DETERMINATION REPORT
RENERGA, UAB

DETERMINATION OF THE BENAICIAI-1 WIND POWER PROJECT

REPORT NO. LITHUANIA-DET/0014/2011
REVISION NO. 03

BUREAU VERITAS CERTIFICATION

DETERMINATION REPORT

Date of first issue:	Organizational unit:
20/01/2011	Bureau Veritas Certification Holding SAS
Client:	**Client ref.:**
Renerga, UAB	Mr. Linas Sabaliauskas, director

Summary:

Bureau Veritas Certification has made the Track 2 determination of the "Benaiciai-1 Wind Power Project" of Renerga, UAB located near Benaiciai, Zyneliai and Pelekiai villages, Kretinga district, Lithuania on the basis of UNFCCC criteria for the JI, as well as the criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

The determination scope is defined as an independent and objective review of the project design document, the project's baseline study, monitoring plan and other relevant documents, and consisted of the following three phases: i) a desk review of the project design, baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final determination report and opinion. The overall determination, from Contract Review to Determination Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

The first output of the determination process is a list of Clarification and Corrective Action Requests (CL and CAR), presented in Appendix A. Taking into account this output, the project proponent revised its project design document.

In summary, it is Bureau Veritas Certification's opinion that the project correctly applies the project specific methodology baseline and monitoring methodology and will meet the relevant UNFCCC requirements for the JI and the relevant host country criteria when the Letter of Approval is issued by the Lithuanian DFP.

Report No.:	Subject Group:
LITHUANIA-DET/0014/2010	JI

Project title:
Benaiciai-1 Wind Power Project

Work carried out by:

Team Leader:	Tomas Paulaitis
Financial specialist:	Gediminas Vaskela
Technical specialist:	Kęstutis Navickas

Work verified by:
Internal technical reviewer: Ashok Mammen
Technical specialist: Hristo Schwabski

Date of this revision:	Rev. No.:	Number of pages:
25/05/2011	03	66

Indexing terms

Climate Change, Kyoto Protocol, joint implementation, emissions reduction, determination

☒ No distribution without permission from the Client or responsible organizational unit

☐ Limited distribution

☐ Unrestricted distribution

Abbreviations change / add to the list as necessary

AVIR	Average Value of the Interest Rate
BASREC	Baltic sea region energy co-operation
CL	Clarification Request
CO_2	Carbon Dioxide
EU ETS	European Union Emissions Trading Scheme
GHG	Green House Gas(es)
IETA	International Emissions Trading Association
INPP	Ignalina nuclear power plant
JI	Joint Implementation
NGO	Non Government Organization
MoV	Means of Verification
PCF	Prototype Carbon Fund
PDD	Project Design Document
LB	The central bank of the Republic of Lithuania
NAP	National Allocation Plan
UNFCCC	United Nations Framework Convention for Climate Change
UAB	Joint Stock Company

Table of Contents *Page*

1 INTRODUCTION

Renerga, UAB has commissioned Bureau Veritas Certification to determinate its JI project "Benaiciai-1 Wind Power Project" (hereafter called "the project") located near Benaiciai, Zyneliai and Pelekiai villages, Kretinga district, Lithuania.

This report summarizes the findings of the determination of the project, performed on the basis of UNFCCC criteria, as well as the criteria given to provide for consistent project operations, monitoring and reporting.

1.1 Objective

The determination serves as project design verification and is a requirement of all projects. The determination is an independent third party assessment of the project design. In particular, the project's baseline, the monitoring plan (MP), and the project's compliance with relevant UNFCCC and the host country criteria are determined in order to confirm that the project design, as documented, is sound and reasonable, and meets the stated requirements and identified criteria. Determination is a requirement for all JI projects and is seen as necessary to provide assurance to stakeholders of the quality of the project and its intended generation of emission reduction units (ERUs).

UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

1.2 Scope

The determination scope is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations.

The determination is not meant to provide any consulting towards the Client. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.

1.3 GHG Project Description

The project will reduce greenhouse gas emissions by partially substituting electricity production in other power plants of Lithuania that run on fossil fuel.
It is foreseen to install 17 wind power plants with the total capacity of 34 MW (2MW x 17) in the western part of Lithuania. Wind power park, in a conservative approach, will generate about 86 GWh of electricity per year.

1.4 Determination team

The determination team consists of the following personnel:

Tomas Paulaitis,
Bureau Veritas Certification Team Leader, Climate Change Verifier

Gediminas Vaskela
Bureau Veritas Certification Team member, financial specialist

Kęstutis Navickas
Bureau Veritas Certification Team member, technical specialist

Internal technical review was carried out by:

Ashok Mammen
Bureau Veritas Certification Internal technical reviewer, Lead verifier

Hristo Schwabski
Bureau Veritas Certification Internal technical review team member, echnical specialist

2 METHODOLOGY

The overall determination, from Contract Review to Determination Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

In order to ensure transparency, a determination protocol was customized for the project, according to the Determination and Verification Manual (IETA/PCF). The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from determining the identified criteria. The determination protocol serves the following purposes:

- It organizes, details and clarifies the requirements a JI project is expected to meet;
- It ensures a transparent determination process where the determinator will document how a particular requirement has been determined and the result of the determination.

The determination protocol consists of five tables. The different columns in these tables are described in Figure 1.

The completed determination protocol is enclosed in Appendix A to this report.

Determination Protocol Table 1: Mandatory Requirements			
Requirement	**Reference**	**Conclusion**	**Cross reference**
The requirements the project must meet.	Gives reference to the legislation or agreement where the requirement is found.	This is either acceptable based on evidence provided (**OK**), or a **Corrective Action Request (CAR)** or a **Clarification Request (CL)** of risk or non-compliance with stated requirements are issued. The CAR's and CL's are numbered and presented to the client in the Determination Report.	Used to refer to the relevant protocol questions in Tables 2, 3 and 4 to show how the specific requirement is determined. This is to ensure a transparent determination process.

Determination Protocol Table 2: Requirements checklist				
Checklist Question	**Reference**	**Means of verification (MoV)**	**Comment**	**Draft and/or Final Conclusion**
The various requirements in Table 1 are linked to checklist questions the project should meet. The checklist is organized in several sections. Each section is then further sub-divided. The lowest level constitutes a checklist question.	Gives reference to documents where the answer to the checklist question or item is found.	Explains how conformance with the checklist question is investigated. Examples of means of verification are document review (DR) or interview (I). N/A means not applicable.	The section is used to elaborate and discuss the checklist question and/or the conformance to the question. It is further used to explain the conclusions reached.	This is either acceptable based on evidence provided (**OK**), or a **Corrective Action Request (CAR)** due to non-compliance with the checklist question is issued. (See below). **Clarification Request (CL)** is used when the determination team has identified a need for further clarification.

Determination Protocol Table 3: Baseline and Monitoring Methodologies				
Checklist Question	**Reference**	**Means of verification (MoV)**	**Comment**	**Draft and/or Final Conclusion**
The various requirements of baseline and monitoring methodologies should be met. The checklist is organized in several sections. Each section is then further sub-divided. The lowest level constitutes a checklist question.	Gives reference to documents where the answer to the checklist question or item is found.	Explains how conformance with the checklist question is investigated. Examples of means of verification are document review (DR) or interview (I). N/A means not applicable.	The section is used to elaborate and discuss the checklist question and/or the conformance to the question. It is further used to explain the conclusions reached.	This is either acceptable based on evidence provided (**OK**), or a **Corrective Action Request (CAR)** due to non-compliance with the checklist question is issued. (See below). **Clarification Request (CL)** is used when the determination team has identified a need for further clarification.

Determination Protocol Table 4: Legal requirements				
Checklist Question	**Reference**	**Means of verification (MoV)**	**Comment**	**Draft and/or Final Conclusion**
The national legal requirements the project must meet.	Gives reference to documents where the answer to the checklist question or item is found.	Explains how conformance with the checklist question is investigated. Examples of means of verification are document review (DR) or interview (I). N/A means not applicable.	The section is used to elaborate and discuss the checklist question and/or the conformance to the question. It is further used to explain the conclusions reached.	This is either acceptable based on evidence provided (**OK**)**,** or a **Corrective Action Request (CAR)** due to non-compliance with the checklist question is issued. (See below). **Clarification Request (CL)** is used when the determination team has identified a need for further clarification.

Determination Protocol Table 5: Resolution of Corrective Action and Clarification Requests			
Report clarifications and corrective action requests	**Ref. to checklist question in tables 2/3**	**Summary of project owner response**	**Determination conclusion**
If the conclusions from the Determination are either a Corrective Action Request or a Clarification Request, these should be listed in this section.	Reference to the checklist question number in Tables 2, 3 and 4 where the Corrective Action Request or Clarification Request is explained.	The responses given by the Client or other project participants during the communications with the determination team should be summarized in this section.	This section should summarize the determination team's responses and final conclusions. The conclusions should also be included in Tables 2, 3 and 4 under "Final Conclusion".

Figure 1 Determination protocol tables

2.1 Review of Documents

The PDD version 04 and financial model submitted by Renerga, UAB to Bureau Veritas on September 2010 and additional background documents related to the project design and baseline, i.e. country Law, Guidelines for Completing the Project Design Document (JI-PDD), Approved methodology, Kyoto Protocol, Clarifications on Determination Requirements to be checked by an accredited independent entity were reviewed.

To address Bureau Veritas Certification corrective action and clarification requests Renerga, UAB revised the PDD version 07 and resubmitted it on March 2010.

The determination findings presented in this report relate to the project as described in the PDD version 07.

2.2 Follow-up Interviews

On 07/09/2010 Bureau Veritas Certification performed on site interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of Renerga, UAB were interviewed (see References). The main topics of the interviews are summarized in Table 1.

Table 1 Interview topics

Interviewed organization	Interview topics
Renerga, UAB COWI Lietuva, UAB	➢ PDD, monitoring plan, project approval by local authorities, stakeholder comments, investment analysis, baseline, additionality, environmental impact

2.3 Resolution of Clarification and Corrective Action Requests

The objective of this phase of the determination is to raise the requests for corrective actions and clarification and any other outstanding issues that need to be clarified for Bureau Veritas Certification positive conclusion on the project design.

To guarantee the transparency of the determination process, the concerns raised are documented in more detail in the determination protocol in Appendix A.

3 DETERMINATION FINDINGS

In the following sections, the findings of the determination are stated. The determination findings for each determination subject are presented as follows:

1) The findings from the desk review of the original project design documents and the findings from interviews during the follow-up visit are summarized. A more detailed record of these findings can be found in the Determination Protocol in Appendix A.
2) Where Bureau Veritas Certification identified issues that needed clarification or that represented a risk to the fulfillment of the project objectives, a Clarification or Corrective Action Request, respectively, have been issued. The Clarification and Corrective Action Requests are stated, where applicable, in the following sections and are further documented in the Determination Protocol in Appendix A. The determination of the Project resulted in 2 Corrective Action Request and 7 Clarification Requests.
3) The conclusions for determination subject are presented.

3.1 Project Design

The project reflects a standard wind park with modern state-of-the-art turbines. It is not likely that the project technology might be substituted by significantly better technologies within the project period. It is foreseen to install 17 wind power plants with the total capacity of 34 MW (2MW x 17) in the western part of Lithuania. Expertise about the wind potential and the energy output of wind turbines on the site near Benaiciai was performed by the Enercon GmbH Aurich in March 2008 and estimated generation is 86 GWh of electricity per year.
Estimated capacity factor is 28,9 % and is common for such kind of projects in Lithuania.

The Project Scenario is considered additional in comparison to the baseline scenario, and therefore eligible to receive Emission Reduction Units (ERUs) under the JI, based on the analysis of investment, technological and other barriers and the prevailing practice which is presented by the PDD.

The project design is sound and the geographical (as described in the PDD section B.3) and temporal (20 years) boundaries of the project are clearly defined.

The detailed plans with the permission to build wind power plants and connection to the grid were issued by Kretinga municipality on 30/04/2009 and 29/10/2009. At the moment of the on-site visit (07/09/2010) roads had already been built and the construction works had already been started. Start-up work and commissioning are planned on December 2010.

The project idea (project idea note) was approved by Lithuanian DFP (Ministry of Environment of the Republic of Lithuania) and the Letter of Endorsement (LoE) No (10-7)-D8- 9630 was issued on 06/11/2009. The letter of approval was not issued on the time of draft determination report issuance (20 December 2011), therefore CAR 1 is issued. According to Lithuanian JI guidelines the letter of Approval (LoA) might be issued only after the draft determination report submission to the Ministry of Environment. The Letter of Approval was issued by Ministry of Environment of the Republic of Lithuania on 06/05/2011 and was found acceptable to close CAR1.
The Investor party has not been selected yet. The approval from the investor country will be compulsory for the first monitoring report verification.

The project is expected to be in line with host country specific JI requirements when LoA is issued.

CL1 was issued in relation with Project Design. This CL was resolved efficiently in the revised PDD version 07 (see Annex A for more details).

3.2 Baseline and Additionality

The Project uses the project specific baseline methodology. The country's baseline scenario and baseline emissions factor have been described by the Ministry of Environment of the Republic of Lithuania during the preparation of the National Allocation Plan (NAP) for the first commitment period (2008-2012). The NAP indicates that Lithuanian baseline emissions factor is 0,626 tCO2/MWhe.

The Baseline methodology that is indicated in the NAP is based on the historic data of Lietuvos Elektrine and this method suits best for the Lithuanian power market. CDM ACM0002 methodology is not used for the baseline calculation due to the following reasons:

• Lietuvos Elektrine, the power plant with the second largest installed capacity in Lithuania (after Ignalina nuclear power plant – INNP) is operating on the power grid as a marginal plant. It covers all power demand which is remaining after all other power producers have supplied their quota power to the grid. Hence, by simply including all these power plants operating on the grid (excl. INPP) would bias the Operating Margin emissions factor.

• There is an overcapacity of installed power in Lithuania, so only very few new power plants are built. Because of that, it is impossible to calculate properly the Build Margin emissions factor.

The additionality of the project is proven using version 05.2 of the CDM Tool for the Demonstration and Assessment of Additionality as approved by the CDM Executive Board.

The possible alternative baseline scenarios are the following:

(a) Proposed project activity without JI;
(b) The electric power in the Lithuanian network will be produced by new modern cogeneration power plants.

The baseline options considered do not include those options that:

- do not comply with legal and regulatory requirements; or
- depend on key resources such as fuels, materials or technology that are not available at the project site.

The additionality of the project is proven using version 05.2 of the "CDM Tool for the Demonstration and Assessment of Additionality" as approved by the CDM Executive Board. Steps 1 (sub-steps 1a and 1b), step 2 (applying benchmark analysis (option III)) and step 4 is used.

The investment decision date is determined to be date of the first detailed plan (7 wind power plants) approval date by the Council of Kretinga district Municipality: 30/04/2009.
The benchmark analysis is used to demonstrate additionality, because Investment comparison analysis (option II) is not applicable for the project as the alternative “A” is the project itself but without an JI incentive and on the other hand the alternative “B” is based on investment that is out of control of the Project developer, i.e. project could be developed by a different entity (as described in paragraph 15 in the Annex to the Tool for the demonstration and assessment of additionality v.05.2).
In order to apply a benchmark comparable to the project IRR the project proponent selected to use the average value of the interest rate (AVIR) on loans for non-financial corporations published by the central bank of Lithuania. The investment analysis is presented in separate annexes of Excel file. The AVIR that was taken for consideration in the PDD (8,16%) is based on the average interest rates for deposits for the 12 months (6 to 12 months period). All assumptions are clearly justified (see Annex A, referenced documents are provided for verification (see section 6 “References”). The sensivity analysis proves that that the Project IRR becomes higher than the benchmark IRR only when price on electricity or production level is increased more then on 10%.

The project participants have not used the barrier analysis.

Step 4 common analysis proves that there are no similar scale wind energy parks that are under operation without JI scheme in the Lithuania. All larger wind energy parks (more than 6 MW capacity) are covered under JI scheme already.

CAR2 and CL2-5 were issued in relation with Project baseline and additionality. These CAR and CL’s where resolved efficiently in the revised PDD version 07 (see Annex A for more details).

3.3 Monitoring Plan

The Project uses the project specific monitoring methodology. Monitoring activities are described in the PDD, section D and Annex 3.

The project specific monitoring methodology has been chosen based on the fact that the only variable to be monitored is net electricity supplied to the grid. This monitoring is standardized and controlled according to the requirements of the national legislation, therefore, the verification team agree that a complex monitoring plan is not necessary and accept it.

There is no CAR's or CL's issued in relation with the Monitoring plan.

3.4 Calculation of GHG Emissions

The park's energy consumption from the grid value will be covered by the equal value of generated power, i.e. the power supplied to the national grid will be reduced by this value. Therefore, the project emissions are considered equal to zero.
There are no direct or indirect emissions outside the project boundary attributable to the project activity.

Baseline emissions (BE) are calculated as follows:

$E_B = P_{WPP} \times EF_{LE}$

Where:
E_B - baseline emissions
P_{WPP} – Net annual electricity production at Benaiciai-1 Wind Power Project. P_{WPP} is the difference between electricity supplied to the grid and electricity purchased from the grid at Benaiciai-1 Wind Power Project in MWh.
EF_{LE} – emission factor for electricity production at Lietuvos elektrine, 0.626tCO2/MWh

The Project does not lead to any leakage.

The detailed algorithms are described later under section E of the PDD. .

The estimated annual average of approximately 107672 tCO2e over the crediting period of emission reduction represents a reasonable estimation using the assumptions given by the project.

CL6-7 were issued in relation with calculation of GHG emissions. These CL's where resolved efficiently in the revised PDD version 07.

3.5 Environmental Impacts

According to the Klaipeda Regional Department of Environment conclusion No. 9.14.5 - LV4 – 2557 of May 22, 2009, the environmental impact assessment (EIA) of the planned economic activity is not required.

By Klaipeda Public Health Centre decision No. E5-47 for planned economic activity given out on July 16, 2009, the Health Impact Assessment is required and it was prepared and approved.

The most relevant environmental aspects are sufficiently described in the PDD.

There are no CAR's or CL's issued in relation with Environmental Impacts.

3.6 Comments by Local Stakeholders

In the detailed plan preparation compulsory public consideration procedures were undertaken with possible participation of all stakeholders. The following steps were made during the stakeholder process:

- Public announcement about Klaipeda Regional Department of Environment conclusion concerning the environmental impact assessment (AIE) of the planned economic activity;
- Public announcement about beginning of Project detailed plan preparation;
- Announcement about conclusion on the examination on public health;
- Protocol of hygiene examination of the project documentation;
- Public announcement about detailed plan preparation in the newspaper.

Local stakeholder consultation meeting protocol was provided for verification (on 31/07/2009 – for first project stage and 06/02/2009 – for second project stage). The stakeholders did not express any comments.

The Project detailed plan was finally approved on 30/04/2009 and 29/10/2009.
The decision and it's Explanatory Note of the board of Kretinga municipality regarding the approval of the Project detailed plan clearly states, that all public consideration procedures were undertaken as required by national law.

There are no CAR's or CL's issued in relation with Comments by Local Stakeholders.

4 COMMENTS BY PARTIES, STAKEHOLDERS AND NGOS

According to the modalities for the Determination of JI projects, the DOE shall make publicly available the project design document and receive, within 30 days, comments from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available.

Bureau Veritas Certification published the project documents on the UNFCCC JI website (http://JI.unfccc.int) on 07/09/2010 and invited comments within 06/10/2010 by Parties, stakeholders and UNFCCC accredited observers. No comments were received.

5 DETERMINATION OPINION

Bureau Veritas Certification has performed a determination of the "Benaiciai-1 Wind Power Project" in Lithuania. The determination was performed on the basis of UNFCCC criteria and the host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.

The determination consisted of the following three phases: i) a desk review of the project design, baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and the issuance of the final determination report and opinion.

The project participant used the latest tool for the demonstration of additionality. In line with this tool, the PDD provides the analysis of investment barrier to determine that the project activity itself is not the baseline scenario.

By synthetic description of the project, the project is likely to result in reductions of GHG emissions. The analysis of investment barrier demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented and maintained as designed, the project is likely to achieve the estimated amount of emission reductions.

The review of the project design documentation (version 07) and the subsequent follow-up interviews have provided Bureau Veritas Certification with sufficient evidence to determine the fulfillment of stated criteria. In our opinion, the project correctly applied and meets the relevant UNFCCC requirements for the JI and the relevant host country criteria.

The determination is based on the information made available to us and the engagement conditions detailed in this report.

6 REFERENCES

Category 1 Documents:
Documents provided by Renerga, UAB that relate directly to the GHG components of the project.

/1/ Project Design Document, version 04, 06/10/2010

/2/ Project Design Document, version 07, 09/03/2011

/3/ Excel spread sheet for financial IRR calculation, version dated 09/03/2011

Category 2 Documents:
Background documents related to the design and/or methodologies employed in the design or other reference documents.

/1/ Expertise about the wind potential and the energy output of wind turbines, made by Enercon GmbH, dated March 2009

/2/ Lithuania's national allocation plan for greenhouse gas emission allowances for the period 2008 to 2012

/3/ Construction permits No 136, No 319 issued by Kretinga municipality on 18/06/2009 and 30/12/2009

/4/ Permit to enhance the energy generation capacity No.LP-0174, issued on 21/08/2008

/5/ Detailed plans on wind park, issued by Kretinga municipality on 30/04/2009 and 29/10/2009

/6/ Conclusion No. 9.14.5-LV4–5097 issued by Klaipeda Regional Department of Environment (regarding the environmental impact assessment of the planned economic activity) on 27/07/2007

/7/ The letter of Endorsement (LoE) No. (10-7)-D8- 9630 issued by the Lithuanian Ministry of Environment on 06/11/2009

/8/ Health Impact Assessment Protocol issued by Klaipeda Society Health Centre on 16/07/2009

/9/ The letter of Approval issued by Lithuania Ministry of Environment on 06/05/2011 by the Communication No (10-2)-D8-4333 of the Ministry of Environment of the Republic of Lithuania.

Persons interviewed:
List persons interviewed during the determination or persons that contributed with other information that are not included in the documents listed above.

/1/ Mr. Egidijus Vysniauskas, engineer of energy

/2/ Mrs. Inga Valuntienė, project manager (consultant)

APPENDIX A: JI PROJECT DETERMINATION PROTOCOL

Table 1 Mandatory Requirements for Joint Implementation (JI) Projects

REQUIREMENT	REFERENCE	CONCLUSION	Cross Reference to this protocol
1. The project shall have the approval of the Parties involved	Kyoto Protocol Article 6.1 (a)	The project idea (project idea note) was approved by Lithuanian DFP (Ministry of Environment of the Republic of Lithuania) and the Letter of Endorsement (LoE) No (10-7)-D8-9630 was issued on The letter of Endorsement was issued on 06/11/2009. Letter of Approval has not been issued yet, according to Lithuania Joint Implementation Project development rules, the final Project approval or Letter of Approval might be issued only after draft Project determination report submission to Lithuanian DFP.	Table 2, Section A.5
2. Emission reductions, or an enhancement of removal by sinks, shall be additional to any that would otherwise occur	Kyoto Protocol Article 6.1 (b)	See related CAR's and CL's in Table 2 below.	Table 2, Section B
3. The sponsor Party shall not acquire emission reduction units if it	Kyoto Protocol	O.K.	

REQUIREMENT	REFERENCE	CONCLUSION	Cross Reference to this protocol
is not in compliance with its obligations under Articles 5 & 7	Article 6.1 (c)		
4. The acquisition of emission reduction units shall be supplemental to domestic actions for the purpose of meeting commitments under Article 3	Kyoto Protocol Article 6.1 (d)	O.K.	
5. Parties participating in JI shall designate national focal points for approving JI projects and have in place national guidelines and procedures for the approval of JI projects	Marrakech Accords, JI Modalities, §20	Lithuania have indicated designated national focal point and published national JI guidelines on JI website. The Ministry of Environment is the designate national focal point for Lithuania.	
6. The host Party shall be a Party to the Kyoto Protocol	Marrakech Accords, JI Modalities, §21(a)/24	Lithuania is Annex 1 party and has ratified the Kyoto protocol on 03 January 2003.	
7. The host Party's assigned amount shall have been calculated and recorded in accordance with the modalities for the accounting of assigned amounts	Marrakech Accords, JI Modalities, §21(b)/24	O.K.	
8. The host Party shall have in place a national registry in accordance with Article 7, paragraph 4	Marrakech Accords, JI Modalities, §21(d)/24	The national registry was established on 14 November 2005 and is under the supervision of the Lithuanian Environmental Investment Fund (LAAIF).	

REQUIREMENT	REFERENCE	CONCLUSION	Cross Reference to this protocol
9. Project participants shall submit to the independent entity a project design document that contains all information needed for the determination	Marrakech Accords, JI Modalities, §31	The first PDD (Version 04) was submitted to Bureau Veritas on October 2010.	
10. The project design document shall be made publicly available and Parties, stakeholders and UNFCCC accredited observers shall be invited to, within 30 days, provide comments	Marrakech Accords, JI Modalities, §32	Version 04 (dated on 06/10/2010) was published on JISC website on 07/10/2010.	
11. Documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts, in accordance with procedures as determined by the host Party shall be submitted, and, if those impacts are considered significant by the project participants or the Host Party, an environmental impact assessment in accordance with procedures as required by the Host Party shall be carried out	Marrakech Accords, JI Modalities, §33(d)	According to the Klaipeda Regional Department of Environment conclusion No. 9.14.5 - LV4 – 2557 of May 22, 2009, the environmental impact assessment (EIA) of the planned economic activity is not required. By Klaipeda Public Health Centre decision No. E5-47 for planned economic activity given out on July 16, 2009, the Health Impact Assessment is required and it was prepared and approved.	Table 2, Section F
12. The baseline for a JI project shall be the scenario that reasonably represents the GHG emissions or removal by sources that would occur in absence of the proposed project	Marrakech Accords, JI Modalities, Appendix B	The baseline is the scenario that reasonably represents the GHG emissions that would occur in absence of the proposed project.	Table 2, Section B
13. A baseline shall be established on a project-specific basis, in a	Marrakech	The baseline is established	Table 2, Section B

REQUIREMENT	REFERENCE	CONCLUSION	Cross Reference to this protocol
transparent manner and taking into account relevant national and/or sectoral policies and circumstances	Accords, JI Modalities, Appendix B	acceptably.	
14. The baseline methodology shall exclude to earn ERUs for decreases in activity levels outside the project activity or due to force majeure	Marrakech Accords, JI Modalities, Appendix B	There are no requests to earn such ERUs in the baseline methodology.	Table 2, Section B
15. The project shall have an appropriate monitoring plan	Marrakech Accords, JI Modalities, §33(c)	There is an appropriate monitoring plan in place, see Table 2.	Table 2, Section D
16. A project participant may be: (a) A Party involved in the JI project; or (b) A legal entity authorized by a Party involved to participate in the JI project.	Glossary of Joint Implementation Terms, Version 03	Renerga, UAB is legal entity authorized by the Lithuania DFP. The project idea (project idea note) was approved by Lithuanian DFP (Ministry of Environment of the Republic of Lithuania) and the Letter of Endorsement (LoE) No (10-7)-D8-9630 was issued on 06/11/ 2009.	Table 2, Section A

Table 2 Requirements Checklist

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
A. General Description of the project					
A.1 Title of the project					
A.1.1. Is the title of the project presented?		DR	The title "Benaiciai-1 Wind Power Project" is presented.	O.K.	O.K.
A.1.2. Is the current version number of the document presented?		DR	The current version is presented (version 04).	O.K.	O.K.
A.1.3. Is the date when the document was completed presented?		DR	The PDD Version 04 was completed on 06/10/2010.	O.K.	O.K.
A.2. Description of the project					
A.2.1. Is the purpose of the project included?		DR I	The description of the project activity is described in a clear and transparent manner, by explaining how greenhouse gas emissions will be reduced. It is foreseen to install 17 wind power plants with the total capacity of 34 MW (2MW x 17) in the western part of Lithuania. Wind power park, in a conservative approach, will generate about 86 GWh of electricity per year. Estimated project capacity is: 34 MW * 8760 hours/86 000 MWh = 0,289	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
A.2.2. Is it explained how the proposed project reduces greenhouse gas emissions?		DR	The project will reduce greenhouse gas emissions by partially substituting electricity production in other power plants of Lithuania that run on fossil fuel.	O.K.	O.K.
A.3. Project participants					
A.3.1. Are project participants and Party(ies) involved in the project listed?		DR	All known relevant project participants and Parties are listed in the PDD Table 1 (Renerga, UAB, and Lithuania).	O.K.	O.K.
A.3.2. Are project participants authorized by a Party involved?		DR	Project participant has not been authorized by a Lithuania DFP yet, see CAR1 below.	CAR1	O.K.
A.3.3. The data of the project participants are presented in tabular format?		DR	All the data of the project participants and Parties are presented.	O.K.	O.K.
A.3.4. Is contact information provided in annex 1 of the PDD?		DR	Yes.	O.K.	O.K.
A.3.5. Is it indicated, if it is the case, if the Party involved is a host Party?		DR	The host Party involved is Lithuania, this is indicated in PDD.	O.K.	O.K.
A.4. Technical description of the project					
A.4.1. Location of the project activity					
A.4.1.1. Host Party(ies)		DR	Yes.	O.K.	O.K.
A.4.1.2. Region/State/Province etc.		DR	Yes.	O.K.	O.K.
A.4.1.3. City/Town/Community etc.		DR	Yes.	O.K.	O.K.
A.4.1.4. Detail of the physical location, including information		DR	Clarification action request: Please provide	CL1	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
allowing the unique identification of the project. (This section should not exceed one page)			details of each land parcel purpose. Please clarify sentence “For one wind power plant foundation and crane platform is assigned 10 are of land“. Also please clarify why reference to Silute district is provided.		
A.4.2. Technology(ies) to be employed, or measures, operations or actions to be implemented by the project					
A.4.2.1. Does the project design engineering reflect current good practices?		DR	The project reflects a standard wind park with new equipment.	O.K.	O.K.
A.4.2.2. Does the project use state of the art technology or would the technology result in a significantly better performance than any commonly used technologies in the host country?		DR	This project is approximately of the same technology level to compare with other wind parks already operating in Lithuania.	O.K.	O.K.
A.4.2.3. Is the project technology likely to be substituted by other or more efficient technologies within the project period?		DR	It is not likely that the project technology might be substituted by better technologies within the project period.	O.K.	O.K.
A.4.2.4. Does the project require extensive initial training and maintenance efforts in order to work as presumed during the project period?		DR	It is planned, that wind power plants will be manufactured, supplied, installed, adjusted and set into action by Enercon GmbH. Staff of the company in involved in other similar JI project "Benaiciai Wind Power Park Project" already (started on 2007). The same staff will organise maintenance of Benaiciai - 1 Wind Power Project.	O.K.	O.K.
A.4.2.5. Does the project make provisions for meeting training and maintenance needs?		DR	See A.4.2.4. above.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
A.4.3. Brief explanation of how the anthropogenic emissions of greenhouse gases by sources are to be reduced by the proposed JI project, including why the emission reductions would not occur in the absence of the proposed project, taking into account national and/or sectoral policies and circumstances					
A.4.3.1. Is it stated how anthropogenic GHG emission reductions are to be achieved? (This section should not exceed one page)		DR	It is stated clearly that GHG emission reductions will be achieved by displacing electricity production from fossil fuel sources with the production produced by the wind power plant. It is explained why the emission reductions would not occur in the absence of the proposed Project.	O.K.	O.K.
A.4.3.2. Is it provided the estimation of emission reductions over the crediting period?		DR	The estimation of emission reductions is provided over all the crediting period (107 672 tons).	O.K.	O.K.
A.4.3.3. Is it provided the estimated annual reduction for the chosen credit period in tCO_2e?		DR	Estimate of annual emission reductions is 53 836 tonnes of CO2 equivalent.	O.K.	O.K.
A.4.3.4. Are the data from questions A.4.3.2 to A.4.3.4 above presented in tabular format?		DR	Data are presented in Table 5, PDD section A.4.3.1.	O.K.	O.K.
A.5. Project approval by the Parties involved					
A.5.1. Are written project approvals by the Parties involved attached?		DR	Written project approval are not attached. According to Lithuanian JI guidelines the final Project approval might be issued only after the Project determination report submission to the Lithuanian DFP. Corrective action request: The approval letter from the Lithuanian DFP should be	CAR1	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			submitted.		
B. Baseline					
B.1. Description and justification of the baseline chosen					
B.1.1. Is the chosen baseline described?		DR	The chosen baseline is described in detail.	O.K.	O.K.
B.1.2. Is it justified the choice of the applicable baseline for the project category?		DR	The chosen baseline and baseline emission factor are based on methodology used by the Lithuanian Ministry of Environment while preparing Schedule for Use of the Special Programme for Climate Change (Official Gazette, 2010, No. 42-2040). Emissions factor of 0.707 tCO2/MWhe is used in this programme. However, verification team opinion is that that is not appropriate to use reference to mentioned Programme, because this Programme is not intended to define emissions factors for JI projects. Moreover, emission factor is calculated on 2010-2012 year prognosis base (this is contradiction with BASREC requirement to use existing or historical data). Therefore CAR2 is issued: <u>Corrective action request:</u> Please justify baseline chosen taking into	CAR2	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			account these requirements: 1) BASREC Regional Handbook on Procedures for Joint Implementation in the Baltic Sea Region methods of baseline approach. 2) GUIDANCE ON CRITERIA FOR BASELINE SETTING AND MONITORING clause 28: „The project participants shall justify their choice of baseline taking into account annex 1 to this document. If the baseline approach chosen differs from approaches already taken in comparable cases (same GHG mitigation measure, same country, similar technology, and similar scale) that an AIE has positively determined, the differences shall be explained and justified."		
B.1.3. Is it described how the methodology is applied in the context of the project?		DR	The description how the methodology is applied in the context of the project is acceptable.	CAR2	O.K.
B.1.4. Are the basic assumptions of the baseline methodology in the context of the project activity presented (See Annex 2)?		DR	See B.1.2 above. All data sources are clearly referenced (the PDD section B1 Table 15).	CAR2	O.K.
B.1.5. Is all literature and sources clearly referenced?		DR	The description how the methodology is applied in the context of the project is acceptable.	CAR2	O.K.
B.2. Description of how the anthropogenic emissions of greenhouse gases by sources are reduced below those that would have occurred in the absence of					

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
the JI project					
B.2.1. Is the proposed project activity additional?		DR	Version 05.2 of the CDM tool for the demonstration and assessment was used. However, additionality is not proven correctly, see CL 2 below.	CL2-4	O.K.
1. Additionality of a project activity					
a. Does the PDD state the latest version of the additionality tool being used?			The latest methodological tool "Tool for the demonstration and assessment of additionality (version 05.2)" was used.	O.K.	O.K.
b. Has the tool used the following steps to assess additionality 1. Identification of alternatives to the project activity 2. Investment analysis to determine that the proposed project activity is either: 1) not the most economically or financially attractive, or 2) not economically or financially feasible 3. Barriers analysis; and 4. Common practice analysis.	Ver 05.2	DR	The tool has used all steps required by "Tool for the demonstration and assessment of additionality (version 05.2)".	O.K.	O.K.
c. In Step 1 have all the sub-steps as below followed 1. Sub-step 1a: Define alternatives to the project activity 2. Sub-step 1b: Consistency with mandatory laws and regulations	Ver 05.2	DR	Yes. All alternatives are in compliance with mandatory laws.	O.K.	O.K.
d. Have the following alternatives been included while defining alternatives as per sub-step 1a 1. (a) The proposed project activity undertaken without	Ver 05.2	DR	Alternatives to the project activity have been defined: A) The proposed project activity to be	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
being registered as a JI project activity 2. (b) Other realistic and credible alternative scenario(s) to the proposed JI project activity scenario that deliver outputs services or services with comparable quality, properties and application areas, taking into account, where relevant, examples of scenarios identified in the underlying methodology 3. (c) If applicable, continuation of the current situation (no project activity or other alternatives undertaken).			undertaken as non-JI project activity; B) Power is produced by new cogeneration power plants.		
e. Has the project participant included the technologies or practices that provide outputs or services with comparable quality, properties and application areas as the proposed JI project activity and that have been implemented previously or are currently being introduced in the relevant country/region.	Ver 05.2	DR	Proposed project activity not undertaken as a JI project activity provide the same outputs as proposed JI activity (electricity).	O.K.	O.K.
f. Has the outcome of Step 1a: Identified realistic and credible alternative scenario(s) to the project activity done correctly? Please briefly mention the outcome.	Ver 05.2	DR	See d) above.	O.K.	O.K.
g. Is the alternative(s) in compliance with all mandatory applicable legal and regulatory requirements, even if these laws and regulations have objectives other than GHG reductions, e.g. to mitigate local air pollution.	Ver 05.2	DR	Favour and consistency of the alternatives to the existing legal and regulatory requirements was analized. There is not required to analyze favour aspects, however, verification team agree that both alternavites are in compliance with legal and regulatory requirements.	O.K.	O.K.
h. If an alternative does not comply with all mandatory applicable legislation and regulations, has it been shown that, based on an examination of current practice in the country or region in which the law or regulation applies,	Ver 05.2	DR	Not applicable.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
those applicable legal or regulatory requirements are systematically not enforced and that noncompliance with those requirements is widespread in the country.					
i. Has the outcome of Step 1b identified realistic and credible alternative scenario(s) to the project activity that are in compliance with mandatory legislation and regulations taking into account the enforcement in the region or country and EB decisions on national and/or sectoral policies and regulations done correctly? Please state the outcome.	Ver 05.2	DR	The outcome of Step 1 is that all alternatives are in compliance with mandatory laws.	O.K.	O.K.
j. Has PP selected Step 2 (Investment analysis) or Step 3 (Barrier analysis) or both Steps 2 and 3.)	Ver 05.2	DR	Step 2 (Investment analysis) has been selected.	O.K.	O.K.
k. In step 2 have all the sub-steps as below followed? 1. Sub-step 2a: Determine appropriate analysis method 2. Sub-step 2b: Option I. Apply simple cost analysis 3. Sub-step 2b: Option II. Apply investment comparison analysis 4. Sub-step 2b: Option III. Apply benchmark analysis 5. Sub-step 2c: Calculation and comparison of financial indicators (only applicable to Options II and III): 6. Sub-step 2d: Sensitivity analysis (only applicable to Options II and III):	Ver 05.2	DR	Step 2 has all sub-steps for benchmark analysis (Option III).	O.K.	O.K.
l. In sub-step 2a has the determination of appropriate method of analysis done as per the guidance as below 1. Simple cost analysis if the JI project activity and the alternatives identified in Step 1 generate no financial or economic benefits other than JI related income (Option I).	Ver 05.2	DR	Option III is used.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
2. Otherwise, use the investment comparison analysis (Option II) or the benchmark analysis (Option III). Specify option used with justification.					
m. Has the below guideline followed for sub-step 2b Option I. Apply simple cost analysis 1. Document the costs associated with the CDM project activity and the alternatives identified in Step1 and demonstrate that there is at least one alternative which is less costly than the project activity.	Ver 05.2	DR	Not applicable.	O.K.	O.K.
n. Has the below guideline followed for sub-step 2b Option II. Apply investment comparison analysis 1. Identify the financial indicator, such as IRR, NPV, cost benefit ratio, or unit cost of service most suitable for the project type and decision-making context. Please specify	Ver 05.2	DR	IRR (Internal rate of return) is used.	O.K.	O.K.
o. Has the below guideline followed for Sub-step 2b: Option III. Apply benchmark analysis 1. Identify the financial/economic indicator, such as IRR, most suitable for the project type and decision context. 2. When applying Option II or Option III, the financial/economic analysis shall be based on parameters that are standard in the market, considering the specific characteristics of the project type, but not linked to the subjective profitability expectation or risk profile of a particular project developer. Only in the particular case where the project activity can be implemented by the project	Ver 05.2	DR	For Sub-step 2b below provided guideline was followed, it means benchmark analysis applied: 1. Identified the financial/economic indicator (IRR), most suitable for the project type and decision context. 2. The financial/economic analysis based on parameters that are standard in the market, considering the specific characteristics of the project type and not linked to the subjective profitability expectation or risk profile of a particular project developer.	O.K. O.K.	O.K. O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
participant, the specific financial/economic situation of the company undertaking the project activity can be considered. 3. Discount rates and benchmarks shall be derived from: (a) Government bond rates, increased by a suitable risk premium to reflect private investment and/or the project type, as substantiated by an independent (financial) expert or documented by official publicly available financial data; (b) Estimates of the cost of financing and required return on capital (e.g. commercial lending rates and guarantees required for the country and the type of project activity concerned), based on bankers views and private equity investors/funds' required return on comparable projects; (c) A company internal benchmark (weighted average capital cost of the company), only in the particular case referred to above in 2. The project developers shall demonstrate that this benchmark has been consistently used in the past, i.e. that project activities under similar conditions developed by the same company used the same benchmark; (d) Government/official approved benchmark where such benchmarks are used for investment decisions; (e) Any other indicators, if the project participants can demonstrate that the above Options are not applicable and their indicator is appropriately justified. Please specify benchmark and justify.			3. In order to apply a benchmark comparable to the project IRR the project developer selected to use average value of the interest rate (AVIR) on bank deposits, published by the central bank of Lithuania. Selected benchmark data is public available and acceptable for this type of project comparing with project's IRR.	O.K.	O.K.
p. Has the below guideline followed for Sub-step 2c:	Ver		The project IRR was calculated comparing		

<table>
<tr><th>CHECKLIST QUESTION</th><th>Ref.</th><th>MoV*</th><th>COMMENTS</th><th>Draft Concl</th><th>Final Concl</th></tr>
<tr><td>Calculation and comparison of financial indicators (only applicable to Options II and III):
1. Calculate the suitable financial indicator for the proposed JI project activity and, in the case of Option II above, for the other alternatives. Include all relevant costs (including, for example, the investment cost, the operations and maintenance costs), and revenues (excluding CER revenues, but possibly including inter alia subsidies/fiscal incentives, ODA, etc, where applicable), and, as appropriate, non-market cost and benefits in the case of public investors if this is standard practice for the selection of public investments in the host country.
2. Present the investment analysis in a transparent manner and provide all the relevant assumptions, preferably in the JI-PDD, or in separate annexes to the JI-PDD.
3. Justify and/or cite assumptions.</td><td>05.2</td><td></td><td>project activities with and without ERUs income.

1. All relevant costs and revenues have been included to the IRR calculation for the proposed JI project activity.

2. The investment analysis is presented in separate annexes of JI-PDD.

3. All assumptions are clearly justified on a separate Excel sheet and supported by documents and information sources as follows:

<table><tr><th>Parameter</th><th>Value</th><th>Document verified</th></tr><tr><td>Total investment costs</td><td>74.935.400 EUR</td><td>Enercon Contract Agreement No. W-03942 (19 June 2008).

Agreements (16</td></tr></table></td><td>O.K.

O.K.

O.K.</td><td>O.K.

O.K.

O.K.</td></tr>
</table>

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS			Draft Concl	Final Concl
					MW wind power park): "Jonavos Hidrotechnika" Contract Agreement No. 06-05 (12 April 2006); "A.Žilinskio ir ko" Contract Agreement No. R-1075/176 (15 May 2006); "Lietuvos energija" Contract Agreement No. 474-06 (7 June 2006).		
			Annual maintenance costs	893.000 EUR (2011-2015) 1.409.000 EUR (2016-2020)	Enercon Partner Konzept Agreement No. W-03972 (19 June 2008) Land Lease Contract Agreement (with V.Navickas; 16 January 2008); Land Lease		

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
4. In calculating the financial/economic indicator, the project's risks can be included through the cash flow pattern, subject to project-specific expectations and assumptions 5. Assumptions and input data for the investment analysis shall not differ across the project activity and its alternatives, unless differences can be well substantiated. 6. Present in the JI-PDD a clear comparison of the financial indicator for the proposed JI activity			<table><tr><td></td><td></td><td>Contract Agreement (5 agreements with S.Navickas; 13 February 2008).</td></tr><tr><td>Electricity price</td><td>0,3 Lt/kWh</td><td>Resolution No. O3-27 of the State Price and Energy Control Commission (concerning electric power prices), 21/02/2008</td></tr><tr><td>AVIR</td><td>8,16 %</td><td>The Bank of Lithuania, http://www.lb.lt/eng/statistic/index.html</td></tr></table> 4. No project's risks were included in the IRR calculation. 5. Assumptions and all used input data for the investment analysis are not differing across the project activity. 6. IRR comparison for the proposed activity is presented in JI-PDD.	O.K. O.K. O.K.	O.K. O.K. O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
Please specify details for above					
q. Has the below guideline followed for Sub-step 2d: Sensitivity analysis (only applicable to Options II and III): 1. Include a sensitivity analysis that shows whether the conclusion regarding the financial/economic attractiveness is robust to reasonable variations in the critical assumptions.	Ver 05.2	DR	According to the Tool for the Demonstration and Assessment of Additionality, v.05.2, the minimal variation range should be in ±10% level. These variable paramaters was used with variation range in ±30%: 1) Electricity production, MWh 2) Electricity price, EUR, 3) ERUs sale price, EUR/kWh The investment and maintenance costs were not used for sensivity analysis because these costs are already figured, proposals are obtained, and minor expenses for investment on infrastructure are well known from previous Benaiciai wind power park project. The sensivity analysis proves that that the Project IRR becomes higher than the benchmark IRR only when price on electricity or production level is increased more then on 10%.	O.K.	O.K.
r. Has the outcome of Step 2 clearly mentioned with justification?	Ver 05.2	DR	Clarification action request: Please state clearly the outcome of Step 2.	CL2	O.K.
s. In step 3: Barrier analysis have all the sub-steps as below followed? 1. Sub-step 3a: Identify barriers that would prevent the implementation of the proposed CDM project activity 2. Sub-step 3 b: Show that the identified barriers would not prevent the implementation of at least one of the	Ver 05.2	DR	Not applied.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
alternatives (except the proposed project activity):					
t. Has the below guideline followed for Sub-step 3a: Identify barriers that would prevent the implementation of the proposed CDM project 1. (a) Investment barriers: For alternatives undertaken and operated by private entities: Similar activities have only been implemented with grants or other non-commercial finance terms. No private capital is available from domestic or international capital markets due to real or perceived risks associated with investment in the country where the proposed CDM project activity is to be implemented, as demonstrated by the credit rating of the country or other country investments reports of reputed origin. 2. (b) Technological barriers: Skilled and/or properly trained labour to operate and maintain the technology is not available in the relevant country/region, which leads to an unacceptably high risk of equipment disrepair and malfunctioning or other underperformance; Lack of infrastructure for implementation and logistics for maintenance of the technology, Risk of technological failure: the process/technology failure risk in the local circumstances is significantly greater than for other technologies that provide services or outputs comparable to those of the proposed CDM project activity, as demonstrated by relevant scientific literature or technology manufacturer information, The particular technology used in the proposed project activity is not available in the relevant region.	Ver 05.2	DR	Not applied.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
3. (c) Barriers due to prevailing practice: The project activity is the "first of its kind". 4. (d) Other barriers, preferably specified in the underlying methodology as examples.					
u. Has the outcome from Step 3a clearly mentioned in PDD?	Ver 05.2	DR	Not applied.	O.K.	O.K.
v. Has the below guideline followed for Sub-step 3 b: Show that the identified barriers would not prevent the implementation of at least one of the alternatives (except the proposed project activity): 1. If the identified barriers also affect other alternatives, explain how they are affected less strongly than they affect the proposed CDM project activity. In other words, demonstrate that the identified barriers do not prevent the implementation of at least one of the alternatives. Any alternative that would be prevented by the barriers identified in Sub-step 3a is not a viable alternative, and shall be eliminated from consideration. 2. provide transparent and documented evidence, and offer conservative interpretations of this documented evidence, as to how it demonstrates the existence and significance of the identified barriers and whether alternatives are prevented by these barriers. 3. The type of evidence to be provided should	Ver 05.2	DR	Not applied.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
include at least one of the following: (a) Relevant legislation, regulatory information or industry norms; (b) Relevant (sectoral) studies or surveys (e.g. market surveys, technology studies, etc) undertaken by universities, research institutions, industry associations, companies, bilateral/multilateral institutions, etc; (c) Relevant statistical data from national or international statistics; (d) Documentation of relevant market data (e.g. market prices, tariffs, rules); (e) Written documentation of independent expert judgments from industry, educational institutions (e.g. universities, technical schools, training centres), industry associations and others. Please specify.					
w. Has the outcome from Step 3 clearly mentioned in PDD?	Ver 05.2	DR	Not applied.	O.K.	O.K.
x. In step 4: Common practise analysis have all the sub-steps as below followed? 1. Sub-step 4a: Analyze other activities similar to the proposed project activity 2. Sub-step 4b: Discuss any similar Options that are occurring	Ver 05.2	DR	Step 4 has all the sub-steps (sub-step 4a and sub-step 4b).	O.K.	O.K.
y. Has the below guideline followed for Sub-step 4a: Analyze other activities similar to the proposed project activity 1. Provide an analysis of any other activities that are operational and that are similar to the proposed	Ver 05.2	DR	Other wind parks in Lithuania is analysed. Information is provided and proved that all larger scale wind power parks in Lithuania are developed as JI projects.	CL3	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
project activity. Other JI project activities are not to be included in this analysis. Provide documented evidence and, where relevant, quantitative information. On the basis of that analysis, describe whether and to which extent similar activities have already diffused in the relevant region.			Clarification action request: Please mention clearly outcome of Sub-step 4a regarding existance of the similar projects.		
z. Has the below guideline followed for Sub-step 4b: Discuss any similar Options that are occurring: 1. If similar activities are identified, then it is necessary to demonstrate why the existence of these activities does not contradict the claim that the proposed project activity is financially/economically unattractive or subject to barriers. This can be done by comparing the proposed project activity to the other similar activities, and pointing out and explaining essential distinctions between them that explain why the similar activities enjoyed certain benefits that rendered it financially/economically attractive (e.g., subsidies or other financial flows) and which the proposed project activity cannot use or did not face the barriers to which the proposed project activity is subject. In case similar projects are not accessible, the PDD should include justification about non-accessibility of data/information.	Ver 05.2	DR	Clarification action request: Please clarify why Sub-step 4b is used in case if there are no similar wind power projects in Lithuania.	CL4	O.K.
aa. Has the outcome from Step 4 clearly mentioned in PDD?	Ver 05.2	DR	All larger wind power parks in Lithuania are implemented as JI project activity.	O.K.	O.K.
bb. Has it been proved that the project is additional?	Ver 05.2	DR		CL2-4	O.K.
2. Investment Analysis					

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
a. Is the period of assessment limited to the proposed crediting period of the JI project activity.	EB 41	Annex 45	The period of assessment is not limited to the proposed crediting period. The project started in 2010, but project activity started and the first income earned in 2011. The period of assessment is 2010-2030 comparing to the crediting period of January 2011 – December 2012.	O.K.	O.K.
b. Does the project IRR and equity IRR calculations reflect the period of expected operation of the underlying project activity (technical lifetime), or - if a shorter period is chosen - include the fair value of the project activity assets at the end of the assessment period.	EB 41	Annex 45	The project IRR calculations reflect the period of expected operation of the underlying project activity (technical lifetime).	O.K.	O.K.
c. Does the IRR calculation include the cost of major maintenance and/or rehabilitation if these are expected to be incurred during the period of assessment?	EB 41	Annex 45	Operating and maintenance cost are included in the calculation of project IRR.	O.K.	O.K.
d. Do the Project participants justify the appropriateness of the period of assessment in the context of the underlying project activity, without reference to the proposed CDM crediting period?	EB 41	Annex 45	The period of IRR assessment reflects the period of expected operation of the underlying project activity.	O.K.	O.K.
e. Does the cash flow in the final year include a fair value of the project activity assets at the end of the assessment period?	EB 41	Annex 45	The fair value of the project activity assets was not included as a cash inflow in the final year because of on the end of project lifetime period (i.e. 2030), the fixed assets of the company shall amount to 0 LTL and old turbines as well as foundations will be dismantled for its residue values.	O.K.	O.K.
f. Has the fair value been calculated in accordance with	EB	Ann	See section e above.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
local accounting regulations where available, or international best practice.	41	ex 45			
g. Do the fair value calculations include both the book value of the asset and the reasonable expectation of the potential profit or loss on the realization of the assets?	EB 41	Ann ex 45	See section e above.	O.K.	O.K.
h. Is depreciation, and other non-cash items related to the project activity, which have been deducted in estimating gross profits on which tax is calculated, added back to net profits for the purpose of calculating the financial indicator (e.g. IRR, NPV)?	EB 41	Ann ex 45	Depreciation has been added back to net profit for the purpose of calculating the IRR.	O.K.	O.K.
i. Has taxation been included as an expense in the IRR/NPV calculation in cases where the benchmark or other comparator is intended for post-tax comparisons?	EB 41	Ann ex 45	Corporate taxes has been included as an expenses in the IRR calculation.	O.K.	O.K.
j. Are the input values used in all investment analysis valid and applicable at the time of the investment decision taken by the project participant?	EB 41	Ann ex 45	The input values are used in all investment analysis valid and applicable at the time of the investment decision taken by the project participant.	O.K.	O.K.
k. Is the timing of the investment decision and the consistency and appropriateness of the input values with the time when the investment decision was taken?	EB 41	Ann ex 45	See the section h above.	O.K.	O.K.
l. Have all the listed input values been consistently applied in all calculations?	EB 41	Ann ex 45	All the listed input values have been consistently applied in all calculations.	O.K.	O.K.
m. Does the investment analysis reflect the economic decision making context at point of the decision to recomence the project in the case of project activities for which implementation ceases after the commencement and where implementation is recommenced due to consideration of the JI	EB 41	Ann ex 45	To avoid the opportunity of the project failure the Company will insure the activity and entire wind power park during the project lifetime. Therefore the investment analysis doesn't reflects the economic decision making context at point of the	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			decision to recommence the project in the case of project activities for which implementation ceases after the commencement and where implementation is recommenced due to consideration of the JI.		
n. Have Project participants supplied the spreadsheet versions of all investment analysis?	EB 41	Annex 45	The spreadsheet of all investment analysis has been supplied.	O.K.	O.K.
o. Are all formulas used in this analysis readable and all relevant cells viewable and unprotected?	EB 41	Annex 45	All formulas used in spreadsheet are readable; all cells are viewable and unprotected.	O.K.	O.K.
p. In cases where the project participant does not wish to make such a spreadsheet available to the public has the PP provided an exact read-only or PDF copy for general publication?	EB 41	Annex 45	The spreadsheet will be provided on the UNFCCC internet page.	O.K.	O.K.
q. In case the PP wishes to black-out certain elements of the publicly available version, is it justifiable?	EB 41	Annex 45	Not applicable.	O.K.	O.K.
r. Does the cost of financing expenditures (i.e. loan repayments and interest) included in the calculation of project IRR?	EB 41	Annex 45	The cost of financing expenditures is not included in the calculation of project IRR.	O.K.	O.K.
s. In the calculation of equity IRR has only the portion of investment costs which is financed by equity been considered as the net cash outflow?	EB 41	Annex 45	Not applicable.	O.K.	O.K.
t. Has the portion of the investment costs which is financed by debt been considered a cash outflow in the calculation of equity IRR? (this is not allowed)	EB 41	Annex 45	Not applicable.	O.K.	O.K.
u. In cases where a benchmark approach is used, is the	EB	Ann	Applied benchmark appropriate to the type	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
applied benchmark appropriate to the type of IRR calculated?	41	ex 45	of IRR calculated.		
v. Has local commercial lending rates or weighted average costs of capital (WACC) selected as appropriate benchmarks for a project IRR?	EB 41	Ann ex 45	AVIR is selected as appropriate benchmark for a project IRR.	O.K.	O.K.
w. Has required/expected returns on equity selected as appropriate benchmark for an equity IRR.	EB 41	Ann ex 45	Not applicable.	O.K.	O.K.
x. In case benchmarks supplied by relevant national authorities selected is it applicable to the project activity and the type of IRR calculation presented?	EB 41	Ann ex 45	Not applicable.	O.K.	O.K.
y. In the cases of projects which could be developed by an entity other than the project participant, is the benchmark applied based on publicly available data sources which can be clearly validated?	EB 41	Ann ex 45	The applied benchmark based on publicly available data sources which can be clearly validated. The link is provided in JI-PDD and assumption sheet.	O.K.	O.K.
z. Does Internal company benchmarks/expected returns (including those used as the expected return on equity in the calculation of a weighted average cost of capital - WACC) been applied in cases where there is only one possible project developer?	EB 41	Ann ex 45	Not applicable.	O.K.	O.K.
aa. Has it been demonstrated to have been used for similar projects with similar risks, developed by the same company or, if the company is brand new, would have been used for similar projects in the same sector in the country/region.	EB 41	Ann ex 45	Not applicable.	O.K.	O.K.
bb. Is a minimum clear evidence of the resolution by the company.s Board and/or shareholders been provided to the effect as above?	EB 41	Ann ex 45	Not applicable.	O.K.	O.K.
cc. Has a thorough assessment of the financial statements	EB	Ann	Not applicable.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
of the project developer - including the proposed WACC - to assess the past financial behavior of the entity during at least the last 3 years in relation to similar projects been conduted?	41	ex 45			
dd. Do the risk premiums applied in the determination of required returns on equity reflect the risk profile of the project activity being assessed, established according to national/international accounting principles? (It is not considered reasonable to apply the rate general stock market returns as a risk premium for project activities that face a different risk profile than an investment in such indices.)	EB 41	Ann ex 45	Not applicable.	O.K.	O.K.
ee. Has an investment comparison analysis and not a benchmark analysis been used when the proposed baseline scenario leaves the project participant no other choice than to make an investment to supply the same (or substitute) products or services?	EB 41	Ann ex 45	Not applicable.	O.K.	O.K.
ff. Have variables, including the initial investment cost, that constitute more than 20% of either total project costs or total project revenues been subjected to reasonable variation (positive and negative) and the results of this variation been presented in the PDD and be reproducible in the associated spreadsheets?	EB 41	Ann ex 45	The Electricity production (MWh), ERUs price and Electricity price were chosen as variables, which possible constitute more than 20% (from -30% to +30%) of the total project revenue and/or costs. Results of the variations have been presented in sensitivity analysis correctly.	O.K.	O.K.
gg. Have a corrective action been raised for a variable to be included in the sensitivity analysis which constitute less than 20% and have a material impact on the analysis ?	EB 41	Ann ex 45	Assumptions were indicated clearly and it was noted that currently there is no information on the assumptions that may arise and have a significant impact on the project profitability.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
hh. Is the range of variations selected reasonable in the project context?	EB 41	Annex 45	The range of variations is reasonable in the project context.	O.K.	O.K.
ii. Do the departure variations in the sensitivity analysis at least cover a range of +10% and .10%, unless this is not deemed appropriate in the context of the specific project circumstances?	EB 41	Annex 45	The departure variations in the sensitivity analysis cover a range of +30% and -30%.	O.K.	O.K.
jj. In cases where a scenario will result in the project activity passing the benchmark or becoming the most financially attractive alternative is an assessment done of the probability of the occurrence of this scenario in comparison to the likelihood of the assumptions in the presented investment analysis, taking into consideration correlations between the variables as well as the specific socio-economic and policy context of the project activity?	EB 41	Annex 45	An assessment done of the probability of the occurrence of this scenario in comparison to the likelihood of the assumptions in the presented investment analysis, taking into consideration correlations between the variables as well as the specific socio-economic and policy context of the project activity.	O.K.	O.K.
B.2.2. Is the baseline scenario described?		DR	The baseline scenario is described in the PDD Section B.1. Baseline is the amount of GHG that would be emitted to the atmosphere during the crediting period of the project, i.e. in 2010-2012, in case the project was not implemented.	O.K.	O.K.
B.2.3. Is the project scenario described?		DR	The project scenario is described in the PDD Section A.4.3. Usage of renewable energy resources for electricity production reduces GHG emissions that are emitted when using fossil fuel. Electricity, generated and supplied to national electricity grid, by wind power plants reduces production of	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			other power plants in Lithuania.		
B.2.4. Is an analysis showing why the emissions in the baseline scenario would likely exceed the emissions in the project scenario included?		DR	It is analyzes in PDD section A.4.3.1.	O.K.	O.K.
B.2.5. Is it demonstrated that the project activity itself is not a likely baseline scenario?		DR	Yes.	O.K.	O.K.
B.2.6. Are national policies and circumstances relevant to the baseline of the proposed project activity summarized?		DR	National policies are summarized in the PDD Section B1.	O.K.	O.K.
B.3. Description of how the definition of the project boundary is applied to the project activity					
B.3.1. Are the project's spatial (geographical) boundaries clearly defined?		DR	Spatial boundaries comply with the statements in the PDD.	O.K.	O.K.
B.4. Further baseline information, including the date of baseline setting and the name(s) of the person(s)/entity(ies) setting the baseline					
B.4.1. Is the date of the baseline setting presented (in DD/MM/YYYY)?		DR	The date of the baseline setting: 6 April 2010.	O.K.	O.K.
B.4.2. Is the contact information provided?		DR	Contact information is provided in Table 17.	O.K.	O.K.
B.4.3. Is the person/entity also a project participant listed in Annex 1 of PDD?		DR	The person/entity is not a project participant listed in Annex 1.3	O.K.	O.K.
C. Duration of the small-scale project and crediting period					
C.1. Starting date of the project					
C.1.1. Is the project's starting date clearly defined?		DR	Stating date is indicated: 29/10/2009.	CL5	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			Clarification action request: The starting date of a JI project is the date on which the implementation or construction or real action of the project begins. Please indicate what kind of action started on 29/10/2009.		
C.2. Expected operational lifetime of the project					
C.2.1. Is the project's operational lifetime clearly defined in years and months?		DR	The planned operational lifetime of the wind park is 20 years. It is validated from the operational life of the equipment. The lifetime is defined in years and months.	O.K.	O.K.
C.3. Length of the crediting period					
C.3.1. Is the length of the crediting period specified in years and months?		DR	The crediting period is clearly defined (2 years – lasting from January 1, 2011 to December 31, 2012.	O.K.	O.K.
D. Monitoring Plan					
D.1. Description of monitoring plan chosen					
D.1.1. Is the monitoring plan defined?		DR	The monitoring plan is defined in Section D and Annex 3.	O.K.	O.K.
D.1.2. Option 1 – Monitoring of the emissions in the project scenario and the baseline scenario.		DR	No project emissions are expected. A formula required to estimate the baseline scenario is defined.	O.K.	O.K.
D.1.3. Data to be collected in order to monitor emissions from the project, and how these data will be archived.		DR	No project emissions are expected.	O.K.	O.K.
D.1.4. Description of the formulae used to estimate project emissions (for each gas, source etc,;		DR	No project emissions are expected.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
emissions in units of CO2 equivalent).					
D.1.5. Relevant data necessary for determining the baseline of anthropogenic emissions of greenhouse gases by sources within the project boundary, and how such data will be collected and archived.		DR	The monitoring report will be compiled by an engineer from Renerga, UAB. Monitoring of electricity production will be performed by the director of Renerga, UAB. Monitoring of electricity production will be combined with the commercial accounting of the produced electricity. Once a month, an inspector from AB Lietuvos energija together with a representative from Renerga, UAB will check the commercial electricity metering device and will write down the dispatched electricity quantity on the dispatch confirmation document. After electricity dispatch document is signed by both parties, the director of Renerga, UAB will make an entry of the figure of dispatched electricity into the monitoring sheet. Other monitored factors will be collected and CO2 reductions will be calculated by and engineer from Renerga, UAB in January each year. Copies of calibration and maintenance documents for commercial power devises, electricity production accounting documents and compiled monitoring reports will be collected by the business coordinator and will be stored by Renerga, UAB for 2 years after the end of the crediting period.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
D.1.6. Description of the formulae used to estimate baseline emissions (for each gas, source etc,; emissions in units of CO2 equivalent).		DR	A formula required to estimate the baseline scenario emission is defined. Hovewer, CL6 is issued. Clarification action request: Please clearly describe whether net annual electricity production is measured directly, or it is calculated by using separately measured figures on electricity supplied to the grid and consumed electricity. If there is no direct measurement of net annual electricity production, please clarify section D.1 accordingly.	CL6	O.K.
D.1.7. Option 2 – Direct monitoring of emissions reductions from the project (values should be consistent with those in section E)		DR	Not applicable.	O.K.	O.K.
D.1.8. Data to be collected in order to monitor emission reductions from the project, and how these data will be archived.		DR	Not applicable.	O.K.	O.K.
D.1.9. Description of the formulae used to calculate emission reductions from the project (for each gas, source etc,; emissions/emission reductions in units of CO2 equivalent).		DR	Not applicable.	O.K.	O.K.
D.1.10. If applicable, please describe the data and information that will be collected in order to monitor leakage effects of the project.		DR	No leakage is expected.	O.K.	O.K.
D.1.11. Description of the formulae used to estimate leakage (for each gas, source etc,; emissions in units of CO2 equivalent).		DR	No leakage is expected.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
D.1.12. Description of the formulae used to estimate emission reductions for the project (for each gas, source etc,; emissions in units of CO2 equivalent).		DR	Since there are no project emissions, the emission reductions are the same as the baseline emissions.	O.K.	O.K.
D.1.13. Is information on the collection and archiving of information on the environmental impacts of the project provided?		DR, I	It is planned to perform noise level monitoring in accordance with Article No. 11 of the Law on Health Impact Monitoring (Official Gazette, 2002, No. 72-3022). This should be verified during the first verification.	O.K.	O.K.
D.1.14. Is reference to the relevant host Party regulation(s) provided?		DR, I	References are provided.	O.K.	O.K.
D.1.15. If not applicable, is it stated so?		DR, I	See D.1.12 above.	O.K.	O.K.
D.2. Qualitative control (QC) and quality assurance (QA) procedures undertaken for data monitored					
D.2.1. Are there quality control and quality assurance procedures to be used in the monitoring of the measured data established?		DR	For the quality assurance, a consulting company will be contracted to revise the monitoring reports. Revision will include verification of the data sources and calculations. Power dispatch documents will be archived at Renerga, UAB for later reference for the proof of the monitoring results. AB Lietuvos energija is responsible for the calibration of the commercial power metering device. In case of emergency (for example, in case of commercial metering device failure), the power dispatched to the grid will be monitored using an emergency	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			power metering device.		
D.3. Please describe of the operational and management structure that the project operator will apply in implementing the monitoring plan					
D.3.1. Is it described briefly the operational and management structure that the project participants(s) will implement in order to monitor emission reduction and any leakage effects generated by the project		DR	The responsibilities are defined in PDD section D.3.	O.K.	O.K.
D.4. Name of person(s)/entity(ies) establishing the monitoring plan					
D.4.1. Is the contact information provided?		DR	Yes.	O.K.	O.K.
D.4.2. Is the person/entity also a project participant listed in Annex 1 of PDD?		DR	No.	O.K.	O.K.
E. Estimation of greenhouse gases emission reductions					
E.1. Estimated project emissions					
E.1.1. Are described the formulae used to estimate anthropogenic emissions by source of GHGs due the project?		DR	Project emissions are considered to be equal to 0. <u>Clarification action request:</u> Please argue why project emissions are considered to be equal to 0, taking into account consumed amount of electricity.	CL7	O.K.
E.1.2. Is there a description of calculation of GHG project emissions in accordance with the formula specified in for the applicable project category?		DR	Not applicable.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
E.1.3. Have conservative assumptions been used to calculate project GHG emissions?		DR	Not applicable.	O.K.	O.K.
E.2. Estimated leakage					
E.2.1. Are described the formulae used to estimate leakage due to the project activity where required?		DR	No leakage is expected, therefore section E.2 is not applicable.	O.K.	O.K.
E.2.2. Is there a description of calculation of leakage in accordance with the formula specified in for the applicable project category?		DR	Not applicable.	O.K.	O.K.
E.2.3. Have conservative assumptions been used to calculate leakage?		DR	Not applicable.	O.K.	O.K.
E.3. The sum of E.1 and E.2.					
E.3.1. Does the sum of E.1. and E.2. represent the small-scale project activity emissions?		DR	Not applicable.	O.K.	O.K.
E.4. Estimated baseline emissions					
E.4.1. Are described the formulae used to estimate the anthropogenic emissions by source of GHGs in the baseline using the baseline methodology for the applicable project category?		DR	Baseline emissions will be monitored using the following formula. EB = P_{WPP} x EF_{LE}.	O.K.	O.K.
E.4.2. Is there a description of calculation of GHG baseline emissions in accordance with the formula specified in for the applicable project category?		DR	EB - baseline emissions P_{WPP} – Net annual electricity production at Benaiciai-1 Wind Power park. PWPP is the difference between produced and consumed power at Benaiciai-1 wind power park in MWh. EF_{LE} – emission factor for electricity production at Lietuvos elektrine, 0,626 tCO2/MWh.	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			$EF_{LE} = P_{CO2} / PLE$ Where: EF_{LE} - emission factor for power production at Lietuvos elektrine, tCO2/MWh P_{CO2} - Emissions attributable to power production at Lietuvos elektrine, tCO2 P_{LE} - Annual power production at Lietuvos elektrine, MWh		
E.4.3. Have conservative assumptions been used to calculate baseline GHG emissions?		DR	Yes, it is explained in PDD clause D.1.1.1.4 and B.1.	O.K.	O.K.
E.5. Difference between E.4. and E.3. representing the emission reductions of the project					
E.5.1. Does the difference between E.4. and E.3. represent the emission reductions due to the project during a given period?		DR	Yes.	O.K.	O.K.
E.6. Table providing values obtained when applying formulae above				O.K.	O.K.
E.6.1. Is there a table providing values of total CO2 abated?		DR	Yes.	O.K.	O.K.
F. Environmental Impacts					
F.1. Documentation on the analysis of the environmental impacts of the project, including transboundary impacts, in accordance with procedures as determined by the host Party					
F.1.1. Has an analysis of the environmental impacts of		DR,	The relevant environmental impacts are	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
the project been sufficiently described?		I	sufficiently described in the PDD. An environmental impact investment is not necessary (it is confirmed by a letter from the Ministry of Environment).		
F.1.2. Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, is and EIA approved?		DR, I	See section F.1.1 above.	O.K.	O.K.
F.1.3. Are the requirements of the National Focal Point being met?		DR, I	There were no special requirements from the NFP.	O.K.	O.K.
F.1.4. Will the project create any adverse environmental effects?		DR, I	See section F.1.1 above.	O.K.	O.K.
F.1.5. Are transboundary environmental impacts considered in the analysis?		DR, I	There are no transboundary environmental aspects.	O.K.	O.K.
F.1.6. Have identified environmental impacts been addressed in the project design?		DR, I	Yes.	O.K.	O.K.
G. Stakeholders' comments					
G.1. Information on stakeholders' comments on the project, as appropriate					
G.1.1. Is there a list of stakeholders from whom comments on the project have been received?		DR	It is stated in the PDD that stakeholders have not expressed any objections.	O.K.	O.K.
G.1.2. The nature of comments is provided?		DR	See G.1.1 above.	O.K.	O.K.
G.1.3. Has due account been taken of any stakeholder comments received?		DR	See G.1.1 above.	O.K.	O.K.

Table 3 Baseline and Monitoring Methodologies

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
1. Baseline Methodology					
1.1. General					
1.1.1. Does the baseline cover emissions from all gases, sectors and source categories listed in Annex A, and anthropogenic removals by sinks, within the project boundary?		DR, I	The baseline covers emissions from CO2 in electricity production from fossil fuel sources listed in Annex 2.	O.K.	O.K.
1.1.2. Is baseline established on a project-specific basis and/or using a multi-project emission factor?		DR	See B.1.2 above.	O.K.	O.K.
1.1.3 Is baseline established in a transparent manner with regard to the choice of approaches, assumptions, methodologies, parameters, data sources and key factors?		DR	See B.1.2 above.	O.K.	O.K.
1.1.4 Is baseline established taking into account relevant national and/or sectoral policies and circumstances, such as sectoral reform initiatives, local fuel availability, power sector expansion plans, and the economic situation in the project sector?		DR	See B.1.2 above.	O.K.	O.K.
1.1.5 Is baseline established in such a way that ERUs cannot be earned for decreases in activity levels outside the project activity or due to *force majeure?*		DR	The baseline is established without a possibility to earn ERUs.	O.K.	O.K.
1.1.6 Is baseline established taking account of uncertainties and using conservative assumptions?		DR	See B.1.2 above.	O.K.	O.K.
1.2. Additionality					
1.2.1. Was the additionality of the project activity demonstrated and assessed?		DR	Yes, see Table “Additionality of a project activity” above.	O.K.	O.K.
2. Monitoring Methodology					

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
2.1. Monitoring plan					
2.1.1. Is a monitoring plan included?		DR	See D.1.1 above.	O.K.	O.K.
2.1.2. Does the monitoring plan provide for the collection and archiving of all relevant data necessary for estimating or measuring anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases occurring within the project boundary during the crediting period?		DR	Not applicable.	O.K.	O.K.
2.1.3. Does the monitoring plan provide for the collection and archiving of all relevant data necessary for determining the baseline of anthropogenic emissions by sources and/or anthropogenic removals by sinks of greenhouse gases within the project boundary during the crediting period?		DR	Not applicable.	O.K.	O.K.
2.1.4. Does the monitoring plan provide for the identification of all potential sources of, and the collection and archiving of data on increased anthropogenic emissions by sources and/or reduced anthropogenic removals by sinks of greenhouse gases outside the project boundary that are significant and reasonably attributable to the project during the crediting period?		DR	There are no emission sources and removal by sinks.	O.K.	O.K.
2.1.5. Does the project boundary encompass all anthropogenic emissions by sources and/or removals by sinks of greenhouse gases under the control of the project participants that are significant and reasonably attributable to the JI project?		DR	There are no emission sources and removal by sinks.	O.K.	O.K.
2.1.6. Does the monitoring plan provide for the collection and archiving of information on environmental impacts, in accordance with procedures as required by the host Party, where applicable?		DR	See D.1.13 above.	O.K.	O.K.
2.1.7. Does the monitoring plan provide for quality assurance and control procedures for the monitoring process?		DR	The monitoring plan provides quality assurance and control procedures. Also see	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			D.1.5 above.		
2.1.8. Does the monitoring plan provide for procedures for the periodic calculation of the reductions of anthropogenic emissions by sources and/or enhancements of anthropogenic removals by sinks by the proposed JI project, and for leakage effects, if any?		DR	The monitoring plan provides a procedure and form (PDD, Annex 2) for the periodic calculation of the emission reductions. Also see D.1.5 above.	O.K.	O.K.
2.1.9. Does the monitoring plan provide for documentation of all steps involved in the calculations?		DR	The monitoring plan provides for documentation of all steps involved in the calculations. Also see D.1.5 above.	O.K.	O.K.
2.2. Quality Control (QC) and Quality Assurance (QA) Procedures					
2.2.1. Did all measurements use calibrated measurement equipment that is regularly checked for its functioning?		DR	Yes. Also see D.1.5 above.	O.K.	O.K.
2.2.2 Is frequency of monitoring the parameters defined?		DR	The frequency of monitoring is once per month.	O.K.	O.K.

Table 4 Legal requirements

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
1. **Legal requirements**					
1.1. Is the project activity environmentally licensed by the competent authority?		DR, I	According to the Klaipeda Regional Department of Environment conclusion No. 9.14.5 - LV4 - 2557of May 22, 2009, the environmental impact assessment (EIA) of the planned economic activity is not required. According to the Environmental Impact Assessment program and reports preparation guidelines, Health Impact Assessment screening was prepared. By Klaipeda Public Health Centre decision No. E5-47 for planned economic activity given out on July 16, 2009, the Health Impact Assessment is required and it was prepared and approved.	O.K.	O.K.
1.2. Are there conditions of the environmental permit? In case of yes, are they already being met?		DR, I	The environmental permit is not required.	O.K.	O.K.
1.3. Is the project in line with relevant legislation and plans in the host country?		DR, I	All permits required by legislation are issued: • License to increase power	O.K.	O.K.

CHECKLIST QUESTION	Ref.	MoV*	COMMENTS	Draft Concl	Final Concl
			production capacity • Detailed plan to build 7 wind power plants • Detailed plan to build 10 wind power plants • Construction license to build 7 wind power plants • Construction license to build 10 wind power plants.		

Table 5 Resolution of Corrective Action and Clarification Requests

Draft report clarifications and corrective action requests by determination team	Ref. to checklist question in tables 2, 3 and 4	Summary of project owner response	Determination team conclusion
Corrective action request No 1: The approval letter from the Lithuanian DFP should be submitted.	Table 2, A.5.1	LoA will be submitted after the draft determination issuance.	The LoA, issued by Ministry of Environment of the Republic of Lithuania on 06/05/2010 was found acceptable to close CAR1. The approval from the investor country will be compulsory for first monitoring report verification. Hence, CAR1 is closed.
<u>Corrective action request No 2:</u> The chosen baseline and baseline emission factor are based on methodology used by the Lithuanian Ministry of Environment while preparing Schedule for Use of the Special Programme for Climate Change (Official Gazette, 2010, No. 42-2040). Emissions factor of 0.707 tCO2/MWhe is used in this programme. However, verification team opinion is that that is not appropriate to use reference to mentioned Programme, because this Programme is not intended to define emissions factors for JI projects. Moreover, emission factor is	Table 2, B.1.2	PDD version 07 is changed and the baseline and baseline factor (0,626 tCO2/MWh) is chosen the same as for previous approved projects (No 0200, 0178, 0163, 0034, 0025).	The chosen revised baseline approach is similar to the approaches already taken in comparable cases (wind power plant JI projects in Lithuania), hence CAR 2 is closed.

Draft report clarifications and corrective action requests by determination team	Ref. to checklist question in tables 2, 3 and 4	Summary of project owner response	Determination team conclusion
calculated on 2010-2012 year prognosis base (this is contradiction with BASREC requirement to use existing or historical data). Therefore CAR2 is issued: <u>Corrective action request:</u> Please justify baseline chosen taking into account these requirements: 1) BASREC Regional Handbook on Procedures for Joint Implementation in the Baltic Sea Region methods of baseline approach. 2) GUIDANCE ON CRITERIA FOR BASELINE SETTING AND MONITORING clause 28: „The project participants shall justify their choice of baseline taking into account annex 1 to this document. If the baseline approach chosen differs from approaches already taken in comparable cases (same GHG mitigation measure, same country, similar technology, similar scale) that an AIE has positively determined, the differences shall be explained and justified.”			
Clarification action request No 1: Please	Table 2,	Details of each land parcel are provided	The clarification and PDD section

Draft report clarifications and corrective action requests by determination team	Ref. to checklist question in tables 2, 3 and 4	Summary of project owner response	Determination team conclusion
provide details of each land parcel purpose. Please clarify sentence "For one wind power plant foundation and crane platform is assigned 10 are of land". Also please clarify why reference to Silute district is provided.	A.4.1.4	on the PDD Table 2. Sentence "For one wind power plant foundation and crane platform is assigned 10 are of land" is deleted as it is not provide information that is necessary for Project determination purposes.	A.4.1.4 corrections were found acceptable, hence CL1 is closed.
Clarification action request No 2: Please state clearly the outcome of Step 2.	Table 2, Additionality of a project activity, r)	The outcome of Step 2 is revised on PDD version 6: • The proposed project activity, without the additional revenues from the sale of the ERUs is unlikely to be economically and financially attractive to investors. • Due to high sensitivity of electricity production, additional revenues from the sale of the ERUs increase the credit of the project.	Outcome is stated clearly, hence CL2 is closed.
Clarification action request No 3: Please mention clearly outcome of Sub-step 4a regarding existance of the similar projects.	Table 2 Additionality of a project activity, y)	The outcome of Sub-step 4a is clarified on the PDD version 6:. • All larger scale wind power parks in Lithuania are developed as JI projects.	Outcome is stated clearly, hence CL3 is closed.
Clarification action request No 4: Please clarify why Sub-step 4b is used in case if there are no similar wind power projects in Lithuania.	Table 2 Additionality of a project activity, z)	PDD version 07 is corrected accordingly with explaination, that there are no similar wind power projects in Lithuania, developed as non JI activity (see more	PDD correction is found acceptable. Hence CL4 is closed.

Draft report clarifications and corrective action requests by determination team	Ref. to checklist question in tables 2, 3 and 4	Summary of project owner response	Determination team conclusion
		under the Sub-step 3).	
Clarification action request No 5: The starting date of a JI project is the date on which the implementation or construction or real action of the project begins. Please indicate what kind of action started on 29/10/2009.	Table 2, C.1.1	The starting date is changed to 30/04/2009 (the first detailed plan (7 wind power plants) approval date by the Council of Kretinga district Municipality).	PDD correction is found acceptable. Hence CL5 is closed.
Clarification action request No 6: Please clearly describe whether net annual electricity production is measured directly, or it is calculated by using separately measured figures on electricity supplied to the grid and consumed electricity. If there is no direct measurement of net annual electricity production, please clarify section D.1 accordingly.	Table 2, D.1.6	PDD version 07 is corrected (sections D.1.1.4 and D.1.4): Electricity production is measured directly. Electricity metering devises are installed, directly measuring electricity, purchased from the grid, produced electricity and electricity, supplied to the grid.	PDD correction is found acceptable. Hence CL6 is closed.
Clarification action request No 7: Please argue why project emissions are considered to be equal to 0, taking into account consumed amount of electricity.	Table 2, E.1.1	PDD Version 07 section E.1 is amended: "…Consumed amount of electricity is already computed in the formula No. 1".	PDD correction is found acceptable. Hence CL7 is closed.

APPENDIX B: DETERMINATION TEAM

The verification team consists of the following personnel:

Ashok Mammen
Bureau Veritas Certification, Internal Technical Reviewer
Bureau Veritas Certification Internal reviewer
Dr. Mammen is a lead auditor for environment, safety and quality management systems and a lead verifier and tutor for GHG projects. He has been involved in the validation and verification processes of more than 100 CDM/JI and other GHG projects.

Tomas Paulaitis, M.Sci. (chemical engineering)
Bureau Veritas Certification Team Leader, Climate Change Verifier
Tomas Paulaitis is a lead auditor for the environment and quality management systems and a lead GHG verifier (EU ETS, JI) with over 5 years of experience and was/is involved in the determination/verification of more than 15 JI projects.

Gediminas Vaskela
Finance specialist
Gediminas Vaskela is a certified auditor with over 8 years of experience in auditing, due-diligence, reorganisation, special review and other assurance projects. He was/is involved in the determination/verification of 6 JI projects financial investment analysis.

Kęstutis Navickas, Associate Professor, Dr.
Bureau Veritas Certification, Technical specialist
Kęstutis Navickas is Head of the Lithuanian Academy of Agriculture department of Agroenergetics. He has more than 14 years of experience with the research and development in the renewable energy and bioenergy sectors (more than 10 projects).

Hristo Schwabski, M.Sc. (thermal power engineering)
Bureau Veritas Certification Sofia, Greenhouse Gas Auditor.
Hristo Schwabski specializes in developing of JI projects and assessment of CDM/JI/VCS projects. He has over 8 years of experience in the sector of renewable energies GHG projects.