

**CLEAN DEVELOPMENT MECHANISM  
PROJECT DESIGN DOCUMENT FORM (CDM-SSC-PDD)  
Version 03 - in effect as of: 22 December 2006**

**CONTENTS**

- A. General description of the small scale project activity
- B. Application of a baseline and monitoring methodology.
- C. Duration of the project activity / crediting period
- D. Environmental impacts
- E. Stakeholders' comments

**Annexes**

- Annex 1: Contact information on participants in the proposed small scale project activity
- Annex 2: Information regarding public funding
- Annex 3: Baseline information
- Annex 4: Monitoring Information

CDM – Executive Board

**Revision history of this document**

| <b>Version Number</b> | <b>Date</b>      | <b>Description and reason of revision</b>  |
|-----------------------|------------------|--|
| 01                    | 21 January 2003  | Initial adoption   |
| 02                    | 8 July 2005      | <ul style="list-style-type: none"><li>• The board agreed to revise the CDM SSC PDD to reflect guidance and clarifications provided by the Board since version 01 of this document.</li><li>• As a consequence, the guidelines for completing CDM SSC PDD have been revised accordingly to version 2. The latest version can be found at <a href="http://cdm.unfccc.int/Reference/Documents">http://cdm.unfccc.int/Reference/Documents</a>.</li></ul> |
| 03                    | 22 December 2006 | <ul style="list-style-type: none"><li>• The Board agreed to revise the CDM project design document for small-scale activities (CDM-SSC-PDD), taking into account CDM-PDD and CDM-NM.</li></ul>   |

CDM – Executive Board

**SECTION A. General description of small-scale project activity:****A.1 Title of the small-scale project activity:**

“Wind Power Project in Rajasthan, India by M/s Devki Builders Pvt. Ltd.”

Version: 1

Date : 08/06/2010

**A.2 Description of the small-scale project activity:**

The project activity consists of four Wind Turbine Generators (WTGs) of 1.5 MW capacities at Bastwa Mataji village, Jodhpur district, Rajasthan set up by M/s Devki Builders Pvt. Ltd. (hereafter DBPL or project participant). The project is a CDM project activity.

The project has been commissioned on 30/09/2009. The power generated is being exported to Jaipur Vidut Vitaran Nigam Limited (hereafter JVVNL).

**Purpose of the project activity:**

The main purpose of the project activity is to generate electricity using wind energy. The power thus generated would be supplied to the state electricity grid and replace the power generated by fossil fuel intensive thermal power plants thus mitigating GHG emissions.

The electricity generation from the project activity will contribute to GHG reductions estimated at 1,04,760 tCO<sub>2</sub>e over a period of 10 years, although the project life is envisaged as 20 years. The project activity can evacuate approximately 11,563 MWh of renewable power annually to the power deficit NEWNE grid.

**Contribution of project activity to sustainable development:**

Indian economy is highly dependent on “Coal” as fuel to generate energy and for production processes. Thermal power plants are the major consumers of coal in India and yet the basic electricity needs of a large section of population are not being met.

This results in excessive demands for electricity and places immense stress on the environment. Changing coal consumption patterns will require a multi-pronged strategy focusing on demand, reducing wastage of energy and the optimum use of Renewable Energy (RE) sources.

Government of India has stipulated following indicators for sustainable development in the interim approval guidelines<sup>1</sup> for CDM projects.

1. Social well-being

The proposed project activity leads to alleviation of poverty by establishing direct and indirect employment benefits occurring out for manufacturing towers, for erecting the WEGs and for maintenance during operation of the project activity. The infrastructure in and around the project area will also improve due to project activity. This includes development of road network and

<sup>1</sup> Ministry of Environment and Forests web site: [http://envfor.nic.in:80/divisions/ccd/cdm\\_iac.html](http://envfor.nic.in:80/divisions/ccd/cdm_iac.html)

## CDM – Executive Board

improvement of the quality of electricity in terms of its availability and frequency as the generated electricity is fed into a deficit grid.

## 2. Economic well-being

The project activity leads to an investment of about INR 3445 lacs to a developing region which otherwise would not have happened in the absence of the project activity. The generated electricity is fed into the NEWNE grid through local grid, thereby improving the grid frequency and availability of electricity to the local consumers (villagers and sub-urban habitants) thereby resulting in greater local employment, ultimately leading to overall development. The project activity also leads to diversification of the national energy supply, which is dominated by conventional fuel based generating units.

## 3. Environmental well-being

The project utilizes wind energy for generating electricity which otherwise would have been generated through alternate fuels (most likely - fossil fuel) based power plants, thereby contributing to the reduction in specific emissions (emissions of pollutant/unit of energy generated) including GHG emissions. As wind power projects produce no end products in the form of solid waste (ash etc.), they address the problem of solid waste disposal encountered by most other sources of power. Being a renewable source, using wind energy to generate electricity contributes to resource conservation. Thus the project causes no negative impact on the surrounding environment contributing to environmental well-being.

## 4. Technological well-being

The project activity leads to the promotion of WEGs into the region, demonstrating the success of wind turbines, which feed the generated power into the nearest sub-station, thus increasing energy availability and improving quality of power under the service area of the substation. Hence, the project leads to technological well-being.

**A.3 Project participants:**

| Name of Party involved (*) ((host) indicates a host Party)   | Private and/or public entity(ies) project participants (*) (as applicable)                      | Kindly indicate if the Party involved wishes to be considered as project participant (Yes/No) |
|--|---|---|
| India (host).  | <ul style="list-style-type: none"> <li>Private entity - M/s Devki Builders Pvt. Ltd.</li> </ul> | No  |
| (*) In accordance with the CDM modalities and procedures, at the time of making the CDM-PDD public at the stage of validation, a Party involved may or may not have provided its approval. At the time of requesting registration, the approval by the Party (ies) involved is required. |   |   |

Please refer Annex I for contact detail.

**A.4 Technical description of the small-scale project activity:****A.4.1 Location of the small-scale project activity:****A.4.1.1 Host Party (ies):**

India

CDM – Executive Board

**A.4.1.2 Region/State/Province etc.:**

Rajasthan

**A.4.1.3 City/Town/Community etc:**

Village : Bastwa Mataji  
 Taluka : Dharampur  
 District : Jodhpur  
 State : Rajasthan

**A.4.1.4 Details of physical location, including information allowing the unique identification of this small-scale project activity:**

|                           |               |               |               |               |
|---------------------------|---------------|---------------|---------------|---------------|
| Capacity                  | 1.5 MW        | 1.5 MW        | 1.5 MW        | 1.5 MW        |
| Model                     | S-82          | S-82          | S-82          | S-82          |
| Unique identification No. | RKBNL6        | RKB083        | RKB088        | RKB089        |
| Survey No.                | RKB           | RKB           | RKB           | RKB           |
| Village                   | Bastwa Mataji | Bastwa Mataji | Bastwa Mataji | Bastwa Mataji |
| Taluka                    | Dharampur     | Dharampur     | Dharampur     | Dharampur     |
| District                  | Jodhpur       | Jodhpur       | Jodhpur       | Jodhpur       |
| State                     | Rajasthan     | Rajasthan     | Rajasthan     | Rajasthan     |
| Commissioning Date        | 30/09/2009    | 30/09/2009    | 30/09/2009    | 30/09/2009    |
| Latitude                  | N26 27 38.5   | N26 30 18.0   | N26 31 23.7   | N26 31 35.0   |
| Longitude                 | E72 29 21.4   | E72 33 53.2   | E72 34 11.8   | E72 34 05.4   |

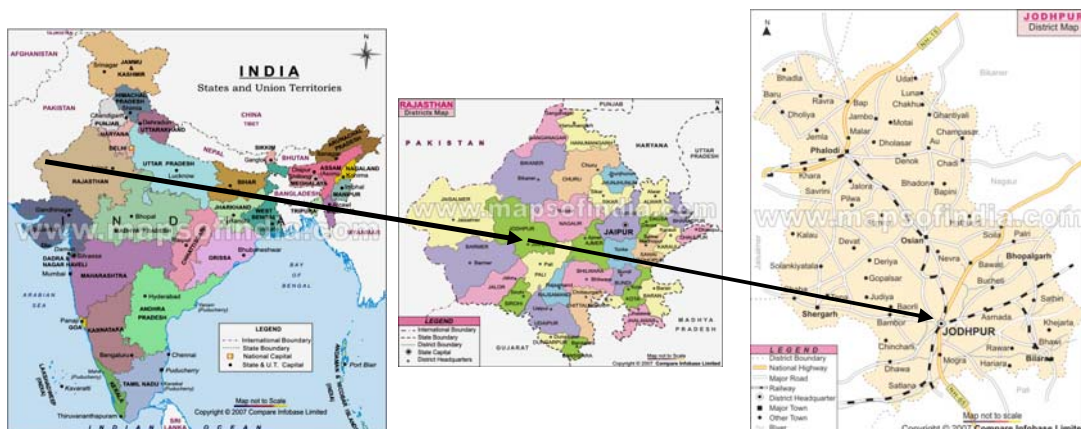
**Geographical Location:**

Figure 01, Location Map

**A.4.2 Type and category (ies) and technology/measure of the small-scale project activity:**

As defined under Appendix B<sup>2</sup> of the simplified modalities and procedures for small-scale CDM project activities, the project activity proposes to apply following project types and categories:

**Type : I – Renewable Energy Projects**

**Category : I.D – Grid connected renewable electricity generation (Version 16)**

In wind energy generation, kinetic energy of wind is converted into mechanical energy and subsequently into electrical energy. Wind has considerable amount of kinetic energy when blowing at high speeds. This kinetic energy when it passes through the blades of the wind turbines, it is converted into mechanical energy and rotates the wind blades. When the wind blades rotate, the connected generator also rotates, thereby produce electricity.



Figure 02, Major Mechanical Parts of a Wind Turbine

The technology used in this project is safe, sound and a clean technology, since no green house gas (GHG) emissions associated with the electricity generation. The project installs 4 no. (S-82) Suzlon make WEG of 1.5 MW capacity. Salient features of S-82 WEG are as follows.

**Table-1: Salient Features of 1.5 MW (S-82) WEG**

| Sr. No. | Particulars                 | Specifications                                |
|---------|-----------------------------|---|
| 1.      | Rotor diameter              | 82 m  |
| 2.      | Hub height                  | 78 m  |
| 3.      | Installed electrical output | 1500 kW                                       |
| 4.      | Cut-in wind speed           | 4.0 m/s                                       |
| 5.      | Rated wind speed            | 12.0 m/s                                      |
| 6.      | Cut-out wind speed          | 20 m/s  |
| 7.      | Rotor swept area            | 5281 m <sup>2</sup>                           |
| 8.      | Rotational speed            | 16.3 rpm                                      |
| 9.      | Rotor material              | GRP   |
| 10.     | Power regulation            | Independent electrochemical pitch             |
| 11.     | Generator                   | Asynchronous Generator, 4 pole with slip ring |
| 14.     | Operating voltage           | 690 V   |
| 15.     | Frequency                   | 50 Hz   |
| 16.     | Enclosure class             | IP 54   |
| 17.     | Insulation class            | H   |
| 18.     | Slip control                | Unique Macro slip providing slip up to 16.7 % |

<sup>2</sup> <http://cdm.unfccc.int/Projects/pac/ssclistmeth.pdf>

## CDM – Executive Board

|     |                   |  |
|-----|-------------------|--|
| 19. | Gear box          | 3-stage gearbox, 1 planetary & 2 helical |
| 20. | Gear ratio        | 1:95.09                                  |
| 21. | Nominal load      | 1650 kW                                  |
| 22. | Type of cooling   | Oil cooling system, Forced lubrication   |
| 23. | Yaw drive system  | Active electrical yaw motors             |
| 24. | Yaw bearing       | Polyamide slide bearing                  |
| 25. | Aerodynamic brake | 3 independent system with blade pitching |
| 26. | Mechanical brake  | Hydraulic disc brake                     |
| 27. | Design standards  | GL special class                         |

This wind project will help to decrease the dependence on fossil fuels for power generation and thus lower air pollution due to SOx/ NOx emissions. The project has also lead to infrastructural development in the areas around the WEGs.

**A.4.3 Estimated amount of emission reductions over the chosen crediting period:**

The Crediting Period of a CDM project is the period for which the CDM Project can generate Certified Emission Reductions (CERs.)

| Years  | Estimation of annual emission reductions in tonnes of CO <sub>2</sub> e |
|--|---|
| 2010-11  | 10,667  |
| 2011-12  | 10,667  |
| 2012-13  | 10,667  |
| 2013-14  | 10,667  |
| 2014-15  | 10,667  |
| 2015-16  | 10,667  |
| 2016-17  | 10,667  |
| 2017-18  | 10,667  |
| 2018-19  | 10,667  |
| 2019-20  | 10,667  |
| <b>Total estimated reductions (tonnes of CO<sub>2</sub> e)</b>                                   | <b>1,06,670</b>   |
| <b>Total number of crediting years</b>   | <b>10</b>   |
| <b>Annual average of the estimated reductions over the crediting period (t CO<sub>2</sub> e)</b> | <b>10,667</b>   |

**A.4.4 Public funding of the small-scale project activity:**

No Official Development Assistance (ODA) involved.

**A.4.5 Confirmation that the small-scale project activity is not a de-bundled component of a large scale project activity:**

According to paragraph 2 of Appendix C to the Simplified Modalities and Procedures for Small-Scale CDM project activities (FCCC/CP/2002/7/Add.3), a small-scale project is considered a de-bundled component of a large project activity if there is a registered small-scale activity or an application to register another small-scale activity:

- *With the same project participants*
- *In the same project category and technology*
- *Registered within the previous two years; and*

## CDM – Executive Board

- *Whose project boundary is within 1 km of the project boundary of the proposed small scale activity at the closest point*

The proposed project is DBPL's first wind power project. With reference to points of de-bundling, none of the aforementioned conditions are applicable to the project activity and therefore, the project activity is not considered as a component of large project activity and is a small scale CDM project activity.

Therefore, the proposed project is not a de-bundled component of a larger CDM project activity.

**SECTION B. Application of a baseline and monitoring methodology**
**B.1 Title and reference of the approved baseline and monitoring methodology applied to the small-scale project activity:**

Project has applied approved methodology available for small-scale CDM project at UNFCCC under Appendix B of the simplified modalities and procedures for small-scale CDM project activities.

**Title** : AMS I.D – Grid connected renewable electricity generation – (Version 16)

**Reference:**

<https://cdm.unfccc.int/UserManagement/FileStorage/TENOK8BM5U3AJI HQZ69YS7CPVDXG41>

**Tool** : Tool to calculate the emission factor for an electricity system, Version 2.0 (EB 50, Annex 14)

**B.2 Justification of the choice of the project category:**

The project is a renewable energy project generating electricity (Type ID) – the monitoring methodology and baseline are selected here as suggested in the document 'Simplified Modalities and Procedures for Small-Scale CDM project activities'

As defined under Appendix B3 of the simplified modalities and procedures for small-scale CDM project activities, the project activity proposes to apply following project types and categories:

- **Sectoral Scope** : 01
- **Type** : I – Renewable Energy Projects
- **Project Category** : I.D. – Grid connected renewable electricity generation
- **Reference**<sup>4</sup> : AMS I.D, Version 16

Requirements with respect to technology/measure under AMS I.D. – Grid connected renewable electricity generation.

<sup>3</sup> <http://cdm.unfccc.int/methodologies/SSCmethodologies>

<sup>4</sup> <http://cdm.unfccc.int/UserManagement/FileStorage/7QXAZ5036WN8BEYKUDFRPJGL21V4I9>



## CDM – Executive Board

| Sr No | Category  | Justification  |
|-------|---|--|
| 1     | <i>This category comprises renewable energy generation units, such as photovoltaics, hydro, tidal/wave, wind, geothermal and renewable biomass, that supply electricity to a national or a regional grid. Project activities that displace electricity from an electricity distribution system that is or would have been supplied by at least one fossil fuel fired generating unit shall apply AMS I.F.</i>   | The project activity is renewable electricity generation from wind. Project activity which will supply electricity to the Integrated NEWNE grid.                 |
| 2     | <i>This methodology is applicable to project activities that (a) install a new power plant at a site where there was no renewable energy power plant operating prior to the implementation of the project activity (Greenfield plant); (b) involve a capacity addition ;(c) involve a retrofit of (an) existing plant(s); or (d) involve a replacement of (an) existing plant(s)</i>  | Not applicable   |
| 3     | <i>Hydro power plant with reservoirs that satisfy at least one of the following conditions eligible to apply this methodology:<br/>The project activity is implemented in an existing reservoirs with no change in the volume of reservoir;<br/>The project activity is implemented in an existing reservoir is increased and the power density of the project activity, as per definitions given in the project emission section, is greater than 4W/m<sup>2</sup><br/>The project activity results in new reservoirs and the power density of the power plant, as per definitions given in the Project Emissions section, is greater than 4W/m<sup>2</sup>.</i> | This is not applicable to the project activity, as the project activity is not a hydro power plant.  |
| 4     | <i>In the case of biomass power plants, no other biomass types than renewable biomass are to be used in the project plant.</i>  | Not applicable   |
| 5     | <i>If the new unit has both renewable and non-renewable components (e.g. a wind/diesel unit), the eligibility limit of 15 MW for a small-scale CDM project activity applies only to the renewable component. If the unit co-fires fossil fuel, the capacity of the entire unit shall not exceed the limit of 15 MW.</i>   | Not applicable, As this project activity is 6 MW (1.5 MW X 4 No.) (< 15 MW) wind power (renewable energy) project and does not have any non-renewable component. |
| 6     | <i>Combined heat and power (co-generation) systems are not eligible under this category.</i>  | Project activity is not a co-generation project.   |
| 7     | <i>In the case of project activities that involve the addition of renewable energy generation units at an existing renewable power generation facility, the added capacity of the units added by the project should be lower than 15 MW and should be physically distinct from the existing units.</i>  | Not applicable, this is a newly installed wind energy generation project and not capacity enhancement project.   |
| 8     | <i>In the case of retrofit or replacement, to qualify as a small scale project, the total output of the retrofitted or replacement unit shall not exceed the limit of 15 MW.</i>  | Not applicable, No retrofits and/or replacement are involved in this project activity.   |

The project activity is a small scale activity as the capacity is 6 MW (1.5 MWX 4 No.) which is less than 15 MW ceiling capacity for the project to be considered under small scale activity as per the simplified modalities and procedures of the UNFCCC and the capacity of project activity will remain same for the entire crediting period. This category comprises renewable energy, including wind power, which supplies electricity to an electricity distribution system (grid) where the major part of electricity comes from non-renewable electricity generation. Project activity utilizes wind for power generation and exports the generated electricity to the grid hence, Type I.D is justified.

### B.3 Description of the project boundary:

As specified in the para 9 of applicable methodology AMS I.D (Version 16), “The physical, geographical site of the renewable generation source delineates the project boundary”. For the project activity, the project boundary starts from generation of electricity to the point of electricity supply to the grid interconnection point. The entire electricity generated from the project is being exported to the NEWNE grid. Thus project boundary covers WTG, transformer, sub-station and grid.. However, for the purpose of calculation of baseline emission, local electricity grid has also been included in the boundary.

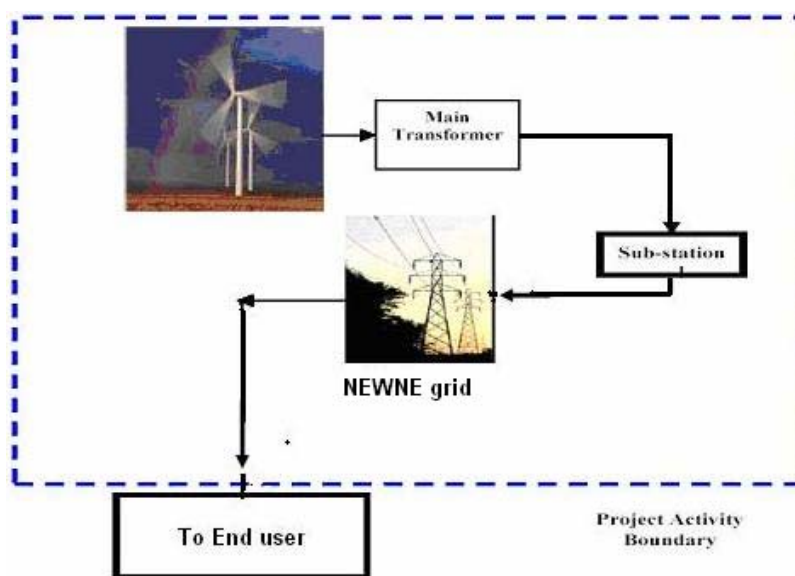


Figure 03, Project Boundary

### B.4 Description of baseline and its development:

As per Para 10 of methodology AMS I.D. (Version16, EB 54) if the project activity is the installation of a new grid-connected renewable power plant/unit, the baseline scenario is the electricity delivered to the grid by the project activity that otherwise would have been generated by the operation of grid-connected power plants and by the addition of new generation sources.

For the present project activity as per para 11 of methodology AMS I.D. baseline emissions are the product of electrical energy  $EG_{BL,y}$  expressed in MWh of electricity produced by the renewable generating unit multiplied by the grid emission factor.

The emission factor can be calculated in a transparent and conservative manner as follows:

## CDM – Executive Board

a) A Combined margin (CM), consisting of the combination of operating margin (OM) and build margin (BM) according to the procedures prescribed in the “Tool to calculate the emission factor for an electricity system”.

OR

b) The weighted average emissions (in t CO<sub>2e</sub>/MWh) of the current generation mix. The data of the year in which project generation occurs must be used.

The key parameters and data sources are furnished below:

| Key Parameter   | Value   | Data Source  | Website  |
|---|---|--|--|
| EF <sub>grid,CM,y</sub> (Ex-ante and will not change throughout the crediting period) | Baseline emission factor for the NEWNE grid - 0.923 tCO <sub>2</sub> / MWh. | CEA published baseline emission factor for NEWNE region grid (CM). | <a href="http://www.cea.nic.in">www.cea.nic.in</a> |
| EGy   | Net electricity supplied by project activity to the grid.                   | From Plant and State Electricity Board Records.                    | -----  |

The emission factor, calculated based on the data published by CEA<sup>5</sup> for the latest year.

|   |
|---|
| <p><b>B.5 Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered <u>small-scale</u> CDM project activity:</b></p> |
|---|

UNFCCC simplified modalities seek to establish additionality of the project activity as per Attachment A to Appendix B, which listed various barriers, out of which, at least one barrier shall be identified due to which the project would not have occurred any way. Project participants identified Investment barrier for the proposed project activity. The additionality of this proposed wind power project is in accordance with Attachment A to Appendix B.

**Investment Barrier:**

Return from the project activity in absence of CDM, is not adequate to justify the investment. This is substantiated by the investment analysis carried out for the project activity:

**Investment Analysis:**

The investment analysis for this project activity is done as per the Methodological Tool – “Tool for the demonstration and assessment of additionality”, (Version- 05.2, Annex- 10, EB- 39).

As per this tool, it is to be determined that the project activity is not:

1. The most economically or financially attractive; or
2. Economically or financially feasible, without the revenue from the sale of certified emission reductions.

Applying sub-steps:

<sup>5</sup> <http://cea.nic.in/planning/c%20and%20e/Government%20of%20India%20website.htm>

**Sub-step 2a: Determine appropriate analysis method**

*(1) Determine whether to apply simple cost analysis, investment comparison analysis or benchmark analysis (Sub-step 2b). If the CDM project activity and the alternatives identified in Step 1 generate no financial or economic benefits other than CDM related income, then apply the simple cost analysis (Option I). Otherwise, use the investment comparison analysis (Option II) or the benchmark analysis (Option III).*

The project activity is selling the generated electricity to RVPNL & is getting revenue from RVPNL other than CDM benefits. Further, As per paragraph 16, if the alternative to the project activity is the supply of electricity from a grid this is not to be considered an investment and a benchmark approach is considered appropriate. Hence project promoter has considered Benchmark analysis to prove the additionality of the project.

**Sub-step 2b: Option III. Apply benchmark analysis**

Additionality Tool (Version 5.2) requires the PP to identify the financial indicator, such as IRR, NPV, cost benefit ratio, or unit cost of service (e.g. levelized cost of electricity production in \$/kWh or levelized cost of delivered heat in \$/GJ) most suitable for the project type and decision-making context. The project developer has chosen Project IRR to demonstrate the additionality of the project. Additionality Tool (Ver. 5.2) permits the use of Project IRR, for demonstrating the additionality using benchmark analysis. The tool permits the use of either project IRR or equity IRR. Since the project developer is demonstrating the financial unattractiveness of the project and that the project is financed by both Debt and Equity, Project IRR has been considered suitable benchmark.

**Benchmark**

As per Paragraph (6) of sub-step 2 (b) of Additionality Tool 5.2, discount rates or benchmark 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 paragraph 5 of additionality tool version 5.2] 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 promoters can demonstrate that the above Options are not applicable and their indicator is appropriately justified.

PP has considered the point (b) to derive the benchmark by using various sources of information relating to items.

## CDM – Executive Board

As per “Tool for the demonstration and assessment of additionality”, version 05.2, when applying 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.

As per para 12 of EB-51, annex 58, guidance of the assessment of investment analysis version 3, Local commercial lending rate is appropriate benchmark for a Project IRR.

Local commercial lending rate (i.e. Benchmark Prime Lending Rate declared by Reserve Bank of India) for five major banks, as on decision making period i.e. July 2009, was in the range of 11% to 12%<sup>6</sup>. Average BPLR of 11.50% is considered as benchmark for the project.

**Sub-step 2c: Calculation and comparison of financial indicators (only applicable to Options II and III):**

The financial indicator – Project IRR -is computed for a period of 20 years, corresponding to the lifetime a wind power project. The PP was considering installation of 5 WTG but due to land related problems he installed only 4 WTG's. Hence we have proved additionality in both situations i.e. at the time of decision making (Proposed) and after actual implementation (Actual).

The IRR for the project activity on the basis of conceptualization data comes to 8.71% and on actually installed wind mills it comes 9.30%. In both cases Project IRR is lower than the benchmark rate of 11.50%.

The foregoing data proves that the project was neither financially attractive at conceptualisation stage nor after actual implementation. In both the cases project is additional. However, the robustness of this conclusion was tested by subjecting critical parameters to reasonable variation as required under Annex 45 of EB 41. The results of the sensitivity analysis are given below:

**Sub-step 2d. Sensitivity analysis**

The Guidance on the Assessment of Investment Analysis (Version 03), paragraph 16, states that only variables, including the initial investment cost, that constitute more than 20% of either total project costs or total project revenues should be subjected to reasonable variation.

As per paragraph 17 of the same document:

*“As a general point of departure variations in the sensitivity analysis should at least cover a range of +10% and -10%, unless this is not deemed appropriate in the context of the specific project circumstances.”*

The different parameters that affect the viability of a wind power project are mentioned below:

| Parameters             | Comments   |
|------------------------|--|
| Electricity Generation | <i>This is the most important and critical parameter for any Power Project &amp; hence viability of the project will be affected by any fluctuation in this parameter. Sensitivity analysis has therefore been carried out for it.</i> |
| Project Cost           | <i>Sensitivity analysis has also been carried for this parameter and effect of 10% variation is estimated.</i>   |

<sup>6</sup> [http://rbidocs.rbi.org.in/rdocs/Wss/PDFs/4T\\_310709.pdf](http://rbidocs.rbi.org.in/rdocs/Wss/PDFs/4T_310709.pdf)

## CDM – Executive Board

|   |   |
|---|---|
| O & M Cost                                    | <i>This does not add to 20% of either total project cost or total project revenues and hence, sensitivity analysis has not been carried out for this parameter.</i> |
| Tariff Rate (Income from sale of electricity) | <i>As the tariff structure for the Rajasthan is fixed for a period of 20 years, sensitivity is not carried out for this parameter.</i>                              |

- The sensitivity analysis over conceptualisation project is as follows:

| Electricity Generation varied by | -10%  | -5%  | Base IRR | 5%   | 10%   |
|----------------------------------|-------|------|----------|------|-------|
| Project IRR                      | 6.91  | 7.85 | 8.71     | 9.54 | 10.35 |
| Project Cost Varied by           | -10%  | -5%  |          | 5%   | 10%   |
| Project IRR                      | 10.06 | 9.38 | 8.71     | 8.12 | 7.55  |

It can be seen from the above that with a 10% increase in generation for 20 consecutive years and decrease in cost of project by 10%, the IRR of the project is not crossing the benchmark selected for the project.

- The sensitivity analysis over actual implemented project is as follows:

| Electricity Generation varied by | -10%  | -5%  | Base IRR | 5%    | 10%   |
|----------------------------------|-------|------|----------|-------|-------|
| Project IRR                      | 7.52  | 8.44 | 9.30     | 10.10 | 10.88 |
| Project Cost Varied by           | -10%  | -5%  |          | 5%    | 10%   |
| Project IRR                      | 10.73 | 9.95 | 9.30     | 8.63  | 8.05  |

It can be seen from the above that with a 10% increase in generation for 20 consecutive years and decrease in cost of project by 10%, the IRR of the project is not crossing the benchmark selected for the project.

From above two tables, it is clear that the project activity is unattractive in the absence of CDM revenue. The promoter was aware of this fact and had considered this investment only in light of carbon credits benefit being available for this project.

The above paragraphs explain adequately that the proposed project activity was not a business as usual case for the project proponent. The inclusion of CDM income will help the project activity to cross the benchmark selected for the project. The project IRR with CDM Income comes to 11.63%, which is more than the benchmark selected for the project.

In actual implemented scenario Project IRR comes to 12.24%, which is again more than the benchmark selected for the project. Hence CDM income was felt necessary to mitigate financial risk associated with the project.

Hence, the project activity is additional in both stages i.e. conceptualization and actual implementation.

## Implementation timeline of CDM project activity

Based on the letter from Suzlon project proponent decided to proceed further in wind power project. The timeline of the activities are given below.

| Sr. No. | Activity | Date |
|---------|----------|------|
|---------|----------|------|

## CDM – Executive Board

|    |   |            |
|----|---|------------|
| 1. | Suzlon proposal for WTG                   | 15/07/2009 |
| 2. | Board Resolution                          | 25/07/2009 |
| 3. | Purchase Order release to Suzlon          | 16/08/2009 |
| 4. | DBPL appointed MITCON as a CDM consultant | 09/09/2009 |
| 5. | Date of Commissioning                     | 30/09/2009 |
| 6. | Stakeholder meeting                       | 29/10/2009 |
| 7. | Proposal from validator                   | 18/03/2010 |

M/s Devki Builders Pvt. Ltd had placed purchase order on 16/08/2009 which is after 02 August 2008. The project participant has already been intimated to a Host Party DNA and the UNFCCC secretariat in writing of the commencement of the project activity and of their intention to seek CDM status dated on 18<sup>th</sup> December 2009 which is within six months of the project activity start date.

**B.6 Emission reductions:****B.6.1 Explanation of methodological choices:****Emission reductions:**

Emission reductions are calculated as follows:

$$ER_y = BE_y - PE_y - LE_y$$

The project proponent wishes to use the  $EF_{grid, CM, y}$  calculated Ex-ante, and has fixed the same for the entire crediting period.

Baseline methodology for projects under Type I. Category ID has been detailed in paragraphs 10-16 (AMS I. D). Paragraph 11 of AMS I.D. applies to this project activity, which states that:

For all other systems, the baseline emissions are the product of electrical energy baseline  $EG_{BL,y}$  expressed in MWh of electricity produced by the renewable generating unit multiplied by the grid emission factor.

The emission factor can be calculated in a transparent and conservative manner as follows:

- (a) A combined margin (CM), consisting of the combination of operating margin (OM) and build margin (BM) according to the procedures prescribed in the 'Tool to calculate the emission factor for an electricity system'

OR

- (b) The weighted average emissions (in t CO<sub>2</sub>e/MWh) of the current generation mix.  
The data of the year in which project generation occurs must be used

Calculations must be based on data from an official source (where available) and made publicly available.

In the above scenario PP has choice to either use Ex-ante emission factor which remains constant over the crediting period as per option (a) or use Ex-post emission factor which changes every year during crediting period as per option (b). Hence, PP decided to calculate & use the Ex-ante emission factor as per option (a).

## CDM – Executive Board

The baseline emission ( $BE_y$ ) is calculated as follows:

$$BE_y = EG_{BL,y} * EF_{CO_2,grid,y}$$

Where

- $BE_y$  : Baseline Emissions in year y (t CO<sub>2</sub>)  
 $EG_{BL,y}$  : Quantity of net electricity supplied to the grid as a result of the implementation of the CDM project activity in year y (MWh).  
 $EF_{CO_2,grid,y}$  : CO<sub>2</sub> emission factor of the grid in year y (t CO<sub>2</sub>/MWh).

$EF_{CO_2,grid,y}$  is determined as follows:

The weighted average of the Operating Margin emission factor ( $EF_{grid, OM, y}$ ) and the Build Margin emission factor ( $EF_{grid, BM, y}$ )

$$EF_{grid, CM, y} = EF_{grid, OM, y} * W_{OM} + EF_{grid, BM, y} * W_{BM}$$

For wind and solar projects, the default weights are as follows:  $W_{OM} = 0.75$  and  $W_{BM} = 0.25$  (owing to their intermittent and non-dispatchable nature) for the first crediting period and for subsequent crediting periods;

$$EF_{grid, CM, y} = EF_{grid, OM, y} * 0.75 + EF_{grid, BM, y} * 0.25$$

Where,

- $EF_{grid, OM, y}$  = Operating Margin CO<sub>2</sub> emission factor in year y (tCO<sub>2</sub>/MWh)  
 $EF_{grid, BM, y}$  = Build Margin CO<sub>2</sub> emission factor in year y (tCO<sub>2</sub>/MWh)  
 $W_{OM}$  = Weighting of operating margin emissions factor (%)  
 $W_{BM}$  = Weighting of build margin emissions factor (%)

The Combined Margin (CM) baseline emission factor ( $EF_{grid, CM, y}$ ) is calculated by using 'Tool to calculate the emission factor for an electricity system' version 2.0, EB 50 as follows:

$EG_{BL,y}$  will be calculated based on the import and export at the metering point as mentioned in B.7.1

### **Step 1. Identify the relevant electricity system**

As per the "Tool to calculate emission factor for an electricity system", if the DNA of the host country has Published a delineation of the project electricity system and connected electricity systems, these delineations should be used.

CEA has published a delineation of the electricity system. The Indian electricity system is divided into two grids, the Integrated Northern, Eastern, Western, and North-Eastern regional grids (NEWNE) and the Southern Grid.



## CDM – Executive Board

| NEWNE Grid       |                 |                      |                   | Southern Grid  |
|------------------|-----------------|----------------------|-------------------|----------------|
| Northern         | Eastern         | Western              | North-Eastern     | Southern       |
| Chandigarh       | Bihar           | Chhattisgarh         | Arunachal Pradesh | Andhra Pradesh |
| Delhi            | Jharkhand       | Gujarat              | Assam             | Karnataka      |
| Haryana          | Orissa          | Daman & Diu          | Manipur           | Kerala         |
| Himachal Pradesh | West Bengal     | Dadar & Nagar Haveli | Meghalaya         | Tamil Nadu     |
| Jammu & Kashmir  | Sikkim          | Madhya Pradesh       | Mizoram           | Pondicherry    |
| Punjab           | Andaman-Nicobar | Maharashtra          | Nagaland          | Lakshadweep    |
| Rajasthan        |                 | Goa                  | Tripura           |                |
| Uttar Pradesh    |                 |                      |                   |                |
| Uttarakhand      |                 |                      |                   |                |

Since the present project activity belongs to Rajasthan State, it falls under NEWNE grid of India

The relevant electricity system for the project activity is identified as follows;

The project electricity system includes the spatial extent from WEG location, transformer & transmission lines at WEG end. The generated electricity can be dispatched without significant transmission constraints as per the O & M agreement, transmission line (Grid availability) is operated at least 95% of its rated capacity for at least 95% of hours during the year (Machine availability).

The connected electricity system includes the transmission & distribution lines (evacuation facility) at substation & onwards where generated electricity is fed in to the Rajasthan state grid that is NEWNE grid.

As per the CEA database above project electricity system and the connected electricity system does not result in clear grid boundary. Hence the NEWNE grid which might be affected, directly or indirectly, by a CDM project activity is considered for as a relevant electricity system for the project activity.

The electricity of the project is physically connected through transmission & distribution lines of the respective state utility grid which comes under geographic scope of Northern grid of Indian power sector.

The Build margin emission factor is determining by considering the respective regional grid transmission capacity.

The Operating margin emission factor (Simple OM) is calculated as the generation weighted average of CO<sub>2</sub> emissions per unit net electricity generation (t CO<sub>2</sub>/MWh) of all generating power plants serving the system, not including low – cost/ must run power plant/units.(please refer below step 3 for detail calculation).

**Step 2: Choose whether to include off-grid power plants in the project electricity system (optional)**

Project participants may choose between the following two options to calculate the operating margin and build margin emission factor:

Option I: Only grid power plants are included in the calculation.

Option II: Both grid power plants and off-grid power plants are included in the calculation.

## CDM – Executive Board

PP has chosen the option I to calculate the operating margin and build margin emission factor.

**Step 3. Select a method to determine the operating margin (OM)**

The calculation of the operating margin emission factor ( $EF_{grid, OM, y}$ ) is based on one of the following methods:

- (a) Simple operating margin;
- (b) Simple adjusted operating margin;
- (c) Dispatch data analysis operating margin;
- (d) Average operating margin.

The simple OM method (option a) can only be used if low- cost/must-run resources constitute less than 50% of total grid generation in: 1) average of the five most recent years, or 2) based on long-term averages for hydroelectricity production.

The low cost/ must run resources constitute less than 50% of the total grid generation in the average of the five most recent years. (refer table below)

Share of Must-Run (% of Net Generation)<sup>7</sup> & <sup>8</sup>

| Regional Grid             | 2003-04      | 2004-05      | 2005-06*     | 2006-07      | 2007-08      | Average of last 5 years. |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------------------|
| North                     | 28.1%        | 26.8%        | 18.0%        | 18.5%        | 19.0%        | 20.65 %                  |
| East                      | 10.3%        | 10.5%        |              |              |              |                          |
| West                      | 9.1%         | 8.8%         |              |              |              |                          |
| North-East                | 41.9%        | 55.5%        |              |              |              |                          |
| NEW NE grid Average       | 22.35%       | 25.40%       | 18.0%        | 18.5%        | 19.0%        | 20.65 %                  |
| <b>South grid Average</b> | <b>16.2%</b> | <b>21.6%</b> | <b>27.0%</b> | <b>28.3%</b> | <b>27.1%</b> | <b>24.04 %</b>           |
| India                     | 17.1%        | 18.0%        | 20.1%        | 20.9%        | 21%          | 19.42                    |

\*As per the CEA'S latest baseline CO<sub>2</sub> baseline database for Indian Power sector User Guide version 05, page no. 04 Table 2 *Geographical scope of the two electricity grids*.

The above table clearly shows that the percentage of total grid generation by low-cost/must-run plants (on the basis of average of five most recent years) for the Northern grid is only 20.65 % which is much lesser than 50% of the total generation. Thus, Simple OM method can be used for calculating the emission factor.

**Step 4. Calculate the operating margin emission factor according to the selected method**

<sup>7</sup> <http://www.cea.nic.in/planning/c%20and%20e/Government%20of%20India%20website.htm> baseline CO<sub>2</sub> emission database version 05

<sup>8</sup> <http://www.cea.nic.in/planning/c%20and%20e/Government%20of%20India%20website.htm> Baseline CO<sub>2</sub> emission database version 05

## CDM – Executive Board

The simple OM emission factor is calculated as the generation-weighted average CO<sub>2</sub> emissions per unit net electricity generation (tCO<sub>2</sub>/MWh) of all generating power plants serving the system, not including low-cost/must-run power plants/units.

The simple OM may be calculated:

Option A: Based on data on fuel consumption and net electricity generation of each power plant / unit (Option A), or

Option A: Based on the net electricity generation and a CO<sub>2</sub> emission factor, of each power or

Option B: Based on the total net electricity generation of all power plants serving the system and the fuel types and total fuel consumption of the project electricity system.

Option B can only be used if:

- (a) The necessary data for Option A is not available; and
- (b) Only nuclear and renewable power generation are considered as low-cost/must-run power sources and the quantity of electricity supplied to the grid by these sources is known; and
- (c) Off-grid power plants are not included in the calculation (i.e., if Option I has been chosen in Step 2).

As the all three conditions for using above option B are applicable for the project, PP has chosen the option B for calculating the simple OM. The Central Electricity Authority (CEA) has calculated and published the simple operating margin emission factor, latest version is used for the simple operating margin emission factor.

Ex ante option: If the ex ante option is chosen, the emission factor is determined once at the validation stage, thus no monitoring and recalculation of the emissions factor during the crediting period is required. For grid power plants, use a 3-year generation-weighted average, based on the most recent data available at the time of submission of the CDM-SSC-PDD to the DOE for validation.

Hence, the published simple operating margin value for the full generation-weighted average for the most recent 3 years i.e. 2006-07, 2007-08 and 2008-09 for which data are available at the time of PDD submission is considered for calculating the ex-ante simple operation margin emission factor.

EF<sub>grid, OM, y</sub> Calculation approach

| The EF <sub>grid, OM, y</sub> for Northern region | tCO <sub>2</sub> /MWh |
|---|-----------------------|
| For the year 2006-2007                            | 1.008                 |
| For the year 2007-2008                            | 1.000                 |
| For the year 2008-2009                            | 1.007                 |
| <b>Average EF<sub>grid, OM, y</sub></b>           | <b>1.005</b>          |

**Step 5. Identify the group of power units to be included in the build margin**

As per the “Tool to calculate the emission factor for an electricity system” version 2.0, project participants should use the set of power units that comprises the larger annual generation.

For the vintage data PP has chosen the option 1 i.e. for the first crediting period, calculate the build margin emission factor ex-ante based on the most recent information available on units already built for sample group m at the time of CDM-PDD submission to the DOE for validation. For the second crediting period, the build margin emission factor should be updated based on the most recent

## CDM – Executive Board

information available on units already built at the time of submission of the request for renewal of the crediting period to the DOE. For the third crediting period, the build margin emission factor calculated for the second crediting period should be used. This option does not require monitoring the emission factor during the crediting period.

The value of the data has been taken from the data published by CEA as referred in earlier step. The details of the key assumptions considered to calculate the figure can be found in the CEA User Guide<sup>9</sup>.

**Step 6 Calculate the build margin emission factor**

The build margin emission factor of all the power units in the respective regional grid during the most recent year for which power generation data is available was calculated in line with the requirement under “Tool to calculate the emission factor for an electricity system” version 2.0, EB 50 & by published by the CEA CO<sub>2</sub> Baseline Database, the BM value for the year 2008-09 was considered for calculating the emission factor for an electricity system:

$$EF_{\text{grid, BM, y}} = 0.675 \text{ tCO}_2\text{e/MWh}$$

**Step 7. Calculate the combined margin emissions factor**

$EF_{\text{grid, CM, y}}$  is determined as follows:

The weighted average of the Operating Margin emission factor ( $EF_{\text{grid, OM, y}}$ ) and the Build Margin emission factor ( $EF_{\text{grid, BM, y}}$ ):

$$EF_{\text{grid, CM, y}} = EF_{\text{grid, OM, y}} * w_{\text{OM}} + EF_{\text{grid, BM, y}} * w_{\text{BM}}$$

For wind and solar projects, the default weights are as follows:  $w_{\text{OM}} = 0.75$  and  $w_{\text{BM}} = 0.25$  (owing to their intermittent and non-dispatchable nature).

$$\begin{aligned} EF_{\text{grid, CM, y}} &= EF_{\text{grid, OM, y}} \times 0.75 + EF_{\text{grid, BM, y}} \times 0.25 \\ &= 1.005 \times 0.75 + 0.675 \times 0.25 \\ &= 0.923 \text{ t CO}_2\text{/MWh} \end{aligned}$$

Thus, the CM emissions factor ( $EF_{\text{grid, CM, y}}$ ) for the project has been calculated to be:

$$EF_{\text{grid, CM, y}} = 0.923 \text{ t CO}_2\text{/MWh}$$

**Baseline Emission Factor: 0.923t CO<sub>2</sub>/MWh**

The project proponent wishes to use the Baseline Emission Factor calculated Ex-ante and has fixed the same for the entire crediting period.

**Project emissions:**

As per the paragraph no. 19 of AMS I. D version 16, for most renewable energy project activities,  $PE_y = 0$ .

**Leakage**

<sup>9</sup> [http://www.cea.nic.in/planning/c%20and%20e/user\\_guide\\_ver5.pdf](http://www.cea.nic.in/planning/c%20and%20e/user_guide_ver5.pdf) Page no.03 Para no. 2 & 3

## CDM – Executive Board

According to paragraph 20, of AMS I.D, version 16, the leakage is considered if the energy generating equipment is transferred from another activity.

As the project activity does not involve any such type of transfer of equipment no leakage is considered. i.e.  $LE_y = 0$ .

**B.6.2 Data and parameters that are available at validation:**

|   |   |
|---|---|
| <b>Data / Parameter:</b>  | <b>EF<sub>grid, CM, y</sub></b>   |
| Data unit:  | t CO <sub>2</sub> / MWh   |
| Description:  | Grid Emission Factor  |
| Source of data used:  | Calculated  |
| Value applied:  | 0.923 <sup>10</sup>   |
| Justification of the choice of data or description of measurement methods and procedures actually applied : | Central Electricity Authority (India) is a government body and data published is in line with the methodological requirement. |
| Any comment:  | Value is fixed for crediting period i.e. 10 years.  |

|   |   |
|---|---|
| <b>Data / Parameter:</b>  | <b>EF<sub>grid OM, y</sub></b>  |
| Data unit:  | t CO <sub>2</sub> / MWh   |
| Description:  | Operating Margin  |
| Source of data used:  | CEA – CDM - Carbon Dioxide baseline database Ver 5  |
| Value applied:  | 1.005   |
| Justification of the choice of data or description of measurement methods and procedures actually applied : | Central Electricity Authority (India) is a government body and data published is in line with the methodological requirement. |
| Any comment:  | Value is fixed for crediting period i.e. 10 years.  |

|   |   |
|---|---|
| <b>Data / Parameter:</b>  | <b>EF<sub>grid BM, y</sub></b>  |
| Data unit:  | t CO <sub>2</sub> / MWh   |
| Description:  | Build Margin  |
| Source of data used:  | CEA – CDM - Carbon Dioxide baseline database Ver 5  |
| Value applied:  | 0.675   |
| Justification of the choice of data or description of measurement methods and procedures actually applied : | Central Electricity Authority (India) is a government body and data published is in line with the methodological requirement. |
| Any comment:  | Value is fixed for crediting period i.e. 10 years.  |

**B.6.3 Ex-ante calculation of emission reductions:**

The baseline emissions are the product of electrical energy baseline  $EG_{BL, y}$  expressed in kWh of electricity produced by the renewable generating unit multiplied by an emission factor.

$$BE_y = EG_{BL, y} * EF_{CO_2, grid, y}$$

Where

- BE<sub>y</sub> : Baseline Emissions in year y (t CO<sub>2</sub>)  
 EG<sub>BL, y</sub> : Quantity of net electricity supplied to the grid as a result of the implementation of the CDM project activity in year y (MWh).

<sup>10</sup> <http://cea.nic.in/planning/c%20and%20e/Government%20of%20India%20website.htm>

## CDM – Executive Board

$EF_{CO_2,grid,y}$  : CO<sub>2</sub> emission factor of the grid in year y (t CO<sub>2</sub>/MWh).

Proposed Project activity is situated in Rajasthan. The grid emission factor for Rajasthan (which comes under NEWNE grid) is 0.923 t CO<sub>2</sub>/ MWh.

Generation from the WEGs is

| State  | Rajasthan |
|--|-----------|
| No of turbines                               | 4         |
| Capacity, kW                                 | 1500      |
| Net annual generation from the project, MWh  | 11563     |
| Plant Load Factor (%)                        | 22.0      |
| Grid   | NEWNE     |
| Grid emission factor, tCO <sub>2</sub> / MWh | 0.923     |
| Baseline emission, tCO <sub>2</sub> / yr.    | 10,667    |

Therefore total baseline emission = 10,667 tCO<sub>2</sub>/ yr

**Emission Reduction:**

The emission reduction  $ER_y$  by the project activity during a given year y is the difference between the baseline emissions through substitution of electricity generation with fossil fuels ( $BE_y$ ) and project emissions ( $PE_y$ )

$$ER_y = BE_y - PE_y - LE_y$$

Where:

|        |   |  |
|--------|---|--|
| $ER_y$ | = | Emission reductions in year y (t CO <sub>2</sub> /y) |
| $BE_y$ | = | Baseline Emissions in year y (t CO <sub>2</sub> /y)  |
| $PE_y$ | = | Project emissions in year y (t CO <sub>2</sub> /y)   |
| $LE_y$ | = | Leakage emissions in year y (t CO <sub>2</sub> /y)   |

**Project Emission**

Being a wind energy project, the project activity does not lead to any form of emission; hence project emission has not been considered in this case.

Hence,  $PE_y = 0$

**Leakage ( $LE_y$ )** As per AMS ID para 20 If the energy generating equipment is transferred from another activity, leakage is to be considered. In this project no equipment transfer is involved and hence, no leakage is considered for this project.

Hence,  $LE_y = 0$

As there is no project emissions & leakage from the proposed project activity, the baseline emissions will be equal to the emission reduction from the Project.

$$ER_y = BE_y = 10,667 \text{ tCO}_2/\text{yr.}$$

**B.6.4 Summary of the ex-ante estimation of emission reductions:**

## CDM – Executive Board

| Year                                      | Estimation of project activity emission (t CO <sub>2</sub> e ) | Estimation of baseline emissions (tCO <sub>2</sub> e ) | Estimation of Leakage (t CO <sub>2</sub> e) | Estimation of overall emission reduction (tCO <sub>2</sub> e) |
|---|--|--|---|---|
| 2010-11                                   | 0  | 10,667   | 0   | 10,667  |
| 2011-12                                   | 0  | 10,667   | 0   | 10,667  |
| 2012-13                                   | 0  | 10,667   | 0   | 10,667  |
| 2013-14                                   | 0  | 10,667   | 0   | 10,667  |
| 2014-15                                   | 0  | 10,667   | 0   | 10,667  |
| 2015-16                                   | 0  | 10,667   | 0   | 10,667  |
| 2016-17                                   | 0  | 10,667   | 0   | 10,667  |
| 2017-18                                   | 0  | 10,667   | 0   | 10,667  |
| 2018-19                                   | 0  | 10,667   | 0   | 10,667  |
| 2019-20                                   | 0  | 10,667   | 0   | 10,667  |
| <b>Total ( tonnes of CO<sub>2</sub>e)</b> | <b>0</b>   | <b>1, 06,670</b>                                       | <b>0</b>                                    | <b>1, 06,670</b>  |

**B.7 Application of a monitoring methodology and description of the monitoring plan:****B.7.1 Data and Parameters Monitored**

|   |  |
|---|--|
| <b>Parameter:</b>   | EG <sub>y</sub>  |
| <b>Unit:</b>  | MWh  |
| <b>Description:</b>   | Net Electricity supplied by project activity to the grid   |
| <b>Source of data:</b>  | Monthly credit report/ Share of electricity generation by state electricity utility.   |
| <b>Value of data</b>  | 11563  |
| <b>Brief description of measurement methods and procedures to be applied:</b> | The data can be very accurately measured. The meters installed will measure mentioned variables on a continuous basis. Every month on a fixed date, these meter readings will be recorded by Electricity board person in presence of plant personnel or representative. These records will be archived for cross-checking yearly figures.  |
| <b>QA/QC procedures to be applied:</b>  | The meters are of high accuracy class (0.5s). The meters are monitored continuously by Suzlon personnel. These are sealed by State Electricity Board officials to avoid malfunctioning with meter readings. The officials frequently check the meters for tempering and malfunctioning with the meters. The meters are checked as per IEC- 60687 standards. Check meter is placed to verify main meter readings. It can be used as a source of reading in case of main meter failure. Meters are calibrated annually by the authority in the presence of Suzlon and State Electricity Board officials. |
| <b>Any comment:</b>   | The archive of data will be maintained for crediting period + 2 years.   |

**B.7.2 Description of the monitoring plan:**

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CDM – Executive Board

The methodology AMS – I.D. Version 15 titled “Grid connected renewable energy generation” requires monitoring of the following parameters:

For the project activity, to establish creditable emission reduction, it has to record the actual electricity supplied to the grid (i.e. the net electricity -  $EG_y$ ), which would displace equivalent units of electricity at the operating and build margin of the grid. Since the simple OM emission factor is calculated based on a 3 year average, based on the most recent statistics available at the time of PDD preparation, its updation based on post monitoring is not required.

For BM calculation, option 1 (‘Tool to calculate the emission factor for an electricity system (Version 2, EB 50) has been chosen, which is calculated ex ante based on the most recent information, hence its monitoring is also not required. Thus, under the monitoring protocol for the said project, it is required to monitor and record only the net electricity supplied to the grid i.e  $EG_y$ .

- The proposed project activity requires evacuation facilities for sale to grid and the evacuation facility is essentially maintained by the state power utility (State Electricity Board).
- The electricity generation measurements are required by the utility and the investors to assess electricity sales revenue.
- The project activity has therefore envisaged two independent measurements of generated electricity from the wind turbines.
- The primary recording of the electricity fed to the state utility grid will be carried out jointly at the incoming feeder of the state power utility (State Electricity Board). Turbines for sale to utility will be connected to the feeder.
- The joint measurement will be carried out once in a month in presence of both parties (the developer’s representative and officials of the state power utility). Both parties will sign the recorded reading.
- Metering equipment - Metering is carried out through electronic trivector meters of accuracy class 0.5% required for the project. The main meter and check meter shall be installed and owned by State Electricity Board. The metering equipments are maintained in accordance with electricity standards
- Meter readings - The monthly meter readings (both main and check meters) at the project site and the receiving station shall be taken simultaneously and jointly by the parties on the particular day of the following month. At the conclusion of each meter reading an appointed representative of the State Electricity Board and the company signs a document indicating the number of kWh exported to the grid.
- The secondary monitoring, which will provide a backup (fail-safe measure) in case the primary monitoring is not carried out, would be done at the individual WEGs. Each WEG is equipped with an integrated electronic meter. These meters are connected to the Central Monitoring Station (CMS) of the entire wind farm through a wireless Radio Frequency (RF) network (SCADA). The generation data of individual machine can be monitored as a real-time entity at CMS.
- All the relevant data & reports for maintaining accuracy in future monitoring and reporting of GHGs emission reductions will be with the SUZLON on behalf of project participant,



## CDM – Executive Board

which follows Quality Management System (QMS) procedure as per ISO 9001 and is ISO certified organization. The ISO certificate is available for verification by DOE.

- The project participant signed an operation and maintenance agreement with the supplier of the wind turbines i.e. SUZLON. The agreement is for a period of 4 years. The performance of the turbines, safety in operation and scheduled /breakdown maintenances is responsibility of SUZLON and are organized and monitored by them. So the authority and responsibility of project management lies with the O & M contractor.
- ISO 9001:2000 standard has been adopted by SUZLON, who is responsible for monitoring, calibration and O & M of the project. Training is an essential part of the ISO system. To comply with the ISO standard the training has to be provided to personnel according to their responsibility within organization.

**Operation and maintenance of wind farms**

1. Operation and maintenance service team
  - Round the clock 365 days a year – operations management
  - Preventive maintenance of installed base of WEGs across India
  - Breakdown maintenance of installed base of WEGs across India
  - Execution of major & minor design changes in WEGs
2. Special task service team provide various services to sites
  - Relocations
  - Blade replacement at site
  - Major breakdown
3. HT operation & maintenance service team
  - Substation
  - HT lines – internal external
4. Facility service team
  - SCADA service
  - E-repair (Electronic components such as PCB)
5. Other service team
  - Customer support services – generation reporting
  - Liaisoning with State Electricity Boards & Nodal agencies

The organizational hierarchy of SUZLON for O& M management is as follows –

| Designation                     | Responsibilities  |
|---------------------------------|---|
| Project Head                    | <ul style="list-style-type: none"> <li>▪ Overall performance monitoring</li> <li>▪ Project execution</li> </ul>   |
| Project Executer and Controller | <ul style="list-style-type: none"> <li>▪ Operation</li> <li>▪ Verification of data</li> <li>▪ Site visit to check authenticity of data and take corrective action, wherever necessary</li> <li>▪ Storage of data</li> </ul> |
| Site Main Controller            | <ul style="list-style-type: none"> <li>▪ Operation, monitoring and verification of data</li> <li>▪ Data recording</li> <li>▪ Storage of data</li> </ul>   |

## CDM – Executive Board

|                                      |  |
|--------------------------------------|--|
| Operation and Maintenance Contractor | <ul style="list-style-type: none"> <li>▪ Operation and maintenance</li> <li>▪ Data recording</li> <li>▪ Storage of data</li> </ul> |
|--------------------------------------|--|

**Routine Maintenance Services:**

Routine maintenance labour work involves making available suitable manpower for operation and maintenance of the equipment and covers periodic preventive maintenance, cleaning and upkeep of the equipment including –

- a) Tower Torquing
- b) Blade Cleaning
- c) Nacelle Torquing and Cleaning
- d) Transformer Oil Filtration
- e) Control Panel & LT Panel Maintenance
- f) Site and Transformer Yard Maintenance

**Security Services:**

- a) This service includes watch and ward and security of the wind farm and the equipment.

**Management Services:****Technical Services:**

- a) Visual inspection of the WEGs and all parts thereof.
- b) Technical assistance including checking of various technical, safety and operational parameters of the equipment, trouble shooting and relevant technical services.
- c) Maintenance is done every quarter and annually and a checklist is maintained manually for the same.

**Note:** As SUZLON is an ISO 9001:2000 certified company, training their employees for day to day recording and handling and maintenance is an integral part of their Quality Management System procedure.

|   |
|---|
| <b>B.8 Date of completion of the application of the baseline and monitoring methodology and the name of the responsible person(s)/entity(ies)</b> |
|---|

Date of completion of Baseline and Monitoring methodology – 08/12/2009.

Name of person/entity responsible for the application of the baseline and monitoring methodology to the project activity.:

M/s Devki Builders Pvt. Ltd. is project participant and responsible for the the application of the baseline and monitoring methodology to the project activity, please refer Annex I of this document for contact details.

CDM – Executive Board

**SECTION C. Duration of the project activity / crediting period****C.1 Duration of the project activity:****C.1.1 Starting date of the project activity:**

16/08/2009 (based on purchase order issued to Suzlon)

**C.1.2 Expected operational lifetime of the project activity:**

20 Years and 0 Months

**C.2 Choice of the crediting period and related information:****C.2.1 Renewable crediting period**

Not chosen.

**C.2.1.1 Starting date of the first crediting period:**

Not applicable

**C.2.1.2 Length of the first crediting period:**

Not applicable

**C.2.2 Fixed crediting period:**

Opted.

**C.2.2.1 Starting date:**

01/10/2010 or date of registration with CDM EB whichever is later

**C.2.2.2 Length:**

10 years and 0 months.

**SECTION D. Environmental impacts****D.1 If required by the host Party, documentation on the analysis of the environmental impacts of the project activity:**

The project activity does not fall under the purview of Environmental Impact Assessment notification<sup>11</sup> of the Ministry of Environment and Forests (MoEF), Government of India (GOI).

**D.2 If environmental impacts are considered significant by the project participants or the host Party, please provide conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party:**

Impacts are not significant.

**SECTION E. Stakeholders' comments**

<sup>11</sup> <http://envfor.nic.in/legis/eia/so1533.pdf>

**E.1 Brief description how comments by local stakeholders have been invited and compiled:**

Project participant identified local communities, employee of Suzlon and villagers, as the stakeholders having direct or indirect concern with this project. The meeting was conducted on 29<sup>th</sup> October 2009 at Village- Ratan ka Bas, Dist. - Jodhpur. Accordingly, Project participant has issued a public notice on 20<sup>th</sup> October 2009 in local news paper “Dainik Bhaskar” to invite respective stakeholders requesting them to attend meeting or depute representatives at respective venues:

The agenda of the meeting was fixed as follows:

- Welcome
- Description of the project
- Queries and responses from the participant and the stakeholders.
- Vote of thanks

The stake holder’s view was that, project participant in its own small way is contributing positively to local economy & development.

**E.2 Summary of the comments received:**

Stakeholders had no objections from installation of WEG instead they have appreciated wind power projects. The project helps them to generate additional revenue through lease to outsiders like contractors & their employees. They got the job opportunities for day -to - day maintenance and security of WEGs. They don’t find any adverse impact on local environment due to wind turbines.

**E.3 Report on how due account was taken of any comments received:**

The stakeholders have given positive feedback and thus no measures are required to be taken.

CDM – Executive Board

**Annex 1****CONTACT INFORMATION ON PARTICIPANTS IN THE PROJECT ACTIVITY**

|                  |   |
|------------------|---|
| Organization:    | M/s Devki Builders Pvt. Ltd.                  |
| Street/P.O.Box:  | 545, Pancharatna, Opera House, Mumbai-400 004 |
| Building:        | --  |
| City:            | Mumbai  |
| State/Region:    | Maharashtra                                   |
| Postfix/ZIP:     | 110044  |
| Country:         | India   |
| Telephone:       | + 91-22-2363 3499                             |
| FAX:             | + 91- 22-2368 1215                            |
| E-Mail:          | premgroupp@hotmail.com                        |
| URL:             |   |
| Represented by:  |   |
| Title:           | Director                                      |
| Salutation:      | Mr.   |
| Last Name:       | Agarwal                                       |
| Middle Name:     |   |
| First Name:      | Surendra                                      |
| Department:      | --  |
| Mobile:          | +91-9820075574                                |
| Direct FAX:      | --  |
| Direct tel:      | --  |
| Personal E-Mail: | surendra@premier-diamonds.com                 |

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**Annex 2**

**INFORMATION REGARDING PUBLIC FUNDING**

- The project has not received any public funding and Official Development Assistance (ODA).

**Annex 3****BASELINE INFORMATION**

The baseline is explained under section B.6

**Grid emission factor:**

The grid emission factor is calculated by using database published by Central Electricity Authority, Government of India. The values of simple operation margin (OM) & build margin (BM) are directly referred from the following database.

**Central Electricity Authority Database, version 05**

| <b>CENTRAL ELECTRICITY AUTHORITY: CO2 BASELINE DATABASE</b> |                  |
|---|------------------|
| VERSION   | 5.0              |
| DATE  | Nov-09           |
| BASELINE METHODOLOGY  | ACM0002 / Ver 10 |

**EMISSION FACTORS**

| <b>Simple Operating Margin (tCO<sub>2</sub>/MWh) (incl. Imports)</b> |                |                |                |
|--|----------------|----------------|----------------|
|  | <b>2006-07</b> | <b>2007-08</b> | <b>2008-09</b> |
| NEWNE  | 1.01           | 1.00           | 1.01           |
| South  | 1.00           | 0.99           | 0.97           |
| India  | 1.01           | 1.01           | 1.01           |

| <b>Build Margin (tCO<sub>2</sub>/MWh) (not adjusted for Imports)</b> |                |                |                |
|--|----------------|----------------|----------------|
|  | <b>2006-07</b> | <b>2007-08</b> | <b>2008-09</b> |
| NEWNE  | 0.63           | 0.60           | 0.68           |
| South  | 0.70           | 0.71           | 0.82           |
| India  | 0.65           | 0.63           | 0.71           |

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**Annex 4**

**MONITORING INFORMATION**

The monitoring information is explain under section B.7

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