

# VALIDATION REPORT

“Biomass Renewable Energy Programme of Activities”


Bionergías Forestales S.A.

Report No. CCL0101/PBBHPG/05122011

Revision No.: 01

# VALIDATION REPORT

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<b>PoA Title:</b> Biomass Renewable Energy Programme of Activities		<b>Country:</b> Chile	<b>Estimated CERs (tCO<sub>2</sub>e of the 1<sup>st</sup> CPA):</b> 36,227	
<b>GHG reducing measure/technology of the CPAs of the PoA:</b>		<p>A typical CDM Programme Activity (CPA) consists of the operation of biomass residues (co-) fired heat-and-power plants for; i) electricity delivery to one of the grids in the host country and/or ii) heat and electricity self-consumption at the project site.</p> <p>The emission reduction would happen by displacing the fossil fuel dominated grid electricity equivalent to the net electricity supplied by the Biomass power plant i.e. the CPAs of the PoA to the Industrial Facility under the CPA grid and/or due to displacement of Heat supplied to the Industrial Facility under the CPA (used for the captive purpose) which in absence of CPAs of the PoA would have been supplied by electricity from the grid and/or heat supplied from fossil fuel boilers at the Individual CPA's Industrial facility. Each small scale CPA of the programme involves implementation of Biomass Heat and/or Power project/s for captive use at the Industrial Facilities under the CPA.</p>		
<b>Client/CME:</b> Bionergías Forestales S.A.		<b>Client contact:</b> Mr. Luis Llanos Casilla 307 V, Santiago, Región Metropolitana Chile Telephone: +56 2 441 2483 e-mail: lllanos@gerencia.cmpc.cl		
<b>Report No.:</b> CCL0101/PBBHPG/05122011		<b>Revision:</b> 01	<b>Date of this report:</b> 26/12/2012	
<b>Technical Reviewer: Mr. Vikash Kumar Singh</b>			<b>Date of Approval:</b> 27/12/2012	
<b>Approved by (Final Report):</b> Mr. Priyesh Ramlall  			<b>Date of Final Approval:</b> 27/12/2012	
<b>GPS coordinates of the geographical boundary of PoA:</b>			The verified <sup>/B07-5/</sup> range of geographic coordinates of Chile: 17° 35' 41"S 69° 28' 53" W 56° 32' 12" S 68° 42' 50" W	
<b>Methodology</b>				
<b>Number:</b> ACM0006	<b>Version:</b> Version 12.0.1	<b>Title:</b> "Consolidate methodology for electricity and heat generation from biomass residues"	<b>Scale:</b> Large Scale	<b>SS (TA):</b> 1(1.1)
Carbon Check Pty Ltd., (CCL) is commissioned by Bionergías Forestales S.A. (the CME) to perform the validation of the Program of activities "Biomass Renewable Energy Programme of Activities", with regard to the relevant requirements for CDM programme of activities.				
<b>Summary of the PoA Validation and Opinion:</b>  <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.				

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☐ 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. 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		Type of Involvement						
Full Name	Appointed for Sectoral scopes (Technical Areas)	Supervision of work	Desk review	Site visit & Interview	Report & protocol writing	Technical Expert / Local Expert	Reporting support	Technical Reviewer
Prakash Kumar Mishra (TL)	1.2, 3.1, 13.1	X	X		X			
Arshi Vimal (TM)	1.2		X		X		X	
Pankaj Kumar (TE)	1.1, 1.2, 3.1.4.5			X		X TE		
Ravi Shankar (TM)	1.2, 3.1, 13.1		X	X	X			
Francisco Javier Acuna Carter (LE)	--			X		X LE	X	
Cor Potgieter (technical expert to TR)	1.1					X		X
Vikash Kumar Singh (TR)	1.2, 3.1, 13.1							X

TL- Team Leader, TM- Team Member, TE- Technical Expert, LE- Local Expert, TR- Technical Reviewer

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 “Biomass Renewable Energy Programme of Activities”.

Standard auditing techniques have been used for the validation of the PoA. An analysis, as provided by the applied methodology, demonstrates that the proposed PoA is not a likely baseline scenario. Emission reductions attributable to the PoA (eligible CPAs of the PoA) are 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. The validation has been performed following the VVM requirements.

The validation was executed in the following steps so far:

- Receipt of PoA-DD (version 1.0, dated 20/04/2012) CPA DD (generic) and real case CPA DD (version 1.0, dated 20/04/2012) for global stakeholder comments.
- Global stakeholder comment process (25/04/2012 to 24/05/2012)
- On-site visit with stakeholder interviews (07/06/2012 and 26/10/2012)
- Issue of checklist with corrective action requests (CARs) and clarification requests (CLs) and the draft validation report and protocol
- Desk review of revised DDs applying ACM0006 (version 12.0.1)
- Review of responses for CARs/CLs (02/08/2012)
- Issue of the final validation report and protocol

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
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
CO <sub>2</sub>	Carbon dioxide
CO <sub>2</sub> e	Carbon dioxide equivalent
CME	Coordinating/managing entity and participants of PoA
CPA	CDM Programme Activity
CPA-DD	CDM Programme Activity design document
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
gCPA	Generic CPA DD
GHG(s)	Greenhouse gas(es)
GWP	Global Warming Potential
I	Interview or any follow up action
IPCC	Intergovernmental Panel on Climate Change
LoA	Letter of Approval
MoV	Means of Validation/Verification
MP	Monitoring Plan
MR	Monitoring Report
NGO	Non-governmental Organization
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)
UNFCCC	United Nations Framework Convention on Climate Change
VVM	Validation and Verification Manual

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## 1 INTRODUCTION

Bioenergías Forestales S.A. (hereafter referred as “CME”) has commissioned the DOE Carbon Check (Pty) Ltd to perform validation of the proposed CDM Programme of Activities (PoA) “Biomass Renewable Energy Programme of Activities” in 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 assess 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<sup>/03/</sup>, gCPA-DD<sup>/02/</sup> 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 simplified modalities and procedures for small-scale CDM project activities, 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 ACM0006<sup>/B02/</sup> (Version 12.0.1).

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 programme design documents (PoA-DD, CPA-DD template and completed CPA-DD) in UNFCCC 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.

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## 2.1 Document Review

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

Reference No.	Documents
/01/	POA-DD (webhosted version), for "Biomass Renewable Energy Programme of Activities", Version 1.0, Date - 20/04/2012
/02/	CPA-DD template (webhosted version)
/03/	POA-DD for "Biomass Renewable Energy Programme of Activities", Version 3.0, Date - 16/12/2012 (final version)
/04/	Final CPA-DD template (gCPA-DD)
/05/	Letter of Approval from the DNA of Chile vide reference no. 123726 (dated 18/10/2012), authorizing Bioenergías Forestales S.A. as the project proponent and the coordinating and managing entity (CME) to participate in the CDM project. (Both Spanish version & English version)
/06/	Modalities of communication dated, 04/12/2012
/07/	The Management System for the Biomass Renewable Energy Programme of Activities (dated 15/12/2012).
/08/	Following declarations from the CME on: <ol style="list-style-type: none"> <li>PoA is a voluntary action by CME and is not mandated by any law or regulations of Chile (dated 15/12/2012)</li> <li>No ODA involved/diverted as a result of the PoA (dated 15/11/2012)</li> </ol>
/11/	PoA database dated 01/12/2012
/12/	Certification of Incorporation of Bioenergías Forestales S.A. (Registered Number 52.820), dated 23/11/2011
/14/	<ol style="list-style-type: none"> <li>Environmental General Basis Law 19,300, published in the Official Gazette dated 09/03/1994</li> <li>Link for Environmental General Basis Law 19,300: <a href="http://www.leychile.cl/Consulta/Exportar?radioExportar=Normas&amp;exportar_for_mato=pdf&amp;nombearchivo=LEY-19300_09-MAR-1994&amp;exportar_con_notas_bcn=True&amp;exportar_con_notas_originales=True&amp;exportar_con_notas_al_pie=True&amp;hddResultadoExportar=30667.2010-11-13.0.0%23">http://www.leychile.cl/Consulta/Exportar?radioExportar=Normas&amp;exportar_for_mato=pdf&amp;nombearchivo=LEY-19300_09-MAR-1994&amp;exportar_con_notas_bcn=True&amp;exportar_con_notas_originales=True&amp;exportar_con_notas_al_pie=True&amp;hddResultadoExportar=30667.2010-11-13.0.0%23</a></li> </ol>
/15/	CER and Grid Emission Factor (GEF) calculation spread sheet
/16/	Energy Distribution and consumption in Chile <a href="http://www.ine.cl/canales/menu/boletines/enfoques/2008/septiembre/energia_pag.pdf">http://www.ine.cl/canales/menu/boletines/enfoques/2008/septiembre/energia_pag.pdf</a>
/17/	Energy Matrix Chile: Report of the Ministry of Energy providing fuels mix in current energy requirements of the Chile
/18/	Relevant proof of LSC: <ol style="list-style-type: none"> <li>Six public announcements in local newspaper</li> <li>Documents pertaining to questions raised by stakeholders</li> <li>Letters to public authorities and neighbors explaining the project</li> <li>Questions in response to national newspaper announcement</li> <li>Questions in response of letter to public authorities and neighbors</li> <li>Answers from the CME to all the comments received during the local stakeholders consultation process</li> </ol>
/19/	Contract between the CME and DOE Carbon Check (Pty) Ltd., for the validation services
/20/	Spanish & English version of Emission Reduction Purchase Agreement between Bioenergías Forestales S.A (the CME) and Papeles Cordillera S.A. (CPA implementer), dated 24/10/2012
/21/	Format of the inclusion statement to be checked and signed by CME during inclusion of a CPA (Inclusion Statement CPA001.pdf)
/22/	MS Excel database for record keeping of the CPA including the unique identification system of the CPA, technical specifications, parameters to be monitored.
/23/	Site location and a specific map of the region showing the satellite location of each



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	CPA Geographical representation of all the CPAs to be included in the PoA to check on double counting.
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## Background documents/websites:

/B01/	CDM Validation and Verification Manual, version 01.2, EB 55 (Annex 1)
/B02/	ACM0006 "Consolidated methodology for electricity and heat generation from biomass", Version 12.0.1
/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"> <li>1. CDM programme of activities design document form (CDM-PoA-DD) Version 01, EB 33</li> <li>2. CDM programme activity design document form (CDM-CPA-DD) Version 01, EB 33</li> <li>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)</li> <li>4. Procedures for review of erroneous inclusion of a CPA, version 03, EB 61 (Annex 22)</li> <li>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)</li> <li>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)</li> <li>7. Standard for sampling and surveys for CDM project activities and programme of activities, version 02.0, EB 65 (Annex 2)</li> <li>8. Best practices examples focusing on sample size and reliability calculations version 01.0, EB 67 (Annex 6)</li> <li>9. Standard for sampling and surveys for CDM PAs and PoAs, version 03.0, EB 69 (Annex 4)</li> <li>10. Guidelines for sampling and surveys for CDM project activities and programme of activities, version 02.0 EB 69 (Annex 5)</li> <li>11. "Tool for the demonstration and assessment of additionality" Version 06.0.0, EB 65, Annex 21.</li> <li>12. "Guidelines on additionality of first-of-its-kind project activities" (Annex 7, EB 69),</li> <li>13. "Guidelines for objective demonstration and assessment of barriers" (Annex 13, EB 50, version 01)</li> <li>14. "Tool for the demonstration and Assessment of additionality" (Annex 08, EB 70, version 07).</li> <li>15. "Guidelines on the Assessment of Investment Analysis" (Annex 5, EB 62 version 05).</li> <li>16. "Guidelines on Common Practice" (Annex 08, EB 69, version 02.0).</li> </ol>
/B06/	Glossary of CDM terms, version 06, EB 70(Annex 6)
/B07/	<p>Websites:</p> <ol style="list-style-type: none"> <li>1. <a href="http://www.unfccc.int">www.unfccc.int</a></li> <li>2. <a href="http://www.cmpc.cl/?lang=en">http://www.cmpc.cl/?lang=en</a></li> <li>3. <a href="http://www.cdmpipeline.org/">http://www.cdmpipeline.org/</a></li> <li>4. <a href="http://www.uneprioe.org/default.aspx">http://www.uneprioe.org/default.aspx</a></li> <li>5. <a href="http://es.wikipedia.org/wiki/Anexo:Puntos_extremos_de_Chile">http://es.wikipedia.org/wiki/Anexo:Puntos_extremos_de_Chile</a></li> </ol>
/B08/	<p>Website used for Validation of Grid Emission Factor</p> <ol style="list-style-type: none"> <li>1. "Estadísticas de Operación 2001-2010 (Operational Statistics)" CDEC-SIC, available at <a href="https://www.cdec-sic.cl/datos/anuario2011.pdf">https://www.cdec-sic.cl/datos/anuario2011.pdf</a></li> <li>2. "Operación Real Anual" (Real Annual Operation), available at CDEC-SIC website <a href="https://www.cdec-sic.cl/est_opera_privada.php">https://www.cdec-sic.cl/est_opera_privada.php</a></li> <li>3. Source of Data: "Operación Real Diaria" files (Daily Real Operation), available at CDEC-SIC, <a href="https://www.cdec-sic.cl/est_opera_privada.php">https://www.cdec-sic.cl/est_opera_privada.php</a></li> </ol>

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	4. BALANCE NACIONAL DE ENERGÍA 2008, Comisión Nacional de Energía. (National Energy Balance 2008, National Energy Commission), sheet "CUADROA2" 5. 2006 IPCC Guidelines for National Greenhouse Gas Inventories 6. 2006 Guidelines for National Greenhouse Gas Inventories, Chapter 1, Table 1.2
/B09/	Website of DNA of Chile: <a href="http://www.mma.gob.cl/1304/w3-propertyvalue-16236.html">http://www.mma.gob.cl/1304/w3-propertyvalue-16236.html</a>
/B10/	Description of GRID systems: <a href="http://www.cne.cl/energias/electricidad/sistemas-electricos">http://www.cne.cl/energias/electricidad/sistemas-electricos</a> Installed capacity of the National Electricity System 2011: <a href="http://www.cne.cl/estadisticas/energia/electricidad">http://www.cne.cl/estadisticas/energia/electricidad</a>

The changes between the PoA-DD version 1.0 published for the 30 days stakeholder commenting period /01/ and the final version submitted for registration <sup>/03/</sup> are addressed in the table 3 and 4 of the validation protocol as a part of this report.

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

Topic	PoA-DD – GSC/01/	Final PoA-DD <sup>/03/</sup>	Assessment
PoA title	"Biomass Renewable Energy Programme of Activities"	"Biomass Renewable Energy Programme of Activities"	No Change
Project participant	Bionergías Forestales S.A.	Bionergías Forestales S.A.	No Change
Parties	Chile (Host)	Chile (Host)	No Change
Scope	1: Energy Industries (renewable / non-renewable sources)	1: Energy Industries (renewable / non-renewable sources)	No change
Methodology / Activity	ACM0006 (Version 12.0.1) / Large Scale	ACM0006 (Version 12..1.0) / Large Scale	No change
Amount of emission reductions (tCO <sub>2</sub> )	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	24/04/2012 (the date of publishing of the PoA for global stakeholder consultation)	24/04/2012 (the date of publishing of the PoA for global stakeholder consultation)	No change
Real case CPA starting date	30/07/2013	01/02/2013 (expected date of signing of purchase order for key equipment)	Starting date has been changed to 01/02/2013
PoA Location	Chile	Chile	No change

## 2.2 Follow-up actions

In order to reach to a Validation Opinion a site visit along with an interview was planned for 07/06/2012 and a follow up visit conducted on 26/10/2012. Prior to the interview salient points to be discussed were planned. Date of interview, interviewee and points discussed are given in the following table.

Sr. No.	Date	Name and Role	Organization	Topic
/a/	07/06/2012	Luis Llanos, CME	Bioenergías Forestales S.A.	<ul style="list-style-type: none"> <li>CME coordinating CDM functions and responsibilities.</li> <li>Discussion on eligibility criteria and inclusion of a typical CPAs in the PoA including the real</li> </ul>

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				case CPA. <ul style="list-style-type: none"> <li>• Discussion on Additionality justification on PoA level and on typical CPA level including the real case CPA.</li> </ul>
/b/	07/06/2012	Juan José Irrarázabal, CME project engineer	Bioenergías Forestales S.A.	<ul style="list-style-type: none"> <li>• Discussion on record keeping, monitoring plan and manual.</li> <li>• Discussion on double counting</li> <li>• Discussion on financing pattern (means of finance) of the CPAs(including real case) and involvement of public funding</li> </ul>
/c/	07/06/2012	Julio De la Fuente, Energy and Environmental Manager	Papeles Cordillera S.A (CPA 1 representative)	<ul style="list-style-type: none"> <li>• Decision to undertake the project as CDM project.</li> <li>• Discussion on stated goal and policy of the PoA.</li> <li>• Discussion on the operational and management arrangements of the PoA.</li> </ul>
/d/	07/06/2012	Claudio Mureira	Papeles Cordillera S.A (Chief – Energy Department)	Discussion on statutory clearances required for the implementation of the CPA.
/e/	26/10/2012	Juan José Irrarázabal, CME project engineer Luis Llanos, CME	Bioenergías Forestales S.A.	Technical description of the proposed PoA and CPA to be implemented.

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

## 2.3 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.

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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.

**Figure 1 Validation protocol tables**

Validation Protocol, Table 1 - Requirement checklist					
Checklist Question	Ref.	MoV	Comments	Draft Conclusion	Final Conclusion
The various requirements in Table 1 are linked to checklist questions the project should meet. The checklist is organized in seven different sections.	Makes reference to documents where the answer to the checklist question or item is found.	Explain how conformance with the checklist question is investigated. Examples are document review (DR), interview or any other follow-up actions (I), cross checking (CC) with available information relating to projects, (N/A) means not applicable.	The discussion on how the conclusion is arrived at and the conclusion on the compliance with checklist question so far.	OK is used if the information and evidence provided is adequate to demonstrate compliance with CDM requirements. For CAR, CL and FAR see the definitions above.	OK is used if the information and evidence provided is adequate to demonstrate compliance with CDM requirements.

**Validation Protocol, Table 2 - Resolution of Corrective Action Requests and Clarification**

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		

## 2.4 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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## 2.5 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	Appointed for Sectoral scopes (Technical Areas)	Supervision of work	Desk review	Site visit & Interview	Report & protocol writing	Technical Expert / Local Expert	Reporting support	Technical Reviewer
Prakash Kumar Mishra (TL)	1.2, 3.1, 13.1	X	X		X			
Arshi Vimal (TM)	1.2		X		X		X	
Pankaj Kumar (TE)	1.1,1.2, 3.1.4.5			X				
Ravi Shankar (TM)	1.2, 3.1, 13.1		X	X	X	X (TE)		
Francisco Javier Acuna Carter (LE)	--			X		X (LE)	X	
Cor Potgieter (technical expert to TR)	1.1					X		X
Vikash Kumar Singh (TR)	1.2, 3.1, 13.1							X

TL- Team Leader, TM- Team Member, TE- Technical Expert, LE- Local Expert, TR- Technical Reviewer

## 3 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 Appendix A.

The validation findings relate to the programme design as documented and described in the PoA-DD<sup>/01/</sup> and g-CPA-DD<sup>/02/</sup> along with CME replies and then assessment by the validation team are presented in detail in the Table 2 of Appendix A of protocol.

### 3.1 Approval and Participation

The below table summarizes the project participant and party involved. The validation team received letter of approval<sup>/05/</sup> issued by Host party DNA from the CME of the PoA. Submitted LoA<sup>/05/</sup> vide reference no. 123726 dated 18/10/2012 is found signed and stamped by the DNA of Chile i.e Ministry of Environment of Chile. Moreover the website of Chilean DNA<sup>/B09/</sup> and CDM website<sup>/B07-1/</sup> where list of Designated National Authorities are provided had been verified by the validation team. Based on above it can be concluded that submitted LoA<sup>/B05/</sup> is valid and hence appropriate.

The Validation Team can confirm that issued LoA from host party refers to the precise proposed PoA title as in the PoA-DD<sup>/03/</sup> and g-CPA-DD<sup>/02/</sup>. 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<sup>/03/</sup> and this information is consistent with the contact details provided in Annex 1 of the PoA-DD<sup>/03/</sup>. The letter of approval was also found to be unconditional with respect to paragraph 45 (a) to (d) of VVM, version 01.2<sup>/B01/</sup>. And hence this letter of approval is in accordance with paragraphs 45 - 48 of VVM version 01.2<sup>/B01/</sup>. The LoA, was checked and found in compliance of CDM requirements including requirements of PoA vide § 8, 9 and 10 of annex 38, EB 55<sup>/B04-3/</sup>.

However, CAR-PoA-A1 was raised during the course of validation and was subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

The below table summarizes the project participants and parties involved:

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Project Participant/CME	Bioenergías Forestales S.A
Party Involved	Chile
<b>Approval</b>	
LoA Received	Yes
Date of LoA	18/10/2012
LoA received from	DNA of Chile: National Environment Commission under Ministry of Environment and Environmental Assessment Services
Approval Number	123726
Validation of Authenticity	The LoA was received from the project participant. The website of Chilean DNA <sup>/B09/</sup> along with CDM website <sup>/B07-1/</sup> where list of Designated National Authorities are provided were verified by the validation team. Based on above it can be concluded that submitted LoA <sup>/B05/</sup> is valid and hence appropriate.
Validity of LoA	Valid
<b>Participation</b>	
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

## Validation of ODA

The validation did not reveal any evidence that this PoA can be seen as a diversion of ODA. It is also confirmed by the interview with CME representative Mr. Luis Llanos<sup>/a/</sup>, and also through declaration provided by CME<sup>/08/</sup> about no ODA diversion from Annex-I party in the development of this PoA.

However, CL-PoA-A20 was raised during the course of validation to clarify on ODA diversion and was subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## Confirmation of Modalities of Communication (MoC)

The project Modalities of Communication (MoC)<sup>/06/</sup> signed on 04/12/2012, 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<sup>/06/</sup> has been directly received from the CME.

CAR-PoA-A3 was raised during the course of validation to clarify on MoC and was subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.2 Programme of Activities Design Document

The PoA-DD<sup>/03/</sup> and the CPA-DD template<sup>/04/</sup> are in compliance with relevant form<sup>/B04-1,2/</sup> and guidance<sup>/B04/</sup> as provided by UNFCCC. The most recent version of the forms is used. 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 relevant information. The validation team further confirms the consistency between POA-DD /03/ and the PoA generic CPA-DD /04/ to be used for inclusion of a CPA in the PoA, this confirms to the requirement of § 15 (d) of EB 55 annex 38.

However, in this regard several CARs and CLs were raised and closed successfully during course of validation. Please refer to table 2 of this report below.



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## 3.3 Programme Description

The “Biomass Renewable Energy Programme of Activities” (here in after referred as the “PoA”) is promoted by “Bioenergías Forestales S.A.”, the Coordinating and Managing Entity (CME).

The objective of this CDM programme of activity is to promote the use of renewable energy by private companies of the Chile. Activities included into this programme envisage installation of biomass residue (co) fired power and heat plants across Chile built in to be connected to one of the Chilean grids and/or internal use at the project site.

The proposed project activities will reduce greenhouse gas (GHG) displacing fossil fuel utilization for thermal and/or electricity generation by the promotion of biomass cogeneration systems in Chile, which is a less intensive GHG emission fuel. The Project activities under the PoA will utilize biomass as an alternative fuel for generation of thermal and electricity energy.

**Technical Description:** Validation team confirms that the PoA DD<sup>/03/</sup>, transparently describes a typical CPA that will be included in the PoA covering the technology or measures to be used with a complete justification of the choice of approved baseline and monitoring methodology i.e. ACM0006<sup>/B02/</sup>, this also confirms to the requirement of § 6(f) of EB 55 annex 38<sup>B14/</sup>.

A typical CPA under this PoA is either:

- the installation of new plants at a site where currently no power and heat generation occurs;
- the installation of new plants at a site where currently power or heat generation occurs;
- the improvement of energy efficiency of existing plants;
- the total or partial replacement of fossil fuels by biomass in existing plants or in new plants that would have been built in the absence of the project.

Heat produced by activities under the CPA would be utilized for the captive purposes at the industrial facility installing the Biomass fired/co-fired boilers.

Electricity which will be produced by activities under the CPA would be used either to:

- Meet the captive demand of electricity at the Industrial Facility installing the Power Plant to replace the electricity which would have been supplied from the one of the Grids in Chile in the absence of the activity. Furthermore, excess electricity may be supplied to the grid; or
- Supply the electricity to the one of the Grids of Chile.

Currently in Chile most electricity generation is based on fossil fuel fired power plants. The GHGs emission reduction would happen by displacing the fossil fuel dominated grid electricity equivalent to the net electricity supplied by the Biomass power plant i.e. the CPAs of the PoA to the Chile grid or due to displacement of electricity due to electricity supplied to Industrial Facilities from Biomass power plant under the CPA (used for the captive purpose) which in absence of CPAs of the PoA would have been supplied by electricity from the grid. Further, the emission reduction would happen by displacement of heat supplied from fossil fuel boilers by the heat supplied from Biomass based boilers in the project scenario to the industrial facilities installing the Biomass based heat and/or electricity systems.

The validation team confirms that the PoA-DD /03/, 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. ACM0006, this also confirms to the requirement of § 6(f) of EB 55 annex 38. As per the PoA-DD, the project emissions would be accounted for, wherever fossil fuels are utilized in addition to the biomass residues at the project site. The CPAs of the PoA shall use large-scale methodology ACM0006 (version 12.0.1). Also leakage would be accounted for in case there is an increase in emissions from fossil fuel combustion or other sources due to diversion of biomass residues from other uses to the project plant as a result of the project activity. The baseline scenarios for biomass residues for which this potential leakage is relevant are, B5:, B6:, B7: and B8:.(ACM0006).

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The actual leakage emissions in each of these cases may differ significantly and depend on the specific situation of each CPA. For that reason, a simplified approach is used in this methodology: it is assumed that an equivalent amount of fossil fuels, on energy basis, would be used if biomass residues are diverted from other users, no matter what the use of biomass residues would be in the baseline scenario

The reduction of GHG emissions as a result of the implementation of the independent activities will be achieved due to reduction of CO<sub>2</sub> emissions from combustion of fossil fuel at the existing Heat and/or power plants at the project sites or from combustion of fossil fuels at the grid-connected power plants and plants which would likely be built in the absence of the independent activities. 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. The geographical location range of this PoA is provided in the PoA-DD<sup>/03/</sup> has been verified by the validation team during the desk review, site visit, interview, LoA. Moreover, the geographic coordinates range<sup>/B07-5/</sup> of the host countries within this PoA have also been cross -checked and found appropriate.

CL-PoA-A11 was raised to clarify on geographical boundary of the POA and was closed satisfactorily.

During site visit interview with CME it was revealed that the PoA would be implemented in the following manner:

The CPA implementer shall warrant to CME via a contractual agreement that he will at all times implement, operate and maintain the project in compliance with applicable law, regulations and usual and prudent standards in conformity with Chilean environmental law, appropriate health, building, safety protection and other applicable or advisable requirements. The contractual agreement would also provide the rights to CME to claim the CERs generated as a result of implementation of activities under the CPA.

The Operating and implementing framework of the PoA has been clearly described and illustrated with the help of a table and flowchart in section A.4.4.1 of the PoA-DD<sup>/03/</sup>, which was assessed to be appropriate by the validation team.

According to the description provided under PoA-DD<sup>/03/</sup> and based on interview with the CME, a signed declaration by CME<sup>/08/</sup> and relevant stakeholders, validation team confirms that this PoA is a voluntary co-ordinated action by the CME. The same is also substantiated through the letter of approval (dated 18/10/2012) issued by the DNA of the host country<sup>/05/</sup>. Based on above it is confirmed that PoA complies with the requirement of § 4 of EB 55 annex 38.

As per the PoA-DD<sup>/03/</sup> and on-site interviews and local and sectoral expertise of the validation team, it was confirmed that there are no existing laws or policy in Chile that mandates or promotes the use of renewable sources (and Biomass based Heat and Power which is the case for the subject PoA) for Heat and/or Electricity generation. Review of PoA-DD<sup>/03/</sup> reveals the definition of the boundary for the PoA in terms of a geographical area i.e. within 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. This has also been confirmed based on interview with CME.

From the site visit interviews /a/ and desk review of PoA-DD<sup>/03/</sup> 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. This is further confirmed by the undertaking provided by the CME<sup>/08/</sup>.

The starting date of the PoA in the PoA-DD<sup>/03/</sup> is 25/02/2013. 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<sup>/03/</sup> and generic CPA-DD<sup>/04/</sup>, 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. This is in conformity with the § 7(d) of annex 38 of EB 55<sup>/B04-3/</sup>.



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CL-PoA-A7, CL-PoA-A8, CL-PoA-A10, CL-PoA-A13 & CL-PoA-A12 were raised during the course of validation as program description was not adequate and were subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.4 Eligibility Criteria for CPA Inclusion

Review of PoA-DD<sup>/03/</sup>, CPA-DD template<sup>/04/</sup> and on-site visit and subsequent 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 adequately and in transparent manner based on which validation team confirms the eligibility criteria are in accordance with the requirements of § 14, annex 3 of EB 65<sup>/B04-5/</sup>. Additionality and applicability of the applied methodology<sup>/B02/</sup> are the eligibility criteria as per the PoA DD<sup>/03/</sup>, 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.

CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification Evidence and	Appropriate and sufficient	Explanation of final result
a.	The geographical boundary of the CPA including any time-induced boundary consistent with the geographical boundary set in the PoA.	<p>In each CPA-DD, it shall be demonstrated with GPS coordinates that the CPA does take place within the borders of Chile.</p> <p>Requirement for the CME:</p> <p>An inclusion statement from the CME that it has checked the geographical coordinates of the CPA and they are within the geographical boundary of the PoA.</p> <p>Requirement for the CPA:</p> <p>Certificate issued by the CPA implementer and supporting documents (if applicable) that includes GPS coordinates of the proposed site, showing that the CPA project activity is inside the geographical boundary stated in the PoA. The supporting document(s) could be for example copy of the environmental license, CPA topographic layout, copy of the engineering feasibility study, etc.</p>	<input checked="" type="checkbox"/>	<p>Justification provided to check whether the CPA is well within the geographical boundary of the proposed PoA is found to be appropriate by the validation team and hence, acceptable.</p> <p>At the time of inclusion of each proposed CPA, CME shall submit the mentioned documents to the DOE who will be performing validation for the consistency and integrity check. The DOE will confirm at the time of inclusion of the CPA that the proposed location of the CPA is comes under set boundary of the PoA i.e. Chile.</p>
b.	Conditions that avoid double counting of emission reductions like	In each CPA-DD, it shall be confirmed that the CPA is not already	<input checked="" type="checkbox"/>	At the time of inclusion request of CPA, DOE will check the unique number

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification Evidence and	Appropriate and sufficient	Explanation of final result
	unique identifications of product and end-user locations (e.g. programme logo);	<p>included in another PoA or developed as a stand-alone CDM registered project. Detailed procedure to avoid double-counting is formulated in A.4.4.1 of the PoA-DD.</p> <p>Requirement for the CME:</p> <p>Documented evidence from the CME following the system/ procedure detailed in section A.4.4.1, including a list of PoAs, CPAs and PDDs reviewed in said CDM database, as well as the unique identification number of all included CPAs and a map showing all included CPAs.</p> <p>Requirement for the CPA:</p> <p>Certificate from the CPA implementer indicating that the project activity has not been and will not be registered as a single CDM project activity, CPA under another PoA or any voluntary scheme</p>		provided to CPAs from the CME. This unique number revealed that the CME has check and ensure that the CPA is already not a part of the other Programme of Activities or developed as stand-alone CDM project.
c.	The specifications of technology/measure including the level and type of service, performance specifications including compliance with testing/certifications;	<p>The CPA shall demonstrate that the technology to be installed is a biomass cogeneration plant for the production of heat/electricity and will meet the host country or international standard/requirements in terms of testing/certifications.</p> <p>Requirement for the CME:</p> <p>An inclusion statement of the CME that it has been checked that the technology to be installed in the CPA project activity to be included in the PoA</p>	<input checked="" type="checkbox"/>	At the time of inclusion request of any proposed CPA, CME shall submit the document as evidence to the DOE as mentioned in the PoA-DD for specification of technology. The documents prescribed are: proposals, requests for quote, quotations, tender documents, project design diagram, project report or equivalent documents provided by the CPA. Validation team found that this is appropriate and sufficient for this criterion to be fulfilled.

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification Evidence and	Appropriate and sufficient	Explanation of final result
		<p>consist in a biomass cogeneration plant for the generation of heat/electricity and will meet the host country or international standard/requirements in terms of testing/certifications.</p> <p>Requirement for the CPA:</p> <p>Certificate issued by the CPA implementer and supporting documents (if applicable) that includes evidence for the main equipment's to be installed, that could be for example: proposals, requests for quote, quotations, tender documents, project design diagram, engineering feasibility study or equivalent documents.</p> <p>The main project components include, inter alia: a) heat engine and/or b) heat generator and/or c) electricity generator and/or d) Piping system and/or e) instrumentation and control equipment and/or f) pumps/fans and/or g) cooling equipment and/or h) major earth/civil works.</p>		
d.	Conditions to check the start date of the CPA through documentary evidence	The start date of the CPA is either the date when the first contract for a main component is awarded, or when the work for a main component has started, or the planned date for starting the work on the main component (in case an investment decision for a main component has been taken but no work has started) or a declaration to the effect	<input checked="" type="checkbox"/>	CME shall checked and submit the evidence provided by CPA implementer for the start date of CPA. The document list provided is found appropriate and in line with the EB 66 Annex 63. Moreover, the CPA start date is/will not be before the date of upload of PoA-DD (i.e. 25/04/2012) for GSC as stipulated in §7(d) of EB 55 Annex 38. The same

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification and Evidence	Appropriate and sufficient	Explanation of final result
		<p>that the project has not started; therefore, the so called "start date" has not happened yet. In any case, such start date cannot be before 25/04/2012, date of Global Stakeholder's Comments.</p> <p><u>Requirement for the CME:</u></p> <p>An inclusion statement of the CME that it has been checked that the documentary evidence provided by the CPA implementer for showing that the start date is after 25/04/2012.</p> <p><u>Requirement for the CPA:</u></p> <p>Documented evidence of the date when the first contract for a main component is awarded by the CPA showing a start date after 25/04/2012. Main component could be part of any of the following activities:</p> <ul style="list-style-type: none"> <li>- Investment decision from the CPA operator related to main project component, boiler/heater/turbine (including retrofitting or replacement) and also civil works relating to the project activity including the planned date for starting the implementation;</li> <li>- Signed contract documents related to main project component, viz., boiler/heater/turbine and also civil works relating to the project activity;</li> <li>- Evidence to the effect that a main project component, viz., boiler/heater/turbine had commenced operation collected during the site</li> </ul>		has been mentioned by the CME and found appropriate.

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification Evidence and	Appropriate and sufficient	Explanation of final result
		<p>visit by the CME;</p> <ul style="list-style-type: none"> <li>- Signed contract for a new dedicated biomass residues supply chain establishment for the purpose of the project);</li> <li>- Signed contract for equipment for preparation and feeding of biomass;</li> <li>- Declaration by the PP on total or partial replacement of fossil fuels by biomass;</li> </ul> <p>The main plant will include, besides, boiler, heater and turbine, a) interconnecting piping system, b) piping system, c) system for collecting biomass and d) civil works</p> <p>If the project implementation has not commenced, then a declaration to that effect should be issued by the CPA.</p>		
e.	Conditions that ensure compliance with applicability and other requirements of single or multiple methodologies applied by CPAs;	<p>Each CPA must meet the applicability criteria and conditions, and the most plausible baseline scenario as per methodology ACM0006, version 12..1.0 (as listed in section E.2 of the PoA DD) depending on the of the project activity.</p> <p><u>Requirement for the CME:</u></p> <p>An inclusion statement to the effect that the CME has checked the documentary evidence provided by the CPA implementer as evidence that the project complies with applicability criteria, applicability conditions, and applicability of baseline scenario for the applied methodology.</p>	<input checked="" type="checkbox"/>	<p>Applicability of methodology shall be checked by the CME and shall be confirmed to the DOE that the CPA meets all the applicability criterion of the applied methodology (ies) as stipulated in the PoA-DD. This is found appropriate and sufficient by the validation team.</p>

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification and Evidence	Appropriate and sufficient	Explanation of final result
		<p><u>Requirement for the CPA:</u></p> <p>Certificate issued by the CPA implementer and evidences / documents required to substantiate the applicability criteria, applicability conditions, and the most plausible baseline scenario in Table 4. of section B.2 of the CPA-DD.</p>		
f.	The conditions that ensure that CPAs meet the requirements pertaining to the demonstration of additionality as specified in Section A of EB 65 Annex 3;	<p>Each CPA must demonstrate that the respective CPA would not occur in the absence of CDM. This is the case if the CPA is demonstrated to be additional according to the rules set forth in the methodology ACM0006, version 12.0.1, read with the methodological tool “Guidelines on Additionality of First of Its Kind Project activities” (version 2) “Demonstration and assessment of additionality” (Version 06.0.0) and all ancillary tools or guidelines, as elaborated under Section E.1. (If it is applicable to the project activity) below and procedures included in Section E.5. of the respective PoA-DD.</p> <p>In case the CPA is not proven to be additional, it is not eligible for inclusion into the “Biomass Renewable Energy Programme of Activities” PoA_DD</p> <p><u>Requirement for the CME:</u></p> <p>CME shall issue a inclusion statement of additionality of the CPA project activity after checking Section B.3 of the respective CPA-DD</p>	<input checked="" type="checkbox"/>	The DOE at the time of inclusion of the CPA shall confirm that the additionality argument put forth in the PoA-DD for the typical CPA of the PoA is valid and applicable for the subject to CPA under consideration.

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification and Evidence	Appropriate and sufficient	Explanation of final result
		<p>and conclude that the respective CPA would not occur in the absence of CDM.</p> <p><u>Requirement for the CPA:</u></p> <p>Certificate issued by the CPA implementer and evidences / documents required to substantiate additionality (details are given in section E.5.1. and E.5.2)</p>		
g.	The PoA-specific requirements stipulated by the CME including any conditions related to undertaking local stakeholder consultations and environmental impact analysis;	<ul style="list-style-type: none"> <li>- Local stakeholders must have been consulted.</li> <li>- The CPA must be compliant with the Host Country requirements in terms of environmental impact analysis.</li> </ul> <p><u>Requirement for the CME:</u></p> <p>An inclusion statement of the CME that it confirms:</p> <ul style="list-style-type: none"> <li>- The Local stakeholders meeting has been carried out by the CPA implementer in line with the approved process of the POA-DD and that the evidence have been submitted to in a transparent and appropriate manner.</li> <li>- The CPA has positive environmental approval issued by the Environmental Evaluation System of the host country.</li> </ul> <p><u>Requirement for the CPA:</u></p> <p>The CPA will submit the following documentary evidence:</p>	<input checked="" type="checkbox"/>	As per the provisions in PoA-DD, LSC would be done at PoA level as well as at CPA level and Environmental Analysis will be done at the CPA level. Provision to ensure that LSC have been conducted and Environmental impacts have been analysed is found satisfactory to the validation team.

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification and Evidence	Appropriate and sufficient	Explanation of final result
		<p><i>I. Local Stakeholder by meeting:</i></p> <ul style="list-style-type: none"> <li>- Invitation letters and/or newspaper advertisement and/or public notice for the invitation of local stakeholders.</li> <li>- Photographs and/or video evidence of stakeholder consultation</li> <li>- Attendance list of attended stakeholders</li> <li>- Q&amp;A or Minutes of Meeting of stakeholder consultation</li> </ul> <p><i>II. Local Stakeholder by public announcement:</i></p> <ul style="list-style-type: none"> <li>- Evidence of at least 2 public announcements in a national newspaper, specialized magazine, radio, TV, inviting the community for made comments regarding the project activity.</li> <li>- Evidence of at least 2 public announcement in a local media where the project activity take place, such as; newspaper, specialized magazine, radio, TV, inviting the community for made comments regarding the project activity.</li> <li>- copies of the comments received during the process of public announcement.</li> <li>- Minutes of the responses to the comments received during the public announcement.</li> <li>- A compilation of the comments received from stakeholders and the response given</li> </ul>		



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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification Evidence and	Appropriate and sufficient	Explanation of final result
		The CPA implementer must submit the positive environmental approval issued by the Environmental Authority to prove that the CPA complies with the Host Country requirement in terms of environmental impact analysis.		
h.	Conditions to provide an affirmation that funding from Annex I parties, if any, does not result in a diversion of official development assistance;	<p>In each CPA-DD, it shall be confirmed by the Annex 1 Project Participant that the CPA does not involve any public funding from Annex 1 parties or that in case public funding is used a confirmation that official development assistance is not being diverted to the implementation of the PoA.</p> <p><u>Requirement for the CME:</u></p> <p>An inclusion statement from the CME that it has checked the documentary evidence provided by the CPA implementer to prove that the Project is an:</p> <ul style="list-style-type: none"> <li>- Industrial processing and or manufacturing sectors.</li> <li>- Rural or urban</li> <li>- Grid connected or off grid</li> </ul> <p><u>Requirement for the CPA:</u></p> <p>Certificate issued by the CPA implementer together with evidences / documents such as company license, business license, copy of electricity bills, , etc.</p>	<input checked="" type="checkbox"/>	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. This eligibility criterion will ensure non-diversion of ODA during inclusion validation.
i.	Where applicable, target group (e.g. domestic/commercial/industrial, rural/urban, grid-connected/off-grid)	There is no particular target group for this PoA. This condition is not applicable for this PoA.	<input checked="" type="checkbox"/>	Not Applicable since there is no particularly defined target group for such type of PoAs.

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification Evidence and	Appropriate and sufficient	Explanation of final result
	and distribution mechanisms (e.g. direct installation);			
j.	Where applicable, the conditions related to sampling requirements for a PoA in accordance with the approved guidelines/standard from the Board pertaining to sampling and surveys.	<p>The CME has chosen not to go for sampling for verification of the individual CPAs. Thus the DOE would verify every CPA and no sampling would be employed for verification of the PoA and CPAs.</p> <p>No documents are required.</p>	<input checked="" type="checkbox"/>	The CME shall ensure that mentioned criteria are followed during Verification, i.e. 100% of CPAs should be verified and sampling should not be applied during verification of the PoA.
k.	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	Since the PoA is large scale hence this condition is not applicable.	<input checked="" type="checkbox"/>	This criterion is not applicable to this PoA and CPAs under the PoA
l.	Where applicable, the requirements for the debundling check, in case CPAs belong to small-scale (SSC) or microscale project categories.	Since the PoA is large scale hence this condition is not applicable.	<input checked="" type="checkbox"/>	This criterion is not applicable to this PoA and CPAs under the PoA
m.	The consideration of all applicable national and/or sectoral policies and regulations of each host parties, within the boundary of all host country.	<p>The consideration of all applicable national and/or sectoral policies and regulations of each host parties, within the boundary of this PoA shall be carried out at CPA level.</p> <p>Requirement for the CME:</p> <p>Documented evidence from the CME detailing the latest available national and/or sectoral policies and regulations and detailing how they apply (or not) to the CPA.</p> <p>Requirement for the CPA:</p> <p>The CPA implementer must submit a copy of the environmental approval</p>	<input checked="" type="checkbox"/>	<p>CME shall check the document prescribed at the time CPA inclusion consideration. DOE also crosscheck and confirm the same.</p> <p>The justification and document list is found appropriate by the validation team.</p>

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CME Demonstration			DOE Assessment	
No	Eligibility Criteria	Justification Evidence and	Appropriate and sufficient	Explanation of final result
		issued by the Environmental Authority to prove that they comply with the laws and regulations of the respective host country		
n.	The CPA proponent must enter into a contractual agreement with the CME to participate in the PoA.	<p>The CPA implementer shall warrant to CME via a contractual agreement that he will at all times implement, operate and maintain the project in compliance with applicable law, regulations and usual and prudent standards in conformity with Chilean environmental law, appropriate health, building, safety protection and other applicable or mandatory requirements. Detailed procedure for a contractual agreement is formulated in A.4.4.1 of the PoA-DD.</p> <p>Requirement for the CME &amp; CPA:</p> <p>Both parties shall provide a copy of the contractual agreement signed containing, inter alia; CDM management services, CER cessation rights and the obligation to comply with the CME's Code of Conduct and Health and Safety Regulations, as applicable.</p>	<input checked="" type="checkbox"/>	This inclusion criterion shall ensure that CME has proper rights and authority at the time of inclusion of the CPA. The document prescribed is found to be appropriate by the validation team.

Validation team has checked the Management System of the CME as defined in section A.4.4.1 of PoA-DD<sup>/03/</sup> and based on the on-site interview with personnel involved at the CME end, 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<sup>/B04-5/</sup>.

However, CAR-PoA-A4 was raised during the course of validation to clarify on eligibility criterion and was subsequently closed satisfactorily. Please refer to Appendix-A table 2 of this report..

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## 3.5 Operation and Management Plan

Validation team based on the review of PoA-DD<sup>/03/</sup> confirms that clear and transparent description of the operational and management arrangement has been established by the CME for the PoA. The same has also been confirmed during the on-site interview with representative of CME /a/. All the details of individual CPAs including the documents shall be controlled at CME end. Furthermore the records of individual CPAs shall be maintained by the CME at their office in electronic (excel sheet) format<sup>/22/</sup>.

Individual CPA implementer shall sign agreements included in management system /with the CME and agrees to comply with all terms and conditions of the PoA including those related to the monitoring and data control. The same has been confirmed from the review of agreement between the CPA implementers and the CME<sup>/20/</sup>. This agreement is also one of the eligibility criteria. 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, signed agreement<sup>/20/</sup> and as specified in the management system.

The system to avoid double counting and technical review of the potential CPAs of the PoA has been clearly indicated in the CME Management System. By reviewing this 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 above, validation team confirms the compliance of following, in the management system of CME (in line with the requirement of §17 annex 3 of EB 65<sup>/B04-5/</sup>):

- a) A clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies;
- b) Records of arrangements for training and capacity development for personnel;
- c) Procedures for technical review of inclusion of CPAs;
- d) A procedure to avoid double counting (e.g. to avoid the case of including a new CPA that has already been registered either as a CDM project activity or as a CPA of another PoA);
- e) Records and documentation control process for each CPA under the PoA;
- f) Measures for continuous improvements of the PoA management system;

This CME Management System 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 DOEs at the time of inclusion of any CPAs in the PoA inline with the requirement of §17 of annex 3 of EB 65<sup>/B04-5/</sup>.

Based on above it can be confirmed that the CME would be able to ensure that no double counting occurs. Also, since as each CPA is uniquely identified in the format<sup>/04/</sup> of Biomass Renewable Energy Programme of Activities – CPA-‘###’, 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. In this regard CME at the time of inclusion will provide the following documents:

- the signed form<sup>/21/</sup> from the owner of activity to be included into the CPA as per the PoA Management system<sup>/07/</sup>

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

However, CAR-PoA-A6, CL-PoA-A16 & CL-PoA-A18 were raised during the course of validation to clarify on operational and management plan & double-counting and were subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.6 Monitoring Plan

As per PoA-DD<sup>/03/</sup>, CME of the PoA opts for verification of the each CPA. The same has been verified from the PoA-DD<sup>/03/</sup>.

The monitoring plan provides a transparent system to ensure that no double accounting occurs and that the status of verification can be determined any time for each CPA. The system to avoid double counting has been indicated in the PoA-DD<sup>/03/</sup>. This would be done by the CME through review of information provided by CPA implementer. Also, as each CPA will have a unique title and the systems

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(Boiler and Engines) installed at project sites will have unique serial number thus double counting can be avoided.

The description provided in the PoA-DD on the operational and management arrangements were confirmed based on review of CME Management System<sup>/07/</sup> and on-site interviews /a/b/.

## 3.7 Baseline and monitoring methodology

### 3.7.1 Applicability of selected methodology

The compliance of the applied baseline and monitoring methodology /B02-1/ and /B02-2/ is a part of eligibility criteria as mentioned in the PoA-DD<sup>/03/</sup> 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 ACM0006 (version 12.0.1):

Criteria of Methodology	Justification in PoA-DD <sup>/03/</sup> and g-CPA-DD	Assessment by the validation team
<p><b>1. The project activity may include the following activities or, where applicable, combinations of these activities:</b></p> <p>a) The installation of new plants at a site where currently no power and heat generation occurs (Greenfield projects)</p> <p>b) The installation of new plants at a site where currently power or heat generation occurs. The new plant replaces or is operated next to existing plants (capacity expansion projects)</p> <p>c) The improvement of energy efficiency of existing plants (energy efficiency improvement projects), which can also lead to a capacity expansion, e.g. by retrofitting the existing plant</p> <p>d) The total or partial replacement of fossil fuels by biomass residues in existing plants or in new plants that would have been built in the absence of the project (fuel switch projects), e.g. by increasing the share of biomass residues use as compared to the baseline, by retrofitting an existing plant to use biomass residues, etc</p>	<p><b>Applicable.</b></p> <p>The CPA would comprise of any of the four scenarios below:</p> <p>a) The CPAs could consist of new plants installed where no power and heat generation plants were functioning.</p> <p>b) The CPA projects could consist of new plants built in facilities where power or heat generation currently occurs.</p> <p>c) CPAs could consist of projects that improve the actual energy efficiency in already existing plants, through retrofitting or implementation of new equipment.</p> <p>d) The CPA projects could consist of power plants based on biomass which displaces the heat and electric generation from fossil fuels from existing plants or that normally would have been implemented in the absence of the project.</p> <p>The CME will check at CPA inclusion level if the project activity applies to these criteria of the meth or not, i.e. if the CPA comprises of a project with one of the four options above</p>	<p>It shall be checked during inclusion of the CPA that specific CPA comprises renewable electricity generation, by means of one of the four configurations applicable under the methodology.</p>
<p><b>2. No biomass types other than biomass residues are used in the project plant.</b></p>	<p><b>Applicable.</b></p> <p>The CPAs shall utilize biomass residues for energy generation, understood as biomass that is a by-product, residue or waste stream from agriculture, forestry and related industries. This shall not include municipal waste or</p>	<p>The biomass used by the CDM-CPA-DD under this PoA will be in compliance with "Definition of Renewable Biomass - Annex 18 of EB 23" and "Glossary of CDM Terms - Version 06.0 - Annex 63 of EB 66".</p> <p>It shall be checked during</p>

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	<p>other waste that contain fossilized and/or non-biodegradable material (however, small fractions of inert inorganic material like soil or sands may be included).</p> <p>The CME will check at CPA level that the activity project fulfils with this criteria.</p>	inclusion of each CPA that CPA uses no other biomass types than Biomass residues.
3. Fossil fuels may be co-fired in the project plant. However, the amount of fossil fuels co-fired does not exceed 80% of the total fuel fired on an energy basis.	<p><b>Applicable.</b></p> <p>Fossil fuel co-fired in the project plant shall not exceed 80% of the total fuel fired on an energy basis.</p> <p>The CME will check at CPA level that the project activity fulfils with this criteria.</p>	CME would check the individual project plans of the CPAs during inclusion and ascertain that boilers would not use more than 80% of fossil fuel as co-firing. This would also be confirmed during monitoring on actual amount of fuel co-fired on energy basis.
4. For projects that use biomass residues from a production process (e.g. production of sugar or wood panel boards), the implementation of the project does not result in an increase of the processing capacity of raw input (e.g. sugar, rice, logs, etc.) or in other substantial changes (e.g. product change) in this process.	<p><b>Applicable.</b></p> <p>Biomass residues from a production process use in CPAs shall not result in an increase of the processing capacity of raw input (e.g. sugar, rice, logs, etc.) or in other substantial changes (e.g. product change) in this process.</p> <p>The CME will check at CPA level that the project activity fulfils with this criteria.</p>	This shall be checked by the CME during inclusion of the individual CPA, whether the use of biomass residues from a production process are resulting into increase in processing capacity of raw input.
5. The biomass residues used by the project facility are not stored for more than one year.	<p><b>Applicable.</b></p> <p>The biomass residues used in CPAs shall not be stored for more than a year in order to avoid leakage.</p> <p>The CME will check at CPA level that the project activity fulfils with this criteria.</p>	This shall be checked during the inclusion of the CPA that biomass facility is not storing the biomass for more than a year. This shall also be verified during the verification of the CPA.
6. The biomass residues used by the project facility are not obtained from chemically processed biomass (e.g. through esterification, fermentation, hydrolysis, pyrolysis, bio- or chemical-degradation, etc.) prior to combustion. Moreover, the preparations of biomass-derived fuel do not involve significant energy quantities, except from transportation or mechanical treatment so as not to cause significant GHG emissions.	<p><b>Applicable.</b></p> <p>The biomass residues used by the project facility shall not come from chemically processed biomass. Also the preparation of biomass-derived fuel cannot involve significant energy quantities, except from transportation or mechanical treatment.</p> <p>The CME will check at CPA level that the project activity fulfils with this criteria.</p>	This shall be verified by CME during inclusion of each CPA whether biomass usage is planned to come from chemically processed biomass.



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<p>7. In the case of fuel switch project activities, the use of biomass residues or the increase in the use of biomass residues as compared to the baseline scenario is technically not possible at the project site without a capital investment in:</p> <ul style="list-style-type: none"> <li>• The retrofit or replacement of existing heat generators/boilers; or</li> <li>• The installation of new heat generators/boilers;</li> <li>• A new dedicated biomass residues supply chain established for the purpose of the project (e.g. collecting and cleaning contaminated new sources of biomass residues that could otherwise not be used for energy purposes); or Equipment for preparation and feeding of biomass residues.</li> </ul>	<p><b>Applicable.</b></p> <p>The CME will check if CPAs projects activities of fuel switch, the use of biomass residues or the increase of the utilization of biomass residues in comparison with the baseline scenario, is not technically possible without a capital investment in:</p> <ul style="list-style-type: none"> <li>- Retrofit or replacement of existing generators / boilers; or</li> <li>- Installation of new heat generators/boilers; or</li> <li>- New biomass residues supply chain; or</li> <li>- Equipment for preparation and feeding of biomass residues.</li> </ul>	<p>In case of CPAs involving fuel switch, it shall be checked during inclusion of the CPA that the increase of the utilization of biomass residues in comparison with the baseline scenario is not technically possible without the capital investment in the mentioned areas.</p>
<p>8. In the case that biogas is used in power and/or heat generation, this methodology is applicable under the following conditions:</p> <ul style="list-style-type: none"> <li>• The biogas is generated by anaerobic digestion of waste water (to be) registered as a CDM project activity and the details of the registered CDM project activity must be included in the PDD. Any CERs from biogas energy generation should be claimed under the proposed project activity registered under this methodology;</li> </ul> <p>The biogas is generated by anaerobic digestion of wastewater that is not (and will not) being registered as a CDM project activity. The amount of biogas does not exceed 50% of the total fuel fired on an energy basis.</p>	<p><b>Not applicable.</b></p> <p>Project Activities in future CPAs does not include the use of biogas for power and/or heat generation. So this condition is not applicable to the PoA.</p>	<p>Not applicable as per the PoA-DD<sup>/03/</sup> and g-CPA-DD /04/.</p>
<p><b>The methodology is only applicable if the most plausible baseline scenario, as identified per the “Selection of the baseline scenario and demonstration of additionality” section hereunder, is:</b></p>		
<p>For power generation: Scenarios P2: to P7:, or a</p>	<p><b>Applicable</b> Future CPAs most plausible</p>	<p>CME would check and confirm during the inclusion of the CPA</p>

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combination of any of those scenarios.	baseline scenario for power generation could be scenarios P2: to P7:, or a combination of any of those.	that power generation scenario confirms to scenarios from P2 to P7 or a combination of those.
For heat generation: Scenarios H2: to H7:, or a combination of any of those scenarios	<b>Applicable</b> Future CPAs most plausible baseline scenario for heat generation could be scenarios H2: to H7:, or a combination of any of those.	CME would check and confirm during the inclusion of the CPA that heat generation scenario confirms to scenarios from H2 to H7 or a combination of those.
<p>If some of the heat generated by the project activity is converted to mechanical power through steam turbines, for mechanical power generation: Scenarios M2: to M5:</p> <ul style="list-style-type: none"> <li>In the case of M2 and M3, if the steam turbine(s) are used for mechanical power in the project, the turbine(s) used in the baseline shall be at least as efficient as the steam turbine(s) used for mechanical power in the project;</li> </ul> <p>In the case of M4 and M5, steam turbine(s) for mechanical power are not allowed for the same purpose in the project.</p>	<b>Applicable</b> Future CPAs most plausible baseline scenario for convert the heat generated by the project activity to mechanical power through steam turbines, for mechanical power generation could be scenarios M2: to M5:, or a combination of any of those.	CME would check and confirm during the inclusion of the CPA that Mechanical power generation scenario confirms to scenarios from M2 to M5 or a combination of those.
For biomass residue use: Scenarios B1: to B8:, or any combination of those scenarios. For scenarios B5: to B8:, leakage emissions should be accounted for as per the procedures of the methodology.	<p>CPAs would use scenarios B1 to B8 or any combination of these scenarios for biomass residues. In case of scenarios B5: to B8: leakage emissions would be accounted for as per the procedures of the methodology.</p> <p>The CME will check at CPA level that in case this scenario applies, leakage emissions are accounted as per the procedures of the methodology.</p>	CME would check and confirm during the inclusion of the CPA that heat generation scenario confirms to scenarios from B1 to B8 or a combination of those. Moreover, CME would check whether leakage emissions are accounted appropriately in case scenarios B5 to B8 are used in any of the CPAs.

In contrast of above it is concluded that the PoA meets all the applicability criterion of the applied methodology (ACM0006 version 12.0.1<sup>/B02/</sup> and thus this PoA is also confirms to the requirement of the §6 (f) of EB 55 annex 38<sup>/B04-3/</sup>.

However, CAR-PoA-E1 was raised during the course of validation to clarify on methodology applicability criterion and was subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.7.2 CPA boundary



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The boundary of the potential/future CPAs of the PoA has been assessed by considering information gathered from the site visit, interviews.

Validation team confirms that the identified boundary, the selected sources, and gases as documented in the PoA-DD<sup>/03/</sup> are justified for the CPA; hence all sources and GHGs required by the methodology have been included within the project boundary.

Thus the spatial extent of the CPA boundary includes each independent activity, each end user of electricity as well as all power plants connected physically to Chile's grid. All CPAs boundaries relevant with "Biomass Renewable Energy Programme of Activities" will be implemented within the geographical boundary of Chile.

There are two GHGs involved in the project activity i.e., CO<sub>2</sub> (baseline emissions) from power plants serving the electricity grid or from fossil fuels fired in baseline heat and/or power generation equipment at plant sites, CH<sub>4</sub> to account for leakage emissions or baseline emissions on account of renewable biomass to be determined separately for each CPA.

Validation team confirms that the identified boundary, the selected gases and sources as documented in the PoA-DD<sup>/03/</sup> are justified for the future CPAs of the PoA and fully in line with the requirements set by the applied methodologies ACM0006 (version 12.0.1)<sup>/B02-/</sup>.

However, CAR-PoA-E3 was raised during the course of validation to clarify on PoA & CPA boundary and was subsequently closed satisfactorily. Please refer to Appendix-A of this report.

### 3.7.3 Baseline Scenario identification

The selection of the most plausible baseline scenarios will be identified at CPA level, however, the approach provided for determination of baseline scenario in the PoA-DD is assessed to be appropriate. The "Selection of the baseline scenario and demonstration of additionality" defined in the applied methodology ACM0006 Version 12.0.1 as follows:

- For power generation: Scenarios P2 to P7, or a combination of any of those scenarios;
- For heat generation: Scenarios H2 to H7, or a combination of any of those scenarios;
- If some of the heat generated by the CDM project activity is converted to mechanical power through steam turbines, for mechanical power generation: Scenarios M2 to M5:
  - In the case of M2 and M3, if the steam turbine(s) are used for mechanical power in the project, the turbine(s) used in the baseline shall be at least as efficient as the steam turbine(s) used for mechanical power in the project;
  - In the case of M4 and M5, steam turbine(s) for mechanical power are not allowed for the same purpose in the project.
- For biomass residue use: Scenarios B1 to B8, or any combination of those scenarios. For scenarios B5 to B8, leakage emissions should be accounted for as per the procedures of the methodology.
- For the land use of the plantation area: Scenario L1 is the baseline.

Since baseline scenario would vary significantly for each CPA, hence it is prudent to carry out the baseline identification as per the scenario selection at the CPA level.

However, CAR-PoA-E2, CAR-PoA-E4 & CAR-PoA-E5 were raised during the course of validation to clarify on baseline scenario identification and were subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.8 Additionality

### 3.8.1 Prior consideration of CDM

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As per § 3 of annex 26, EB 60<sup>/B04-6/</sup>, “Guidelines for the demonstration and assessment of prior consideration of the CDM” do not apply to PoAs, as at present it is expected that no component of the programme (CPAs) will commence prior to the start date of validation of the PoA i.e., 24/04/2012.

## 3.8.2 Additionality of PoA

The description under the PoA DD<sup>/03/</sup> demonstrates the compliance of § 6(e) of annex 38 of EB 55 /B04-3/. The stepwise validation of the same is summarized below:

Relevant text of § 6(e) of Annex 38 of EB 55	Assessment of the compliance
The proposed PoA is a voluntary coordinated action;	<p>It has been stated in the PoA-DD<sup>/03/</sup> that there is no mandatory legal requirement in Chile to generate electricity and/or Heat by installing biomass based heat and/or power plants. The same was verified through the following documents:</p> <ul style="list-style-type: none"> <li>• Declaration from the CME/8/</li> </ul> <p>Also, the proposed PoA will facilitate access to carbon revenues to biomass based CHP plant developers. These developments will encourage renewable energy based heat and/or power generation in the host country. There are no mandatory laws or regulations in the host country stipulating to implement a Renewable Energy Plant or development of a PoA. Likewise, no obligation exists for private entities to utilize or develop renewable energy projects. The proposed PoA can be, therefore, regarded as a voluntary coordinated action</p>
If the PoA is implementing a voluntary coordinated action, it would not be implemented in the absence of the PoA;	<p>As assessed above the PoA is implementing a voluntary coordinated action.</p> <p>As explained by the CME, the biomass utilization for energy generation in Chile is at initial stages only. Considering the participation of renewable sources in the total energy generation and the potential of the renewable resources in Chile, it can be concluded that in the absence of the capacity development and streamlined CDM services to be provided under the proposed PoA the financial incentives like CDM revenues will remain at insufficient levels to undertake the investments needed to establish new renewable plants. Consequently, the current dependence on fossil based thermal generation will remain.</p> <p>Also, additionality has been done at CPA level and criterion has been established to determine additionality at each CPA level. This approach has been verified to be in line with § 4 (a) of Annex 3 of EB 65/B04-5/.</p> <p>Hence, the claim of the CME, that none of the CPAs under the PoA would occur in absence of CDM is justified. This demonstration is in compliance with § 6 of annex 38 of EB 55.</p>
If the PoA is implementing a mandatory policy/regulation, this would/is not enforced;	Not Applicable for this PoA
If mandatory a policy/regulation is enforced, the PoA will lead to a greater level of enforcement of the existing mandatory policy/regulation.	Not Applicable for this PoA

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The additionality of the PoA has been demonstrated at PoA level and presented in section A.4.3 of the PoA-DD<sup>103/</sup>. As the PoA applies the large-scale methodologies, therefore the additionality has been demonstrated using “Tool for demonstration and assessment of additionality” (EB65, Annex 21, version 06.0.0) /B04-11/, which is in line with requirements of § 10 of Annex 3 of EB 65 /B04-5/.

However, CAR-PoA-A5 & CL-PoA-A9 were raised during the course of validation to clarify on PoA additionality description and was subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

### 3.8.3 Approach for demonstrating CPA Additionality

A typical CPA to be included in this PoA will consist of

- Installation of new plants at a site where currently no power and steam/heat generation occurs (Greenfield projects);
- Installation of new plants at a site where currently power or steam/heat generation occurs. The new plant replaces or is operated next to existing plants (capacity expansion projects);
- Improvement of energy efficiency of existing plants (energy efficiency improvement projects), which can also lead to a capacity expansion, e.g. by retrofitting the existing plant;
- Total or partial replacement of fossil fuels by biomass residues in existing plants or in new plants that would have been built in the absence of the project (fuel switch projects).

While the entire steam/heat generated will be for captive consumption by the CPAs, power generated may be exported partially or fully to grid. Accordingly, the CPA under this PoA will use the approved methodology ACM 0006 (ver 12.0.1).

Additionality of all CPAs under this PoA will be demonstrated based on the methodology ACM 0006, “Consolidated Methodology for Electricity and Heat Generation from Biomass Residues (EB 66, version 12.0.1) read in conjunction with “Guidelines on Additionality of First-of-its-Kind Project Activities” (Annex 7, EB 69, version 02), or “Guidelines for objective demonstration and assessment of barriers” (Annex 13, EB 50, version 01) or “Tool for the demonstration and Assessment of additionality” (Annex 08, EB 70, version 07). Where the project is demonstrated to be ‘first-of-its-kind’ in conformity with latest version of the “Guidelines on additionality of first-of-its-kind project activities” (Annex 7, EB 69, version 02), the additionality of the project will be deemed to have been demonstrated. In all other cases, CPA implementers will demonstrate additionality based on “Guidelines for Objective Demonstration and Assessment of Barriers” (Annex 13, EB 50, version 01) or “Tool for the Demonstration and Assessment of Additionality” (Annex 08, EB 70, version 07) read with “Guidelines on the Assessment of Investment Analysis” (Annex 5, EB 62 version 05). CPAs choosing barrier analysis including investment barrier, will complement the additionality demonstration by common practice analysis, for which the CPAs will follow “Guidelines on Common Practice” (Annex 08, EB 69, version 02.0).

#### Prior Consideration CDM

As per clarifications offered by EB Vide Annex 26, EB 60 and Glossary of CDM Terms (version 07), no CPAs will commence prior to the start date of validation of PoA, Therefore, 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 paragraph 2 of Annex 13, EB 62. Hence, all the CPAs will inform UNFCCC and DNA about the intention to get registered as CDM activity within 6 months from the start date, unless the CPA has been submitted for validation before the start date, in which case such intimation is not necessary. 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 (Version 07) and furnish credible documentary evidence in support of the same. Therefore, the prior consideration is in conformity with the directions given vide paragraphs 100 and 101 of VVM (01.2)

#### Appropriateness of Alternatives

All the CPAs to be included in this PoA will furnish credible alternatives in accordance with the methodology ACM 0006 for

- (a) generation of electricity;
- (b) generation of heat; and
- (c) disposal of biomass residue

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Based on the assessment of all alternatives, CPAs will select the most plausible baseline scenarios as per the “Selection of the baseline scenario and demonstration of additionality” defined in the applied methodology ACM0006 Version 12.0.1. The baseline scenario identified by each CPA shall be in compliance with all mandatory laws and regulations taking into account the legal framework in Chile and EB decisions. All CPAs under this PoA must comply with the local laws and regulations. The alternatives selection, therefore conforms to the methodology ACM 0006 and guidance given vide paragraphs 106 and 107 of VVM (01.2)

## Appropriateness of Investment Analysis

CPAs can demonstrate additionality through ‘first-of-its-kind’ barrier. Where the project is demonstrated to be ‘first-of-its-kind’, the additionality of the project will be deemed to have been demonstrated. In all other cases, CPA implementers will demonstrate additionality based on barriers – *technological* or *investment* barriers.

CPAs choosing *technological* barriers, will establish a complete list of realistic and credible barriers (in conformity with Additionality Tool) and demonstrate, using qualitative and/or quantitative arguments, as to how the barriers prevent the implementation of the project activity and not at least one alternative scenario or if they affect the project activity and other alternative/s, then how barriers affect other alternative/s less strongly than they affect the proposed CDM project activity. The CPA operators will conclusively prove using the “Guidelines for Objective Demonstration and Assessment of Barriers” (Annex 13, EB 50, version 01) as to how the registration of the CDM project activity will *alleviate* the barriers that prevent the proposed project activity from occurring.

The project activities getting registered under the PoA would be either new or existing projects setting up the facility to generate steam (for captive consumption) and/or electricity (for export to grid and/or for captive consumption partially or fully). As per the methodology ACM 0006 (ver 12.0.1)<sup>1</sup>, project developer is required to *compare* the economic or financial attractiveness of the alternative scenarios by conducting an investment analysis. Since the methodology requires the use of investment comparison analysis, all CPAs using investment barrier will demonstrate the additionality using investment comparison analysis. In other words, the CPAs will demonstrate that economically or financially the project activity is less attractive than at least one alternative in which the project participants could have invested. Validation team, therefore concludes that the investment analysis selected is in conformity with the methodology ACM 0006 and the Additionality Tool and guidance given vide paragraph 108 of VVM (01.2)

## Appropriateness of Financial Indicator

In general, CPAs will use either Net Present Value (NPV) or Internal Rate of Return (IRR) as financial indicator. While Equity NPV/IRR will be used where the project is funded entirely by equity, project NPV/IRR will be used where the project is funded by a debt and equity mix. NPV/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 and Guidance on Investment Analysis also recommend the use of equity and project NPV/IRR as one of the financial indicators for additionality demonstration. Therefore, validation team considers the project/equity NPV/IRR as most suitable financial indicators for the project type and decision making context. However, in the case of green-field project activity generating only steam/heat, which is used for captive consumption, levelized unit cost of generation of steam (LUC per ton of steam generated) will be used as financial indicator, as there will be no historical records of fossil fuel used and hence savings in fuel cost cannot be computed. Validation team considers this as appropriate for the reasons given. The financial indicator selected, therefore, is in conformity with paragraph 109 of VVM (01.2).

## Discount rate (Benchmark)

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<sup>1</sup> The methodology underwent major modification in version 11, wherein the methodology requires the project developer to demonstrate the financial attractiveness of the alternative scenarios by conducting an investment analysis, thereby implying the use of investment comparison analysis for additionality demonstration.

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Where NPV (project or equity) or Levelised Unit Cost is used as financial indicator CPAs will select either local commercial lending rates, or required/expected returns on equity including the default rate of return on equity prescribed in the Appendix to Annex 5, EB 62 converted to nominal terms based on the methodology prescribed in the said Appendix, as discount rate. The commercial lending rate will be sourced from publications of World Bank, Banco Central de Chile, leading commercial banks, term sheet from bank (if available at the time of decision making) or any other credible source. The selection of discount rate is appropriate for the financial indicator selected and therefore conforms to paragraph 12 of Annex 5, EB 62. Moreover, since the CPAs adopt the investment comparison analysis, the discount rate will not make any difference in additionality demonstration, as the same rate will be applied to the project activity and the alternative/s. The discount rate selection, therefore conforms to Additionality Tool and Guidance on Investment Analysis read with paragraph 112 of VVM (01.2)

## Validation of input parameters

As stated earlier, project activity under this PoA will consist of the installation of facility to generate steam / heat for captive consumption and / or electricity for sale to grid and/or for captive consumption either partially or fully. Therefore, the projects coming under PoA can be broadly divided into three categories, viz.,

- a) Projects generating only steam/heat;
- b) Projects generating only electricity;
- c) Projects generating steam/heat and electricity;

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. For example in case the CPA involves only steam generation, cost of electricity generator and power tariff will not be applicable and in case the CPA proposes to consume the power in-house, then the tariff for electricity exported to grid will not apply. The acceptable source for input parameters has been determined in the PoA-DD and leaves very little scope for the projects to use alternative sources. Besides, while validating each 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 PDD 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. The validation team will check the calculations and ensure the CPA conforms to guidance given vide paragraph 88,111 and 113 of VVM (01.2).

## Accounting principles and Arithmetical Accuracy

CPAs will present the worksheet, which will, *inter alia* contain an 'Assumption' and 'Financial Indicator' worksheets. All the input parameters together with the source will be given in the 'Assumption' sheet, which will be linked to 'Financial Indicator' worksheet. Since input cells will all be linked to the financial indicator calculation, the worksheet will ensure adoption of arithmetical accuracy. Validation team will ensure the worksheet conform to accounting principles and arithmetical accuracy. Therefore, the PoA project activities would conform to the requirements of paragraph 111 of VVM (Ver. 01.2).

## Sensitivity analysis

Project activities would be tested for the robustness of the conclusion, viz., that the project activity is economically or financially less attractive than at least one alternative by subjecting critical parameters to reasonable variations. Accordingly, select input parameters, which constitute 20% of project cost/revenue will be subjected to sensitivity analysis. Some of the factors that would be subjected to sensitivity analysis will include

- a) Capital expenditure
- b) PLF/capacity utilization
- c) Biomass cost
- d) Electricity price
- e) Electricity cost
- f) Fossil Fuel cost
- g) O&M cost



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The parameters will vary depending on the nature of project activity. Depending on the projects, a few other costs will also be subjected to sensitivity analysis, if found appropriate. All the parameters will be subjected to a 10% variation on either side in conformity with guidance 21 of Annex 5, EB 62. Worksheet will contain 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 and paragraph 111 of VVM (01.2).

## 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 demonstration – be it with technological barrier or investment barrier - 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 or demonstrate common practice analysis in conformity with Step 4 of Additionality Tool read with Annex 8 of EB 69. All the CPAs to be included in the PoA would involve generation of steam/heat and/or power (output), using biomass 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.

## Conclusion

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.

CAR-PoA-E7 was raised during the course of validation to clarify on CPA additionality requirements and was subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.9 Emission reduction from a typical CPA of the PoA

CCL conducted assessment of baseline emissions, project emissions, leakage, and emission reductions. The parameters and equations presented in the PoA-DD, as well as other applicable documents, have been compared with the information and equipment stipulated in the methodology and respective tools. The assumptions and data used to determine the emission reductions are described in the PoA-DD<sup>/03/</sup> and all the sources have been checked and confirmed by validation team. Based on the reviewed information, it can be confirmed that the sources used are correctly quoted and interpreted in the PoA-DD<sup>/03/</sup>. The values in the PoA-DD<sup>/03/</sup> are considered to be reasonable based on the documentation and references reviewed, as well as, the result of the interviews. The baseline methodology has been correctly applied according to the requirements.

As per the description provided in section E.6.2 of the PoA-DD<sup>/03/</sup>, A typical CPA under this PoA is either:

- Installation of new plants at a site where currently no power and steam/heat generation occurs (Greenfield projects);
- Installation of new plants at a site where currently power or steam/heat generation occurs. The new plant replaces or is operated next to existing plants (capacity expansion projects);
- Improvement of energy efficiency of existing plants (energy efficiency improvement projects), which can also lead to a capacity expansion, e.g. by retrofitting the existing plant;
- Total or partial replacement of fossil fuels by biomass residues in existing plants or in new plants that would have been built in the absence of the project (fuel switch projects).

Electricity which will be produced by activities under the CPA is supplied either to:

- The industrial facility where the biomass based power and/or heat plant is being installed
- One of the national grid of the CHILE.

The calculation of GHGs emissions is done in line with the applied methodology under the revised

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PoA-DD<sup>/03/</sup>. The revised PoA-DD appropriately considers the baseline emission, project emissions and leakage emissions as required for the project category by applied methodology ACM0006, version 12.0.1.

The validation team confirms that equations and algorithms used to calculate baseline emission, project emission, leakages and emission reduction are correct. To assess algorithms and/or formulae used to determine emission reductions detail and transparent spread sheet calculation in excel file for first real case CPA-DD is provided by the CME to the DOE for validation and found to be appropriate.

## Calculation of Grid Emission Factor ( $EF_{CO_2, grid, y}$ )

CO2 emission factor of the grid ( $EF_{EG, GR, y}$ ) was calculated according to Tool to calculate the emission factor for an electricity system, version 02.2.1 /B03/. The combined margin emission factor (CM) of the electricity system consists of the combination of operating margin (OM) and build margin (BM).

In Chile there are 4 interconnection systems of electric power, the Grand North Interconnected System (SING; Sistema Interconectado del Norte Grande), the Central Interconnected System (SIC; Sistema Interconectado Central); Aysen System and Magallanes System, each of these interconnected systems operate in isolation from the others.

The Grand North Interconnected System (SING) covers the area with a 24.06% of the installed capacity in the country. The Central Interconnected System (SIC) is the main electrical system of the country, with 75.05% of the installed capacity, it extends between the northern town Taltal (third region) and the Grand Island of Chiloé (tenth region) in the south. The SIC has an installed capacity of 12,365.1 MW as of December 2011.

The Aysen System operates in the Aysen Region (eleventh region) with 0.28% of the country's capacity; The Magallanes System consists of four electrical subsystems: Systems of Punta Arenas, Puerto Natales, Puerto Porvenir and Puerto Williams, all in the twelfth Region, with 0.60% of the installed capacity in the country. The installed capacity of this system to December of 2011 is 99.6 MW.

Above information has been verified through the links provided in the CPA-DD /B10/. The links are from the website of National Energy Commission of Chile and have been found appropriate.

The table below describes how the validation team cross-checked the calculation of emission the factor of the grid ( $EF_{EF, GR, y}$ ):

Step	Description	Determination and Assessment of GEF calculation <sup>/15/</sup>	Justified
1	Identify the relevant electricity systems.	<p>Electricity generated by the proposed CPAs would be utilized onsite and excess energy would be exported to grid. This electricity in the baseline would have been sourced from the Grid. The system is independent, and that is confirmed by the website of the National Commission of Energy (Spanish; Comisión Nacional de Energía "CNE" – <a href="http://www.cne.cl">www.cne.cl</a>).</p> <p>Most of the CPAs to be added in PoA would be 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>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



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		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 <sup>/B03/</sup> .	
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. the same was check in the CEDEC-SIC database used for the calculations<sup>/B08/</sup>.</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<sup>/B03/</sup>, 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 (OM).	<p>Option (b) Simple Adjust OM, one of the four methods provided in the tool<sup>/B03/</sup> for calculating the operating margin is selected.</p> <p>The Simple Adjust OM method is selected by the PP in the PoA-DD<sup>/03/</sup> 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%<sup>/B08/</sup>). 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<sup>/B03/</sup>.</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-2010<sup>/B08/</sup> 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<sup>/02/</sup> to the DOE for validation and the same is in line with the tool<sup>/B03/</sup> acceptable to the validation team.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4	Calculate the operating margin emission factor ( $EF_{grid, OM, y}$ ) according to the selected method.	<p>The simple adjusted OM emission factor (<math>EF_{grid, OM, adj, y}</math>), is calculated as the generation weighted average CO<sub>2</sub> emissions per unit net electricity generation (tCO<sub>2</sub>/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<sup>/B03/</sup> the simple adjusted OM is calculated by Option A, based on the net electricity generation and a CO<sub>2</sub> emission factor of each power unit.</p> <p>For the determination of <math>EF_{EL, m, y}</math>, Option A1 was followed. The PP used the data of NCV from National average default values (second option of the tool<sup>B03/</sup>) sourced from National Energy Balance 2008 of the National Commission of Energy, while the value of emissions factors <math>EF_{CO_2, i, y}</math> was taken</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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		<p>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 <math>EG_{m, y}</math>, the PP provide values according to the requirement of the tool<sup>/B03/</sup> 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 <math>m</math> only data on electricity generation is available, an emission factor of 0 tCO<sub>2</sub>/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<sup>/B08/</sup> &amp; CDEC-SIC Yearbook<sup>/B08/</sup> 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<sup>/B03/</sup></p> <p>Therefore, the calculated <b>OM = 0.7216 tCO<sub>2</sub>/MWh</b> is correct and inline with the requirements of tool.</p>	
5	Calculate the build margin (BM) emission factor.	<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 <math>m</math> at the time of submission of the PDD<sup>/02/</sup> to the DOE for validation i.e., for the year 2010, and the same is in line with the tool<sup>/B03/</sup>.</p> <p>The sample group of power units <math>m</math> used to calculate the build margin was determinate with points (a) (b) and (c) as per the procedure of the tool<sup>/B03/</sup>. The PP identify the 5 most recent power units, excluding CDM (SET<sub>5-units</sub>) and the units that comprise at least 20% of the system generation, excluding CDM (SET<sub>≥20%</sub>) for determine the SET<sub>sample</sub>.</p> <p>Validation team based on document review confirms that the <math>AEG_{SET≥20\%} &gt; AEG_{SET-5-units}</math> for the SIC grid 2010 and hence consideration of <math>AEG_{SET≥20\%}</math> for the SET<sub>sample</sub> 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</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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		is correctly applied complying with the Tool.  Therefore, <b>BM = 0.5687 tCO<sub>2</sub>/MWh</b> is justified.	
6	Calculate the combined margin (CM) emissions factor.	According to the “ <i>Tool to calculate the emission factor for an electricity system</i> ” (Version 02.2.1) <sup>/B03/</sup> .  The weighting of OM emission factor and BM emission factor for calculate CM emission factor is categorized by type of CDM project:  The default weights applicable for other renewable projects (other than wind and solar) 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”  The calculation of <b>CM = 0.6451 tCO<sub>2</sub>/MWh</b> for other renewable projects is justified.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

As per the PoA DD<sup>/03/</sup>, the CM is fixed for the first crediting period of the PoA for all CPAs falling under SIC Grid and to be included during the first crediting period of PoA and found to be acceptable to the validation team.

In summary, the calculation of emission reductions was correctly demonstrated by the PP according to the methodology ACM0006 (version 12.0.1)<sup>/B02/</sup>, and its tool “Tool to calculate the emission factor for an electricity system (version 02.2.1)”<sup>/B03/</sup>.

The calculation of grid emission factor is contained in the Emission Reduction Calculation Spreadsheet of 1<sup>st</sup> real case CPA with this PoA. The readers are requested to refer the CER and EF spreadsheet<sup>/15/</sup> of real case CPA for GEF fixed at PoA level, which is assessed, to be appropriate.

Validation team based on the review of PoA-DD<sup>/03/</sup> confirms that the formulae are correctly presented for the determination of emission reductions at CPA level. The parameters and equations presented in the PoA-DD<sup>/03/</sup>, 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<sup>/03/</sup> and calculation files (for the real case CPA DD) and methodology ACM0006 (Version 12.0.1)<sup>/B03/</sup>.

CAR-PoA-E8 & CAR-PoA-E9 were raised during the course of validation to clarify on Emission reduction calculations and were subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.10 Monitoring Plan of a typical CPA

### Monitoring Methodology

The validation team confirms that a valid monitoring methodology ACM0006 version 12.0.1 used for the proposed programme of activity.

### Monitoring Plan

The validation team confirms that the monitoring plan complies with the requirements of the applied methodology.

Steps taken to assess whether the monitoring arrangements described in the monitoring plan are feasible within the project design are described below.

Determination of the baseline project parameters are explained in PoA-DD and found acceptable and in accordance to methodology ACM0006 version 12.0.1.

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For the first real case CPA, for parameters monitored ex-post, their monitoring methods, frequencies and measurement equipment are acceptable and in line with applied methodology i.e. ACM0006 version 12.0.1.

The validation team conclude that selected parameters, monitoring methods, frequencies and the measurement equipment were in line with the methodology. Leakage would be considered the CPAs to be included, depending on the baseline scenario for biomass use selected for that particular CPA.

Bioenergías Forestales S.A. being a co-ordinating and managing entity will manage the monitoring done by each CPA to make sure every CPA meets the requirement for data collection, storage, protection, processing and reporting. Each CPA will be verified individually based on the unique identification number as a reference to ensure single counting of the PoA. The CPA reference number will be linked with geographical coordinates marked by GPS coordinate based on each specific fixed site location.

An Operational and Management Agreement Procedure as defined in quality manual <sup>/07/</sup> will be established by the CME for monitoring and recording of data and operation and maintenance of the equipment. All relevant monitoring equipment will be calibrated at pre-determined frequency to ensure valid monitoring results. CDM Quality Manual (Draft) <sup>/07/</sup> was checked and found to be appropriate by the validation team. Manual will be prepared before the start of the first crediting period to ensure that CERs are calculated in a transparent manner and monitoring is carried to ensure the accrued emission reductions in transparent and reliable manner.

The DOE, after the closure of all findings confirms that all monitoring arrangements are feasible. For a detailed assessment please refer to the validation protocol under Annex-A1 of the report.

Based on onsite observation, interview with representatives of CME and CPA implementer and above, the validation team hereby confirms that the project participants (CME and CPA implementers) are able to implement the monitoring plan adequately.

## Project Management Planning

CME is the responsible entity for implementation and developing a management and operational system for CPA under the proposed PoA. As per the plan, monitoring will be carried out by the site operators or third party, at each individual site and CME will ensure consistency in monitoring, processing and reporting of data required for the calculation of emission reductions achieved by each CPA.

CME will prepare a monitoring report after data checking of the monitored data by CPA implementer. Details of the CPA monitoring plans will be described in each CPA-DD respectively. However, CPA implementers will be responsible for implementing appropriate operation and maintenance procedures to ensure the monitoring equipment meet the CDM requirements and to submit a periodic report on the monitored parameters to CME. Clear roles and responsibilities of the key persons involved in the CPA will be defined in each CPA-DD.

## Thus based on above assessment, validation team concludes:

The monitoring plan presented in the PoA-DD <sup>/03/</sup> and g-CPA-DD <sup>/04/</sup> complies with the requirements of the applied methodology. The validation team has checked all parameters in the monitoring plan against the requirements of the methodology and no deviations have been found.

The validation team through 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.

The management system document <sup>/07/</sup> 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, 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.

Monitoring structure for the project activity is comprehensively detailed in the PoA-DD <sup>/03/</sup> including description of the responsibility, procedure reference, equipment details, calibration frequency, and

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maintenance and archiving of the records is indicated. By reviewing the monitoring procedure and requirements provided in CME Management System <sup>/07/</sup> 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 <sup>/03/</sup>, 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.

However, CL-PoA-A17 & CL-PoA-E14 were raised during the course of validation to clarify on record keeping requirements & operation and management structure and were subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.11 Environmental Impacts

It has been indicated in the PoA-DD <sup>/03/</sup>, that the environmental analysis shall be done at the individual CPA level. PoA-DD specifies that 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. The law applicable to a typical CPA under this PoA is as follows:

- Law 19,300<sup>2</sup> “Ley Sobre Bases Generales del Medio Ambiente” Article 10 (Project that should be subject to the System of Environmental Impact Assessment) and Article 11 (projects that must submit an Environmental Impact Study).

The owner of the CPA must submit either an Environmental Impact Statement or Environmental Impact Study. An Environmental Impact Statement (DIA) for a project is shorter than an Environmental Impact Study (EIA) as it is expected that the environmental impact is lower.

This is deemed appropriate in the context of the CPAs of the PoA.

CAR-PoA-C1 & CL-PoA-C2 were raised during the course of validation to clarify on choice of environmental analysis and were subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

## 3.12 Local stakeholders consultation

It has been indicated in the PoA-DD, that the local stakeholder consultation shall be done at the PoA level as well as the CPA level. This is deemed appropriate in the context of the PoA as the geographical boundary of the PoA is the country of Chile and the PoA is coordinated on a national level by CME, it is considered appropriate to carry out the local stakeholder consultation at PoA level. Moreover, the CPA would involve significant industrial activity and would impact local stakeholders as well. As carrying out the stakeholder consultation at CPA level is also justified.

For the PoA level local stakeholders consultation, validation team based on reviewing the related documents submitted by the CME <sup>/18/</sup> confirms that it has been done before the GSC period. The relevant local stakeholders have been invited through newspaper advertisements/18-1/. The summary of this stakeholder meeting is provided to the validation team. The validation team has reviewed the documentation in order to validate the inclusion of relevant stakeholders. Validation team based on its local expertise has confirmed that the communication method used to invite the stakeholders is appropriate.

The summary of comments presented in the PoA-DD <sup>/03/</sup> has been verified with the documentation of the stakeholder consultation <sup>/18/</sup> and has been found to be complete.

CL-PoA-D1, CL-PoA-D2 & CL-PoA-D3 were raised during the course of validation to clarify on stakeholder consultation and were subsequently closed satisfactorily. Please refer to Appendix-A of this report for details.

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<sup>2</sup> [http://www.sinia.cl/1292/articles-26087\\_ley\\_bases.pdf](http://www.sinia.cl/1292/articles-26087_ley_bases.pdf)

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## 4 COMMENTS BY PARTIES, STAKEHOLDERS AND NGOS

The PoA-DD<sup>/01/</sup> (dated 20/04/2012), g-CPA-DD<sup>/02/</sup> and real-case CPA-DD (dated 20/04/2012), were made publicly available on UNFCCC's website (<http://cdm.unfccc.int/ProgrammeOfActivities/Validation/DB/54SKKU9CY6SBZIOHTGNU7JZ4UZ5KAM/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 comment was received.

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## **APPENDIX A**

### **VALIDATION PROTOCOL FOR PROGRAMME OF ACTIVITIES BIOMASS RENEWABLE ENERGY PROGRAMME OF ACTIVITIES REPORT No. CCL0101/PBBHPG/05122011**



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**Table 1: Conformity of CDM Programme of Activities**

CHECKLIST TOPIC / QUESTION	Ref.	Validation Team Comments	Draft concl.	Final concl.
<b>A. GENERAL DESCRIPTION OF CDM PROGRAMME OF ACTIVITIES (POA)</b>				
<b>A.1. Title of the CDM programme of activities (PoA)</b>				
A.1.1. Does the title of the PoA clearly enable to identify the unique CDM programme of activities?	/01/	The title "Biomass Renewable Energy Programme of Activities", 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. However the Host Parties have not confirmed it. Hence, a CAR has been raised.  Please refer to CAR PoA-A1 in section 4 later in the report.	CAR POA- A1	OK
A.1.2. Are current version number and the date of document completion given in section A.1 of the PoA-DD?	/01/	The section A.1 of the revised PoA-DD does not mention the new version number and date of finalisation of document. Hence, a CAR has been raised.  Please refer to CAR PoA-A21	CAR A21	OK
A.1.3. Is this consistent with the time line of the programme's history?	/01/	Depends on closure of CAR PoA-A21 in section A.1.2 above	Refer CAR A21	OK
<b>A.2. Description of the programme of activities</b>				
A.2.1. Is the description delivering a transparent overview of the general operating and implementing framework of the PoA?	/01/	The PoA-DD in section A.2, mentions about the operating and implementing framework, however adequate description is not provided and a transparent overview of the framework has not been provided. Hence CL has been raised. Please refer to CL PoA-A7	CL A7	OK
A.2.2. Is the policy/measure or stated goal of the PoA clearly and unambiguously presented?	/01/	Yes, in Section A.2 of the PoA-DD, the PoA's policy/measure or goal is stated as: <ul style="list-style-type: none"> <li>The goal of the PoA is to displace fossil fuel utilization for thermal and/or electricity generation by the promotion of biomass cogeneration systems in Chile, thereby reducing GHG emissions.</li> <li>Proposed PoA will provide a key incentive to further enhance</li> </ul>	CL PoA- A8	OK

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		the development of biomass However several inconsistency have been found in the description, hence CL has been raised. Please refer to CL PoA-A8.		
A.2.3. Is there a valid confirmation that the proposed PoA is a voluntary action by the coordinating/managing entity?	/01/	In Section A.2. and A.4.3. of the PoA-DD, the CME confirms that this PoA is a voluntary action. However evidence to substantiate this statement has not been submitted to the DOE for validation and one of the statements mentioned in the section is inconsistent. Hence a CL has been raised.  Please refer to CL PoA-A9.	<del>CL PoA-A9</del>	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/	Yes, the PoA-DD in section A.4.2 clearly provides a description on the type of technologies that can be used under the PoA but the description is not adequate and it does not provide sufficient and transparent input for evaluating its impact on the greenhouse gas balance. Hence a CL has been raised.  Please refer to CL PoA-A7 and CL PoA-A10	<del>CL PoA-A10</del> <del>CL PoA-A7</del>	OK
A.2.5. Is the brief explanation how the programme will reduce greenhouse gas emission transparent and suitable?	/01/	Depends on the closure of CL PoA-A7 in section A.2.1 above.	<del>Refer CL PoA-A7</del>	OK
<b>A.3. Coordinating/managing entity and participants of CDM-PoA</b>				
A.3.1. Is the form required for the indication of project participants correctly applied?	/01/	In Section A.3 of the PoA-DD, the form required for the indication of project participants has not been correctly applied. Hence CAR is raised.  Refer CAR PoA-A3	<del>CAR PoA-A3</del>	OK
A.3.2. Is the participation of the listed entities or Parties in the PoA confirmed by each one of them?	/01/	The LoA from Host Country confirming the participation was not submitted to DOE. Hence a CAR was raised in this regard.  Refer CAR PoA-A1	<del>CAR PoA-A1</del>	OK
A.3.3. Is all information on participants / Parties provided in consistency with details provided by further chapters of the PDD (in <del>CAR PoA-A3</del> particular annex 1)?	/01/	The details provided in section A.3 of PoA-DD are not consistent with Annex-1 of the PoA-DD. Hence a CAR has been raised.  Refer CAR PoA-A2	<del>CAR PoA-A2</del> <del>Refer CAR PoA-</del>	OK

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			A3	
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/	Depends on the closure of CAR PoA-A3 in section A.3.1 above.	<del>Refer</del> CAR PoA- A3	OK
<b>A.4. Technical description of the CDM programme of activities</b>				
<b>A.4.1. Location of the programme of activities</b>				
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/	Section A.4.1.2 of the PoA-DD does not give the clear identification of the PoA's boundary. Hence a clarification request has been raised in this regard.  Please refer to CL PoA-A11.	CL PoA- A11	OK
A.4.1.2. Is the consideration of all applicable national and/or sectoral policies and regulations of each host country within the boundary evident and substantiated?	/01/	It has not been described whether all applicable national and/or sectoral policies and regulation within the PoA's boundary have been taken into consideration when defining the PoA's boundary in Section A.4.1.2. of the PoA-DD. Hence a CAR has been raised.  Please refer to CL PoA-A12	CL PoA- A12	OK
A.4.1.3. Is/are the Host Party(ies) stated?	/01/	Yes, Chile has been stated as the Host Party,  However this has not been confirmed as the letter of approval from the DNA of the host Country.  Depends on the closure of CAR PoA-A1 in section A.1.1 above.	<del>Refer</del> CAR PoA- A1	OK
<b>A.4.2. Description of a typical CDM programme activity (CPA)</b>				
A.4.2.1. Is it unambiguously stated which technology or measures are to be employed by the CPA?	/01/	Yes, the PoA-DD in section A.4.2 clearly describes the technology or measure to be employed by each CPA, however description is not clear and adequate, hence a CL has been raised. Please refer to CL PoA-A13	CL PoA- A13	OK
A.4.2.2. Is the type and category of project activities correctly	/01/	The PoA-DD does not clearly describe the type and category of the CPAs that fall under the PoA. Hence a CL has been raised.	CL PoA-	OK

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identified and indicated?		Please refer to CL PoA-A14	A14	
<b>A.4.2.3. Does the technical design of the project activity reflect current good practices?</b>	/01/	The PoA envisages using renewable energy technologies i.e. biomass based heat and/or electricity generation to generate heat and/or electricity for captive purposes as well as for supply to national grid. Production of heat and/or electricity by renewable energy technologies in the region is a good practice.	<del>Refer CL PoA-A10</del>	OK
<b>A.4.2.4. Does the implementation of the project activity require any technology transfer from Annex-I countries to the host country(ies)?</b>	/01/	Clear description of technology transfer has not been provided in section A.4.2.1 of the PoA-DD. Hence a CL has been raised.  Please refer to CL PoA-A14	<del>CL PoA-A15</del>	OK
<b>A.4.2.5. Is the technology implemented by the project activity environmentally safe?</b>	/01/	Depends on the closure of CL PoA-A13 in section A.4.2.1 above.	<del>Refer CL PoA-A13</del>	OK
<b>A.4.2.6. Is the information provided in compliance with actual situation or planning?</b>	/01/	Yes, the information provided is in compliance with actual situation or planning.	<del>OK</del>	OK
<b>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?</b>	/01/	Depends on the closure of CL PoA-A13 in section A.4.2.1 above.	<del>Refer CL PoA-A13</del>	OK
<b>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?</b>	/01/	There is no information provided on training and maintenance efforts required to carry out the project as per schedule. Hence a CL is raised.  Please refer to CL PoA-A13	<del>CL PoA-A13</del>	OK
<b>A.4.2.9. Is information available on the demand and</b>	/01/	Depends on the closure CL PoA-A13 in section A.4.2.8 above.	<del>Refer CL</del>	OK

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requirements for training and maintenance?			PoA-A13	
<b>A.4.2.10. Does the PoA-DD provide clearly and unambiguously eligibility criteria for the inclusion of a CPA into the PoA? (Annex 3 of EB 65 §14)</b>	/01/ /	In section A.4.2.2 of the PoA-DD, the eligibility criteria for inclusion of CPA in the PoA has not been developed in line with the requirements of §14 EB 65, Annex 3. Hence CAR is raised.  Please refer to CAR PoA-A4	CAR PoA-A4	OK
<b>A.4.3. Description of how the anthropogenic emissions of GHG by sources are reduced by a CPA below those that would have occurred in the absence of the registered PoA (assessment and demonstration of additionality of the PoA as a whole)</b>				
<b>A.4.3.1. Is it evident and clearly documented that the proposed PoA is a voluntary coordinated action?</b>	/01/	Depends on the closure of CL PoA-A9 in section A.2.3 above.	Refer CL PoA-A9	OK
<b>A.4.3.2. Is it evident and substantiated that this voluntary coordinated action would not be implemented in the absence of the PoA?</b>	/01/	Section A.4.3 of the PoA-DD does not clearly substantiate that the Voluntary coordinated actions would not be implemented in the absence of the PoA. As mentioned in the PoA-DD the additionality is to be assessed at the individual CPA level, however PoA additionality as a whole is found to be lacking. Hence a CAR has been raised. Please refer to CAR PoA-A5	CAR PoA-A5	OK
<b>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?</b>	/01/	Depends on the closure of CL PoA-A8 in section A.2.2 above.	Refer CL PoA-A9	OK
<b>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?</b>	/01/	Depends on the closure of CL PoA-A8 in section A.2.2 above.	Refer CL PoA-A9	OK
<b>A.4.4. Operational, management and monitoring plan for the programme of activities (PoA)</b>				
<b>A.4.4.1. Is there a clear and transparent description of the operational and</b>	/01/	Section A.4.4.1 of the webhosted PoA-DD provides an operational and management plan but is found to be lacking and the same is not in line with the requirements laid down under Annex 3 of EB 65 § 17. Hence	CAR PoA-A6	OK

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management arrangements established by the coordinating/managing entity?		CAR is raised.  Please refer to CAR PoA-A6		
<b>A.4.4.2. Is there a record keeping system for each CPA under the PoA?</b>	/01/	Section A.4.4.1 of the PoA-DD does not provide information on record keeping system for each CPA under the PoA. Further there are no details of unique identification system of the CPAs. Hence a CL has been raised.  Please refer to CL PoA-A17	<del>CL</del> <del>PoA-</del> <del>A17</del>	OK
<b>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?</b>	/01/	A system/procedure to avoid double accounting mentioned under section A.4.4.1 of the PoA-DD is not appropriately and transparently provided.  Please refer to CL PoA-A18	<del>CL</del> <del>PoA-</del> <del>A18</del>	OK
<b>A.4.4.4. Is there a system or procedure to detect whether a CPA to be included in the PoA is not a de-bundled component of another CPA or CDM project?</b>	/01/	Depends on the closure of CL PoA-A18 in section A.4.4.3 above	<del>Refer</del> <del>CL</del> <del>PoA-</del> <del>A18</del>	OK
<b>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?</b>	/01/	Yes, in section A.4.4.1 of the PoA-DD a provision is in place to ensure that those operating the CPA are aware of and have agreed that their activity is being subscribed to the PoA through signing of contractual agreements. But no evidence has been provided to substantiate the same. Hence CL is raised.  Please refer to CL PoA-A19	<del>Refer</del> <del>CL</del> <del>PoA-</del> <del>A19</del>	OK
<b>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</b>	/01/	Section A.4.4.2 of the PoA-DD clearly states that the monitoring will be carried out at CPA level. Also it has been stated all CPAs would be verified instead of adopting any sampling approach. Hence the justifications are found to be satisfactory.	OK	OK

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within CPAs)?				
<b>A.4.4.7. In case the coordinating/managing entity 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?</b>	/01/	Depends on the closure of CL PoA-A17 in section A.4.4.2 above.	<del>Refer CL PoA-A17</del>	OK
<b>A.4.5. Public funding of the project activity</b>				
<b>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?</b>	/01/	Section A.4.5 of the PoA-DD states that no public funding has been used in the development of this PoA. However a CL is raised since no evidence has been submitted to DOE to substantiate this claim.  Please refer to CL PoA-A20.	<del>CL PoA-A20</del>	OK
<b>A.4.5.2. Is all information provided consistent with the details given in remaining chapters of the PoA-DD (in particular annex 2)?</b>	/01/	Depends on the closure of CL PoA-A20 in section A.4.5.1 above.	<del>Refer CL PoA-A20</del>	OK
<b>B. DURATION OF THE PROGRAMME OF ACTIVITIES</b>				
<b>B.1. Starting date of the programme of activities</b>				
<b>B.1.1. Is the programme's starting date clearly defined and reasonable?</b>	/01/	As stated in section B.1 of the PoA-DD, the project activity start date is 25/04/2012, which is same as the date of first publishing for global stakeholder consultation. Hence the starting date is clearly defined and is reasonable.	OK	OK
<b>B.2. Length of the programme of activities (PoA)</b>				



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B.2.1. Is the assumed length of the PoA clearly defined by the coordinating/ managing entity and reasonable (max 28 years)?	/01/	Yes, as stated in section B.2 the length of the PoA is 28 years and 0 months, which is in accordance with the requirements of EB 55 Annex 38.	OK	OK
<b>C. ENVIRONMENTAL ANALYSIS</b>				
<b>C.1. Definition of the level at which environmental analysis as per requirements of the CDM modalities and procedures is undertaken:</b>				
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 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/	The PP has not defined in a clear and transparent manner the decision to implement environmental analysis at CPA level. Hence a CL has been raised.  Please refer to CL PoA-C2	<del>CL</del> <del>PoA-</del> <del>C2</del>	OK
<b>C.2. Documentation on the analysis of the environmental impacts of the PoA, including transboundary impacts:</b>				
C.2.1. Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, has an EIA been approved?	/01/	As per the Chilean Law 19,300 <sup>3</sup> "Ley Sobre Bases Generales del Medio Ambiente" Article 10 (Project that should be subject to the System of Environmental Impact Assessment) and Article 11 (projects that must submit an Environmental Impact Study). The owner of the CPA must submit either an Environmental Impact Statement or Environmental Impact Study. An Environmental Impact Statement (DIA) for a project is shorter than an Environmental Impact Study (EIA) as it is expected that the environmental impact is lower.  Since, this requirement of submission of either DIA or EIA can be ascertained at the CPA level only, hence description provided in the PoA-DD is adequate.	OK	OK
C.2.2. Has the analysis of the environmental impacts of the project activity been sufficiently described?	/01/	Yes, analysis of the environmental impacts of the project activity was sufficiently described.	OK	OK
C.2.3. Will the project create any	/01/	No, the project does not create any adverse environmental effects.	OK	OK

<sup>3</sup> [http://www.sinia.cl/1292/articles-26087\\_ley\\_bases.pdf](http://www.sinia.cl/1292/articles-26087_ley_bases.pdf)

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adverse environmental effects?				
C.2.4. Were trans-boundary environmental impacts identified in the analysis?	/01/	The applicability of trans-boundary impact was not clear in the PoA-DD. Hence a CAR has been raised.  Please refer to CAR PoA-C1	CAR PoA-C1	OK
<b>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:</b>				
C.3.1. Have the identified environmental impacts been addressed in the project design sufficiently?	/01/	The requirements pertaining to local environmental regulations have been clearly defined in the PoA-DD. The adherence would also be checked during inclusion of the CPA and is also one of the inclusion criteria. The specific environmental impact of each CPA would be identified and addressed at the CPA level.	OK	OK
C.3.2. Does the project comply with environmental legislation in the host country?	/01/	Yes, the project complies with the relevant environmental legislation in the host country.	OK	OK
C.3.3. Is, per host country laws/regulations, an environmental impact assessment necessary for a typical CPA?	/01/	As per the Chilean Law 19,300 <sup>4</sup> "Ley Sobre Bases Generales del Medio Ambiente" Article 10 (Project that should be subject to the System of Environmental Impact Assessment) and Article 11 (projects that must submit an Environmental Impact Study). The owner of the CPA must submit either an Environmental Impact Statement or Environmental Impact Study. An Environmental Impact Statement (DIA) for a project is shorter than an Environmental Impact Study (EIA) as it is expected that the environmental impact is lower.  Since, this requirement of submission of either DIA or EIA can be ascertained at the CPA level only, hence description provided in the PoA-DD is adequate.	OK	OK
<b>D. STAKEHOLDERS' COMMENTS</b>				
<b>D.1. Please indicate the level at which local stakeholder comments are invited. Justify the choice:</b>				
D.1.1. Is there a clear statement whether the stakeholder comments will be invited at PoA or CPA level?	/01/	Yes, there is a clear statement in section D.1 of the CPA-DD, mentioning that the stakeholder comments will be invited at PoA level as well as CPA level.	OK	OK

<sup>4</sup> [http://www.sinia.cl/1292/articles-26087\\_ley\\_bases.pdf](http://www.sinia.cl/1292/articles-26087_ley_bases.pdf)

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D.1.2. <b>Is the choice justified in a clear and reasonable manner?</b>	/01/	No, the choice has not been justified in a clear and reasonable manner. Hence a CL has been raised.  CL PoA-D1: The choice, why would a stakeholder meeting be conducted at PoA level has not been transparently justified in section D.1 of PoA-DD?	<del>CL</del> <del>PoA-</del> <del>D1</del>	OK
D.1.3. <b>If the stakeholder comments will be invited at PoA level, is there sufficient information provided, on how comments by local stakeholders were invited?</b>	/01/	For the PoA level stakeholder consultation, Comments from local stakeholders were invited via an advertisement in six different newspapers and 64 individual letters were sent to different stakeholders identified. Thus sufficient information has been presented on how the comments were invited.	OK	OK
D.1.4. <b>If the stakeholder comments will be invited at PoA level, is there a summary of the contents?</b>	/01/	Yes, Section D.3 of PoA-DD states that total of four comments were received from the stakeholders. The stakeholders raised no negative comments and the summary of comments received has also been provided.	OK	OK
D.1.5. <b>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?</b>	/01/	Yes, Section D.4 of the PoA-DD provides necessary information on how the comments received were addressed by the CME. However, the CME has to provide evidence of the responses to the comments received. Hence CL PoA-D3 has been raised in this regard.	<del>CL</del> <del>PoA-</del> <del>D3</del>	OK
<b>D.2. Brief description how comments by local stakeholders have been invited and compiled</b>				
D.2.1. <b>Have relevant stakeholders been consulted?</b>	/01/	Stakeholders were consulted through newspaper advertisements and individual letters. However, there is no information on different types of stakeholders, which were being targeted for consultations. Hence a CL has been raised.  Please refer to CL PoA-D2	<del>CL</del> <del>PoA-</del> <del>D2</del>	OK
D.2.2. <b>Have appropriate media been used to invite comments by local stakeholders?</b>	/01/	Depends on closure of CL PoA-D2 in section D.2.1 above	<del>Refer</del> <del>CL</del> <del>PoA-</del> <del>D2</del>	OK
D.2.3. <b>If a stakeholder consultation process is required by regulations/laws in the host country, has the stakeholder</b>	/01/	No, a stakeholder consultation process is not required by regulations/laws in the host country	OK	OK

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consultation process been carried out in accordance with such regulations/laws?				
D.2.4. Is the undertaken stakeholder process that was carried out described in a complete and transparent manner?	/01/	Depends on closure of CL PoA-D2 in section D.2.1 above	Refer CL PoA-D2	OK
<b>D.3. Summary of the comments received</b>				
D.3.1. Is a summary of the received stakeholder comments provided?	/01/	Yes, Section D.3 of PoA-DD states that total of four comments were received from the stakeholders. The stakeholders raised no negative comments and the summary of comments received has also been provided.	OK	OK
<b>D.4. Report on how due account was taken of any comments received</b>				
D.4.1. Has due account been taken of any stakeholder comments received?	/01/	Depends on closure of CL PoA-D3 in section D.1.5 above.	Refer CL PoA-D3	OK
<b>E. APPLICATION OF A BASELINE AND MONITORING METHODOLOGY TO A TYPICAL CPA</b>				
<b>E.1. Title and reference of the approved baseline and monitoring methodology applied to CPA included in the PoA</b>				
E.1.1.1. Are reference number, version number, and title of the baseline and monitoring methodology clearly indicated?	/01/	Yes, section E.1. of the PoA-DD clearly indicates the reference number, version number and title of the applied monitoring methodology, i.e.: ACM0006 "Consolidated methodology for electricity and heat generation from biomass residues." Version 12.0.1, EB 66. The most recent versions of both the methodologies available at the time of developing the PoA-DD have been used.  However, sectoral scope for the applied methodology has not been specified and hence a CL has been raised. Please refer to CL PoA-E12	CL PoA-E12	OK
E.1.1.2. Is the applied version the most recent one and / or is this version still applicable?	/01/	Yes, the applied version is the most recent one and still applicable.	OK	OK
E.1.1.3. Is the applied methodology and applicable tool therein is applied and approved by the board, for use in PoA?	/01/	Yes, the applied methodology and the applicable tools therein have been approved by the board for use in a PoA.	OK	OK

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E.2. Justification of the choice of the methodology and why it is applicable to a CPA				
<b>E.2.1.1. Is the applied methodology considered the most appropriate one?</b>	/01/	Yes, the applied methodology ACM0006 is considered as most appropriate methodology for biomass based heat and/or power generation activities, which produce heat for supply to industrial units for captive purposes and/or produce electricity for either captive use or for supply to the Grid.	OK	OK
<b>E.2.1.2. Does the methodology account for leakage in the context of a CPA?</b>	/01/	Yes, the methodology ACM0006, does account for leakage in the context of a CPA. The main potential source of leakage for this project activity is an increase in emissions from fossil fuel combustion or other sources due to diversion of biomass residues from other uses to the project plant as a result of the project activity. The baseline scenarios for biomass residues for which this potential leakage is relevant are, B5:, B6:, B7: and B8:.  The actual leakage emissions in each of these cases may differ significantly and depend on the specific situation of each CPA. For that reason, a simplified approach is used in this methodology: it is assumed that an equivalent amount of fossil fuels, on energy basis, would be used if biomass residues are diverted from other users, no matter what the use of biomass residues would be in the baseline scenario.	OK	OK
<b>E.2.1.3. Criterion 1: The project activity may include the following activities or, where applicable, combinations of these activities:</b> a) The installation of new plants at a site where currently no power and heat generation occurs (Greenfield projects) b) The installation of new plants at a site where currently power or heat generation occurs. The new plant replaces or is operated next to existing plants (capacity expansion projects) c) The improvement of	/01/	Yes, the CPA would comprise of any of the four scenarios below: a) The CPAs could consist of new plants installed where no power and heat generation plants were functioning. b) The CPA projects could consist of new plants built in facilities where power or heat generation currently occurs. c) CPAs could consist of projects that improve the actual energy efficiency in already existing plants, through retrofitting or implementation of new equipment. d) The CPA projects could consist of power plants based on biomass which displaces the heat and electric generation from fossil fuels from existing plants or that normally would have been implemented in the absence of the project.  The CME will check at CPA inclusion level if the project activity applies to these criteria of the meth or not, i.e. if the CPA comprises of a project with one of the four options above	OK	OK

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energy efficiency of existing plants (energy efficiency improvement projects), which can also lead to a capacity expansion, e.g. by retrofitting the existing plant d) The total or partial replacement of fossil fuels by biomass residues in existing plants or in new plants that would have been built in the absence of the project (fuel switch projects), e.g. by increasing the share of biomass residues use as compared to the baseline, by retrofitting an existing plant to use biomass residues, etc				
<b>E.2.1.4. Criterion 2: No biomass types other than biomass residues are used in the project plant.</b>	/01/	The biomass used by the CDM-CPA-DD under this PoA will be in compliance with "Definition of Renewable Biomass - Annex 18 of EB 23" and "Glossary of CDM Terms - Version 06.0 - Annex 63 of EB 66". It shall be checked during inclusion of each CPA that CPA uses no other biomass types than Biomass residues.	OK	OK
<b>E.2.1.5. Criterion 3: Fossil fuels may be co-fired in the project plant. However, the amount of fossil fuels co-fired does not exceed 80% of the total fuel fired on an energy basis.</b>	/01/	CME would check the individual project plans of the CPAs during inclusion and ascertain that boilers would not use more than 80% of fossil fuel as co-firing. This would also be confirmed during monitoring on actual amount of fuel co-fired on energy basis.	OK	OK
<b>E.2.1.6. Criterion 4: CME would check the individual project plans of the CPAs during inclusion and ascertain that boilers would not use more than 80% of fossil fuel as co-firing.</b>	/01/	<b>Applicable.</b>  Biomass residues from a production process use in CPAs shall not result in an increase of the processing capacity of raw input (e.g. sugar, rice, logs, etc.) or in other substantial changes (e.g. product change) in this process.  The CME will check at CPA level that the project activity fulfils with this criteria.	OK	OK

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<b>E.2.1.7. Criterion 5: The biomass residues used by the project facility are not stored for more than one year.</b>	/01/	<p>The biomass residues used in CPAs shall not be stored for more than a year in order to avoid leakage.</p> <p>The CME will check at CPA level that the project activity fulfils with this criteria.</p>	OK	OK
<b>E.2.1.8. Criterion 6: The biomass residues used by the project facility are not obtained from chemically processed biomass (e.g. through esterification, fermentation, hydrolysis, pyrolysis, bio- or chemical- degradation, etc.) prior to combustion. Moreover, the preparations of biomass-derived fuel do not involve significant energy quantities, except from transportation or mechanical treatment so as not to cause significant GHG emissions.</b>	/01/	<p><b>Applicable.</b></p> <p>The biomass residues used by the project facility shall not come from chemically processed biomass. Also the preparation of biomass-derived fuel cannot involve significant energy quantities, except from transportation or mechanical treatment.</p> <p>The CME will check at CPA level that the project activity fulfils with this criteria.</p>	OK	OK
<p><b>E.2.1.9. Criterion 7: In the case of fuel switch project activities, the use of biomass residues or the increase in the use of biomass residues as compared to the baseline scenario is technically not possible at the project site without a capital investment in:</b></p> <ul style="list-style-type: none"> <li>• The retrofit or replacement of existing heat generators/boilers; or</li> <li>• The installation of new heat generators/boilers;</li> </ul>	/01/	<p><b>Applicable.</b></p> <p>The CME will check if CPAs projects activities of fuel switch, the use of biomass residues or the increase of the utilization of biomass residues in comparison with the baseline scenario, is not technically possible without a capital investment in:</p> <ul style="list-style-type: none"> <li>- Retrofit or replacement of existing generators / boilers; or</li> <li>- Installation of new heat generators/boilers; or</li> <li>- New biomass residues supply chain; or</li> <li>- Equipment for preparation and feeding of biomass residues.</li> </ul>	OK	OK



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<ul style="list-style-type: none"> <li>A new dedicated biomass residues supply chain established for the purpose of the project (e.g. collecting and cleaning contaminated new sources of biomass residues that could otherwise not be used for energy purposes); or Equipment for preparation and feeding of biomass residues.</li> </ul>				
<p><b>E.2.1.10. Criterion 8: In the case that biogas is used in power and/or heat generation, this methodology is applicable under the following conditions:</b></p> <ul style="list-style-type: none"> <li>The biogas is generated by anaerobic digestion of waste water (to be) registered as a CDM project activity and the details of the registered CDM project activity must be included in the PDD. Any CERs from biogas energy generation should be claimed under the proposed project activity registered under this methodology;</li> <li>The biogas is generated by anaerobic digestion of wastewater that is not (and will not) being registered as a CDM project activity. The amount of biogas does not exceed 50% of the total fuel fired on an energy basis.</li> </ul>	/01/	<p><b>Not applicable.</b></p> <p>Project Activities in future CPAs does not include the use of biogas for power and/or heat generation. So this condition is not applicable to the PoA.</p>	OK	OK
<p><b>E.2.1.11. Criterion 9: This methodology is applicable if most plausible baseline</b></p>	/01/	<p><b>Applicable</b></p> <p>Future CPAs most plausible baseline scenario for power generation could be scenarios P2: to P7:, or a combination of any of those</p>	OK	OK

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scanrios for power generation are scenarios P2: to P7:, or a combination of any of those scenarios.				
<b>E.2.1.12. Criterion 10: This methodology is applicable if most plausible baseline scanrios for heat generation are scenarios H2: to H7:, or a combination of any of those scenarios.</b>	/01/	<b>Applicable</b> Future CPAs most plausible baseline scenario for heat generation could be scenarios H2: to H7:, or a combination of any of those.	OK	OK
<b>E.2.1.13. Criterion 11: If some of the heat generated by the project activity is converted to mechanical power through steam turbines, for mechanical power generation: Scenarios M2: to M5:</b> <ul style="list-style-type: none"> <li>In the case of M2 and M3, if the steam turbine(s) are used for methancial power in the project, the turbine(s) used in the baseline shall be at least as efficient as the steam turbine(s) used for methancial power in the project;</li> <li>In the case of M4 and M5, steam turbine(s) for methancial power are not allowed for the same purpose in</li> </ul>	/01/	<b>Applicable</b> Future CPAs most plausible baseline scenario for convert the heat generated by the project activity to mechanical power through steam turbines, for mechanical power generation could be scenarios M2: to M5:, or a combination of any of those.	OK	OK

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the project.				
<b>E.2.1.14. Criterion 12: This methodology is applicable if mostplausible baseline scenario for biomass residue use: Scenarios B1: to B8:, or any combination of those scenarios. For scenarios B5: to B8:, leakage emissions should be accounted for as per the procedures of the methodology.</b>	/01/	CPAs would use scenarios B1 to B8 or any combination of these scenarios for biomass residues. In case of scenarios B5: to B8: leakage emissions would be accounted for as per the procedures of the methodology. The CME will check at CPA level that in case this scenario applies, leakage emissions are accounted as per the procedures of the methodology.	OK	OK
<b>E.2.1.15. Are all applicability criteria in the methodology, the applied tools or any other methodology component referred to therein fulfilled?</b>	/01/	All the applicability criteria as per the applied methodology ACM0006, version 12.0.1 have been fulfilled.	OK	OK
<b>E.3. Description of the sources and gases included in the CPA boundary</b>				
<b>E.3.1.1. Does the CPA boundary include the physical and geographical location where the programme activities take place?</b>	/01/	Section E.3 of the PoA-DD confirms that each CPA would define CPA boundary as per ACM0006 Version 12.0.1 applied in this PoA and would encompasses the following spatial extent of the project boundary:  <ul style="list-style-type: none"> <li>• All plants generating power and/or heat located at the project site, whether fired with biomass residues, fossil fuels or a combination of both;</li> <li>• All power plants connected physically to the electricity system (grid) that the project plant is connected to;</li> <li>• Where possible, all off-site heat sources that supply heat to the site where the project activity is located (either directly or via a district heating system);</li> <li>• The means of transportation of biomass residues to the project site;</li> <li>• The site where the biomass residues would have been left for decay or dumped;</li> <li>• The wastewater treatment facilities used to treat the wastewater</li> </ul>	OK	OK

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		<p>produced from the treatment of biomass residues;</p> <p>Thus, the spatial extent of the project boundary includes the project power and/or heat plant and all power plants physically connected to the electricity system that the CDM project power plant is connected to, which for this PoA are the Grids of Chile. Hence an CPA boundary occurs well within the PoAs geographical boundary.</p>		
<b>E.3.1.2. Are all sources and gases within the boundary considered in a clear manner?</b>	/01/	<p>The sources and gases within the project boundary have not been described in clear and transparent manner in section E.3 of the PoA-DD. Hence a CAR has been raised.</p> <p>Please refer to CAR PoA-E3</p>	<del>CAR PoA-E3</del>	OK
<b>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?</b>	/01/	<p>Yes, the spatial and technological boundaries as verified on-site comply with the discussion provided in the PoA-DD.</p>	OK	OK
<b>E.4. Description of how the baseline scenario is identified and description of the identified baseline scenario:</b>				
<b>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?</b>	/01/	<p>The section E.4 of PoA-DD does not discuss all technically feasible baseline scenario alternatives to the PoA. Hence a CAR has been raised.</p> <p>Please refer to CAR PoA-E4.</p>	<del>CAR PoA-E4</del>	OK
<b>E.4.1.2. Does project identify correctly and exclude those options not in line with regulatory or legal requirements?</b>	/01/	<p>Section E.4 of the PoA-DD does not identify and exclude the options not in line with regulatory or legal requirements.</p> <p>Please refer to CAR PoA-E5</p>	<del>CAR PoA-E5</del>	OK
<b>E.4.1.3. Have applicable regulatory or legal requirements been identified?</b>	/01/	<p>Section E.4 of the PoA-DD does not identify the applicable regulatory or legal requirements.</p> <p>Please refer to CAR PoA-E6</p>	<del>CAR PoA-E6</del>	OK
<b>E.4.1.4. Does the PoA-DD identify</b>	/01/	<p>Depends on closure of CAR PoA-E4 under section E.4.1.1 above</p>	<del>Refer</del>	OK

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the most likely baseline scenario in absence of the project activity?			CAR PoA- E4	
<b>E.4.1.5. Is this identification supported by official and/or verifiable documents (e.g. studies, web pages, certificates, etc?)</b>	/01/	Depends on closure of CAR PoA-E4 under section E.4.1.1 above	Refer CAR PoA- E4	OK
<b>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 CDM-CPA, included in a registered PoA (assessment and demonstration of additionality):</b>				
<b>E.5.1. Are the key criteria and data for assessing additionality of a CDM-CPA that is to be included into the PoA clearly and unambiguously stated?</b>	/01/	<p>Section E.5 of the PoA-DD states that CPA additionality would be demonstrated based on the requirement of the methodology ACM0006, and further based on Barrier analysis or investment analysis. This further states that the provisions of the approved methodology ACM0006 "Consolidate methodology for electricity and heat generation from biomass residues", Version 12.0.1. and "Tool for demonstration and assessment of additionality" (EB65, Annex 21, version 06.0.0) will apply to all CPAs that to be included in this PoA-DD.</p> <p>However, information provided is ambiguous and lacks desired details. Hence a CAR has been raised in this regards.</p> <p>Please refer to CAR PoA-E7</p>	CAR PoA- E7	OK
<b>E.5.2. Key criteria and data for assessing additionality of a CDM-CPA</b>				

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<b>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-DD?</b>	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section E.5.1 above.	<del>Refer</del> <del>CAR</del> <del>PoA-</del> <del>E7</del>	OK
<b>E.5.2.2. Is the choice of the criteria justified, based on the analysis in section E.5.1 of the PoA-DD?</b>	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section E.5.1 above.	<del>Refer</del> <del>CAR</del> <del>PoA-</del> <del>E7</del>	OK
<b>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?</b>	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section E.5.1 above.	<del>Refer</del> <del>CAR</del> <del>PoA-</del> <del>E7</del>	OK
<b>E.5.2.4. Is this information incorporated into the specific CDM-CPA-DD ("real case")?</b>	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section E.5.1 above.	<del>Refer</del> <del>CAR</del> <del>PoA-</del> <del>E7</del>	OK
<b>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?</b>	/01/	As mentioned in section B.1 of PoA-DD the starting date of PoA is 25-04-2012 which is same as date of webhosting of the PoA on the UNFCCC website. Moreover, the start date of any CPAs (including 1 <sup>st</sup> CPA) would be after this PoA start date. Thus any other evidence of serious CDM consideration not required.	OK	OK

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<b>E.5.2.6. Is a complete list of barriers developed that prevents the project activity to occur?</b>	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section E.5.1 above.	<del>Refer</del> CAR PoA- E7	OK
<b>E.5.2.7. Does this list include at least one of the following barriers?</b>  (a) Investment barrier: a financially more viable alternative to the project activity would have led to higher emissions; (b) Technological barrier: a less technologically advanced alternative to the project activity involves lower risks due to the performance uncertainty or low market share of the new technology adopted for the project activity and so would have led to higher emissions; (c) Barrier due to prevailing practice: prevailing practice or existing regulatory or policy requirements would have led to implementation of a technology with higher emissions (d) Other barriers: without the project activity, for another specific reason identified by the project participant, such as institutional barriers or limited information, managerial resources, organisational capacity, financial resources, or capacity to absorb new technologies, emissions would have been higher.	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section E.5.1 above.	<del>Refer</del> CAR PoA- E7	OK
<b>E.5.2.8. Does the discussion</b>	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section	<del>Refer</del>	OK



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sufficiently take into account relevant national and/or sectoral policies?		E.5.1 above.	CAR PoA-E7							
E.5.2.9. Is transparent and documented evidence provided on the existence and significance of these barriers?	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section E.5.1 above.	Refer CAR PoA-E7	OK						
E.5.2.10. Is it appropriately explained how the approval of the project activity will help to overcome the identified barriers?	/01/	Depends on the satisfactory closure of CAR PoA-E7 in the section E.5.1 above.	Refer CAR PoA-E7	OK						
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, section E.6.1 provides very briefly about the methodological choices but does not clearly explain their application. Hence CAR is raised.  Please refer CAR PoA-E8	CAR PoA-E8	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/	Depends on closure of CAR PoA-E8 in section E.6.1.1 above.	Refer CAR PoA-E8	OK						
Determination of Project Emission (Comment on any line answered “No”)										
E.6.1.3. Component 1: Emissions from the consumption of fossil fuel	/01/	Section E.6.2 does not include emission reductions from consumption of fossil fuels. Hence a CAR has been raised in this regard. Please refer to CAR PoA-E9 <table><tr><td>Project emission checklist</td><td>Yes / No /NA</td></tr><tr><td>Component discussed in the PDD?</td><td>No</td></tr><tr><td>Formulae correctly applied?</td><td>No</td></tr></table>	Project emission checklist	Yes / No /NA	Component discussed in the PDD?	No	Formulae correctly applied?	No	CAR PoA-E9	OK
Project emission checklist	Yes / No /NA									
Component discussed in the PDD?	No									
Formulae correctly applied?	No									
E.6.1.4. Component 2: Emissions from the consumption of electricity.	/01/	Section E.6.2 includes emissions from electricity consumption at the project site. <table><tr><td>Project emission checklist</td><td>Yes / No /NA</td></tr></table>	Project emission checklist	Yes / No /NA	NA	OK				
Project emission checklist	Yes / No /NA									

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		Component discussed in the PDD?	Yes		
		Formulae correctly applied?	Yes		
<b>E.6.1.5. Component 3: Emissions from the consumption of non-condensable gases.</b>	/01/	NA		NA	OK
		Project emission checklist	Yes / No /NA		
		Component discussed in the PDD?	NA		
		Formulae correctly applied?	NA		
<b>E.6.1.6. Component 4: Emissions from water reservoirs of hydro power plant</b>	/01/	NA		OK	OK
		Project emission checklist	Yes / No /NA		
		Component discussed in the PDD?	NA		
		Formulae correctly applied?	NA		
<b>E.6.2. Equations, including fixed parametric values, to be used for calculation of emission reductions of a CDM-CPA:</b>					
<b>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?</b>	/01/	Depends of closure of CAR PoA-E9 in section E.6.1.3 above.		refer CAR PoA-E9	OK
<b>E.6.2.2. Are the equations, including fixed parametric values, to be used for calculation of emission reductions of a CDM-CPA, completely presented?</b>	/01/	Depends of closure of CAR PoA-E9 in section E.6.1.3 above.		refer CAR PoA-E9	OK
<b>E.6.3. Data and parameters that are to be reported in CDM-CPA-DD form</b>					
<b>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?</b>	/01/	Depends of closure of CAR PoA-E9 in section E.6.1.3 above.		refer CAR PoA-E9	OK
<b>E.7. Application of the monitoring methodology and description of the monitoring plan</b>					
<b>E.7.1. Data and parameters to be monitored by each CDM-CPA</b>					

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<b>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?</b>	/01/	Section E.7.1 of the PoA-DD has been provided with a complete list of monitoring parameters, in accordance with the requirements of the applied methodology.	OK	OK
<b>E.7.2. Description of the monitoring plan for a CDM-CPA</b>				
<b>E.7.2.1. Is the operational and management structure clearly described and in compliance with the envisioned situation?</b>	/01/	The operational and management structure has not been clearly described in the PoA-DD. Hence CL has been raised.  Please refer to CL PoA-E14	<del>CL</del> <del>PoA-</del> <del>E14</del>	OK
<b>E.7.2.2. Are responsibilities and institutional arrangements for data collection and archiving clearly provided?</b>	/01/	Depends on the closure of CL PoA-E14 in section E.7.2.1 above.	<del>Refer</del> <del>CL</del> <del>PoA-</del> <del>E14</del>	OK
<b>E.7.2.3. Are responsibilities and institutional arrangements for data collection and archiving clearly provided?</b>	/01/	Depends on the closure of CL PoA-E14 in section E.7.2.1.above.	<del>Refer</del> <del>CL</del> <del>PoA-</del> <del>E14</del>	OK
<b>E.7.2.4.If applicable: Does annex 4 provide useful information enabling a better understanding of the envisioned monitoring provisions?</b>	/01/	No additional background information on monitoring has been provided in Annex 4 of the PoA-DD. However, adequate information is presented in other relevant sections of the PoA-DD.	OK	OK
<b>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)</b>				
<b>E.8.1.1. Is there any indication of a date when the baseline was determined?</b>	/01/	Section E.8 provides with the timing of determination of baseline, however the format of date is not correct. Hence a CAR has been raised.  Please refer to CAR PoA-E10	<del>CAR</del> <del>PoA-</del> <del>E10</del>	OK
<b>E.8.1.2. Has dd/mm/yyyy format been used to indicate the date?</b>	/01/	Depends on closure of CAR PoA-E10 in section E.8.1.1 above	<del>Refer</del> <del>CAR</del> <del>PoA-</del> <del>E10</del>	OK

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<b>E.8.1.3. Is this consistent with the time line of the PoA-DD history?</b>	/01/	Yes, it is consistent with the time line of the PoA-DD.	OK	OK
<b>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?</b>	/01/	The information on the entity responsible for the application of the baseline and monitoring methodology has not been provided in section E.8 of the PoA-DD. Hence a CL has been raised.  Please refer to CL PoA-E15	<del>CL</del> <del>PoA-</del> <del>E15</del>	OK
<b>E.8.1.5. Is information provided whether this person / entity are also considered a project participant?</b>	/01/	In section E.8 of the PoA-DD, it has also not been clearly mentioned whether the contact person is also considered a project participant. Hence a CAR has been raised.  Please refer to CAR PoA-E11	<del>CAR</del> <del>PoA-</del> <del>E11</del>	OK
<b>F. ANNEXES 1 – 4</b>				
<b>F.1. Annex 1: Contact Information</b>				
<b>F.1.1. Is the information provided consistent with the one given under section A.3?</b>	/01/	Depends on closure of CAR PoA-A2 in section A.3.3 above.	<del>Refer</del> <del>CAR</del> <del>PoA-</del> <del>A2</del>	OK
<b>F.1.2. Is the information on all private participants and directly involved Parties presented?</b>	/01/	Depends on closure of CAR PoA-A2 in section A.3.3 above.	<del>Refer</del> <del>CAR</del> <del>PoA-</del> <del>A2</del>	OK
<b>F.2. Annex 2: Information regarding public funding</b>				
<b>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?</b>	/01/	Depends on the closure of CL PoA-A20 in section A.4.5.1 above.	<del>Refer</del> <del>CL</del> <del>PoA-</del> <del>A20</del>	OK
<b>F.2.2. If necessary: Is an affirmation available that any such funding from Annex-I-</b>	/01/	Depends on the closure of CL PoA-A20 in section A.4.5.1 above.	<del>Refer</del> <del>CL</del> <del>PoA-</del> <del>A20</del>	OK

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countries does not result in a diversion of ODA?					
<b>F.3. Annex 3: Baseline information</b>					
F.3.1.	<b>If additional background information on baseline data is provided: Is this information consistent with data presented by other sections of the PDD?</b>	/01/	Not applicable as no additional background information on baseline has been provided in Annex 4 of the PoA-DD.	OK	OK
F.3.2.	<b>Is the data provided verifiable? Has sufficient evidence been provided to the validation team?</b>	/01/	Not applicable as no additional background information on baseline has been provided in Annex 4 of the PoA-DD.	OK	OK
F.3.3.	<b>Does the additional information substantiate / support statements given in other sections of the PoA-DD?</b>	/01/	Not applicable as no additional background information on baseline has been provided in Annex 4 of the PoA-DD.	OK	OK
<b>F.4. Annex 4: Monitoring information</b>					
F.4.1.	<b>If additional background information on monitoring is provided: Is this information consistent with data presented in other sections of the PoA-DD?</b>	/01/	Not applicable as no additional background information on monitoring has been provided in Annex 4 of the PoA-DD.	OK	OK
F.4.2.	<b>Is the information provided verifiable? Has sufficient evidence been provided to the validation team?</b>	/01/	Not applicable, refer section F.4.1. above	OK	OK
F.4.3.	<b>Do the additional information and / or documented procedures substantiate / support statements given in other sections of the PoA-DD?</b>	/01/	Not applicable, refer section F.4.1. above	OK	OK

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**Table 2: Resolution of Clarification and Corrective Action Requests**

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-A1	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	The PP must submit a LoA from the host country DNA, to the DOE for validation.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	<p>The LoA (N° 123726) has been issued on October 18, 2012 by the Chilean Designated National Authority. The LoA states that the Chilean DNA authorizes Bioenergías Forestales S.A. as Coordinating/managing entity for this programme of activities and confirms that this PoA contributes to the sustainable development in Chile and has been presented voluntarily.</p> <p>The LoA is attached to this DVR as supporting evidence and is provided to the DOE.</p> <p>Nomenclature of the supporting document:</p> <ul style="list-style-type: none"> <li>i. LoA_English Version.pdf</li> <li>ii. LoA_Spanish Version.pdf</li> </ul>		
<b>DOE Assessment #1</b>	Spanish & English versions of the LoA issued by Chilean DNA <sup>/05/</sup> has been submitted to the DOE and is found valid and corresponds to the PoA under discussion. Hence the CAR is closed.		
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-A2	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	The information provided in section A.3. of the PoA-DD is not consistent with that provided in Annex 1. Please provide the necessary correction.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	Sections A.3. and Annex 1, as well as sections A.2. 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.		
<b>DOE Assessment #1</b>	The corrections made are appropriate and the data is now consistent in section A.3 and Annex I of the PoA-DD. Hence the CAR is closed.		
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-A3	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	<p>i) The CME needs to provide the MOC to the DOE for validation.</p> <p>ii) Additionally, the PP has not provided a clear description as to whether</p>		

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	or not the party involved is a private or public entity.
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	<p>i) A completed MoC form, signed by the legal representative of the CME is attached. Nomenclature of the supporting document: MoC_PoA_DD.pdf</p> <p>ii) Section A.3. of the has been amended in order to clarify that the entity involved; Bienergías Forestales S.A. is a private entity.</p>
<b>DOE Assessment #1</b>	<p>i) MOC <sup>/06/</sup> has been received and found to be in line with the requirements. Hence part i) of this CAR is being closed.</p> <p>ii) It has also been clarified in section A.3 that the party involved in a private entity. Hence the CAR is being closed.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements</p> <p><input type="checkbox"/> Outstanding finding (not closed)</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A4	<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 is not in line with the “Standard for the 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>	<p>Section A.4.2.2. of the CDM-PoA-DD has been amended in order to comply with the requirements of the “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>Section A.4.2.2. of the CDM-PoA-DD and sections B.2. and B.3. of the CDM-CPA-DD have been amended in order to make evident from where the eligibility criteria has been referenced (i.e. as per EB 65 Annex 3 para. 14) In addition, clear criteria numbers verifiable eligibility criteria, conditions to be met in relation to those criteria and evidence/supporting document are included.</p> <p>The CME included in the procedures for inclusion of CDM-CPA-DD to the PoA an Inclusion Statement format (Inclusion Statement_CPA001.pdf) that reflects all the supporting documents provided by the CDM-CPA-DD and a final conclusion to decide if the CPA complies with the eligibility criteria an can be accepted by the CDM-PoA-DD.</p> <p>Nomenclature of the supporting document: Inclusion Statement_CPA001.pdf</p>			
DOE Assessment #1	Eligibility criterion for inclusion of a CPA has been revised and is found to be in line with the requirements of “Standard for the demonstration of additionality, development of eligibility criteria and application of multiple methodologies for programme of activities (version 01.0)” EB 65 Annex 3. However, some of the inclusion criterion are found to be missing from the POA-DD, please include a justification for not including all the eligibility criterion as per EB65, Annex3.			
Corrective Action #2 <i>This section shall be filled by the PP.</i>	Section A.4.2.2. of the CDM-PoA-DD has been further amended in order to completely comply with the requirements of the “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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<b>DOE Assessment #2</b>	<p>Revised inclusion criterion under section A.4.2.2 of the PoA-DD are found in line with EB 65 Annex 3. Moreover, the documents to be checked by CME during inclusion of a CPA have been clearly mentioned along with documents required from CPA implementer as well as CME.</p> <p>An inclusion checklist <sup>/21/</sup> to be checked and signed by CME during inclusion of CPA has also been provided to the DOE and is found to be Ok.</p> <p>Hence the CAR is being closed.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A5	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	i) In section A.4.3 of the PoA-DD, the description provided under point 2 does not answer the requirements of the same.  ii) Also, additionality as a whole has not been discussed in this section.			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	i) Point 2 of Section A.4.3 of the CDM-PoA-DD has been amended in order to describe that the PoA is a voluntary action and that it would not be implemented in the absence of the CDM. Nomenclature of the supporting document: “Certificate wilffullnes_CME.pdf”  ii) Also additionality conditions regarding the implementation of the CDM-CPA-DD have been discussed in this section, where it states that; Only the CPAs that have demonstrated to be additional will be included in the PoA, thus it can be concluded that none of the CPA's under the PoA would have occurred in the absence of CDM; therefore the entire programme would not be implemented in the absence of CDM. The program has been developed by the CME specifically for CDM carbon credits generated by the CPAs to be included in the programme, since it is the only expected revenues of the CME. Therefore, it is unlikely that this voluntary coordinated action is implemented in the absence of the CDM by the CME.			
DOE Assessment #1	i) The amendment in section A.4.3 duly explains that the PoA is voluntary co-ordinated action and also declaration from CME to that effect supports this fact. Hence part i) of CAR is closed.  ii) The explanation provided justifies the additionality choice and method for each CPA. However, it still lacks in additionality description of the overall Program. Please revise accordingly. Part ii) of the CAR is still open.			
Corrective Action #2 <i>This section shall be filled by the PP.</i>	Additional description on PoA additionality has been added to section A.4.3 of the PoA-DD to substantiate the PoA-Additionality.			
DOE Assessment #2	Revised PoA-DD justifies clearly the additionality of the overall Program. CME explains that the biomass utilization for energy generation in Chile is at initial stages only and the majority of generating capacity in the existing Grids as well as the capacity expected to come online over the next several years will be primarily fossil-fuel plants. Considering the participation of renewable sources in the total energy generation and the potential of the renewable resources in Chile, it can be concluded that in the absence of the capacity development and streamlined CDM services			

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	to be provided under the proposed PoA the financial incentives like CDM revenues will remain at insufficient levels to undertake the investments needed to establish new renewable plants. Hence, the explanation provided by the CME sufficiently addresses the additionality requirements. Hence this CAR has been closed.
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A6	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	<p>This consolidated CAR is related to the shortcomings in section A.4.4.1 of the PoA-DD. This section lacks in the following:</p> <ul style="list-style-type: none"><li>• A clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies;</li><li>• Records of arrangements for training and capacity development for personnel;</li><li>• Procedures for technical review of inclusion of CPAs;</li><li>• Records and documentation control processes for each CPA under the PoA. For example, the CME establish that they will record and document CPA detailed information, however no documentary evidence was provided in the site visit.</li><li>• Measures for continuous improvements of the PoA management system.</li></ul> <p>Please refer to requirements of §17 EB65 Annex 3 for further details.</p>			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	<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> <ul style="list-style-type: none"><li>• The PP has included Table No. 2, where a clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, and their competence has been stated.</li><li>• Under point (b) of this section it has been included records of arrangements for training and capacity development for personnel.</li><li>• Under point (c) of this section it has been included procedures for technical review of inclusion of CPAs.</li><li>• Under point (e) of this section it has been included records and documentation control process for each CPA under the PoA;</li></ul> <p>Nomenclature of the supporting document: MS Excel_Database BF.xlsx</p> <ul style="list-style-type: none"><li>• Under point (f) of this section it has been included measures for continuous improvements of the PoA management system.</li></ul>			
DOE Assessment #1	<p>The corrections made in A.4.4.1 explain clearly the Management system that would be employed by CME for the management of PoA and CPAs under the PoA and fulfils the requirements of §17 EB65 Annex 3. It also explains the roles and responsibility of the personnel, arrangements of training and capacity development and procedures to be adopted during inclusion of the CPAs.</p> <p>However a separate CME manual should be prepared which would serve as PoA management system and can be updated regularly throughout the PoA cycle.</p> <p>The CAR is not closed</p>			
Corrective Action #2	A manual for the CME and PoA management system has been prepared			

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<i>This section shall be filled by the PP.</i>	and is enclosed as a supporting document.
<b>DOE Assessment #2</b>	The manual submitted by the CME fulfils the requirement of §17 EB65 Annex 3 and addresses the points raised in this CAR. Hence the CAR is being closed.
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-A7	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	i) The CME must provide the structural model for the operational and implantation framework of the PoA. ii) The objectives of the Kyoto Protocol, like GHG emission reductions, have not been made evident. iii) In point 1 of section A.2 of the PoA-DD, the general operation and implementation framework of the PoA has not been clearly stated, as the PP states that the plants will be connected to the Chilean National Grid, whereas in point 2 the PP states that the plants will supply energy to the SIC. Please clarify. iv) Footnote number 5 is not accessible. Traceable web links or documents need to be submitted to the DOE.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	Section A.2. of the CDM-PoA-DD has been amended in the following points: i) The PoA is coordinated and managed by Bioenergías Forestales S.A. which is the 'Coordinating / Managing Entity' (hereinafter referred to as CME). The CME is a registered company and a subsidiary to CMPC, one of the most important Paper and Cardboard Manufacturing Companies in Latin America. ii) The proposed project activities will reduce greenhouse gas (GHG) displacing fossil fuel utilization for thermal and/or electricity generation by the promotion of biomass cogeneration systems in Chile, which is a less intensive GHG emission fuel. The Project activities under the PoA will utilize biomass as an alternative fuel for generation of thermal and electricity energy. iii) Plants will be connected to one of the Chilean National Grid. Changes were made in point 2 of section A.2 of the CDM-PoA-D iv) Changes in web link have been made all along the PoA in order to make them traceable.		
<b>DOE Assessment #1</b>	i) As per the revised description and also revisions made under CAR PoA-A6, the structural model for the operational and implantation framework of the PoA has been clearly explained now in the PoA-DD, hence part i) of the CL is closed now. ii) The objectives of the project have now been clearly defined under section A.2 of the PoA-DD. Hence part ii) of the CL has been closed. iii) The revised PoA-DD specifies that individual CPAs would be connected to one of the Chilean National Grid. However, this statement is still ambiguous. Please provide a clear description of Grid system of Chile, names and number of		

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	major Grids and associated information. Part iii) of the CL is still open. iv) All the footnotes links are working now and are found to be traceable. Hence part iv) of the CL is closed now.
<b>Corrective Action #2</b> <i>This section shall be filled by the PP.</i>	iii) PoA-DD has been further revised to include the description of Grid systems in Chile and names of major Grid systems in Chile. The CPAs included in future would be connected to one of these Grids in Chile
<b>DOE Assessment #2</b>	iii) Revised PoA-DD provides adequate information on prevailing Grid system in Chile. Hence part iii) of the CL is closed now. CL is satisfactorily closed now.
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-A8	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	i) It must be made evident whether or not national policies are considered in the PoA-DD. ii) The PP concludes that in the Host Country there are no known large installations of biomass energy generation power plants; therefore the PoA would facilitate the promotion of only large-scale biomass projects. However, from the interviews at the project site with the CME it appears that for the future CPAs the size of the cogeneration plants could be small. Please clarify. iii) The PP must provide a source to confirm that the indicator for sustainable development is stated and confirmed by the Government of Chile. iv) The PP must use the international notation for decimals in the entire document. For instance, in section A.2., the 2,6% is not as per EB 67, Annex 29, paragraph 15. v) Footnote number 9 is not accessible, traceable, therefore web-links or documents need to be submitted to the DOE.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	i) In section A.2 of the PoA, changes were made in order to include the national policies considered in the PoA. The Designated National Authority of Chile has not defined specific criteria for sustainability in order to approve CDM projects or PoAs carried out under the Clean Development Mechanism of the Kyoto Protocol. Renewable energy projects in Chile are subject to a legal framework and system for approval for environmental impacts that is regulated by Law 19,300. This law will be considered in the development of the PoA. Nomenclature of the supporting document: Law_19,300.pdf ii) In section A.2 of the PoA, changes were made in order to clarify that the PoA will provide a platform for biomass energy project developers. This reflects that the PoA does not exclude small plants. iii) The Government of Chile have not stated indicator for sustainable development, however in section A.2. point 2, the PP indicates that the PoA will contribute to sustainable development in the host country and the benefits of the proposed project activity regarding to the sustainable development are related to: social, economic, environmental and technological well being.		

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	<p>iv) Changes for using international notation were made all along the PoA.</p> <p>v) Changes in web link were made all along the PoA in order to make them traceable.</p>
<b>DOE Assessment #1</b>	<p>i) Revised section A.2 of the PoA-DD has been checked and a reasonable description of related policies have been provided. A copy of relevant law has also been provided. The PP has provided the Environmental Law 19,300 /14-1/ as a support document and the web link /14-2/, in order to substantiate the legal framework and the system of approval to which renewable energy projects in Chile are subjected to. This has been accepted by the validation team, confirming that the mentioned law indicates what has been established in the PoA. Hence part i) of the CL is being closed.</p> <p>ii) Desired changes have been made in section A.2 of the PoA-DD and thus it is clear that the proposed PoA supports both large scale as well as small scale installations. Hence part ii) of the CL is being closed.</p> <p>iii) The PP has provided the link of the official web site of the Chilean DNA /B09/ as supporting evidence. The web site indicates that the Chilean DNA has not defined environmental sustainability criteria. Therefore, the validation team could confirm that the Ministry of Environment as the DNA, has not stated a sustainability criteria. Moreover, the Sustainability Benefits of the project have been defined in section A.2 of the PoA-DD and found to be satisfactory. Hence part iii) of the CL is being closed.</p> <p>iv) International notation for decimals have now been used in the entire document as per EB 67, Annex 29, paragraph 15. Hence part iv) of the CL is being closed.</p> <p>v) The footnotes and weblinks are traceable for all the links provided in revised PoA-DD. Hence part v) of the CL is satisfactorily closed.</p> <p>The CL is closed now.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements</p> <p><input type="checkbox"/> Outstanding finding (not closed)</p>

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A9	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	<div><div>i)</div><div>The CME needs to provide a declaration that the proposed PoA is a voluntary action by the coordinating/managing entity.</div><div>ii)</div><div>Additionally, in point 3 of Section A.2. of the PoA-DD, the PP mentions “submission of the validation report to the Executive Board”. However, this statement is inaccurate.</div></div>			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	<div><div>i)</div><div>The PP submitted to the DOE the supporting document “Wilffullnes_CME.pdf”. This declaration issued by the CME states that: “The proposed PoA; “Biomass Renewable Energy Programme of Activities” is a voluntary coordinated action from Bionergías Forestales S.A. (as the CME) to promote the implementation of biomass residues in cogeneration power plants and that there are no legal enforcement within the Republic of Chile to make it happen”</div><div>ii)</div><div>The erroneous statement has been removed from section A.2 of</div></div>			

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	the PoA-DD.
<b>DOE Assessment #1</b>	<p>i) The CME has provided the declaration /8-1/ to the Validation team which states that “The proposed PoA; “Biomass Renewable Energy Programme of Activities” is a voluntary coordinated action from Bionergías Forestales S.A. (as the CME) to promote the implementation of biomass residues in cogeneration power plants and that there are no legal enforcement within the Republic of Chile to make it happen”. This is found to be in line with the requirements. Hence part i) of the CL is being closed now.</p> <p>ii) The redundant statement has been removed from section A.2 of the PoA-DD. Hence this CL is being closed now.</p> <p>The CL is closed.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A10	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	The CME needs to provide a diagrammatic representation of the technologies to be implemented as part of the PoA to enable clear and better understanding to the readers.			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	In section A.4.2.1 of the PoA changes were made in order to be clearer in the technology to be implemented by the PoA. Description of the principal technology and purpose has been included in this section, also figure No. 2 have been included as a representation diagram of the system.			
DOE Assessment #1	<p>The revised PoA-DD provides clear and elaborate description of technologies to be installed by various activities under this PoA. The principle technology and purpose of this PoA is the installation of biomass boiler and/or heater for heat and electricity generation in Chile; cogeneration systems also known as combined heat and power (CHP), which would have otherwise been generated by fossil fuel hence more intensive GHG emissions would be delivered to the atmosphere.</p> <p>The diagrammatic representation is clear and provides better view of the proposed project schematics under the future CPAs.</p> <p>Hence the CL is satisfactorily being closed by the Validation team.</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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)			

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A11	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	i) A clear description of the geographical boundary needs to be provided. ii) The CME must clarify the true intended geographical boundary of the PoA.			
Corrective Action #1	i) Section A.4.1.2. of the CDM-PoA-DD has been amended in order			



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<i>This section shall be filled by the PP.</i>	<p>to describe in a clear manner the geographical boundary of the PoA. The geographical boundary of the PoA will cover all the regions of Chile. A description of the region in such boundary has been included in this section.</p> <p>ii) The CME clarify in section A.4.1.2 and section A.2. that the PoA will be developed among Chile and the geographical boundary will be the entire country of Chile including all the regions.</p>
<b>DOE Assessment #1</b>	<p>iii) A clear description of the geographical boundary has been provided under section A.4.1.2. of the revised CDM-PoA-DD. The geographical boundary of the PoA will cover all the regions of Chile. A description of the region has also been provided. Hence part i) of the CL is satisfactorily being closed by the Validation team.</p> <p>i) The CME has clarified in section A.4.1.2 and section A.2. that the PoA will be developed among Chile and the geographical boundary will be the entire country of Chile including all the regions. In total there are 15 regions, which have been defined appropriately in the PoA-DD, and hence this CL is being closed.</p> <p>The CL has been closed.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-A12	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	<p>i) The PP needs to describe the national and/or sectoral policy of the host country applicable to the boundary of the PoA-DD.</p> <p>ii) Additionally, the geographical coordinates of the boundary must be provided.</p>		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	<p>i) The national and sectoral policies within the geographical boundary are described in section A.2 point 2 of the PoA.</p> <p>ii) In section A.4.1.2. the geographical coordinates of the boundary were included.</p>		
<b>DOE Assessment #1</b>	<p>i) Revised section A.2 of the PoA-DD has been checked and a reasonable description of related policies have been provided. A copy of relevant law has also been provided. The PP has provided the Environmental Law 19,300 /14-1/ as a support document and the web link /14-2/, in order to substantiate the legal framework and the system of approval to which renewable energy projects in Chile are subjected to. This has been accepted by the validation team, confirming that the mentioned law indicates what has been established in the PoA. Hence part i) of the CL is being closed.</p> <p>ii) In section A.4.1.2. the geographical coordinates of the boundary were included. The weblink /B07-5/ referenced for the same has also been checked and found appropriate. Hence part ii) of the CL is being closed.</p> <p>The CL has been closed.</p>		
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		



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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
<b>Finding</b>	<b>PoA-A13</b>	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	<p>i) For the description provided in section A.2 and A.4.2.1. of the PoA-DD, it is not evident that co-fired is allowed in the PoA.</p> <p>ii) It is not clear from the description of the technology being utilised that it is environmentally safe for the proposed PoA, whether or not the type of technology will be the state of the art technology, and / or whether or not the technology results in a significantly better performance than any commonly used technologies in the host country. Please Clarify.</p>		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	<p>i) Section A.2 and A.4.2.1. has been amended and a description that fossil fuels may be co-fired in the project activity was included. However, the amount of fossil fuels co-fired does not exceed 80% of the total fuel fired on an energy basis according to the requirement of the applied methodology.</p> <p>ii) The CPAs included under this CDM-PoA will use environmentally sound technologies in compliance with national environmental regulations. In the Chilean energy matrix, the share of the technologies promoted by this proposed CDM-PoA is negligible or inexistent. The SIC and the SING generates, for the year 2011, 58,257 GWh and Biomass source represents only the 1% of the total generation, therefore, the technology promoted by this CDM-PoA will result in a significantly better performance than any commonly used technology in Chile.</p> <p>Nomenclature of the supporting document: Energy Matrix_Chile.pdf</p>		
<b>DOE Assessment #1</b>	<p>i) Revised section A.2 and A.4.2.1 indicates that the co-firing is allowed in the PoA. CME states that the fossil fuels may be co-fired in the project activity and the amount of fossil fuels co-fired does not exceed 80% of the total fuel fired on an energy basis, which is in accordance to the requirements of the applied methodology ACM0006 version 12.0.1. Hence part i) of the CL is being closed.</p> <p>ii) The PP has provided a report <sup>/17/</sup> of the Ministry of Energy as a supporting document, which substantiates the fact that biomass source only represents the 1% of the entire Chilean energy matrix (page 7). Therefore, the referred statement in the PoA is found to be ok and acceptable by the validation team. The Validation team has checked that this report is available in the National Commission of Energy website which depends on the Ministry of Energy of the Republic of Chile. Thus it can be inferred that PoA promotes appropriate new technologies in the boundary of host country. Hence part ii) of the CL is being closed.</p>		
<b>Conclusion</b> <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"/> The project complies with the requirements</p> <p><input type="checkbox"/> Outstanding finding (not closed)</p>		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
<b>Finding</b>	<b>PoA-A14</b>	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	In section A.4.2.1. of the PoA-DD, the type and category of the PoA needs to be stated.		
<b>Corrective Action #1</b>	Section A.4.2.1. has been amended. The type of the PoA has been		

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<i>This section shall be filled by the PP.</i>	included in line with the apply methodology.
<b>DOE Assessment #1</b>	<p>Section A.4.2.1 of the PoA-DD has been amended to include the following information:</p> <p>Type I: Renewable energy projects. Sectoral scope 01: Energy industries (renewable - / non-renewable sources).</p> <p>The information provided is in line with the applied methodology ACM0006, version 12.0.1. Hence the CL is being closed satisfactorily.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A15	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	i) In section A.4.2.1, a description of whether or not the technology involved in the PoA is environmentally safe and sound must be provided. ii) In section A.4.2.1, a description of whether or not the PoA involved technology transfer from annex 1 countries must be provided.			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	i) Section A.4.2.1 has been amended. A description was included regarding if the PoA will use environmentally safe and sound technologies in compliance with national environmental regulations. ii) Section A.4.2 has been amended. A description was included regarding if the PoA involved technology transfer from an Annex I party.			
DOE Assessment #1	i) Revised section A.4.2.1 describes that technologies to be deployed by the activities under the PoA are environmentally safe and promoted appropriate new technologies in the host country. Hence part i) of the CL is being closed. ii) Revised section A.4.2.1 of the PoA-DD clearly states that there is no technology transfer involved from Annex-I countries. Hence part ii) of the CL is satisfactorily closed now. Hence the CL is being closed satisfactorily.			
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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)			

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A16	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	In the PoA-DD, the PP is requested to clearly specify what training and maintenance efforts are required to carry out the project as per the schedule during the project period.			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	Section 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.			
DOE Assessment #1	Section E.7.2. of the revised CDM-PoA-DD specifies the training and			

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	<p>maintenance which is proposed to be carried out for each CPA during its operation and is found to be satisfactory by the Validation team.</p> <p>Hence the CL is being closed satisfactorily.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A17	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	<div><div>i)</div><div>The PP needs to establish a complete record keeping system for CPAs.</div></div> <div><div>ii)</div><div>The PP needs to make evident that the record keeping system will be stored for at least 2 years after the crediting period expires or until the verification date, whichever is later.</div></div> <div><div>iii)</div><div>Additionally, a description of the unique identification system and an explanation as to why it is unique is missing.</div></div>			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	<div><div>i)</div><div>Section A.4.4.1 of the CDM-PoA-DD has been amended in order to clearly specify the record keeping system for the CPAs. Point (a) establishes the Records and documentation control process for each CPA under the PoA.</div></div> <div><div>ii)</div><div>Section A.4.4.1 of the CDM-PoA-DD have been amended in order to clearly specify that the monitored data will be kept for the full crediting period, plus two years after the end of the crediting period or the last issuance of CERs for this CPA (whichever occurs later).</div></div> <div><div>iii)</div><div>A unique identification system was included under section A.4.4.1. The meaning of unique is because this identification include; name of the PoA, number of the CPA and name of the CPA implementer between brackets.</div></div>			
DOE Assessment #1	<div><div>i)</div><div>CME has also the excel format for the record keeping system<sup>/22/</sup>. This contains CPA identification details, technology specifications, and information on CPA implementer and details on monitoring parameters. In addition section A.4.4.1 of the revised CDM-PoA-DD describes the record keeping system and establishes the Records and documentation control process for each CPA under the PoA. The explanation and supporting document has been found to be ok and hence part i) of the CL is being closed.</div></div> <div><div>ii)</div><div>CME has specified in section A.4.4.1 of the revised CDM-PoA-DD that the monitored data will be kept for the full crediting period, plus two years after the end of the crediting period or the last issuance of CERs for this CPA (whichever occurs later). Hence part ii) of the CL is being closed.</div></div> <div><div>iii)</div><div>CME has explained in section A.4.4.1 of the PoA-DD, that each CPA included in this PoA will be provided with a unique identification number, that shall includes:<div><div>• Name of the PoA: “Biomass Renewable Energy Programme of Activities”</div><div>• Number of the CPA in the following format; “CPA00X”</div><div>• Name of the CPA implementer between brackets: “XXXXX”</div><div>• The name of the CPA would be “Biomass Renewable Energy Programme of Activities - CPA00X “XXXXX””</div></div>CME has also submitted format for unique identification which is included in record keeping system<sup>/22/</sup>.</div></div>			

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	The explanation provided and record-keeping system devised would ensure unique identification and is found to be satisfactory. Hence part iii) of CL is closed.
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-A18	<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 of the PoA-DD 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 a large scale CDM Project Activity is not appropriate. It should be the responsibility of the CME and not of the CPA implementer only. The same is required to be corrected with proper references.			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	Section A.4.4.1. letter (d) 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. Prior to including a new CPA under the proposed PoA, the CME will check the CPA on PoA databases in the UNFCCC website to ensure that a similar CPA has not been registered already. In the sheet “CPAs ID” of the supporting document MS Excel_Database BF.xlsx, the system/procedure to avoid double accounting was recorded. Also a map showing all included CPAs will be provided as supporting evidence for avoiding double counting. Nomenclature of the supporting document: MS Excel_Database BF.xlsx Double counting_Map.pdf Condition b) of the inclusion criterion.  Since the PoA is a large scale PoA, hence de-bundling requirement does not apply.			
DOE Assessment #1	Revised PoA-DD provides for a procedure to avoid double counting. Prior to including a new CPA under the proposed PoA, the CME will check the CPA on PoA databases in the UNFCCC website to ensure that a similar CPA has not been registered already.  Existing registered projects will be verified at the following links a) http://cdm.unfccc.int/Projects/registered.html b) http://cdm.unfccc.int/ProgrammeOfActivities/registered.html c) http://www.cdmpipeline.org/  To avoid double counting, each included CPA with its reference number will be linked with the geographic coordinates for each facility’s specific site location and a specific map <sup>/23/</sup> of the region showing the satellite location of each CPA. Record keeping system <sup>/22/</sup> is also found to be appropriate.  The above justifications and supporting documents are found to be satisfactory. Hence, double counting procedures have been appropriately defined. Moreover, the de-bundling requirement does not apply as the PoA is a large scale PoA and uses a large scale methodology.			

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	Hence CL is being closed.
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-A19	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	A contractual agreement between the CPA and the CME must be provided to substantiate that the CPA developer is aware of, and has agreed that, its activity will be included in the PoA.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	An English and Spanish version of the Contractual Agreement between Bionergías Forestales S.A (the CME) and Papeles Cordillera S.A. (the CPA Implementer) has been provided as supporting document to the DOE for validation. The inclusion agreement states that CPA implementer is aware of, and has agreed that, its activity will be included in the PoA and also that CPA Implementer must comply with the CME and CDM-PoA-DD requirements, among others.  Nomenclature of the supporting document: CPA001/0028_English version.pdf CPA001/0028_Spanish version.pdf		
<b>DOE Assessment #1</b>	Validation team has checked the English & Spanish versions of contractual agreement/ERPA <sup>/20/</sup> between the CME and the CPA implementer. The agreement clearly specifies the roles and responsibilities of different agencies and substantiates that CPA developer is aware of inclusion of this project in the PoA. Hence this CL is being closed.		
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-A20	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	Project participants need to provide evidence substantiating that public funding has not been availed and does not result in a diversion of official development assistance, is separate from, and is not counted towards the financial obligations of those parties.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	The PP submitted to the DOE the supporting document "Certificate non ODA_CME.pdf". This declaration issued by the CME states that: "The proposed PoA, in accordance with the CDM guidelines, the "Biomass Renewable Energy Programme of Activities" does not receive or use, and has no plans to receive or use funds declared as Official Development Assistance (ODA) from Annex 1 Parties of the Kyoto Protocol, in its implementation." Nomenclature of the supporting document: "Certificate non ODA_CME.pdf"		
<b>DOE Assessment #1</b>	Validation team has checked the ODA declaration /8-2/ submitted by the CME. This is found to be appropriate and in line with the requirements. Hence CL is being closed now.		
<b>Conclusion</b>	<input type="checkbox"/> To be checked during the first periodic verification		

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Tick the appropriate checkbox	<input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)
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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-A21	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	Revised PoA-DD submitted by PP does not mention the revised version number and date of the current version.		
Corrective Action #1 <i>This section shall be filled by the PP.</i>	The version number and date of the current version have been updated in the PoA-DD.		
DOE Assessment #1	The PoA-DD now mentions updated version number and date and hence CAR has been 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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-C1	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	In section C.2 for the environmental analysis, the PP shall provide explanation on trans-boundary impacts.		
Corrective Action #1 <i>This section shall be filled by the PP.</i>	In section C.2. of the CDM-PoA-DD it has been stated that the environmental analysis will be done at CPA level, hence trans-boundary impact analysis are not include at this level.		
DOE Assessment #1	Since it has been mentioned that Environment analysis has been carried out at CPA level, hence this requirement is not valid at PoA level. Hence 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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-C2	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	The PP must define in a clear and transparent manner the decision to implement environmental analysis at CPA level.		
Corrective Action #1 <i>This section shall be filled by the PP.</i>	In section C.1. of the CDM-PoA-DD a justification of why the environmental analysis will be at CPA level was included as follows: Due to the highly localized and site-specific environmental impacts of each biomass power plant project in particular, the geographical location, capacity and construction plan among others, each CPA will have a separate environmental assessment. The environmental analysis for each CPA will be conducted in line with applicable national environmental policies that will be identified at the time of the inclusion of each CPA		
DOE Assessment #1	PP has justified in section C.1 of the revised PoA-DD about the need for conducting Environmental analysis at the CPA level. CPAs would involve large industrial scale installations and the impacts would essentially be		



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	felt more at localized level and cannot be generalized at national level boundary of the PoA. Hence the justification is appropriate and CAR is being closed.
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-D1	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	The PP shall justify why they chose both levels for stakeholder comments.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	The justification of why the PP chose to make the stakeholder consultation was on both levels was added in the PoA as follows:  Stakeholder consultation has been done at PoA level to ensure that a wider group of stakeholders are reached as a conservative approach for the process.		
<b>DOE Assessment #1</b>	Stakeholder consultation is essential at CPA level to gauge the stakeholder perceptions for a particular CPA, as there would be more localized impacts on the project. Moreover, CME has carried the consultation at PoA level adopting conservative approach and in order to reach wider audience. Hence the CL is being closed now.		
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-D2	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	A description of the relevant stakeholders that were invited to the process need to be established in section D.2. of the PoA-DD.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	The relevant stakeholder that were invited to the process was through: 6 public announcements that were performed in a national newspaper, three times in a week, for two consecutive weeks and also 64 letters sent to public authorities and neighbors explaining the project and inviting them to respond with any comments or questions.		
<b>DOE Assessment #1</b>	During the site visit the verification team saw the original newspapers and confirmed all 6 announcements, the PP also sent copy of the newspapers with the announcements as a supporting document <sup>/18/</sup> . The PP provided the copy of the delivery confirmation of the letters to public authorities and neighbours (from the official courier of the country).  All these documents <sup>/18/</sup> were checked by the validation team and were found to be clear and acceptable. Hence this CL is being closed.		
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
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Finding	PoA-D3	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
<b>Description of finding</b>	The CME shall provide a clear and transparent procedure for reporting on how due account was taken for the comments received. The CME has to provide evidence of the responses to the comments received.			
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	<ul style="list-style-type: none"> <li>All comments received at the stakeholder consultation, at PoA level, were answered to the address that was stated in the letter.</li> <li>The supporting documents; LSH PoA Questions.pdf and LSH PoA Answers.pdf are providing to the DOE to support the same.</li> </ul> <p>Nomenclature of the supporting document: LSH PoA Questions.pdf LSH PoA Answers.pdf</p>			
<b>DOE Assessment #1</b>	One question was received during the consultation process due to the newspaper announcement. A copy of this document <sup>/18/</sup> was provided by the PP to the validation team. Three questions <sup>/18/</sup> were received during the consultation process in response to the letters <sup>/18/</sup> sent to public authorities and neighbours. The PP answered all comments received due to the newspaper announcements and the letters. All these evidences <sup>/18/</sup> have been checked by the Validation team and found to be ok. Hence this CL is being closed.			
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)			

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-E1	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
<b>Description of finding</b>	All the applicability criteria of the ACM0006 version 12.0.1, should be addressed in the inclusion criteria of the CPA in the PoA.			
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	In section A.4.2.2. it has been included criteria N° 5 where it states that each CPA must meet the applicability criteria of methodology ACM0006, version 12.0.1 (as listed in section E.2 of the PoA DD) depending on the conditions of the project activity that operates the biomass-residue (co-)fired power-and-heat plants.			
<b>DOE Assessment #1</b>	A separate criteria with respect to adjudging the applicability of the applied methodology, i.e. ACM0006, version 12.0.1, has been included in the revised CPA-DD. This is in line with the requirement of § 14, annex 3 of EB 65 /B04-5/.			
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)			

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-E2	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
<b>Description of finding</b>	The CME shall describe the possible baseline scenarios for biomass and leakage as per the methodology ACM0006 version 12.0.1.			
<b>Corrective Action #1</b> <i>This section shall be</i>	In section E.4. of the CDM-PoA-DD the CME describes that the possible baseline scenarios for biomass residue use are: scenarios B1 to B8, or			

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<i>filled by the PP.</i>	any combination of those scenarios. Also it states that for scenarios B5 to B8, leakage emissions should be accounted for as per the procedures of the methodology. CPAs included shall calculate leakage emissions as per formula (45) of section E.6.2. Moreover, since the nature of future CPAs is unknown at the moment, hence it is not possible to discuss all the feasible and known scenario combinations for biomass residues and leakage, however, same would be discussed more clearly at the individual CPA levels.
<b>DOE Assessment #1</b>	Revised CPA-DD lists down the possible scenarios for biomass residues based on the methodology ACM0006, version 12.0.1 and also specified equations to be used for calculation of leakage due to biomass residues. Moreover, the explanation for not describing all the possible scenarios at PoA level is found to be satisfactory. Hence the CAR is being closed.
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-E3	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	The CME shall describe the sources and gases that would be included in the spatial extent of the project boundary in a clear and transparent manner		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	Section E.3 of the CDM-PoA-DD has been amended in order to describe the sources and gases that would be included in the spatial extent of the project boundary in a clear and transparent manner according to ACM0006 Version 12.0.1.  Also in table No. 4 of this section is illustrated which emissions sources are included and which are excluded from the project boundary for determination of both baseline and project emissions. This table will be updated accordingly in each CDM-CPA-DD.		
<b>DOE Assessment #1</b>	Section E.3 of the revised PoA-DD describes the project boundary as per ACM0006 Version 12.0.1 and encompasses the following spatial extent of the project boundary: <ul style="list-style-type: none"> <li>• All plants generating power and/or heat located at the project site, whether fired with biomass residues, fossil fuels or a combination of both;</li> <li>• All power plants connected physically to the electricity system (grid) that the project plant is connected to;</li> <li>• Where possible, all off-site heat sources that supply heat to the site where the project activity is located (either directly or via a district heating system);</li> <li>• The means of transportation of biomass residues to the project site;</li> <li>• The site where the biomass residues would have been left for decay or dumped;</li> <li>• The wastewater treatment facilities used to treat the wastewater produced from the treatment of biomass residues;</li> </ul> CME has also mentioned in table4 of the PoA-DD about gases that are included/excluded from the project boundary and is as per the applied methodology ACM0006, version 12.0.1.  The changes and explanation are found to be acceptable and hence the CAR is closed.		

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<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)
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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-E4	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	In section E.4. of the PoA-DD, the PP must identify and adequately discuss all technically feasible baseline scenario alternatives to the PoA.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	<p>In section E.4. of the CDM-PoA-DD the CME describes that the selection of the most plausible baseline scenarios will be identified at CPA level as per the "Selection of the baseline scenario and demonstration of additionality" defined in the applied methodology ACM0006 Version 12.0.1.</p> <p>The technically feasible baseline scenario alternatives will be discuss in each specific case of project activity that would be represented by the CDM-CPA-DD.</p> <p>Each CDM-CPA-DD should include in the analysis the following scenarios as stated section E.4. of the CDM-PoA-DD:</p> <ul style="list-style-type: none"> <li>For power generation: Scenarios P2 to P7, or a combination of any of those scenarios;</li> <li>For heat generation: Scenarios H2 to H7, or a combination of any of those scenarios;</li> <li>If some of the heat generated by the CDM project activity is converted to mechanical power through steam turbines, for mechanical power generation: Scenarios M2 to M5:               <ul style="list-style-type: none"> <li>In the case of M2 and M3, if the steam turbine(s) are used for methancial power in the project, the turbine(s) used in the baseline shall be at least as efficient as the steam turbine(s) used for methancial power in the project;</li> <li>In the case of M4 and M5, steam turbine(s) for methancial power are not allowed for the same purpose in the project.</li> </ul> </li> <li>For biomass residue use: Scenarios B1 to B8, or any combination of those scenarios. For scenarios B5 to B8, leakage emissions should be accounted for as per the procedures of the methodology.</li> </ul> <p>For the land use of the plantation area: Scenario L1 is the baseline.</p>		
<b>DOE Assessment #1</b>	<p>The description provided in the revised CPA-DD is inadequate and does not properly explains how the baseline scenario selection would be carried out and also does not mention clearly what are the different baseline options as per the methodology ACM0006 version 12.0.1. Moreover please justify why the technically feasible scenario's would be discussed at each CPA level and are not being described at the PoA level.</p> <p>This CAR is open.</p>		
<b>Corrective Action #2</b> <i>This section shall be filled by the PP.</i>	Please refer to section E.4 of the revised PoA-DD. Explanation of the scenario selection process and list of various alternatives have been included in the PoA-DD. Also the justification has been provided as to why it is not feasible to include a discussion on all technically feasible combinations of baseline scenario in the PoA-DD itself.		
<b>DOE Assessment #2</b>	Revised PoA-DD explains that technically there could be huge number of baseline scenario combinations that are feasible and could occur in one of the future CPAs depending on different combinations of power, heat,		

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	<p>biomass scenarios in the baseline. Moreover, the extent and nature of future CPAs, which would be added over the course of PoA-lifetime, is not known at the present. Hence, it is not feasible to discuss all the feasible and technically possible baseline scenarios and alternatives. This explanation is found to be satisfactory. Additionally, the section E.4 now properly describes the procedure that each CPA would adopt in order to determine the applicable baseline scenario as per the applied methodology ACM0006, version 12.0.1.</p> <p>Hence, this CAR is being closed.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-E5	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	The PP needs to identify and exclude the options that are not in line with the regulatory or legal requirements of the Host Country.			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	Section E.4 of the CDM-PoA-DD has been amended. It has been specified: “the baseline scenario to be identified in each CPA shall be in compliance with all mandatory laws and regulations taking into account the legal framework in Chile and EB decisions. As per the eligibility conditions (Section A.4.2.2.), all CPAs under this PoA must comply with the local laws and regulations.			
DOE Assessment #1	Eligibility condition in section A.4.2.2 as well as revised section E.4 states that the future CPA would be inline with regulatory and legal requirements of the Host Country. However, please indicate the options that are not in line with the regulatory or legal requirements of the Host Country.  The CAR is still open.			
Corrective Action #2 <i>This section shall be filled by the PP.</i>	Section E.4 has been revised to state the applicable law and also the approval that is required under the law. Any CPA that does not receive the said approval implies that it does not adhere to local laws and hence would be excluded.			
DOE Assessment #2	Section E.4 under the revised PoA-DD states that each CPA should meet the requirements of Law 19,300 <sup>5</sup> “Ley Sobre Bases Generales del Medio Ambiente” which is the Environmental Laws of Chile. It also states that all the CPAs should obtain appropriate approvals under the law. The approval under the law would prove the adherence of the CPA to local laws and regulations and CPA without necessary approvals would be excluded.  This explanation and evidence <sup>/14/</sup> submitted to the Validation team is found satisfactory. Hence the CAR is being 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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)			

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
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<sup>5</sup> [http://www.sinia.cl/1292/articles-26087\\_ley\\_bases.pdf](http://www.sinia.cl/1292/articles-26087_ley_bases.pdf)

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Finding	PoA-E6	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
<b>Description of finding</b>	The PP needs to identify all the regulatory or legal requirements applicable to the PoA.			
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	Section E.4 of the CDM-PoA-DD has been amended. It has been specified: "the baseline scenario to be identified in each CPA shall be in compliance with all mandatory laws and regulations taking into account the legal framework in Chile and EB decisions. As per the eligibility conditions (Section A.4.2.2.), all CPAs under this PoA must comply with the local laws and regulations.			
<b>DOE Assessment #1</b>	<p>Eligibility condition in section A.4.2.2 as well as revised section E.4 states that the future CPA would be inline with regulatory and legal requirements of the Host Country. However, please indicate the basic laws applicable and approvals required by the CPA in order to adjudge whether CPAs are in line with the requirements.</p> <p>The CAR is still open.</p>			
<b>Corrective Action #2</b> <i>This section shall be filled by the PP.</i>	Section E.4 has been revised to state the applicable law and also the approval that is required under the law.			
<b>DOE Assessment #2</b>	<p>Section E.4 under the revised PoA-DD states that each CPA should meet the requirements of Law 19,300/14/ "Ley Sobre Bases Generales del Medio Ambiente" which is the Environmental Laws of Chile. In line with the requirements under Article 10 of this law (Project that should be subject to the System of Environmental Impact Assessment) and Article 11 (projects that must submit an Environmental Impact Study), the CPA should obtain appropriate approvals under the law. The approval under the law would prove the adherence of the CPA to local laws and regulations.</p> <p>This explanation and evidence <sup>/14/</sup> submitted to the Validation team is found satisfactory. Hence the CAR is being closed.</p>			
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)			

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-E7	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	<ul style="list-style-type: none"><li>• The CME must define the financial indicators that future CPAs can use more specifically, and define values for the same.</li><li>• The CME shall specify in more detail key criteria's for assessing barrier analysis.</li><li>• Considering the fact that alternatives form the part of baseline identification for this methodology, the discussion on alternatives in Sec. E.5 is not appropriate. Moreover, the explanation given on alternatives is also not exhaustive</li><li>• Explanation given in Sec. E.5.1 is a mere reproduction of methodology. It does not explain how the CPAs will present the additionality and what analysis will be used for additionality demonstration etc.</li><li>• Sec. E.5.2 is not elaborate. The type of analysis to be adopted, financial indicator to be used, source for input parameters etc. are not explained in detail in sec. E.5.2. Moreover, the explanation given therein are mere reproduction of methodology</li></ul>			

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<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	<ul style="list-style-type: none"> <li>• The revised PoA-DD clearly defines the financial indicator that the CPAs will use and under what circumstances.</li> <li>• Sec. E.5.2. of PoA-DD has been modified. Revised PoA-DD explains in details the criteria that would be used for assessing barriers.</li> <li>• The discussion on alternatives has been shifted sec. E.4. and the alternatives have been elaborated</li> <li>• Sec. E.5.1. has been modified and the revised section restricted to the broad details while the details are shifted to sec. E.5.2.</li> <li>• Sec. E.5.2. has been modified and the revised PoA-DD provides details barrier analysis, investment analysis, restricted to the broad details while the details are shifted to sec. E.5.2.</li> </ul>
<b>DOE Assessment #1</b>	<ul style="list-style-type: none"> <li>• PoA-DD has been revised. The revised PoA-DD states that CPAs will use project NPV or project IRR as financial indicator for the investment analysis and in cases, where the project is green field project generating only steam, CPAs may use levelized unit cost (LUC) of heat generation as financial indicator. This is appropriate. CAR is closed</li> <li>• PoA-DD has been revised. The revised PoA-DD explains in detail the investment analysis to be used by CPAs and the reasons therefor, financial indicator to be used by CPAs, discount rate selection, input parameters to be used and the sources thereof, sensitivity analysis and common practice analysis. The explanation given in this section is exhaustive and leaves very little scope for subjectivity and hence considered appropriate. CAR is closed</li> <li>• In the revised PoA-DD, the discussion on alternatives has been shifted to Sec. E.4. Revised PoA-DD also explains the alternatives in details. CAR is closed.</li> <li>• In sec. E.5.1. of the revised PoA-DD, CME has explained the broad details of additionality demonstration and the details of additionality demonstration are given in sec. E.5.2. CAR is closed</li> <li>• Revised Sec. E.5.2. of PoA-DD explains the additionality demonstration in details. It explains the investment analysis to be selected, financial indicator to be used, input parameters and the sources, sensitivity analysis and the common practice analysis. The section is exhaustive. CAR is closed</li> </ul>
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-E8	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	The CME shall specify in section E.6.1. the methodological choices for baseline, project and leakage emissions according to the applied methodology ACM0006 version 12.0.1.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	Sections E.6.1. of the CDM-PoA-DD, have been amended in order to clarify the methodological choices for baseline, project and leakage emissions according to the apply methodology ACM0006 version 12.0.1.		
<b>DOE Assessment #1</b>	Revised section E.6.1 does includes the methodological choices for		



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	<p>baseline, project and leakage emissions according to the applied methodology ACM0006, version 12.0.1.</p> <p>However, the approach for determining Grid Emission Factor and steps prescribed for baseline, project and leakage emissions should also be detailed out.</p> <p>The CAR is still open.</p>
<b>Corrective Action #2</b> <i>This section shall be filled by the PP.</i>	Section E.6.1 has been revised and includes approach for Grid emission factor calculation. Moreover, the details of each step for calculation of baseline, project and leakage emissions have already been provided under E.6.2. Reference for the same has now been included.
<b>DOE Assessment #2</b>	Validation section has checked revised section E.6.1 which includes approach for grid emission factor as well proper reference for details of steps has been indicated. Hence the CAR is closed now.
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-E9	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	Equations for emissions due to fossil fuel consumption must be specified in the PoA DD.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	<p>Sections E.6.2. of the CDM-PoA-DD, have been amended in order to include equations for emissions due to fossil fuel consumption according to the apply methodology ACM0006 version 12.0.1.</p> <p>The following source for project emissions should be account in the CDM-CPA-DD case by case:</p> <ul style="list-style-type: none"> <li>Emissions from fossil fuel consumption at the project site for the generation of electric power and heat and for auxiliary loads related to the generation of electric power and heat;</li> <li>CO<sub>2</sub> emissions from grid-connected fossil fuel power plants in the electricity system for any electricity that is imported from the grid to the project site;</li> <li>If either <math>EL_{balance,PO,y} &lt; EL_{BL,BR,PO,y}</math> (Case 3.3.2) or <math>EL_{balance,FF,y} &lt; EL_{BL,FF,y}</math> (Case 4.2.2), CO<sub>2</sub> emissions from grid-connected fossil fuel power plants in the electricity system due to reduction in electricity generation at the project site as compared to the baseline scenario;</li> <li>CO<sub>2</sub> emissions from off-site transportation of biomass residues that are combusted in the project plant;</li> <li>If applicable, CH<sub>4</sub> emissions from combustion of biomass residues for electric power and heat generation at the project site;</li> <li>If applicable, emissions from anaerobic treatment of wastewater originating from the treatment of the biomass residues prior to their combustion.</li> </ul> <p>As stated above project emissions shall be calculated as per formula (37) of section E.6.2 of the CDM-PoA-DD.</p>		
<b>DOE Assessment #1</b>	Section E.6.2 of the revised PoA-DD includes the explanation and equations for calculation of emissions due to fossil fuel consumption. This has been found to be inline with ACM0006 version 12.0.1. Hence the CAR is being closed.		
<b>Conclusion</b>	<input type="checkbox"/> To be checked during the first periodic verification		



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Tick the appropriate checkbox	<input checked="" type="checkbox"/> Appropriate action was taken <input checked="" type="checkbox"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)
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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-E10	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	The correct format of date, as in dd/mm/yyyy, must be applied in section E.8 of the PoA-DD.		
Corrective Action #1 <i>This section shall be filled by the PP.</i>	Sections E.8. of the CDM-PoA-DD, have been amended in order to correct the format of date; The application of the baseline and monitoring methodology of the project was completed on 20/04/2012.		
DOE Assessment #1	Date format has been corrected and is found to be appropriate. Hence the CAR is being 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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-E11	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	The PP must state if the contact person is a project participant in the PoA-DD.		
Corrective Action #1 <i>This section shall be filled by the PP.</i>	<p>The contact person provided in Annex 1; Mr Luis Llanos is the contact person, but is not a project participant, is the legal representatives of the CME.</p> <p>The only project participant of the PoA established in Annex 1 of the CDM-PoA-DD, is the coordinating/managing entity; Bionergías Forestales S.A.</p>		
DOE Assessment #1	<p>The project participant for the PoA is Bionergías Forestales S.A.</p> <p>The individual mentioned is the contact person but not the project participant himself. The CAR is being 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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-E12	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
Description of finding	The PP should specify the sectoral scope for the applied methodology.		
Corrective Action #1 <i>This section shall be filled by the PP.</i>	Section A.4.2.1. has been amended. The type of the PoA has been included in line with the apply methodology.		
DOE Assessment #1	<p>Sectoral scope of the applied methodology has been specified as "01: Energy industries (renewable - / non-renewable sources)." This is found to be inline with the applied methodology ACM0006, version 12.0.1</p> <p>Hence the CL is being closed.</p>		

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<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)
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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-E13	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	The CME must clarify that they are not using other types of biomass other than biomass residues in the project plant.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	In section E.2. of the CDM-PoA-DD, the CME has stated, as one of the applicability conditions, that “the CPAs shall utilize biomass residues for energy generation, understood as biomass that is a by-product, residue or waste stream from agriculture, forestry and related industries. This shall not include municipal waste or other waste that contain fossilized and/or non-biodegradable material (however, small fractions of inert inorganic material like soil or sands may be included).”		
<b>DOE Assessment #1</b>	Section E.2 explains in the applicability conditions pertaining to biomass residues and requirement of CME checking the same at the time of inclusion of the CPAs. However, also provide reference of definition of biomass residues.  The CL is open.		
<b>Corrective Action #2</b> <i>This section shall be filled by the PP.</i>	Explanation on applicability condition has been revised in section E.2 of the revised PoA-DD.		
<b>DOE Assessment #2</b>	Revised PoA-DD mentions that the biomass used by the CDM-CPA-DD under this PoA will be in compliance with “Definition of Renewable Biomass - Annex 18 of EB 23” and “Glossary of CDM Terms - Version 06.0 - Annex 63 of EB 66”.  Hence the CL is being closed.		
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)		

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD
Finding	PoA-E14	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL <input type="checkbox"/> FAR
<b>Description of finding</b>	In section E.7.2 of the PoA-DD, the PP needs to clearly specify the operation and management structure along with the procedure for responsibilities, hierarchy of the flow of information, data collection, recording, checking, data transfer and archiving system for the CPA under the PoA, and justify how it is consistent for all CPAs under this PoA.		
<b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i>	Section E.7.2, has been amended with the following points: <ul style="list-style-type: none"> <li>• Monitoring Parameters</li> <li>• Data logging, transmission and storage</li> <li>• Calibration and maintenance procedures, malfunction of equipment</li> <li>• Managerial Responsibilities</li> <li>• Organizational Structure</li> <li>• Quality Assurance and Quality Control</li> <li>• Emergency</li> </ul>		

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	<ul style="list-style-type: none"> <li>• Training of Monitoring Personnel</li> </ul> <p>The points mentioned above were amended in order to establish a clear and transparent system for responsibilities, structure, collection, recording, checking, data transfer and archiving the CPA under the PoA.</p>
<b>DOE Assessment #1</b>	<p>Section E.7.2 of the PoA-DD has been revised to include a clear description of monitoring plan of the CPA. The information includes:</p> <ul style="list-style-type: none"> <li>• Monitoring parameters details</li> <li>• Data logging, transmission and storage procedures</li> <li>• Calibration and maintenance procedures, including procedures to be adopted during malfunction of equipment</li> <li>• Managerial responsibilities at the CME level</li> <li>• QA and QC procedures</li> <li>• Information on training</li> </ul> <p>The information provided adequately describes the monitoring plan and addresses the issues raised in the CAR. Hence the CL is being closed.</p>
<b>Conclusion</b> <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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)

Related PDDs	<input checked="" type="checkbox"/> PoA-DD	<input type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	PoA-E15	<input type="checkbox"/> CAR	<input checked="" type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	In section E.8. of the PoA-DD, the PP is required to state the contact information of the person responsible for the baseline and monitoring methodology.			
Corrective Action #1 <i>This section shall be filled by the PP.</i>	Section E.8. has been amended. The contact information of the person responsible for the baseline and monitoring methodology has been stated.			
DOE Assessment #1	Section E.8 of the revised PoA-DD provides information on the person responsible for the baseline and monitoring methodology.  Hence the CL is being 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"/> The project complies with the requirements <input type="checkbox"/> Outstanding finding (not closed)			

Related PDDs	<input type="checkbox"/> PoA-DD	<input checked="" type="checkbox"/> generic CPA-DD	<input type="checkbox"/> real case CPA-DD	
Finding	g-CPA-B1	<input checked="" type="checkbox"/> CAR	<input type="checkbox"/> CL	<input type="checkbox"/> FAR
Description of finding	Following consolidated CAR has been raised on the generic CPA-DD <ol style="list-style-type: none"><li>Generic CPA (sec. B.3) does not provide ‘first-of-its-kind’ barrier.</li><li>The investment analysis section (sec. B.3) does not explain the investment analysis and discount rate/benchmark to be used by the CPAs and the need to explain the appropriateness of the financial indicator used</li><li>Input parameters given in the generic CPA-DD is not exhaustive in that all input parameters are not included. There is no confirmation from the CPA operator that the input parameters will conform to guidance 6 of Annex 5, EB 62</li><li>The explanation given for sensitivity analysis is not appropriate and is not in conformity with sub-step 2d of Additionality Tool. The section does not explain what parameters will be selected for</li></ol>			

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	<p>the sensitivity analysis, to what variation they will be subjected to and how it conforms to guidance 20 and 21 of Annex 5, EB 62.</p> <p>5. Serious consideration of CDM benefits of Generic CPA-DD does not include the date of intimation to UNFCCC and DNA by CPAs about the intention to get registered as CDM activities and there is no conclusion either</p>
<p><b>Corrective Action #1</b> <i>This section shall be filled by the PP.</i></p>	<ol style="list-style-type: none"> <li>1. We regret the omission. The revised generic CPA-DD incorporates 'first-of-its-kind' barrier also. Where the CPAs use 'first-of-its-kind' barrier, then additionality of the project is deemed to have been demonstrated and investment analysis will not be done in such cases.</li> <li>2. The revised generic CPA-DD explains the investment analysis and discount rate/benchmark to be used by the CPAs and the need for CPA operators to explain the appropriateness of the financial indicator used</li> <li>3. Input parameters have been modified and made exhaustive in the revised generic CPA-DD. A confirmatory sentence on the compliance with guidance 6 of Annex 5, EB 62 has been added in the revised version</li> <li>4. The explanation given for sensitivity analysis has been modified. The parameters that would be subjected to sensitivity analysis, variation to which they would be subjected to sensitivity analysis are explained in revised generic CPA-DD.</li> <li>5. The date of intimation to UNFCCC and DNA has been included in the table. The CPAs will also be required to draw conclusion and a sentence to this effect has been added in revised generic CPA-DD.</li> </ol>
<p><b>DOE Assessment #1</b></p>	<ol style="list-style-type: none"> <li>1. Revised generic CPA-DD includes 'first-of-its-kind' barrier. CAR is closed</li> <li>2. Revised generic CPA-DD has been modified and explains the investment analysis and discount rate/benchmark to be used by the CPAs. It also states that the CPAs have to explain the appropriateness of the financial indicator selected includes 'first-of-its-kind' barrier. CAR is closed</li> <li>3. Generic CPA-DD has been modified and the revised version gives all the possible input parameters and hence leaves very little scope for subjectivity. The revised version also incorporates a sentence to the effect that all the input parameters conform to guidance 6 of Annex 5, EB 62, which will anyhow, be checked by DOE during validation. CAR is closed</li> <li>4. Generic CPA-DD has been revised and the explanation given conforms to sub-step 2d of Additionality Tool. The conformity of the parameters selected, the variations to which they would be subjected to and the conformity of the same to guidance 20 and 21 of Annex 5, EB 62 have been explained. CAR is closed</li> <li>5. DOE Assessment: Generic CPA-DD has been modified. The date of intimation to UNFCCC and DNA as well as conclusion on the conformity of the CPA to Annex 13, EB 62 and Annex 26 of EB 60 have been included in the revised version. CAR is closed</li> </ol>
<p><b>Conclusion</b> <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"/> The project complies with the requirements</p> <p><input type="checkbox"/> Outstanding finding (not closed)</p>

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## APPENDIX B CERTIFICATE OF COMPETENCE



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