



VALIDATION REPORT BELECTRIC SOLAR LTD.

VALIDATION OF THE
WILLERSEY SOLAR FARM LTD

BUREAU VERITAS CERTIFICATION

REPORT No.BVC/UK-VD/001/2014

REVISION No. 01.1



VALIDATION REPORT

Date of first issue: 14/07/2014	Organizational unit: Bureau Veritas Certification
Client: Belectric Solar Ltc.	Client ref.: Mr. Eoin Martin

Summary:

Bureau Veritas Certification has conducted the validation of the Willersey Solar Farm Ltd., constructed by Belectric Solar Ltd., which is located in the village of Willersey, United Kingdom, on the basis of the Climate Bond Standard.

The validation scope is defined as an independent and objective review of the Bond, its associated projects and/or its physical assets, and consisted of the following three phases: i) desk review of the Bond and its associated projects documentation and additional background documents; ii) on-site inspection; iii) resolution of outstanding issues and the issuance of the final validation report and opinion. The overall validation, from Contract Review to Validation Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

The first output of the validation process is a list of Clarification Requests, Corrective Actions Requests, presented in Appendix A. Taking into account this output, the Bond issuer revised its Bond and its associated project documentation.

In summary, it is Bureau Veritas Certification's opinion that the Bond meets all relevant Climate Bond Standard requirements.

Report No.: BVC/UK-VD/001/2014	Subject Group: Climate Bonds
Project title: Willersey Solar Farm Ltd.	
Work carried out by: Flavio Gomes - Team Leader James Boanpong - Technical Specialist	
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Date of this revision: 18/07/2014	Rev. No.: 01.1
Number of pages: 24	

Indexing terms

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1. INTRODUCTION

Belectric Solar Ltd. has commissioned Bureau Veritas Certification to validate its Climate Bond project Willersey Solar Farm Ltd. (hereafter called “the Project”) at Willersey, Gloucestershire, UK.

This report summarizes the findings of the validation, performed on the basis of the Climate Bond Standard criteria.

2. METHODOLOGY

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

In order to ensure transparency, a validation protocol was customized for the project, according to the version 1.0 of the Climate Bond Standard. The protocol shows, in a transparent manner, criteria (requirements), means of validation and the results from validating the identified criteria.

The validation protocol serves the following purposes:

- It organizes, details and clarifies the requirements a Climate Bond is expected to meet;
- It ensures a transparent validation process where the Validation Team will document how a particular requirement has been validated and the result of the validation.

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

2.1. Review of Documents

The Bond and its associated project documentation submitted by Belectric Solar Ltd. and additional background documents related to the project design were reviewed.

2.2. On-site Inspection

On 04/07/2014 Bureau Veritas Certification performed an on-site inspection to confirm selected information and to resolve issues identified in the document review. Representatives of Belectric Solar Ltd. were interviewed.

2.3. Resolution of Clarification and Corrective Action Requests

The objective of this phase of the validation is to resolve issues that require further elaboration, research or expansion prior to Bureau Veritas Certification’s positive conclusion on the Climate Bond.

A Corrective Action Request (CAR) is raised if applicable Climate Bond Standard requirements have not been met.



A Clarification Request (CL) is raised, if information is insufficient or not clear enough to determine whether the applicable Climate Bond Standard requirements have been met.

To guarantee the transparency of the validation process, the issues raised, the responses provided by the Bond issuer, the means of validation of such responses and references to any resulting changes in the Bond documentation are documented in the Validation Protocol in Appendix A.

2.4. Internal Technical Review

The validation report underwent an Internal Technical Review (ITR).

The ITR is an independent process performed to examine thoroughly that the process of validation has been carried out in conformance with the requirements of the Climate Bond Standard as well as internal Bureau Veritas Certification procedures.

The Team Leader provides a copy of the validation report to the reviewer, including any necessary validation documentation. The reviewer reviews the submitted documentation for conformance with the validation scheme. This will be a comprehensive review of all documentation generated during the validation process.

When performing an Internal Technical Review, the reviewer ensures that:

- The validation activity has been performed by the Validation Team by exercising utmost diligence and complete adherence to the Climate Bond Standard requirements.
- The review encompasses all aspects related to the Bond, closure of CARs and CLs during the validation exercise, and review of sample documents.

The reviewer may raise Clarification Requests to the validation team and will discuss these matters with the Team Leader.

3. VALIDATION CONCLUSIONS

In the following sections, the conclusions of the validation are stated.

The findings from the desk review of the original Bond documents and the findings from the on-site inspection are described in the Validation Protocol in Appendix A.

The Clarification and Corrective Action Requests are stated, where applicable, in the following sections and are further documented in the Validation Protocol in Appendix A. The validation of the Project resulted in 1 CAR and 3 CLs.

The CARs and CLs were closed out based on adequate responses from the Bond issuer which meet the applicable requirements. They have been reassessed before their formal acceptance and closure.



3.1. Project Nomination

As per Bond invitation document “Big60Million – Power to the People”, the Climate Bond issued specifies the Willersey Solar Farm Ltd. as the project collateral and physical assets with which it is associated. Willersey Solar Farm Ltd. is therefore the “Nominate Project”.

At the document review stage, the Validation Team was presented with a draft version of the Bond invitation document. Therefore a CL (1) was raised requesting for a final version of such document.

A final version of the Bond invitation document was sent on 08/07/2014. The Validation Team evaluated it and confirms the right nomination of the project and this CL was closed.

Eligibility of the assets specified as backing, or linked to, the Bond is discussed in item 3.8 of this report.

A CL (2) was raised asking the Climate Bond Standard Board for confirmation that the nominated project is not nominated in a previous Climate Bond. This was confirmed by the Board on 27/05/2014.

3.2. Use of Proceeds

Allocation of proceeds/funds could not be verified at the document review stage as Bond was not issued yet and therefore there were no proceeds to be allocated. A CL (3) was then raised.

The Validation Team then was provided with the following information on 04/07/2014:

- A letter from the Bond manager Rockfire, confirming that it is:
 - Regulated Manager and Bond Principle;
 - Receiving Agent and Registrar of the Bonds during the application period for the Bonds and the issue of the Bonds to investors.
- Rockfire’s engagement letter to Big60Million Ltd dated 14/03/2014, which outlines the above mentioned functions in more detail.

The Validation Team examined the above mentioned document and concluded that Rockfire is responsible for administration of the Bond and act in the interests of the bondholders.

This combination of roles provides the required “tracking system” that will ensure allocated proceeds are being used (earmarked) for the assets claimed.

This CL was closed, however, the Validation Team recommends that once proceeds exist, a review should be made to confirm this has happened.

The investment in the Nominated Project could not be verified at the document review stage and a CL (4) was raised.



The Validation Team was provided with the Bond manager's Terms of Engagement for the Provision of Services for an Asset Backed Solar Energy Mini-Bond, issued on 14/03/2014.

Item "Fees" of the above mentioned document caps the investment in the Nominated Project to the maximum bond subscription of £4m, and this CL was closed.

3.3. Non-Contamination

Although the allocation of proceeds/funds could not be verified at the document review stage, as Bond was not issued yet (refer to section 3.2 above and CL3), the final version of the Bond invitation document defines that the funds will be allocated to the Nominated Project only, and therefore, contamination is not expected.

The Validation Team recommends that this item is verified after the Bond is issued.

The requirement for the Climate Bond issuing organization to establish systems to monitor and account for the proceeds of a Climate Bond, as the funds flow through a treasury or other mixed-funds pool, was considered not applicable in this case as the investment in the Nominated Project is known and defined in the Bond invitation document.

3.4. Environmental and Social Integrity

The Validation Team has verified Willersey Solar Farm Ltd. and satisfied that Belectric Solar Ltd. worked closely with the Local Planning Authority in a positive and proactive manner to secure sustainable development which will improve the economic, social and environmental conditions of the area.

The Validation Team can confirm that Willersey Solar Farm Ltd. operates in accordance with relevant environmental and social laws and regulations and adhere to environmental, social and governance standards and best practices.

Planning permission of the Solar Photovoltaic Power Plants was granted to Belectric Solar Ltd on 13/06/2013 to develop a ground mounted solar farm to generate up to 4MW of electricity, with associated infrastructure including inverter platforms, transfer station, collecting station, underground cable for connection to the local electricity distribution network, temporary construction compound, security fencing and ecological and landscape enhancement measures at Land Parcel To The North Of The Byre Badsey Lane Willersey Gloucestershire. Below is the application and file references and date of decision.

APPLICATION REF: 13/00578/FUL

FILE REF: CD.8866/L

DATE OF DECISION: 13/06/ 2013

The permission was granted in pursuance of their powers under the above Act, (TOWN AND COUNTRY PLANNING ACT 1990) and in accordance with the requirements of the Town and Country (Development Management Procedure) (England) Order 2010.



The development was fully considered and assessed to comply with the relevant policy(ies) contained within the Development Plan as detailed in the section called "Relevant Policies", on the certificate. The Council therefore PERMITTED the above development in accordance with the details given on the application form and submitted plans.

At the document review stage, no evidences were found that the issuer had publicly disclosed to Climate Bond holders whether they and/or the Nominated Project(s) financed, or to be financed, adhere to environmental, social and governance standards and best practices. Therefore a CAR (1) was raised.

A final version of the Bond invitation document was sent on 08/07/2014. On page 18 it is stated that "The site was constructed with the community and environment in mind and in order to adhere to environmental, social and governance standards and best practices." The Validation Team evaluated it and this CAR was closed.

3.5. Verification

The Climate Bond issuing organization engaged Bureau Veritas Certification to undertake a compliance audit of the Bond (whether existing or proposed) to confirm its compliance with the Climate Bond Standard.

The Climate Bond issuing organization additionally agreed to provide further information if requested by the Climate Bond Standards Board, as per item 3 of the Terms and Conditions of the signed contract between Belectric Solar Ltd. and Bureau Veritas Certification.

There are no declared intentions, by the Climate Bond issuing organization, of further Climate Bonds issuance.

3.6. Climate Bond Certification and Limits of Use

Belectric Solar Ltd. may register its Bond with the Climate Bond Standards Board, and therefore has the right to use de Climate Bond Certification Mark in association with the relevant Bonds (but no others) for the duration of the Bond term, provided that the Bonds remains Climate Bond Standard compliant.

The Validation Team therefore recommends that the Bond's compliance with the Climate Bond Standard is periodically verified.

3.7. Non-Compliance

If a Climate Bond is no longer compliant with the Climate Bond Standard, then the issuer is required to disclose that fact to the Climate Bond Standards Board, the bondholders and the relevant exchanges.

The Validation Team therefore recommends that the Bond's compliance with the Climate Bond Standard is periodically verified.



3.8. Eligible Projects and Physical Assets

The funds raised under the Climate Bond are used to finance Solar Energy Generation.

The electricity generated from this facility is 100% derived from solar energy sources.

The facility has a dedicated transmission infrastructure to supply power generated to the grid.

Use of non-solar fuel for gas-fired back up was not evident during the on-site inspection.

3.9. Technical Criteria

The yield assessment of the system was commissioned by Belectric GmbH Wadenbrunner Str. 10 97509 Kolitzheim.

The report presents the expected electricity yield which was predicted for the photovoltaic system in The Rainbows, England.

The PV system which was designed with modules by First Solar Inc., model FS-392 Black Series and inverters by SMA Solar Technology AG, model Sunny Central 800CP XT was expected to deliver a total DC power of 3781.4 kWp.

The annual average global irradiation at the site on a horizontal plane is 999 kWh/m², and an initial average annual specific yield of 991 kWh/kWp was predicted.

The expected annual yield based on the system dimensions on average was predicted to be 3746 mWh for the first year and expected performance ratio of the system for the first year to be 87.2%

Taking the degradation effect of CdTe thin-film modules into account, the resulting specific annual yield over an operation period of 20 years is expected to be 931 kWh/kWp, and then the average yield is 3521 mWh p.a. and the performance ratio is 82.0%.

The uncertainty of the models and calculation steps with respect to the average specific yield and average yield is estimated to be 7.5% - assuming a simple standard deviation.

The above values were obtained through yield assessment by Fraunhofer Institute for Solar Energy Systems ISE.

The actual system yield was verified during physical inspection of the plant on 04/07/2014 and we can confirm a yield of 1459 mWh since its three months operation. Based on the current yield we anticipate that the annual predicted value of 3746 mWh for the first year is most likely to be met.

3.10. Traceability

This requirement was considered not applicable as this is a Project Development Bond as per Bond Invitation Document.



3.11. Project Holding

This requirement was considered not applicable as this is a Project Development Bond as per Bond Invitation Document.

3.12. Confidentiality

This requirement was considered not applicable as this is a Project Development Bond as per Bond Invitation Document.

3.13. Settlement Period

This requirement was considered not applicable as this is a Project Development Bond as per Bond Invitation Document.

3.14. Ring-Fenced Cost Centres

This requirement was considered not applicable as this is a Project Development Bond as per Bond Invitation Document.

4. VALIDATION OPINION

Bureau Veritas Certification has performed a validation of the Willersey Solar Farm Ltd., constructed by Belectric Solar Ltd., which is located in the village of Willersey, United Kingdom. The validation was performed on the basis of the Climate Bond Standard criteria.

The validation consisted of the following three phases: i) desk review of the Bond and its associated projects documentation and additional background documents; ii) on-site inspection; iii) resolution of outstanding issues and the issuance of the final validation report and opinion.

The review of the Bond and its associated project documentation, and the subsequent on-site inspection, has provided Bureau Veritas Certification with sufficient evidence to determine the fulfillment of stated criteria.

In our opinion, the project meets all relevant Climate Bond Standard requirements.



5. REFERENCES

- /1/ *Bond invitation document: Big60Million – Power to the People;*
- /2/ *Letter from the Bond manager issued on 03/07/2014: Rockfire Capital Limited confirmation of role;*
- /3/ *Terms of Engagement for the Provision of Services for an Asset Backed Solar Energy Mini-Bond;*
- /4/ *Willersey Solar Farm Ltd. planning permission;*
- /5/ *Yield assessment report prepared by Fraunhofer Institute for Solar Energy Systems.*



APPENDIX A: VALIDATION PROTOCOL

Table 1 Audit requirements based on the Climate Bond Standard (version 1 prototype)

CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
Part A: General Requirements			
1. Project Nomination			
1.1. Does the Climate Bond issued specify the project collateral of physical assets with which it is associated (these are referred to as the "Nominated Project(s)")?	The Bond Invitation Document, specify Willersey Solar Farm Ltd. as the physical asset associated with the bond.	CL1	OK
1.2. Are the assets specified as backing, or linked to, the Bond eligible assets as specified under Part B of the Climate Bond Standard?	Refer to Item 8 of this protocol.	-	-
1.3. Is the asset specified a loan or other financial instrument?	No. This is a project development bond as per the Bond Invitation Document.	OK	OK
1.4. If yes, does the underlying collateral comply with Part B of the Climate Bond Standard?	Not applicable.	-	-
1.5. Are the assets specified as backing, or linked to, the Bond nominated to pervious Climate Bonds?	This is the first Climate Bond issued by Willersey Solar Farm Ltd.	CL 2	OK
2. Use of Proceeds			
2.1. Are the proceeds allocated to Nominated Project(s)?	The Bond Invitation Document defines that the proceeds will be allocated to the Nominated Project.	CL 3	OK
2.2. What is the value of the Bond?	£4 million pounds, as per Bond Invitation Document	OK	OK



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
2.3. What is the investment in the Nominated Project(s)?	No information provided so far.	CL 4	OK
2.4. What is the Fair Market Value of the Nominated Project(s)?	Not applicable in this case as the investment in the Nominated Project is known.	-	-
2.5. Is the original issuance amount of the Climate Bond greater than the investment in the Nominated Project(s) of the Fair Market Value of the Nominated Project(s) at the time of its nomination?	This evaluation depends on the answer to 2.3.	CL 4	OK
3. Non-Contamination			
3.1. Are the funds already allocated to the Nominated Project(s)? (Issuers are permitted a grace period of one year, which can be extended subject to Climate Bond Standards Board approval, to allocate or re-allocate funds to Nominated Project(s).	The Bond Invitation Document defines that the funds will be allocated to the Nominated Project., only.	CL 3	OK
3.2. If not, are these funds placed in temporary investments?	Not applicable.	-	-
3.3. If yes, do these temporary investments include greenhouse gas intensive projects?	Not applicable.	-	-
3.4. Are unallocated funds in cash, or cash equivalent instruments, being held within a Treasury function?	Not applicable.	-	-
3.5. Are any systems used for temporary management of Climate Bond funds and investments recorded and disclosed to this verifier?	Not applicable.	-	-
3.6. Has the Climate Bond issuing organization established systems to monitor and account for the proceeds of a Climate Bond as these funds flow through a	Not applicable in this case as the investment in the Nominated Project is known.	-	-



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
treasury or other mixed-funds pool?			
4. Environmental and Social Integrity			
4.1. Does the Nominated Project(s) operate in accordance with relevant international, regional and national environmental and social laws and regulations?	<p>The Validation Team has verified Willersey Solar Farm Ltd. and satisfied that Belectric Solar Ltd. has worked closely with the Local Planning Authority in a positive and proactive manner to secure sustainable development which will improve the economic, social and environmental conditions of the area.</p> <p>The Validation Team can confirm that Willersey Solar Farm Ltd. operates in accordance with relevant environmental and social laws and regulations and adhere to environmental, social and governance standards and best practices.</p> <p>Planning permission of the Solar Photovoltaic Power Plants was granted to Belectric Solar Ltd. on 13/06/2013 to develop a ground mounted solar farm to generate up to 4MW of electricity, with associated infrastructure including inverter platforms, transfer station, collecting station, underground cable for connection to the local electricity distribution network, temporary construction compound, security fencing and ecological and landscape</p>	OK	OK



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
	<p>enhancement measures at Land Parcel To The North Of The Byre Badsey Lane Willersey Gloucestershire. Below is the application and file references and date of decision.</p> <p>APPLICATION REF: 13/00578/FUL FILE REF: CD.8866/L DATE OF DECISION: 13/06/ 2013</p> <p>The permission was granted in pursuance of their powers under the above Act, (TOWN AND COUNTRY PLANNING ACT 1990) and in accordance with the requirements of the Town and Country (Development Management Procedure) (England) Order 2010.</p> <p>The development was fully considered and assessed to comply with the relevant policy(ies) contained within the Development Plan as detailed in the section called "Relevant Policies", on the certificate. The Council therefore PERMITTED the above development in accordance with the details given on the application form and submitted plans.</p>		
4.2. Has the issuer publicly disclosed to Climate Bond holders whether they and/or the Nominated Project(s) financed, or to be financed, adhere to environmental, social and governance standards and best practices?	There are no evidences that the issuer has publicly disclosed to Climate Bond holders whether they and/or the Nominated Project(s) financed, or to be financed,	CAR 1	OK



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
	adhere to environmental, social and governance standards and best practices.		
4.3. If yes, which ones?	Refer to 4.2.	-	-
5. Verification			
5.1. Has the Climate Bond issuing organization engaged a third-party Verifier to undertake a compliance audit of the bond (whether existing or proposed) to confirm its compliance with the Climate Bond Standard?	Yes, Bureau Veritas Certification as per signed contract between Belectric Solar Ltd. and Bureau Veritas Certification.	OK	OK
5.2. Has the Climate Bond issuing organization additionally agreed to provide further information if requested by the Climate Bond Standards Board?	Yes, as per item 3 of the Terms and Conditions of the signed contract between Belectric Solar Ltd. and Bureau Veritas Certification.	OK	OK
5.3. Does the Climate Bond issuing organization intends to issue further Climate Bonds?	There are no declared intentions of further Climate Bonds issuance.	OK	OK
5.4. If yes, has the Climate Bond issuing organization provided the verifier with all Climate Bond compliance documentation related to existing Climate Bonds?	Not applicable.	-	-
Part B: Low Carbon Contribution			
8. Eligible projects and physical assets			
8.1. Are the funds raised under the Climate Bond used to finance or refinance Wind Energy Generation?	No. The funds are used to finance Solar Energy Generation.	OK	OK
8.2. If yes, do the projects include one or more than the following?	-	-	-
8.2.1. The development and construction of wind farms.	Not applicable.	-	-



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
8.2.2. Operational production of manufacturing facilities wholly dedicated to wind energy development.	Not applicable.	-	-
8.2.3. Wholly dedicated transmission infrastructure for wind farms.	Not applicable.	-	-
8.3. Are the funds raised under the Climate Bond used to finance or refinance Solar Energy Generation?	<p>Yes as per Bond Invitation Document.</p> <p>The yield assessment of the system was commissioned by Belectric GmbH Wadenbrunner Str. 10 97509 Kolitzheim</p> <p>And the yield assessment report prepared by Fraunhofer Institute for Solar Energy Systems ISE Tabea Oberfell Heidenhofstraße 2 79110 Freiburg Germany Date: 13/11/2013 Report ref: PMZ-942-TO-1334-V1.0</p> <p>The report presents the expected electricity yield which was predicted for the photovoltaic system in The Rainbows, England.</p> <p>The PV system which was designed with modules by First Solar Inc., model FS-392 Black Series and inverters by SMA Solar Technology AG, model Sunny Central 800CP XT was expected to deliver a total DC power of 3781.4 kWp.</p> <p>The average annual global irradiation at the site on a horizontal plane is 999 kWhm², and an initial average annual specific yield of 991</p>	OK	OK



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
	<p>kWh/kWp was predicted.</p> <p>The expected annual yield based on the system dimensions on average was predicted to be 3746 mWh for the first year and expected performance ratio of the system for the first year to be 87.2 %</p> <p>Taking the degradation effect of CdTe thin-film modules into account, the resulting specific annual yield over an operation period of 20 years is expected to be 931 kWh/kWp, and then the average yield is 3521 mWh p.a. and the performance ratio is 82.0 %.</p> <p>The uncertainty of the models and calculation steps with respect to the average specific yield and average yield is estimated to be 7.5 % - assuming a simple standard deviation.</p> <p>The above values were obtained through yield assessment by Fraunhofer Institute for Solar Energy Systems ISE.</p> <p>The actual system yield was verified during physical inspection of the plant on 04/07/2014 and we can confirm a yield of 1459 mWh since its three months operation. Based on the current yield we anticipate that the annual predicted value of 3746 mWh for the first year is most likely to be met.</p>		



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
8.3. If yes, do the projects include one or more than the following?	-	-	-
8.3.1. The development, construction and operation of solar electricity generation facilities, where a minimum of 85% of electricity generated from the facility is derived from solar energy resources.	The electricity generated from this facility is hundred (100%) derived from solar energy sources.	OK	OK
8.3.2. Wholly dedicated transmission infrastructure for solar electricity generation facilities.	The facility has a dedicated transmission infrastructure to supply power generated to the grid.	OK	OK
8.4. Do the solar electricity generation facilities use non-solar fuel for gas-fired back up?	Use of non-solar fuel for gas-fired back up was not evident during the on-site inspection.	OK	OK
8.5. If yes, what is the allowed non-solar fuel use?	Not applicable.	-	-
Part C: Bond structures			
(i) Requirements for Corporate Bonds only			
10. Traceability			
10.1. Do the financial flows of the bond principal remain between the Climate Bond and the linked Nominated Project(s)?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
11. Project Holding			
11.1. Does the issuer of a Corporate Climate Bond with Nominated Projects linked to a portfolio of assets hold eligible assets at least equal to the Fair Market Value at the time of issuance of the original principal amount of the Climate Bond?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
12. Confidentiality			
12.1. Is information about Nominated Projects disclosed to Verifier and to members of the Climate Bond Standard Board?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
13. Settlement Period			
13.1. Has the Climate Bond issuing entity demonstrated that the proceeds of a Climate Bond have been allocated to the Nominated Project(s) within one year after the bond is issued?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
13.2. If not, are the surplus or unallocated funds invested in Climate Bond compliant projects not otherwise nominated for a specific Climate Bond issuance? and/or	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
13.3. Has the issuing entity made temporary investments of surplus funds to the nominal Fair Market Value of the Climate Bond at the time of issuance, in compliance with the provisions of Clause Non-Contamination of the Climate Bond Standard?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
14. Ring-Fenced Cost Centers			
14.1. Has the Climate Bond issuing organization established at least on 'Climate Bond Cost Centre' to manage and account for funding to Climate Bond eligible projects?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
(ii) Requirements for Portfolio Bonds only			
10. Traceability			



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
10.1. Do the financial flows of the bond principal remain between the Climate Bond and the linked Nominated Project(s)?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
11. Project Holding			
11.1. Does the issuer of a Portfolio Climate Bond with Nominated Projects linked to a portfolio of assets hold eligible assets at least equal to the Fair Market Value at the time of issuance of the original principal amount of the Climate Bond?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
12. Confidentiality			
12.1. Is information about Nominated Projects disclosed to Verifier and to members of the Climate Bond Standard Board?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
13. Settlement Period			
13.1. Has the Climate Bond issuing entity demonstrated that the proceeds of a Climate Bond have been allocated to the Nominated Project(s) within one year after the bond is issued?	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
13.2. If not, are the surplus or unallocated funds invested in Climate Bond compliant projects not otherwise nominated for a specific Climate Bond issuance? and/or	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-
13.3. Has the issuing entity made temporary investments of surplus funds to the nominal Fair Market Value of the Climate Bond at the time of issuance, in compliance with the provisions of Clause Non-Contamination of the Climate	Not applicable as this is a Project Development Bond as per Bond Invitation Document.	-	-



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CHECKLIST QUESTION	COMMENTS	Draft Concl	Final Concl
Bond Standard?			

**Table 2 List of Clarification and Corrective Action Requests**

NUMBER	DESCRIPTION	CONCLUSION
CL 1	The Bond Invitation Document is still in its draft version. A final draft has to be provided as much of the evidences for this assessment are described there.	A final version of the bond invitation document was sent on 08/07/2014. The Validation Team evaluated it and confirms the right nomination of the project and this CL was closed.
CL 2	To be confirmed with the Climate Bond Standard Board if the nominated project is not nominated in a previous Climate Bond.	As per Climate Bond Standard Board message from 27/05/2014, the Climate Bonds Standard Board can provide assurance that the Bond has not been certified before.
CL 3	Allocation of proceeds/funds cannot be verified at the moment as bond was not issued yet and therefore there are no proceeds to be allocated. Seek clarification from the Climate Bond Standard Board.	<p>The Validation Team was then provided with the following information on 04/07/2014:</p> <ul style="list-style-type: none"> • A letter from the bond manager Rockfire, confirming that it is: <ul style="list-style-type: none"> • Regulated Manager and Bond Principle; • Receiving Agent and Registrar of the Bonds during the application period for the Bonds and the issue of the Bonds to investors. • Rockfire's engagement letter to Big60Million Ltd dated 14/03/2014, which outlines the above mentioned functions in more detail: <p>The Validation Team examined the above mentioned document and concluded that Rockfire is responsible for administration of the bond and act in the interests of the bondholders. This combination of roles provides the required "tracking system" that will ensure allocated proceeds are being used (earmarked) for the assets claimed. This CL was closed, however, the Validation Team recommends that once proceeds exist, a review should be made to confirm</p>



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NUMBER	DESCRIPTION	CONCLUSION
		this has happened.
CL 4	Please, provide evidences of investment in the Nominate Project.	The Validation Team was provided with the Bond manager's Terms of Engagement for the Provision of Services for an Asset Backed Solar Energy Mini-Bond, issued on 14/03/2014. Item "Fees" of the above mentioned document caps the investment in the Nominated Project to the maximum bond subscription of £4m, and this CL was closed.
CAR 1	There are no evidences that the issuer has publicly disclosed to Climate Bond holders whether they and/or the Nominated Project(s) financed, or to be financed, adhere to environmental, social and governance standards and best practices.	A final version of the Bond invitation document was sent on 08/07/2014. On page 18 it is stated that "The site was constructed with the community and environment in mind and in order to adhere to environmental, social and governance standards and best practices." The Validation Team evaluated it and this CAR was closed.