

VCS PROJECT REVIEW REPORT

Project ID	929
Project Name	Energy Efficiency and Solid Waste Diversion Activities within the Quebec Sustainable Community
Project Proponent	Will Solutions, Inc.
Methodology	VM0018 Energy Efficiency and Solid Waste Diversion Activities within a Sustainable Community, v1.0
Sectoral Scope(s)	3. Energy demand, 13. Waste handling and disposal
Validation/Verification Body (VVB)	Perry Johnson Registrars Carbon Emissions Services, Inc
Registry	APX

Assessment Criteria	VCS Standard, v3.6
Date of First Issue	4 May 2017
Date of Second Issue	27 June 2017
Date of Third Issue	26 September 2017
Date of Final Issue	4 December 2017

Summary:

An accuracy review of the *Energy Efficiency and Solid Waste Diversion Activities within the Quebec Sustainable Community* project issuance request has been conducted by VCS in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised 12 assessment findings and no minor findings, detailed below. The VVB, in coordination with the project proponent, is hereby required to provide a response to the assessment findings presented in Section 1. The 12 assessment findings must be addressed to the satisfaction of VCS.

This findings report may be made publically available. Confidential information may be provided as separate attachments.

1 ASSESSMENT FINDINGS

Finding 1

Section 3.16.7 of the *VCS Standard, v3.6* states that verification periods shall be a distinct time period which do not overlap with previous monitoring periods. This section further states that projects shall not be eligible for crediting of GHG emissions reductions generated in previous verification periods.

As the project previously submitted a monitoring report and issued VCUs for the period 1 April 2010 – 31 March 2013, the GHG emission reductions/removals included in this monitoring report during that period are ineligible.

Additionally, VCS defines the *project crediting period start date* as the date on which the first monitoring period commences. As the first monitoring period commenced on 1 April 2010, the project is ineligible for crediting before this date.

The project proponent and VVB are requested to update the monitoring report and verification report to include GHG emission reductions/removals from the eligible period, 1 April 2013 – 31 December 2015. In addition, the project reporting should also be updated to include a project description deviation discussing the updated project crediting period to reflect the 1 April 2010 start date, as the project crediting period included in the project description is listed as 1 January 2010 – 31 December 2019.

VVB Response: *We verified and confirmed that each PAI is eligible in the VCS 929 project and declared by the project proponent (PP) in each monitoring report are quantified and verified and are accounted for only 1 time for each verification period for all 10 years VCS-929 eligible duration project. We confirm that the project proponent (PP) is organized to properly support this statement and the PP does not overlap or double count GHG emission reductions for each PAI with past, actual and future monitoring reports.*

The first monitoring report submitted by the PP was verified by PJR Carbon registries and covered the period starting January First, 2010 to October 31, 2013 and included 43 PAI with their GHG emission reductions. These GHG emission reductions were accounted for only 1 time respectfully to the VCS program. In the following monitoring report submitted on January 5, 2017, only new PAI's were accounted for during the period of January 1, 2010 up to October, 31, 2013. In the monitoring report submitted on January 5, 2017, a total of 79 PAI were reported. On this total, 75 PAI were declared for first time and their GHG emissions reductions were declared for first time. On the 4 remaining PAI's, inside the 79 PAI's, the PP quantified for a unique period and we verified that no overlap or double counting was applied.

We confirmed that there is no deviation to methodology VM0018, which was validated on July 2013. The project is expected to gradually group together inside the VCS-929 project up to 10 000 Client facilities, with each Client facility potentially having several and distinct PAI's.

VCS Response:

The VVB response does not address the findings raised. As previously stated, Section 3.16.7 of the *VCS Standard, v3.6* states that verification periods shall be a distinct time period which do not overlap with previous monitoring periods. This section further states that projects shall not be eligible for

crediting of GHG emissions reductions generated in previous verification periods.

As a monitoring report was submitted previously for 1 April 2010 – 31 March 2013, the project is ineligible to receive crediting for any GHG emission reductions/removals included in the current monitoring report which overlap with that period, even if new project activity instances included in this new monitoring report began before or during this period. VCS appreciates that the project proponent is stating that emission reductions are not being claimed twice, though the requirements of Section 3.16.7 clearly state that projects shall not be eligible (whatsoever) for crediting of GHG emission reductions generated in previous verification periods.

The project proponent and VVB are therefore requested to update the project and audit reporting to only discuss emission reductions/removals generated on or after 1 April 2013.

Additionally, as also stated previously, VCS defines the *project crediting period start date* as the date on which the first monitoring period commences. As the first monitoring period commenced on 1 April 2010, the project is ineligible for crediting before this date. The project proponent and VVB are therefore requested to update the project and audit reporting to include a project description deviation discussing the updated project crediting period to reflect the 1 April 2010 project crediting period start date, as the project crediting period included in the project description is listed as 1 January 2010 – 31 December 2019.

VVB Response 2:

The project proponent submitted an exemption request to the VCS program regarding this finding 1, on August 10th, 2017. The exemption demand was refused by VCS on August 31st 2017 and VCS confirmed the second verification period is only eligible to claim emission reductions from April 1st to December 31, 2015. The period of the monitoring report was then modified by the project proponent in agreement with the VCS decision.

VCS Response:

As stated in the VVB response above, due to overlap with the previous verification period, only emission reductions from 1 April 2013 to 31 December 2015 are eligible to be claimed during this verification period.

The monitoring report has been updated to reflect this. However, although the net GHG emission reductions and removals included in Section 3.7 of the monitoring report includes emission reductions from 2013, 2014 and 2015 vintages, there are still a number of areas where emission reductions from previous periods are discussed. For example, Appendices B-2 and C-1 incorrectly discuss the 3rd verification period, and include dates of 2010, 2011, and 2012. Other examples include tables 4 – 12 of Section 3.2 which include dates of January 2013 – March 2013. Additionally, as data from previous years is included, it is often unclear what data from 2013 was or was not included in the monitoring report.

The project proponent is thus requested to revise the monitoring report to ensure only emission reductions from 1 April 2013 – 31 December 2015 are included in the monitoring report.

Additionally, as also stated previously, VCS defines the *project crediting period start date* as the date on which the first monitoring period commences. As the first monitoring period commenced on 1 April 2010, the project is ineligible for crediting before this date. The project proponent and VVB are therefore requested to update the project and audit reporting to include a project description deviation

discussing the updated project crediting period to reflect the 1 April 2010 project crediting period start date, as the project crediting period included in the project description is listed as 1 January 2010 – 31 December 2019. Please note that this discussion of previous emission reductions achieved in Appendix D is appropriate and may continue to be included in the monitoring.

VVB Response 3:

The project proponent has corrected the shell written on the Appendices B-2 et C-1 corrected the 3rd verification (change for 2nd). The project proponent has corrected all tables 4 – 12 of Section 3.2 and has removed all data from previous years (2010 up to April first 2013) from the Appendices B and C.

We confirm that the starting date of the first Monitoring Report is January first 2010 and consequently they are no needs for a project description deviation.

VCS Response:

The initial finding incorrectly stated that the dates of the initial verification period were 1 April 2010 – 31 March 2013. The dates were in fact 1 January 2010 – 31 October 2013. Therefore, no project description deviation is required to update the project crediting period start date.

Additionally, the monitoring report has been updated to include the applicable dates of the second verification period as 1 November 2013 – 31 December 2015, therefore no longer overlapping with the initial verification. This finding is therefore closed.

Finding 2

The version of the monitoring report submitted uses version 3.3 of the *VCS Monitoring Report Template*. However, the project proponent has included new sections (e.g., Section 2.4 Safeguards and corresponding sub-sections) that were included in the newest version, version 3.4, of the template. As the VCS reporting templates are not to be edited, the project proponent is therefore requested to remove the added sections from the version 3.3 of template or update to using the latest version of the *VCS Monitoring Report Template, v3.4*, ensuring all information required by the template instructions are included.

VVB Response: *We confirm, with the project proponent would like to keep the section 2.4 included in the template VCS Monitoring report Template version 3.4 which brings more precision on the development of the project. The PP would like to keep these sections inside its monitoring report submitted on January 5, 2017 as only the page 1-3 were produced on the template 3,3 all others pages were done on template v3.4.*

Furthermore the project proponent updated its monitoring report to include answers to address all of your findings.

The PP commits to produce the next monitoring reports with the latest VCS template.

VCS Response:

The updated monitoring report has been updated to version 3.4 of the monitoring report template, and

this finding is therefore closed. However, for future validations/verifications, the VVB is requested to ensure that project proponents use only one version of the respective template, and follow all instructions included in the template, including that the template not be edited.

Finding 3

Section 1.7 of the monitoring report includes a map and geodetic coordinates of the project activity instance locations. However, the monitoring report does not include a discussion of which geodetic coordinates correspond to the respective project activity instances. The project proponent is requested to update the monitoring report to include this information.

VVB Response: *We confirmed and verified that each of the 79 PAI's declared in the monitoring report, dated January 5, 2017, are clearly associated with a Client Facility and this Client Facility has its own individual technical data sheet. The PP will add this data sheet as Appendix C in the form of a PDF file. On each individual Client Facility's data sheet, geodetic coordinates are associated and we verified that all Client Facilities were inside the geodetic coordinate PD validation report validated on July 2013.*

VCS Response:

Section 1.7 of the monitoring report includes a graphic with 11 geodetic coordinates. Section 2.1 of the monitoring report Table 1 lists seven facilities where project activity instances are located. Section 2.3 in Table 2 of the monitoring report lists eight client facilities where new project activity instances were located. The VVB also makes reference to 79 project activity instances included in the project. Lastly, Appendix C contains a listing of eight client facilities with corresponding geodetic coordinates.

As it is not clear from the monitoring report the number of client facilities included in the project, and their geodetic coordinates, the VVB is requested to clarify the number of facilities included and their geodetic coordinates. Additionally, the project proponent and VVB are requested to update their respective reporting to accurately reflect this information. As the project is located in a jurisdiction with an emissions trading program, it is important that the project documentation accurately provide the location of the client facilities and the project activities that are occurring at each in a clear fashion.

VVB Response 2:

The project proponent had updated the Table 2 of the monitoring report. The project proponent had added the geodetic coordinates in this table beside the Client Facilities name. Furthermore the Appendix C contains a listing of eight client facilities with their corresponding geodetic coordinates and their PAIs. We confirm, as VVB, that all 8 Clients facilities and their 74 PAI are all inside the Quebec territory as defined and validate in the Project Document.

VCS Response:

The updated monitoring report includes 8 client facilities with their corresponding geodetic coordinates in table 2. However, table 1 of Section 2.1 includes only 7 client facilities. The project proponent and VVB are therefore requested to further update the project documentation to ensure that the document

includes a discussion of 8 client facilities throughout all sections of the project and audit documentation.

VVB Response 3:

The project proponent has updated the Monitoring Report and has clarified the information on the Table 1 of section 2.1.

VCS Response:

The monitoring report has been updated to clearly identify the eight client facilities where the project activity instances are occurring. Additionally, Table 2 of the monitoring report has been updated to include the geodetic coordinates of each facility. This finding is therefore closed.

Finding 4

Section 2.3 of the monitoring report includes a table that discusses information on 75 new project activity instances that were included in the project. Included in the table is high level information regarding whether the new project activity instances are included in the “energy efficiency” or “waste management” category, and then a further breakdown of the project activity instances into a further 10 “lexique” of project activities. However, there is no detailed discussion providing information on the specific project activities that are generating emission reductions for each new project activity instance.

The project proponent is therefore requested to update the monitoring report to include a discussion of the specific project activities that are occurring for each new project activity instance. Additionally, information on the start date and project ownership of each new project activity instances must also be included.

VVB Response: We confirmed that all 75 new project activity instances (PAIs) were described for each Clients Facility and the data sheet will be add as part of Appendix C. On each Client Facility data sheet, a summary table is included describing each PAI and their yearly GHG emission reductions, the identification and geodetic coordinates of each Client Facility and discussions in the form of notes were also produced.

We verified that the PP has collected, analysed and produced information as part of its internal Quality Control and Quality Assurance protocol (monitoring report page 29-30), which describes each PAI and their eligibility and keeps this information inside each ITC platform account for the Client facility.

VCS Response:

The update to the monitoring report to include Appendix C provides more detail on each project activity instance than was initially included in the monitoring report. However, the monitoring report still does not provide explicit detail on the project activity occurring at each project activity instance.

For example, the second facility included in the appendix, Clinique médicale Montfort, which is a new facility included in the project, includes two project activity instances which are broken down into the

generic project activity categories (e.g., PAI VIII and PAI IX for fuel switch and energy consumption). However, as the project description provides a number of activities that can occur under these categories, the monitoring report does not currently provide detailed information on specifically what fuel switch and energy consumption activities are occurring at the facility.

The project proponent is therefore again requested to update the monitoring report to include a detailed discussion of the project activities that are occurring at each project activity instance. For example, for a fuel switch project activity, the project documentation should include information on the fuels used in the baseline and project scenarios.

As discussed in Findings 3 and 6,, as the project is located in a jurisdiction that includes an emissions trading program, it is also important that the project documentation clearly discuss the project activities that are included in the project for readers of the project documentation to come to a clear understanding regarding whether the activities result in a double counting with the emissions trading program. Without this level of detail, this finding cannot be closed.

VVB Response 2:

The project proponent had updated the monitoring report and had provided in Appendix C an explicit detail on the project activity occurring at each project activity instance. The project proponent had updated the monitoring report regarding the issue of the double counting in section 1,9 and in the Appendix A.

VCS Response:

The monitoring report has been updated to include a discussion of each project activity instance and provides notes on the baseline scenario and project activities included.

For “Generic PAI EE” project activities, detailed information on the baseline and project scenarios are now clearly discussed in the notes for each facility in Appendix C. However, for “Generic PAI WM” (project activities related to biomass sent to landfill), it is not clear in all instances whether the baseline scenario at the landfill includes flaring of methane as discussed in Finding 12 below.

Additionally, as discussed above in Finding 3, table 1 in Section 2.1 has not been updated to include all facilities and the generic project activity instances included. This table must be updated to ensure the correct “Generic PAIs” are stated for each facility.

Lastly, notes included for each client facility in Appendix C discussion emissions factors utilized for baseline emissions for waste management activities. However, the project proponent is requested to update the monitoring report to ensure a clear discussion of the presence of flaring or non-flaring at landfills in the baseline scenario is discussed (in addition to the emissions factor) in the notes of Appendix C for all client facilities that include waste management activities.

VVB Response 3:

The project proponent has updated the Monitoring Report and has clarified the information in Table 1 of section 2.1. The project proponent has specified, in section 3.4 on the revised Monitoring Report the information related to the management flaring or not) of methane at landfill.

VCS Response:

The monitoring report has been updated to clearly and consistently discuss the number of client facilities and the corresponding project activity instances occurring at each facility. Additionally, as stated in the updates to Section 3.4 of the monitoring report, Appendix C has now been updated to more clearly state whether flaring or non-flaring is occurring at the landfill in the baseline scenario. This finding is therefore closed.

Finding 5

Section 3.4 of the *VCS Verification Report Template, v3.4* instructs VVBs to validate the inclusion of new project activity instances. Section 3.4 of the verification report submitted states “not applicable”.

The VVB is requested to update Section 3.4 of the verification report to discuss how the VVB validated the inclusion of new project activity instances, ensuring to include all information required by the template instructions.

VVB Response: *See our answer to findings 4. PJRCES updated our verification report by adding a specific statement in section 3.4 of our verification report to answer these findings.*

VCS Response:

Section 3.4 of the verification report has been updated to state “PJRCES carried out the review of the new PAIs declared in the Monitoring report and confirms their inclusion with respect to the project proponent protocol to add new PAIs as stated in the Project Document (PD), validated in July 2013 (section 1.8 page 10).”

However, as discussed in VCS’ response to Finding 4 above, the monitoring report includes limited information as to what project activities are occurring for each project activity instance. As such, the VVB is requested to clarify and update the verification report to discuss how it validated the inclusion of the new project activity instances, and in particular (but not limited to), how each project activity instance meets with the eligibility criteria set out in the project description. Please refer to the instructions included in the verification report template for further guidance on what is required to be included in the verification report.

VVB Response 2:

The project proponent had updated the monitoring report and had provided in Appendix C an explicit detail on their inclusion as new PAI. We state, as VVB, that the eligibility of 70 new PAIs were address by the project proponent and are in conformity to as stated in the Project Document (PD), validated in July 2013 (section 1.8 page 10).

VCS Response:

The verification report has been updated to discuss how the VVB validated the inclusion of new project activity instances. Therefore, this finding is closed.

Finding 6

Section 3.11.2 of the *VCS Standard, v3.6* requires that where projects reduce GHG emission from activities that are included in emissions trading programs, evidence shall be provided that GHG emission reductions generated are not counted under the program or mechanism.

Section 1.9 of the *VCS Monitoring Report Template, v3.3* instructs project proponents to include a discussion of information pertaining to emission trading programs where GHG emission reductions generated are included in emission trading programs, or other mechanisms.

Section 1.9 of the monitoring report states “Not applicable. Will Solutions does not participate to any other GHG programs.” However, Appendix A of the monitoring report provides a discussion of double counting concerns related to Quebec’s cap-and-trade program, the jurisdiction the project is located in.

The project proponent is requested to update the monitoring report to include in Section 1.9 a discussion of whether and how the GHG emissions reductions associated with the project for the given monitoring period pose a double counting risk under Quebec’s cap-and-trade program. Additionally, in concert with Finding 4 above, it is requested that the project proponent include a detailed discussion of each of the project activities included in the project to ensure a clear understanding by the reader as to where double counting risks may arise.

VVB Response: *We verified this issue as the project proponent submitted directly in its monitoring report in Appendix A regarding a possible risk of double counting starting January First 2015. We find and consider this Appendix A in the context of a discussion in place to review by the MDDELCC (The Quebec Ministry in charge of climate change and in charge of the regulated carbon market named RSPÉDE), the solution submitted by the project proponent in fall 2014 to the Minister of MDDELCC and in January 2015 to the government as a simple operational interface solution to solve simply and respectfully at 100% the RSPÉDE market (sectorial energy scope) with voluntary efforts beyond business as usual as covered by the Sustainable Community VCS-929.*

At this time, all evidence of ownership of the GHG emission reductions, produced by the project proponent, confirmed that each Client Facility member of the Sustainable Community VCS-929 project owns its GHG emission reductions. The project proponent analysed this issue and published some reflection and governmental third party report <http://www.solutionswill.com/en/about-us/news-headlines/report-of-the-auditor-general-of-quebec-description-and-issues>, a document produced (Spring 2016) by the Auditor General of Quebec and submitted to the National Assembly of Quebec in June 2016 stating than some issues, as GHG emissions, as not yet totally assess, see on page 17. http://www.vgq.gouv.qc.ca/en/en_publications/en_rapport-annuel/en_fichiers/en_Rapport2016-2017-CDD.pdf

A complete report is available in French (and specific indication on page 33 about legal clarity on the GHG emissions rights) http://www.vgq.gouv.qc.ca/fr/fr_publications/fr_rapport-annuel/fr_2016-2017-CDD/fr_Rapport2016-2017-CDD-Chap04.pdf

We reviewed to our satisfaction that the project proponent, in section 1.9, confirms that it will not

participate in any others GHG programs including the RSPEDE carbon market in place in Quebec.

VCS Response:

Section 1.9 of the monitoring report has been updated to discuss Quebec's emission trading program. Additionally, Appendix A has been updated to include a list of the facilities and total emission reductions per facility that may be double counted with the emissions trading program.

However, Appendix A only discusses double counting risk for emission reductions generated after 1 January 2015. It is VCS' understanding that the emissions trading program went into effect beginning 1 January 2013 covering the industrial and electricity sectors. Additionally, it is VCS' understanding that the emission trading program was expanded to include fossil fuel distribution to the system starting 1 January 2015. The project proponent is requested to clarify why a discussion of only emission reductions generated after 1 January 2015 is included in the project documentation and does not provide a breakdown of the different sectors/entities included in the emission trading program.

As was previously stated in Findings 3 and 4, the monitoring report does not provide a clear breakdown of the locations of the facilities included, nor which project activities are included for each project activity instance at each facility. The updated monitoring report does not provide a specific breakdown of which project activity instances at each facility may result in emission reductions that are double counted. The project proponent is requested to update the monitoring report to provide a discussion of this information. This detailed information is very important in determining if there are double counting concerns, and if there are, which project activities instances and corresponding facilities are impacted. Without this level of detail, this finding cannot be closed.

Lastly, the monitoring report presents the emission reductions for each facility in bulk and does not provide a breakdown by year, which is necessary to understand potential double counting risks. The project proponent and VVB are requested to update their respective reports to include this breakdown.

VVB Response 2:

The project proponent had updated the monitoring report regarding the issue of the double counting in section 1,9 and in the Appendix A.

VCS Response:

The project proponent has updated Appendix A of the monitoring report to discuss issues related to double counting.

Appendix A of the monitoring report discusses that there is a double counting concern related to project activities involving emission reductions from grid-connected electricity after 1 January 2013 as well as emission reductions from project activities related to fossil fuel usage after 1 January 2015. These dates correspond to the dates of which the industrial and electricity sectors, and fuel distribution sectors, began to be regulated under Quebec's emissions trading system, respectively.

Section 3.7 provides a note related to 14,688 tCO₂e which are double counted under Quebec's ETS. However, it is not clear to the reader whether this amount has been removed from the 2015 vintage

total included in the table of Section 3.7. The project proponent is requested to include the original 2015 vintage total in the note where the 14,688 tCO₂e reduction is discussed, or to update the net emission reductions table to account for the reduction.

Lastly, it is unclear how the total baseline and project emissions from each vintage were determined. As there are no emission removals claimed by the project activities, project emissions should not be listed as negative values. Additionally, it is unclear how the baseline emissions are claimed to be less than the project emissions. Therefore, the project proponent is requested to update the table to reflect positive values for both baseline and project emissions.

VVB Response 3:

The project proponent has updated the Monitoring Report regarding the section 3.7 including the change of negatives values used for all positives values.

VCS Response:

Section 3.7 of the monitoring report has been updated to clearly reflect the baseline emissions, project emissions, and net emission reductions. Appendix A of the monitoring report provides a discussion of the Quebec's ETS for which emissions from grid-connected electricity became regulated with the program beginning 1 January 2013. Therefore, emission reductions achieved by the project from energy efficiency measures related to electricity usage after that date would be included in the cap and trade program. However, due to the very low grid emission factor in Quebec, the project did not achieve enough reduction in usage to constitute the equivalent of 1 tCO₂e. Therefore the project has claimed no emission reductions from grid-electric energy efficiency measures for the current period, and therefore no double counting risks from these activities is present.

Additionally, on 1 January 2015 emissions from fossil fuels were included in Quebec's ETS under the second compliance period. As the project includes fuel switch activities from natural gas heaters to electric heaters, emission reductions achieved by these activities constitute a double counting risk. Emission reductions from these fuel switch activities were quantified by the project proponent for the entire verification period and included in the final net emission reductions table included in the project. However, to ensure transparency of these fossil fuel based emission reductions, a note has been included in Section 3.7 of the monitoring report providing the emission reductions achieved from fossil fuels in 2015. Additionally, the note states that until equivalent units can be cancelled under Quebec's ETS, the project is ineligible to issue these emission reductions as VCUs.

As the monitoring report now clearly describes the double counting concerns, and has included safeguards within the project documents that transparently quantify and discuss the double counted emission reductions, this finding is therefore closed.

Finding 7

Section 3.11.2 of the *VCS Standard, v3.6* requires that where projects reduce GHG emission from activities that are included in emissions trading programs, evidence shall be provided that GHG emission reductions generated are not counted under the program or mechanism.

Section 3.1 of the *VCS Verification Report Template, v3.4* instructs VVBs to "provide an overall conclusion regarding whether the project is eligible to participate under the VCS Program" including

whether the emission reductions generated are eligible for crediting by the VCS program.

As Section 3.1 of the submitted verification report states “Not applicable”, please clarify how the VVB assessed the emission reductions generated by the project and how they are eligible for crediting with the VCS Program given that the project is located in Quebec, a jurisdiction that includes an emissions trading program.

The VVB is requested to update the verification report to include a discussion of the assessment undertaken to determine any double-counting concerns and the conclusion reached by the VVB.

VVB Response: *Please refer to our answer at findings 6. PJRCES updated our verification report by adding a specific statement in section 3.1 of our verification report to address these findings.*

VCS Response:

Section 3.1 of the verification report has been updated to discuss possible double counting issues as discussed in Appendix A of the monitoring report. This update, in concert with the discussion in Section 9.1, provides a high level discussion of the double counting concerns. However, due to the numerous project activity instances included in the project, the VVB is requested to *update the verification report to provide an assessment of each project activity instance and which have the potential for double counting, including any associated dates.*

VVB Response 2:

The project proponent had updated the monitoring report regarding the issue of the double counting in section 1,9 and in the Appendix A. As VVB, we had verified the updated detail information in Appendix A of the monitoring report. We confirmed this in our updated verification report.

VCS Response:

The verification report has been updated to include a discussion of the double counting risk identified above in Finding 6.

However, in line with VCS' response provided for Finding 6 above, Section 6 of the verification report provides a note related to 14,688 tCO₂e that were included under Quebec's ETS. However, it is not clear whether this amount has been removed from the 2015 vintage total included in the table of Section 3.7. The VVB is requested to include the original 2015 vintage total in the note where the 14,688 tCO₂e reduction is discussed, or to update the net emission reductions table to account for the reduction.

Lastly, it unclear how the total baseline and project emissions from each vintage were determined. As there are no emission removals claimed by the project activities, project emissions should not be listed as negative values. Additionally, it is unclear how the baseline emissions are claimed to be less than the project emissions. Therefore, the VVB is requested to update the table to reflect positive values for both baseline and project emissions.

VVB Response 3:

The project proponent has updated the Monitoring Report regarding the section 3.7 including the

change of negatives values used for all positives values.

VCS Response:

As discussed in Finding 6 above, as the monitoring report now clearly describes the double counting concerns, and has included safeguards within the project documents that transparently quantify and discuss the double counted emission reductions, this finding is therefore closed.

Finding 8

Section 2.2.2 of the *VCS Monitoring Report Template, v3.3* instructs project proponents to describe any project description deviations applied during the monitoring period and describe the reasons for the deviations.

In response to the findings raised during the accuracy review of the previous monitoring period for this project, the project proponent submitted a letter to VCS dated 28 August 2015 with the subject "Double counting issue for Quebec's first compliance period 2013-2014". In section A(3), the letter states "Future calculations of post 2012 volumes up to 31th December 2019, will exclude grid electricity claims unless the project proponent obtain from the Quebec government authority which operate the RSPEDE, a derogation (cancellation) of allowances claims by the Quebec government under the RSPEDE for the same amount of VCU associated with the grid electricity and related to the VCS-929 project."

The monitoring report does not describe whether emission reductions from grid electricity are or are not claimed by the project. Additionally, the monitoring report and verification report do not included a discussion of the deviation from the project design that GHG emission reductions from grid electricity will not be quantified and claimed by the project.

The project proponent and VVB are therefore requested to update their respective reporting to discuss whether GHG emissions from grid electricity are included. Where they are no longer included, a project description deviation should be included within the appropriate section of the reports.

VVB Response: *It is the same response as detailed in findings 6 and already stated in Appendix A of the updated Monitoring report.*

VCS Response:

As is discussed in VCS' response to Finding 6, Appendix A of the monitoring report provides a general discussion of the double counting concerns with Quebec's emissions trading program. However, the monitoring report does not provide a detailed discussion of which project activities may result in double counting, particularly which (if any) are associated with the concerns raised during the previous monitoring period related to GHG emission reductions from grid electricity. Therefore, as is requested by Finding 6, the project proponent is requested to update the monitoring report to provide a detailed discussion of which project activities may result in double counting, including those from grid electrify.

VVB Response 2:

The project proponent had updated the monitoring report regarding the issue of the double counting, including GHG emission reductions that might be associated from grid electricity, in section 1,9 and in the Appendix A.

VCS Response:

As discussed in Finding 6 above, the monitoring report has been updated to provide a detailed discussion of the project activity instances that result in emission reductions from grid-connected electricity and have ensured that no double counting related to these emission reductions is occurring. Therefore, this finding is now closed.

Finding 9

Section 3.2 of the *VCS Monitoring Report Template, v3.3* requires project proponents to include all data and parameters monitoring during the monitoring period.

Within Section 3.2 of the monitoring report are tables that include parameters determined at validation, and a discussion of parameters to be monitored. However, specifics on the data monitored are not included.

Additionally, Section 4.3 of the *VCS Verification Report Template, v3.4* is meant to identify the data and parameters used to calculate GHG emission reductions, and describe the steps taken to assess them. Within Section 4.3 of the verification report is a discussion of the parameters to be monitored. However, specifics on the data monitored during the monitoring period is not included.

The project proponent and VVB are requested to update their respective reporting to include information on the monitored data, and the VVB is requested to include a discussion of how the data was assessed to be appropriate. Please note that this discussion should be detailed enough to determine the data for each parameter for each project activity instance. Reference to an appendix or a detailed table would be acceptable.

VVB Response: *As we answered in finding 2, the monitoring report was written on V3.4 template with the exception of pages 1 to 3.*

We reviewed all Client Facility technical data sheets, which included the description of each of the 79 PAIs listed in the monitoring report. We verified the quality and the number used for the monitored data declared for each The Client Facility monitoring report in accordance with VM0018 were reviewed in detail for all the audited Client facilities, which represents over 95% of the quantified GHG emission reductions, the eligibility of the monitored data used for the quantification such as the volume and origin of each input applying for each specific PAI, the emission factor used for each of these inputs, the internal management system used by the Client facility, and when applicable, the weight and measurement system used and their yearly calibration . We received and analysed all evidences requested about the monitored data used for the quantification in our 6 Findings sent to the project proponent. We received all complementary information requested to our satisfaction.

VCS Response:

The monitoring report was updated to include further detail in Appendices B and C. However, as instructed in the initial finding, the specifics on the data monitored for each project activity instance has not been included. The project proponent is requested to update the monitoring report to include the specifics on the data and parameters monitored. It is understandable that this level of detail on numerous project activity instances may be difficult to include within the parameters tables in the monitoring report template. Therefore, submission of additional documentation such as a spreadsheet that provides this level of detail would be acceptable.

Additionally, the verification report was updated to include a more detailed discussion of the assessment conducted by the VVB on the data and parameters monitored. *However, the parameter tables included in Section 4.2.5 present only a high level discussion regarding the monitored parameters but do not include any data points for a reader to review.* The VVB is therefore requested to update this section to include the specific data points the VVB assessed regarding data and parameters monitored.

VVB Response 2:

The project proponent had updated the monitoring report regarding the issue of the double counting in section 1,9 and in the Appendix A and had supplied the data for each PAI with potential double counting. The data and parameters were updated in the Appendix C. We had updated these assessments in our verification report.

VCS Response:

The project proponent has updated Appendix C of the monitoring report to include all data and parameters monitored. Additionally, the VVB has updated the verification report to also provide an assessment of these parameters. Therefore, this finding is closed.

Finding 10

Section 4.1 of the *VCS Monitoring Report Template, v3.3* requires project proponents to quantify the baseline emissions, providing sufficient information to allow the reader to reproduce the calculation.

Section 4.1 of the monitoring report provides a reference to a spreadsheet, and no information on calculations conducted to determine the baseline emissions. Included in the Table of Contents is reference to Appendix B: Excel spreadsheet on detailed quantifications of the Baseline, projects and total GHG reductions. Review of Appendix B provides high level information on the baseline and project emissions for each project activity instances, but does not include the specifics or calculations of how these values were determined.

The project proponent is therefore requested to update Section 4.1 of the monitoring report to include a quantification of the baseline emissions, providing sufficient information to allow the reader to reproduce the calculation.

VVB Response: *We received for each specific Client Facility, several data sheets and one consolidated data sheet; we verified the calculation and conducted a QC to ensure that the*

requirements of the VM0018 standard were met, as well as those of VCS: everything was found to be complete and accurate. The PP will add an Appendix C for the detailed data sheet and an Appendix B for the consolidated one. See additional responses provided in our answer to findings 3 and 4.

Furthermore, we reviewed an internal report for QC/QA(as the monitoring protocol of the PP) of two Client Facilities, to our satisfaction, which represented around 95% of the GHG emissions reductions quantified by the PP, and verified by PJRCES.

VCS Response:

The monitoring report has been updated adding Appendix B into the document from a standalone spreadsheet. However, the data presented within Appendix B still only includes a high level of detail on the baseline, project and net GHG emission reductions/removal for each year at each corresponding project activity instance. The monitoring report does not include any discussion or information on how each of the baseline, project or net GHG emission reductions/removals was determined. The project proponent is therefore requested to update the monitoring report to include this level of detail for the information requested in Section 4.1 and any corresponding appendices that present it. As provided in the guidance for Finding 9 above, it is understandable that this level of detail on numerous project activity instances may be difficult to include within the monitoring report template. Therefore, submission of additional documentation such as a spreadsheet that provides this level of detail would be acceptable.

VVB Response 2:

The project proponent had updated the monitoring report and had provided in Appendix C an explicit detail about project baseline and project reduction for each PAI.

VCS Response:

Appendix C of the monitoring report has been updated to include baseline data and the total baseline and project emissions of each project activity instance per year. However, the monitoring report does not include any discussion of the calculations that are applied used to determine the total baseline emissions from the values presented. Additionally, the monitoring report does not include a table of all project activity instances and their associated emission reductions per year.

The project proponent is therefore requested to include the calculations of each “general PAI” used to determine the emission reductions for each individual project activity instance. Additionally, a spreadsheet or further detail on the determination of the emission reductions of the individual project activity instances, to the total of each facility, and finally to the net total emission reductions for each vintage year is required to provide sufficient information to allow the reader to reproduce the calculation.

VVB Response 3:

The project proponent has updated the Monitoring Report to include in section 3.4 and 3.5, a discussion of the calculations that are applied and used to determine the baseline and project emissions from the values presented. The Appendix C has been updated to respond to provide sufficient information to allow the reader to reproduce the calculations.

VCS Response:

Section 3.4 of the monitoring report has been updated to provide the equation used to calculate the baseline emissions for the “generic PAI” for both fossil fuel and waste related project activities. In addition to these equations, Section 3.4 references the individual volumes and emission factors for each project activity instance listed in the updates included in Appendix C. Lastly, Appendices B, C, and D have been updated to include the baseline emission, project emissions, and net emission reductions achieved by each individual project activity, and then summated to the total of each facility, and finally the total of the project for each vintage period. This finding is therefore closed.

Finding 11

Section 4.2 of the *VCS Monitoring Report Template, v3.3* requires project proponents to quantify the project emissions, providing sufficient information to allow the reader to reproduce the calculation.

Section 4.2 of the monitoring report provides a reference to a spreadsheet, and no information on calculations conducted to determine the project emissions. Included in the Table of Contents is reference to Appendix B: Excel spreadsheet on detailed quantifications of the Baseline, projects and total GHG reductions. Review of Appendix B provides high level information on the baseline and project emissions for each project activity instances, but does not include the specifics or calculations

of how these values were determined.

The project proponent is therefore requested to update Section 4.2 of the monitoring report to include a quantification of the project emissions, providing sufficient information to allow the reader to reproduce the calculation.

VVB Response: *See our answer to finding 10.*

VCS Response:

The monitoring report has been updated adding Appendix B into the document from a standalone spreadsheet. However, the data presented within Appendix B still only includes a high level of detail on the baseline, project and net GHG emission reductions/removal for each year at each corresponding project activity instance. The monitoring report does not include any discussion or information on how each of the baseline, project or net GHG emission reductions/removals was determined. The project proponent is therefore requested to update the monitoring report to include this level of detail for the information requested in Section 4.2 and any corresponding appendices that present it. As provided in the guidance for Finding 9 above, it is understandable that this level of detail on numerous project activity instances may be difficult to include within the monitoring report template. Therefore, submission of additional documentation such as a spreadsheet that provides this level of detail would be acceptable.

VVB Response 2:

The project proponent had updated the monitoring report and had provided in the Appendix C an explicit detail about project baseline and project reduction for each PAI.

VCS Response:

As stated above in Finding 10 Appendix C of the monitoring report has been updated to include monitored data and the totals for baseline and project emissions of each project activity instance per year. However, the monitoring report does not include any discussion of the calculations that are applied used to determine the total project emissions from the values presented. Additionally, the monitoring report does not include a table of all project activity instances and their associated emission reductions per year.

The project proponent is therefore requested to include the calculations of each “general PAI” used to determine the emission reductions for each individual project activity instance. Additionally, a spreadsheet or further detail on the determination of the emission reductions of the individual project activity instances to the net total emission reductions for each vintage year is required to provide sufficient information to allow the reader to reproduce the calculation.

VVB Response 3:

The project proponent has updated the Monitoring Report to include in section 3.4 and 3.5, a discussion of the calculations that are applied and used to determine the baseline and project emissions from the values presented. The Appendix C has been updated to respond to provide sufficient information to allow the reader to reproduce the calculations.

VCS Response:

Section 3.5 of the monitoring report has been updated to provide the equation used to calculate the projects emissions for the “generic PAI” for both fossil fuel and waste related project activities. In addition to these equations, Section 3.5 references the individual volumes and emission factors for each project activity instance listed in the updates included in Appendix C. Lastly, Appendices B, C, and D have been updated to include the baseline emission, project emissions, and net emission reductions achieved by each individual project activity, and then summated to the total of each facility, and finally the total of the project for each vintage period. This finding is therefore closed.

Finding 12

Included in the project activity are avoided methane emissions from waste generation. However, under the Quebec *Regulation respecting the landfilling and incineration of residual materials Environment Quality Act*, beginning 1 September 2012, landfills are required to collect and flare any biogas generated by landfills in Quebec.

The project proponent and VVB are therefore requested to clarify how avoided methane emissions are appropriate to be claimed by the project if after 1 September 2012, the baseline scenario for methane emissions from waste in landfills would be collected and flared, and update any respective reporting to discuss this information, as needed.

VVB Response: *The project proponent supplied us with sufficient information regarding this issue. The Quebec regulation on waste management is named REIMR <http://legisquebec.gouv.qc.ca/en/ShowDoc/cr/Q-2,%20r.%2019>. This regulation does not have specific rate of methane collection (article 32) applied for different size of landfill operations. Even specific DRE (Disposal removal Efficiency) for the destruction of methane is indicated **in article 32**. No other articles indicated or specified the level of methane collection required in landfill operations.*

The project proponent validated this fact by the yearly compliance declaration of the National Pollutant Release Inventory (NPRI) to Environment Canada (as the 2010 waste management inventory [NPRI](#)) and to MDDELCC ([RODECA](#)) which is public information and regarding GHG emission declaration for larger waste management which emitted more than 10,000 t of GHG emission/yr (as the 2012 Inventaire Québécois des émissions atmosphériques ([IQEA](#))). This confirmed GHG emission occurs at these landfills, including methane emissions, even if flaring or energy recovery operation is in place and in operation.

Based on a conservative approach, as recommended by the VCS program, the project proponent specified in each PAI associated to sectoral scope 13, the type of methane management at the landfill identified (as baseline) and associated to the PAI. Then the project proponent use EF of USEPA (WARM version march 2015) accordingly to methane management in place in the specific landfill as no flare, flaring, energy recovery or others.

In any case, each PAI that is part of the VCS-929 project and associated with sectoral scope 13, as

indicated in the monitoring report, are in any case not associated with biogas recollection at landfill for flaring (as it is a offsets regulated protocol under RSPEDE). The GHG emission reduction is associated with upstream activity prior to waste managed at a landfill and is based on methane avoidance which is mainly diverted waste form landfills using a specific EF accordingly with the baseline landfill operation management scenario.

VCS Response:

From the above response, it is VCS' understanding that the project activity included achieves emission reductions from the upstream diversion of waste to landfill. At each project activity instance included in the project, the project proponent has determined what the baseline landfill conditions regarding methane management (e.g., faring of methane or no flaring) are at each specific landfill associated with the diverted waste. Additionally, this has been taken into account with the EF applied by the project for the associated emissions due to methane management. Therefore, the project is not claiming any emission reductions from flared methane emissions where such methane management practices are in place, and thus no concern related to Quebec's waste management regulation, particularly related to methane management.

The VVB is requested to clarify if this understanding is correct.

Within Section 3.1 of the monitoring report, within the parameters related to waste management, reference to an Appendix 9 is listed with the associated EF parameters for methane management. However, this appendix is not included with the project documentation. The project proponent is requested to please include this information. This information may be included with the updates requested in the findings above related to detailed data and parameters for each project activity instances and is not required to be explicitly included separately.

Lastly, the VVB is requested to clarify what monitoring is in place to ensure that the baseline scenario of landfill methane management remains appropriate for the continued claiming of emission reductions from this project activity.

VVB Response 2:

We confirm the understanding of VCS is correct. The project proponent updated the monitoring report and had corrected the reference to appendix 9. The project proponent had update the Appendix C of the monitoring report regarding the baseline scenario. For this baseline scenario, the project proponent always had considered than the landfill was in the same region of the Client Facility.

VCS Response:

The monitoring report has been updated to provide a more detailed discussion related to the baseline scenarios included in the project, including a discussion of the baseline scenario for some waste management project activity instances. However, as discussed in the VCS response to Finding 4 above, this is not explicitly clear for all waste management project activity instances where flaring or non-flaring of methane gas is occurring.

The project proponent is therefore requested to update the notes pertaining to the client facilities in Appendix C to explicitly discuss whether flaring or non-flaring of methane gas, and the appropriate

accounting of this through emissions factors, is included in the monitoring report.

VVB Response 3:

The project proponent has specified, in section 3.4 on the revised Monitoring Report the information related to the management flaring or not) of methane at landfill. The specific indication of the methane management activity at the landfill (baseline scenario) is specified in the notes of the technical data sheet of the Appendix C for the relevant PAIs (methane avoidance) of each client facility.

VCS Response:

Section 3.4 and Appendix C of the monitoring report has been updated to clearly state whether flaring or non-flaring of methane emissions is occurring the baseline scenario for all waste management project activity instances. This is therefore accounted for with different emission factors, also included in Appendix C for each project activity instance. This finding is therefore closed.

2 MINOR FINDINGS

None

3 ASSESSMENT CONCLUSION

On 4 May 2017, VCS issued the first round of finding to PJRCES.

On 4 June 2017, VCS received updated monitoring and verification reports from PJRCES auditors as well as responses to the findings. The updated documents did no address all of the findings issues by VCS.

On 27 June 2017, VCS issued the second round of finding to PJRCES.

On 19 September 2017, VCS received updated monitoring and verification reports from PJRCES auditors as well as responses to the findings. The updated documents did not address all of the findings issues by VCS.

On 26 September 2017, VCS submitted the third and final round of findings to PJRCES.

On 30 November 2017, VCS received updated monitoring and verification reports from PJRCES auditors as well as response to the findings. The updates documents address the findings as described by VCS above.

On 4 December 2017, VCS closed all findings and no further action was required from the VVB.