission reductions. Provided links of UNFCCC are not showing the current CPA which is seeking inclusion under this proposed PoA as individual CDM project.</p> <p>Debundling issues are only applicable for SSC projects hence not applicable for this PoA and subsequent CPA's as per EB 54 annex 13 paragraph 18.</p> <p>Hence CL PoA-9 is successfully closed.</p>
<p>Conclusion</p> <p>Tick the appropriate checkbox</p>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-10	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	The following findings have been identified regarding section A.4.4.2 of the PoA: <ul style="list-style-type: none">• The PP has established that CPA developer will monitor all relevant parameters (as per project type), however the parameters based on the different projects has not been identified.• A procedure to ensure consistency between the CME monitoring report and the CPA monitoring report is not described.• The PoA-DD stated that emissions reductions will be correctly estimated. However, at record stage it will be calculated. Please clarify.			

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section A.4.4.2 of the CDM-PoA-DD has been amended as follows:</p> <ul style="list-style-type: none"> In section A.4.4.2 of the CDM-PoA-DD an identification of the relevant parameters to be monitored is presented. Moreover, monitoring parameters, as per project type, are also described in section E.7.1. of the proposed CDM-PoA-DD. For further clarification, the following information is provided in relation to parameters to be monitored by project type: <p>All project types CPAs:</p> <ul style="list-style-type: none"> $EG_{\text{facility},y}$ (for capacity additions the parameter is called $EG_{PJ \text{ Add},y}$) in MWh. <p>Geothermal project type CPAs:</p> <ul style="list-style-type: none"> $W_{\text{steam},CO_2,y}$ (tCO₂/t steam) $W_{\text{steam},CH_4,y}$ (tCH₄/t steam) $M_{\text{steam},y}$ (t steam) <p>CPAs involving fossil fuel combustion:</p> <ul style="list-style-type: none"> $FC_{i,j,y}$ (Mass or volume unit per year) $W_{C,i,y}$ (tC/mass unit of the fuel) $\rho_{i,y}$ (Mass unit/volume unit) $NCV_{i,y}$ (GJ per mass or volume unit) $EF_{CO_2,i,y}$ (tCO₂/GJ) <ul style="list-style-type: none"> Section A.4.4.2. of the CDM-PoA-DD has been amended in order to properly describe that a procedure that ensure consistency between the CME monitoring report and the CPA monitoring report is already available. The procedure includes provisions in order to secure accuracy, reliability and availability of the data collected (e.g. revision, testing, validation and cross-checking). The CME procedures manual has been provided to the DOE at the time of the site visit. The specific procedures manual is attached to this DVR as follows: <p>File name: SD13 C h_. PoA procedures Monitoring v.1.pdf</p> <ul style="list-style-type: none"> Section A.4.4.2. of the CDM-PoA-DD has been amended in order to
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	clarify and make explicit that the emissions reductions at record stage will be calculated.
DOE Assessment #1	<ul style="list-style-type: none"> Section A.4.4.2 of the revised PoA-DD now contains all the above mentioned (mentioned under corrective action #1 of CL PoA-10) parameters which will be considered for all and/or specific type of CPA. Section A.4.4.2 of the revised PoA-DD is found amended in order to properly include the consistency between the CME monitoring report and the CPA monitoring report. Different monitoring roles of CPA implementer and CME are properly described under section A.4.4.2, and same is also cross verified with the CME procedure manual. Section A.4.4.2 of the revised PoA-DD is found amended in order to include that the emissions reductions at record stage will be calculated. Same is acceptable to the validation team. <p>CL PoAA-10 is successfully closed.</p>
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD		<input type="checkbox"/> real case CPA-DD	
Finding	PoA-11	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR	
Description of finding	In section A.4.5 of the PoA-DD, the PP states, “No public funding is provided for the PoA or any of the CPAs included in the PoA”. But no supporting evidence has been provided to validate that such a funding has not been availed and does not result in diversion of ODA. Also, the procedures to which ensures that no CPA availing ODA will be included in the PoA, is not evident from the PoA-DD.				

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section A.4.5. of the CDM-PoA-DD has been amended in order to make explicit that this Programme of Activities (PoA) or any CPAs included or to be included under this CDM-PoA does not receive, and hasno plans to use, funds declared as Official Development Assistance (ODA) from the countries in Annex 1 for its implementation.</p> <p>As supporting evidence, a written statement is provided by the CPA Proponent in executed Inclusion Agreement between the CME and the CPA Proponent, which is legally binding. Similarly the CME has issued a letter which declares the above. Both documents are attached to this DVR as follows:</p> <p>SD112 Inclusion Agreement Sol del Loa.pdf</p> <p>SD93 CME Statement non ODA large scale.pdf</p> <p>In addition, in order to ensure and show in the CDM-PoA-DD that no CPA availing of ODA will be included in the proposed CDM-PoA, a new eligibility criteria (eligibility criteria number 8) with this provision has been established in section A.4.2.2.</p>										
<p>DOE Assessment #1</p>	<p>Section A.4.5 of the revised PoA-DD is found revised in order to specify that this PoA or any CPAs included or to be included under this CDM-PoA has not receive, and has no plans to use, funds declared as Official Development Assistance (ODA) from the Annex 1 countries for its implementation. Submitted supporting documents “Inclusion Agreement Sol del Loa” and “CME Statement non ODA large scale” has been checked to ensure the worthiness of the statement provided under section A.4.5 of the revised PoA.</p> <p>Eligibilty criterion 8 under section A.4.2.2 is found included to ensure that no CPA availing of ODA will be included in the proposed CDM-PoA. Same is acceptable to the validation team.</p> <p>CL PoA-11 is successfully closed.</p>										
<p>Conclusion <i>Tick the appropriate checkbox</i></p>	<table> <tr> <td><input type="checkbox"/></td> <td>To be checked during the first periodic verification</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Appropriate action was taken</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Project documentation is corrected</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Additional action should be taken</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>The project complies with the requirements</td> </tr> </table>	<input type="checkbox"/>	To be checked during the first periodic verification	<input checked="" type="checkbox"/>	Appropriate action was taken	<input checked="" type="checkbox"/>	Project documentation is corrected	<input type="checkbox"/>	Additional action should be taken	<input checked="" type="checkbox"/>	The project complies with the requirements
<input type="checkbox"/>	To be checked during the first periodic verification										
<input checked="" type="checkbox"/>	Appropriate action was taken										
<input checked="" type="checkbox"/>	Project documentation is corrected										
<input type="checkbox"/>	Additional action should be taken										
<input checked="" type="checkbox"/>	The project complies with the requirements										

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Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-12	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	In Section C.1 the PP has given a description considering the applicability of environmental laws of Republic of Chile seeking to justify environmental analysis at CPA level. The reason for the decision is not clearly defined.		
Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>The reasons for the decision which justify the environmental analysis at CPA level are clearly stated in section C.1., as it is based on local regulation. However, section C.1. of the CDM-PoA-DD has been amended in order to further clarify the decision made and to show that the legal arguments are further explained in section C.3.</p> <p>In addition the name of the environmental service has been amended in section C.1. and section C.3. of the CDM-PoA-DD as the name of the environmental body has recently changed. Similarly, the CDM-CPA-DD has been amended.</p>		
DOE Assessment #1	<p>The reasons for the decision which justify the environmental analysis at CPA level are found included under section C.1 of the revised PoA-DD. Name of the environmental services is found amended from Chilean Environmental Impact Assessment System to Chilean Environmental Assessment Service under section C.1 and C.3 of the revised PoA-DD. This is acceptable to the validation team after assessing the link of the same body.</p> <p>CL PoA-12 is successfully closed.</p>		
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-13	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR

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Description of finding	The CME has stated that projects with trans-boundary impacts will not be eligible under the PoA. However this criteria is not clearly defined in section A.4.2.2. as one of the criteria's for inclusion of the CPAs in the PoA.
Corrective Action #1 <i>This section shall be filled by the PP..</i>	Section A.4.2.2 of the CDM-PoA-DD has been amended in order to clearly define a new eligibility criteria (eligibility criteria number 7) stating that CPA projects with trans-boundary impacts will not be eligible under this proposed CDM-PoA.
DOE Assessment #1	Section A.4.2.2 of the revised PoA-DD is found amended and eligibility criteria no. 7 is not clearly stating that CPA projects with trans-boundary impacts will not be eligible under this proposed CDM-PoA. CL PoA-13 is successfully closed.
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-14	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	<p>It is indicated at the PoA, the physical/geographical boundary includes all CDM projects connected to the Interconnected Central System (SIC) or the Grand North Interconnected System (SING) in the territory of Chile.</p> <p>However, from the interview with CME it was evident that the boundary may exceed beyond the Republic of Chile.</p> <p>Also, in section A.2 (end of point 2) the PP has stated that CPA will be either restricted to the SING or the SIC. Although in section A.4.1.2, the PP has stated that CDM projects will be connected to the SIC and SING. Please clarify.</p>			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>As stated in the answer to CL4 above, the PoA boundary of the CDM-PoA, currently is the Host Party Chile. However, if allowed by the UNFCCC regulations, in the future the CME may wish to extend the boundary of the CDM-PoA to other Latin-American countries after completion of the relevant UNFCCC regulatory process. Sections A.4.1.2. and E.3. of the CDM-PoA-DD have been amended in order to make this intention explicit.</p> <p>Sections A.4.1.2. and E.3. of the CDM-PoA-DD have been amended in order to clarify that CPAs under this proposed CDM-PoA will be either restricted to the SING or the SIC electric systems and therefore are consistent with section A.2 of the CDM-PoA-DD.</p>
DOE Assessment #1	PoA boundary has been clearly described in the revised PoA-DD as per the applied methodology also if PP wants to expand the boundary of the PoA, it is acceptable if he can obtain the LoAs from the countries in which they want to expand the PoA, this is acceptable to the validation team. CL PoA-14 is successfully closed.
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-15	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	In section E.3, table 2 of PoA-DD, PP should ensure consistency regarding the inclusion of hydro power plant sources under the PoA.			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>Section E.3. table 2 of the CDM-PoA-DD has been amended in order to ensure consistency with the potential CPAs to be included under this proposed CDM-PoA. Therefore sources of emissions from hydro power plants have been excluded and sources of emissions from wind, solar photovoltaic plants and wave/tidal project activities have been included.</p> <p>Finally, section E.1. of the CDM-PoA-DD has been amended in order to include the methodological tools applied along with the ACM0002 (Version 12.3.0).</p>
DOE Assessment #1	<p>Table 2 of section E.3 of revised PoA-DD is found revised and sources of emissions from hydro power plants have been excluded.</p> <p>Applicable methodological tools are found included under section E.1 of the revised PoA-DD.</p> <p>CL PoA-15 is successfully closed.</p>
Conclusion <i>Tick the appropriate checkbox</i>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-16	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	In section E.7.2 of the PoA-DD, the PP needs to clearly specify the operation and management structure along with procedure for responsibilities, hierarchy for flow of information, data collection, recording, checking, data transfer and archiving system for CPA under PoA and justify how it is consistent for all CPA under this PoA.			

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<p>Corrective Action #1 <i>This section shall be filled by the PP..</i></p>	<p>Section E.7.2. of the CDM-PoA-DD has been amended in order to clearly specify the operation and management structure and procedure for responsibilities, as well as the hierarchy for flow of information, data collection, recording, checking, data transfer and archiving system for CPAs under this proposed CDM-PoA. Also a justification for the consistency of these procedures for all CPAs under this PoA is provided. The specific procedures are attached to this DVR as supporting evidence in the following files:</p> <p>File names:</p> <p>SD13 C.h_. PoA procedures Monitoring v.1.pdf</p> <p>SD15 C.a_. PoA procedures Data Collection v.1.pdf</p> <p>SD16 C.b_. PoA procedures Storage of Data v.1.pdf</p> <p>SD17 C.c_. PoA procedures Data Backup and Recovery v.1.pdf</p> <p>SD18 C.d_. PoA procedures Data Security v.1.pdf</p> <p>SD19 Certificate IT Storage-Backup-Recovery-Security.pdf</p> <p>In addition section E.7.1. and section E.7.2. of the CDM-PoA-DD have been amended in order to clarify and show the provisions made for continuous measurement and at least monthly recording of the net electricity supplied to the grid as per the requirements of the methodology ACM0002 (version 12.3.0) and/or national regulations. In addition the source of data, the description of measurement methods and procedures to be applied and QA/QC procedures to be applied have been amended for clarification.</p> <p>All the above is in compliance with EB52 Annex60, and the Chilean applicable regulation “Norma Técnica de Seguridad y Calidad de Servicio” (NTSyCS), issued by the National Energy Commission (Comision Nacional de Energia) Articles 4-4, 4-17 and 6-16. In addition, in section E.7.2., a footnote with a link to the national procedure (NTSyCS) which was not working has now been amended. The supporting evidence is attached to this DVR in the following files:</p>
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	<p>File name: SD20 NTSyCS updated 2010.pdf</p> <p>The applicable regulation is publicly available at: https://www.cdec-sic.cl/imagenes/contenidos/File/NTSyCS_actualizada_2010.zip </p>
DOE Assessment #1	<p>Section E.7.2. of the revised PoA-DD has been found amended in order to clearly specify the operation and management structure and procedure for responsibilities and the hierarchy for flow of information, data collection, recording, checking, data transfer and archiving system for CPAs under the proposed CDM-PoA. Also a justification for the consistency of these procedures for all CPAs under this PoA is found provided.</p> <p>Specific procedures for monitoring, data collection, data storage, data backup and recovery, data security and certificate of IT Storage-Backup-Recovery-Security were checked for the checked by the validation team in order to verify the procedures to be factual.</p> <p>Sections E.7.1. and E.7.2. of the revised PoA-DD are found amended in order to clarify and show the provisions made for continuous measurement and at least monthly recording of the net electricity supplied to the grid as per the requirements of the applied methodology ACM0002 (version 12.3.0) and/or national regulations. The source of data, description of measurement methods and procedures to be applied and QA/QC procedures to be applied have also been found revised. Calibration norms are as per EB 52 annex 60. Revised footnote for national procedures of applicable regulations is also working and verifiable.</p> <p>CL PoA-16 is successfully closed.</p>
<p>Conclusion</p> <p><i>Tick the appropriate checkbox</i></p>	<p><input type="checkbox"/> To be checked during the first periodic verification</p> <p><input checked="" type="checkbox"/> Appropriate action was taken</p> <p><input checked="" type="checkbox"/> Project documentation is corrected</p> <p><input type="checkbox"/> Additional action should be taken</p> <p><input checked="" type="checkbox"/> The project complies with the requirements</p>

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Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-17	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	In the interview during the site visit, the contact person they indicate does not match with the one defined in the PoA. Please clarify.		
Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>Less Carbon is a project participant and the Coordinating Managing Entity (CME) responsible for developing and implementing the CDM-PoA.</p> <p>The contact persons defined in section E.8 are the correct contact persons:</p> <p>Contact person1: Mr. Marcos Miranda</p> <p>Contact person2: Mr. Hector Belmar</p> <p>In addition the CME name has been amended in sections A.2., A.3., E.8. and Annex1 of the CDM-PoA-DD in order to make it consistent with the CME name as stated in the LoA.</p>		
DOE Assessment #1	<p>CME and contact person responsible for developing and implementing the PoA is found revised under section A.2, A.3, E.8 and annex 1 of the revised PoA-DD and same is also found identical with submitted LoA issued by Chilean DNA.</p> <p>CL PoA-17 is closed.</p>		
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-18	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	Information provided in Annex 1 is consistent with the one given under section A.3. However, during the site visit, the PP showed intention on changing the contact E-mail. Please clarify.		

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	Annex 1 of the CDM-PoA-DD has been amended in order to include the right contact email address as follows: greg@lesscarbon.com In addition the name of the representative and title has been amended in order to make it consistent with section A.3. of the CDM-PoA-DD and the LoA issued by the Chilean DNA.
DOE Assessment #1	Email id of the contact person is found revised under annex 1 of the PoA-DD. CL PoA-18 is closed.
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-19	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	Clarify whether barrier analysis will be used to demonstrate additionality and once the barrier is selected, CPA operator has to demonstrate the barrier as per Annex 13, EB50			

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Corrective Action #1 <i>This section shall be filled by the PP..</i>	CPAs will not use barrier analysis and all CPAs will demonstrate additionality only with investment analysis. Hence, barrier analysis has been removed.
DOE Assessment #1	Barrier analysis has been removed. CL is closed.
Conclusion <i>Tick the appropriate checkbox</i>	<div><input type="checkbox"/> To be checked during the first periodic verification</div> <div><input checked="" type="checkbox"/> Appropriate action was taken</div> <div><input checked="" type="checkbox"/> Project documentation is corrected</div> <div><input type="checkbox"/> Additional action should be taken</div> <div><input checked="" type="checkbox"/> The project complies with the requirements</div>

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The findings of validation process for gCPA-DD are summarized in the tables below.

Related PDDs	<input type="checkbox"/> PoA-DD	<input checked="" type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	gCPA-1	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	In p.4 of gCPA-DD, an option has been given for CPAs to claim fixed or renewable crediting period. Please clarify whether this is correct.		
Corrective Action #1 <i>This section shall be filled by the PP..</i>	CPAs under this PoA-DD will claim only renewable crediting period and accordingly gCPA-DD has been modified		
DOE Assessment #1	The response is accepted. gCPA-DD has been corrected. CL is closed		
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements		

Related PDDs	<input type="checkbox"/> PoA-DD	<input checked="" type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	gCPA-2	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	Eligibility criteria given in sec. B.2 is not in conformity with “Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities” (version 01.0) EB 65 Annex 3		

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Corrective Action #1 <i>This section shall be filled by the PP.</i>	Eligibility criteria has been modified and the revised version is in conformity with EB 65 Annex 3
DOE Assessment #1	gCPA-DD has been revised and the eligibility criteria given in the revised version conforms to EB 65 Annex 3. CAR is closed
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

Related PDDs	<input type="checkbox"/> PoA-DD	<input checked="" type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	gCPA-3	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	Eligibility criteria does not include the conformity of the project activity to the methodology ACM0002.		
Corrective Action #1 <i>This section shall be filled by the PP..</i>	Revised version of gCPA-DD includes the conformity of the project activity to the methodology.		
DOE Assessment #1	Generic CPA-DD has been revised and the conformity of project activity to the methodology forms part of eligibility criteria. CAR is closed.		
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements		

Related PDDs	<input type="checkbox"/> PoA-DD	<input checked="" type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	gCPA-4	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	Write up given in Sec. B.3 is not appropriate. As this represents the way in which the CPAs will be presented, the write up needs substantial		

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	<p>modification. In particular, DOE has the following observations to make:</p> <ul style="list-style-type: none">f) There is no explanation on the conformity of the investment analysis to guidance 19 of EB 62, Annex 5g) The CAPM given in this section does not conform to CAPM requirements and also the guidelinesh) The input parameters given in the table is not exhaustive and there appears to be no reason to split the parameters into equity IRR and project IRRi) Sensitivity analysis section does not explain the conformity of the parameters selected and the variation to which they have been subjected to guidance 20 and 21 of EB 62, Annex 5j) Since 10% variation results are given, 5% variation results do not add any value in the sensitivity analysis
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Corrective Action #1 <i>This section shall be filled by the PP..</i>	<p>Sec. B.3 has been modified and the revised version explains how the additionality of the project will be demonstrated by the CPA. Moreover, the following modifications have been made in the revised gCPA-DD</p> <ul style="list-style-type: none"> a) The conformity of investment analysis to guidance 19 of EB62, Annex 5 has been explained in revised version b) Explanation on CAPM has been appropriately modified. c) All input parameters have been included and the division (equity and project IRR) has been removed d) Necessary corrections have been made in the sensitivity analysis section. e) 5% variation results have been removed
DOE Assessment #1	<p>gCPA-DD has been revised and the revised explanation of Sec. B.3 is appropriate. CME has also carried out required changes in the issues pointed out like</p> <ul style="list-style-type: none"> a) Conformity of investment analysis to guidance 19 of EB 62, Annex 5 has been explained b) Required correction done. c) Input parameter table has been made exhaustive and all input parameters have been included. d) Sensitivity analysis section is corrected. CAR is closed e) Results of 5% variation have been removed. CAR is closed <p>CAR is closed</p>
Conclusion <i>Tick the appropriate checkbox</i>	<ul style="list-style-type: none"> <input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements

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Related PDDs	<input type="checkbox"/> PoA-DD	<input checked="" type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	gCPA-5	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	Clarify whether barrier analysis will be used to demonstrate additionality. If so how the CPAs will demonstrate the conformity of the barrier analysis to Annex 13, EB50 has not been explained.			
Corrective Action #1 <i>This section shall be filled by the PP..</i>	CPAs will not use barrier analysis and all CPAs will demonstrate additionality only with investment analysis. Hence, barrier analysis has been removed.			
DOE Assessment #1	Since barrier analysis has been removed, the CAR has lost its relevance. CAR is closed			
Conclusion <i>Tick the appropriate checkbox</i>	<input type="checkbox"/> To be checked during the first periodic verification <input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> Project documentation is corrected <input type="checkbox"/> Additional action should be taken <input checked="" type="checkbox"/> The project complies with the requirements			

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APPENDIX B CERTIFICATE OF COMPETENCE

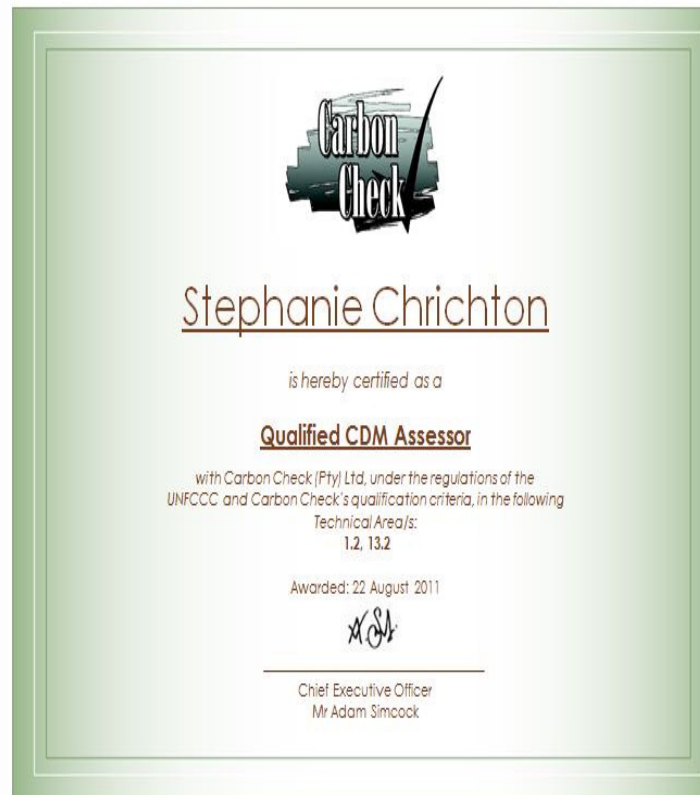
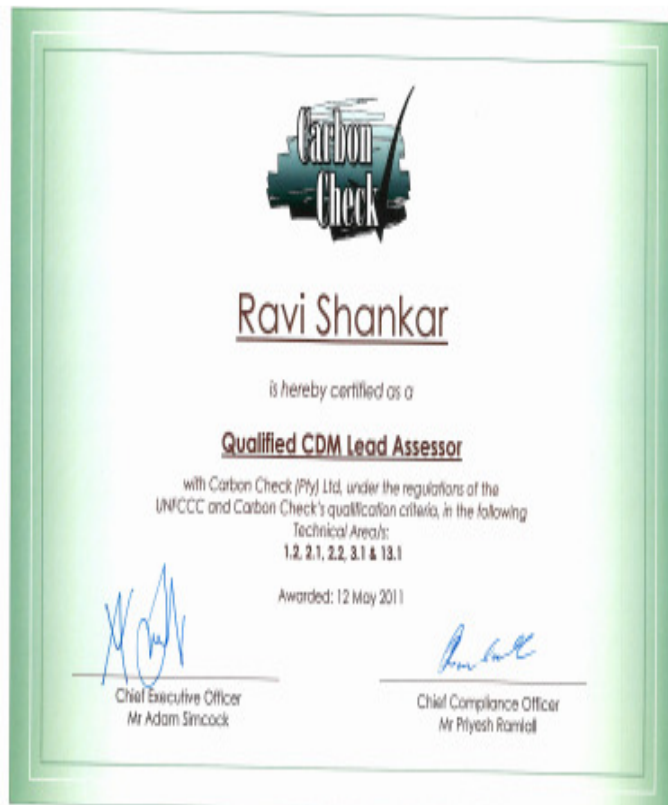


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