



VALIDATION REPORT BELECTRIC SOLAR LTD.

VALIDATION OF THE
SOUTHAM SOLAR FARM LTD

BUREAU VERITAS CERTIFICATION

REPORT No.BVC/UK-VD/003/2015

REVISION No. 00



VALIDATION REPORT

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|------------------------------------|--|
| Date of first issue: 22/06/2015 | Organizational unit: Bureau Veritas Certification |
| Client: Belectric Solar Ltd. | Client ref.: Mr. Paul Camp |

Summary:

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

The validation scope is defined as an independent and objective review of the Climate Bond (the Bond) in question, 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 and Corrective Actions Requests, presented in Appendix A. Taking into account this output, the Bond issuer has 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/003/2015 | Subject Group: Climate Bonds |
| Project title: Southam Solar Farm Ltd. | |
| Work carried out by: Flavio Gomes - Team Leader James Boanpong - Technical Specialist | |
| Internal Technical Review carried out by: Murray Sayce | |
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Work approved by:
Murray Sayce

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1. INTRODUCTION

Belectric Solar Ltd. has commissioned Bureau Veritas Certification to validate its Climate Bond project Southam Solar Farm Ltd. (hereafter called “the Project”) at Southam, Warwickshire, 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 against 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 process where the Validation Team will document how a particular requirement has been addressed 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 as submitted by Belectric Solar Ltd. and additional background documents related to the project design were reviewed in full.

2.2. On-site Inspection

On 01/05/2015 Bureau Veritas Certification performed an on-site inspection to confirm selected information and to resolve issues identified as a result of the document review. Representatives of Belectric Solar Ltd. were interviewed as part of the site visit.

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 stated 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 **2 CLs**.

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



3.1. Project Nomination

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

A final version of the Bond invitation document was sent on 07/04/2015. The Validation Team evaluated this and confirms the right nomination of the project, hence 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 has not been nominated in a previous Climate Bond. This was confirmed by examining the last version of the Climate Bonds labeled green bonds data.

3.2. Use of Proceeds

Allocation of proceeds/funds could not be verified at the document review stage as the Bond had not been issued yet and therefore there were no proceeds to be allocated.

However, the Validation Team was provided with the following information:

- 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 documentation and concluded that Rockfire is responsible for administration of the Bond and acts 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.

Regarding the investment in the Nominated 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 £6,001,500.



3.3. Non-Contamination

Although the allocation of proceeds/funds could not be verified at the document review stage, as the Bond was not yet issued at this stage (refer to section 3.2), the final version of the Bond invitation document defines that the funds will be allocated to the Nominated Project only. Therefore, no contamination is 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 to be not applicable as the investment in the Nominated Project is known and clearly defined in the Bond invitation document.

3.4. Environmental and Social Integrity

Bureau Veritas has verified Southam Solar Farm Ltd Solar Power plant installation at The Elms, Plough Lane, Bishops Itchington, Southam CV47 2QG satisfied that they have 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 Southam 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 has been granted for the construction of a solar farm (approximately 10.388 mWp) on 29 hectares of land and associated infrastructure including 1 x transfer station, 1 x collecting station, 4 x double inverter platforms, 2 x energy storage containers, 2 x storage containers, pole mounted CCTV cameras, 2m high security fencing and temporary construction compound and access track, for connection to the local electricity distribution network and ecological and landscape enhancement measures.

The Planning permission was granted and valid from 27 November 2014 to develop a ground mounted solar farm to generate up to 10.388MWp of electricity with associated infrastructure.

Below is the application reference and date of decision.

Application Reference No: 14/02341/FUL

Date of Decision: 27 November 2014

For the purpose of this certification report not all the planning permission conditions are stated.

In accordance with paragraphs 186 and 187 of the National Planning Policy Framework (NPPF), the Council takes a positive and proactive approach to development proposals focused on solutions. The Local Planning Authority has worked closely with the applicant Southam Solar Farm Ltd in a positive and proactive manner in order to secure sustainable development which will improve the economic, social and environmental conditions of the area.



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.

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 the Climate Bond Certification Mark in association with the relevant Bond (but no others) for the duration of the Bond term, provided that the Bond 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 bond holders 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 Validation Team can confirm that Southam Solar Farm Ltd power plant project will achieve resource efficiency consistent with avoiding dangerous climate and will contribute to Low-Carbon Economy and are therefore eligible to be financed by Climate Bond.

The electricity generated from this facility is hundred (100%) derived from solar energy sources and has a dedicated transmission infrastructure to supply power generated to the grid.

The yield assessment report prepared by Sgurr Energy Ltd.



Date: March 2015

Report ref: 15/6248/001/GLA/R/001

Sgurr Energy Ltd was commissioned by Southam Solar Farm Ltd (the Client) to carry out an independent energy yield prediction for a proposed 10.3 MWp solar photovoltaic (PV) power plant to be constructed in Warwickshire, England (the Project). The energy yield analysis presented in the report was based on information provided by Southam Solar Farm Ltd

The energy yield assessment was undertaken for a plant design utilising First Solar photovoltaic (PV) modules and SMA Sunny Central inverters. The yield prediction was performed using TMY data from the SolarGIS database. Industry standard modeling software was used to calculate a number of loss factors according to the plant design and equipment characteristics.

The report presents the expected electricity yield of the Southam Solar Farm Ltd Solar PV plant.

The annual average global irradiation at the site on a horizontal plane is 1008 kWh/m². An initial average annual specific yield of 961 kWh/kWp was predicted.

The expected annual yield based on the system dimensions on average was predicted to be 9,935 mWh for the first year and expected performance ratio of the system for the first year to be 85.4 %.

The report demonstrated a typical relative accuracy of measurements at a meteorological station by a well-maintained pyranometer to be 2% to 5%. This represents the upper limit in the accuracy of resource data obtained through meteorological stations. The annual uncertainty for the site location was estimated to be 3.5% by GeoModel Solar S.R.O.

Based on the excellent calculated and predictions we anticipate that the annual predicted value of 9,935 mWh for the first year is most likely to be achieved.

In general the verification process has established that Southam Solar Farm Ltd has met the Climate Bond requirements at section 8.

3.10. Traceability

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

3.11. Project Holding

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

3.12. Confidentiality

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



3.13. Settlement Period

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

3.14. Ring-Fenced Cost Centres

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

4. VALIDATION OPINION

Bureau Veritas Certification has performed a validation of the Southam Solar Farm Ltd., constructed by Belectric Solar Ltd., which is located in the village of Southam, 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/ *Southam Solar Farm Ltd. planning permission;*
- /5/ *Yield assessment report prepared by Sgurr Energy Ltd.*



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 specifies Southam Solar Farm 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 Southam Solar Farm PLC. | CL2 | 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. A letter from the bond manager Rockfire, confirms that it is: | OK | OK |



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| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|--|--|-------------|-------------|
| | <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. <p>A Rockfire's engagement letter to Big60Million Ltd dated 14/03/2014 outlines the above mentioned functions in more detail.</p> <p>This combination of roles provides the required "tracking system" that will ensure allocated proceeds are being used (earmarked) for the assets claimed. However, the Validation Team recommends that once proceeds exist, a review should be made to confirm this has happened.</p> | | |
| 2.2. What is the original issuance amount of the Climate Bond? | £6,001,500, as per Bond Invitation Document. | OK | OK |
| 2.3. What is the investment in the Nominated Project(s)? | 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 caps the investment in the Nominated Project to the maximum bond subscription of £6,001,500. | OK | OK |
| 2.4. What is the Fair Market Value of the Nominated | £12,660,000 pounds, as per Report and Valuation Prepared by Savills (03/03/2015), | OK | OK |



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| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|---|---|-------------|-------------|
| Project(s)? | produced under RICS Red Book. | | |
| 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? | No | OK | 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).) | <p>The Bond Invitation Document defines that the proceeds will be allocated to the Nominated Project.</p> <p>A letter from the bond manager Rockfire, confirms that it is:</p> <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. <p>A Rockfire's engagement letter to Big60Million Ltd dated 14/03/2014 outlines the above mentioned functions in more detail.</p> <p>This combination of roles provides the required "tracking system" that will ensure allocated proceeds are being used (earmarked) for the assets claimed.</p> | OK | OK |



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| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|--|---|-------------|-------------|
| | However, the Validation Team recommends that once proceeds exist, a review should be made to confirm this has happened. | | |
| 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 treasury or other mixed-funds pool? | Not applicable in this case as the investment in the Nominated Project is known. | - | - |
| 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? | The Validation Team can confirm that Southam Solar Farm Ltd. operates in accordance with relevant environmental and social laws and regulations. APPLICATION REF: 14/02341/FUL DATE OF DECISION: 27/11/2014 | OK | OK |
| 4.2. Has the issuer publicly disclosed to Climate Bond holders whether they and/or the Nominated Project(s) | On page 18 of the Bond Invitation Document it is stated that "The site was constructed | OK | OK |



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| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|--|--|-------------|-------------|
| financed, or to be financed, adhere to environmental, social and governance standards and best practices? | 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. | | |
| 4.3. If yes, which ones? | Refer to 4.2. | - | - |
| 5. Verification | | | |
| 5.1. Has the Climate Bond issuing organisation 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, Belectric has issued a Purchase Order (102303) engaging Bureau Veritas Certification as its third-party Verifier. | OK | OK |
| 5.2. Has the Climate Bond issuing organisation 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 contract between Belectric 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 | - | - | - |



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| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|--|---|-------------|-------------|
| following? | | | |
| 8.2.1. The development and construction of wind farms. | Not applicable. | - | - |
| 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 report was prepared by Sgurr Energy Ltd: Date: March 2015 Report ref: 15/6248/001/GLA/R/001</p> <p>The energy yield analysis presented in the report was based on information provided by Southam Solar Farm Ltd.</p> <p>The energy yield assessment was undertaken for a plant design utilising First Solar photovoltaic (PV) modules and SMA Sunny Central inverters.</p> <p>The yield prediction was performed using TMY data from the SolarGIS database. Industry standard modelling software was used to calculate a number of loss factors according to the plant design and equipment characteristics.</p> <p>The report presents the expected electricity yield of the Southam Solar Farm Ltd Solar PV plant.</p> <p>The annual average global irradiation at the</p> | | |



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| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|--|---|-------------|-------------|
| | <p>site on a horizontal plane is 1,008 kWh/m². An initial average annual specific yield of 961 kWh/kWp was predicted.</p> <p>The expected annual yield based on the system dimensions on average was predicted to be 9,935 MWh for the first year and expected performance ratio of the system for the first year to be 85.4 %.</p> <p>The uncertainty of the models and calculation steps with respect to the average specific yield and average yield is estimated to be 3.5%.</p> <p>The actual system yield was verified during physical inspection of the plant on 01/05/2015.</p> <p>Based on the current yield we anticipate that the annual predicted value of 9,935 mWh for the first year is most likely to be met.</p> | | |
| 8.4. If yes, do the projects include one or more than the following? | - | - | - |
| 8.4.1. 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 |
| 8.4.2. 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 |
| 8.5. Do the solar electricity generation facilities use non- | Use of non-solar fuel for gas-fired back up was not evident during the on-site | OK | OK |



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| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|--|---|-------------|-------------|
| solar fuel for gas-fired back up? | inspection. | | |
| 8.6. 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. | - | - |
| 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 | Not applicable as this is a Project | - | - |



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| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|--|---|-------------|-------------|
| in Climate Bond compliant projects not otherwise nominated for a specific Climate Bond issuance? and/or | 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 organisation 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 | | | |
| 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 | Not applicable as this is a Project | - | - |



 VALIDATION REPORT

| CHECKLIST QUESTION | COMMENTS | Draft Concl | Final Concl |
|--|---|-------------|-------------|
| Verifier and to members of the Climate Bond Standard Board? | 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. | - | - |

**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 07/04/2015. 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. | By examining the last version of the Climate Bonds labeled green bonds data, it is concluded that the nominated project is not nominated in a previous Climate Bond. |