

# PROJECT CONCEPT NOTE

CARBON OFFSET UNIT (CoU) PROJECT

Title: 5 MW Marhi Small Hydro Electric Project in Kullu District of Himachal Pradesh

Version 1.0

Date 01/01/2022

First CoU Issuance Period: 8 years, 00 months

Date: 01/01/2014 to 31/12/2021



# Project Concept Note (PCN) CARBON OFFSET UNIT (CoU) PROJECT

BASIC INFORMATION			
Title of the project activity	5 MW Marhi Small Hydro Electric Project in Kullu District of Himachal Pradesh		
Scale of the project activity	Small Scale		
Completion date of the PCN	01/01/2022		
Project participants	Creduce Technologies Private Limited (Representator) Sai Engineering Foundation (Project Proponent)		
Host Party	India		
Applied methodologies and standardized baselines	Applied Baseline Methodology: AMS-I.D: "Grid connected renewable electricity generation", version 18		
	Standardized Methodology: Not Applicable.		
Sectoral scopes	01 Energy industries (Renewable/Non-Renewable Sources)		
Estimated amount of total GHG emission reductions	To be estimated during verification [An ex-ante estimate is 20,862 CoUs per year]		

#### SECTION A. Description of project activity

#### A.1. Purpose and general description of Carbon offset Unit (CoU) project activity >>

The proposed project titled under UCR is "5 MW Marhi Small Hydro Electric Project in Kullu District of Himachal Pradesh", which is a Hydro Power project located in village Kothi of Kullu district in the state of Himachal Pradesh (India). The project is an operational activity with continuous reduction of GHG, currently being applied under "Universal Carbon Registry" (UCR).

#### Purpose of the project activity:

The proposed project activity is promoted by Sai Engineering Foundation (herein after called as Project Proponent or PP). The proposed project activity is installation and operation of 2 horizontal shaft Pelton hydro turbine generators having individual capacity of 2500 kW each with aggregated installed capacity of 5.00 MW in village Kothi of Kullu district in the state of Himachal Pradesh in India.

This project activity also known as Marhi small hydroelectric power project (SHEP) is a run-of-the-river project that utilizes the flow of the river through Head Race Tunnel (HRT) and penstocks and by using two (2×2.5 MW) horizontal Pelton turbines connected to a synchronous generator to generate total energy of 5.00 MW. The main structure includes weir, intake forebay, DeSilting tank, chambers, Head Race Tunnel (HRT), surge shaft, penstock and power house. The voltage at the generator terminals is 3.3 kV, which is stepped up to 33 kV at the nearest substation. The generated electricity is fed into the sub-station of Himachal Pradesh State Electricity Board (HPSEB) grid system for transmission & distribution at Palchan village. This project activity is expected to supply a net amount of electricity of 23,180 MWh per year to the Northern regional grid, which is a part of the integrated or unified Indian Grid system. The project utilises a net head of about 601.86 m. The project activity is already been commissioned as per following details.

Unit of Marhi SHEP	Installed Capacity	Commissioning Date
Unit-I	2.5 MW	02/01/2007
Unit-II	2.5 MW	09/05/2007

The net generated electricity from the project activity is sold to state electricity board i.e., HPSEB under the Power Purchase Agreement (PPA) signed between the PP and the utility. In pre-project scenario, electricity delivered to the grid by the project activity would have otherwise been generated by the operation of fossil fuel-based grid-connected power plants and by the addition of new fossil fuel-based generation sources in the grid. As the nature of the hydro project, no fossil fuel is involved for power generation in the project activity. The electricity produced by the project is directly contributing to climate change mitigation by reducing the anthropogenic emissions of greenhouse gases into the atmosphere by displacing an equivalent amount of power at grid.

Hence, project activity is displacing the estimated annual net electricity generation i.e., 23,180 MWh from the Indian grid system, which otherwise would have been generated by the operation of fossil fuel-based grid-connected power plants. The project activity doesn't involve any GHG emission sources. The estimated annual CO2e emission reductions by the project activity are expected to be 23,180 tCO<sub>2</sub>e.

The estimated annual average and the total CO<sub>2</sub>e emission reduction by the project activity is expected to be 23,180 tCO<sub>2</sub>e, whereas actual emission reduction achieved during the first CoU period shall be submitted as a part of first monitoring and verification.

Since the project activity will generate electricity through hydro energy, a clean renewable energy source it will not cause any negative impact on the environment and thereby contributes to climate change mitigation efforts.

#### **Project's Contribution 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. This project is a greenfield activity where grid power is the baseline. The renewable power generation is gradually contributing to the share of clean & green power in the grid; however, grid emission factor is still on higher side which defines grid as distinct baseline.

The Government of India has stipulated following indicators for sustainable development in the interim approval guidelines for such projects which are contributing to GHG mitigations. The Ministry of Environment, Forests & Climate Change, has stipulated economic, social, environment and technological well-being as the four indicators of sustainable development. It has been envisaged that the project shall contribute to sustainable development using the following ways:

<u>Social well-being:</u> The project will facilitate communication development and access infrastructures in the area, which will help in civic development and enhance various livelihood options for the villagers, helping them improving their standard of living. Thus, project will improve the economical index around the project area.

**Economic well-being:** The project proponent agrees to provide employment local people against the manpower requirement in the project activity to bonafide people of the state of Himachal Pradesh, in respect of all the unskilled, skilled, semi-skilled staff and other non-executives as may be required for execution, operation and maintenance of the project. The project activity will contribute in reduction of power demand-supply gap in the region in an environment friendly manner, thus meeting the development needs of the country.

<u>Technological well-being:</u> The project activity leads to the promotion of 5 MW hydro turbine generators into the region and will promote practice for small scale industries to reduce the dependence on carbon intensive grid supply to meet the captive requirement of electrical energy and also increasing energy availability and improving quality of power under the service area. Hence, the technology used is safe and well-practised and leads to technological well-being.

<u>Environmental well-being:</u> The project activity, being a run-of-the-river hydro scheme, will have no requirement of reservoirs and will be having no impacts on the local environment and the community living in the vicinity. The electricity to be generated by the proposed project activity will be replacing the carbon intensive thermal energy (by equivalent amount) dominated power generation from the respective grid system, thus will help in reducing GHG emission from the atmosphere.

#### With regards to ESG credentials:

At present specific ESG credentials have not been evaluated, however, the project essentially contributes to various indicators which can be considered under ESG credentials. Some of the examples are as follows:

#### **Under Environment:**

The following environmental benefits are derived from the project activity:

- Produces renewable electricity without any GHG emissions.
- Run of river hydro power plant with negligible impact on the surrounding ecology.
- No increase in volume of reservoir and no land inundation, hence no disturbance to the natural habitat.

For the project proponent, energy sale pattern is now based on renewable energy due to the project and it also contributes to GHG emission reduction and conservation of depleting energy sources associated with the project baseline. Hence, project contributes to ESG credentials.

#### **Under Social:**

The social well-being is assessed by contribution to improvement in living standards of the local community. The project activity is located in remote villages of industrially backward state of Himachal Pradesh. The implementation of the project activity has provided job opportunities to the local community; contribute in poverty alleviation of the local community and development of basic amenities to community leading to improvement in living standards of the community.

#### **Under Economics:**

Economic well-being refers to additional investment consistent with the needs of the local community. The project activity has invested significantly (nearly about INR 207.5 million). This investment is quite significant in a rural area. These activities have contributed to the economic well-being of the local community. The project activity has also provided direct and indirect job opportunities to the local community during construction and shall provide permanent job opportunities during operation. During operation of the project activity, many persons has been employed directly, apart from indirect employment, which would augur well for the economic well-being of the community

#### A.2 Do no harm or Impact test of the project activity>>

There was no harm identified form the project and hence no mitigations measures are applicable.

**Rational:** as per 'Central Pollution Control Board (Ministry of Environment & Forests, Govt. of India)', final document on revised classification of Industrial Sectors under Red, Orange, Green and White Categories (07/03/2016), it has been declared that hydro project activity falls under the "White category". White Category projects/industries do not require any Environmental Clearance such as 'Consent to Operate' from PCB as such project does not lead to any negative environmental impacts. Additionally, as per Indian Regulation, Environmental and Social Impact Assessment is not required for Hydro Projects.

Nevertheless, PP had done public announcement and invited comments from public on the proposed project activity. Many stakeholders like Government of Himachal Pradesh, HIMURJA, HPSEB,

ERCHP and village Panchayat had participated to understand, discuss, record all possible concerns related to environment and socio-economic aspects of the project so that as per requirements mitigation measures can be taken. Public notices were placed in local newspapers in local language to invite people for the consultation meeting with the agenda of inviting public comments on the project activity. The feedback and inputs received from stakeholders confirm that no negative impact is foreseen by the stakeholders.

Additionally, there are social, environmental, economic and technological benefits which contribute to sustainable development. The key details have been discussed in the previous section.

#### A.3. Location of project activity >>

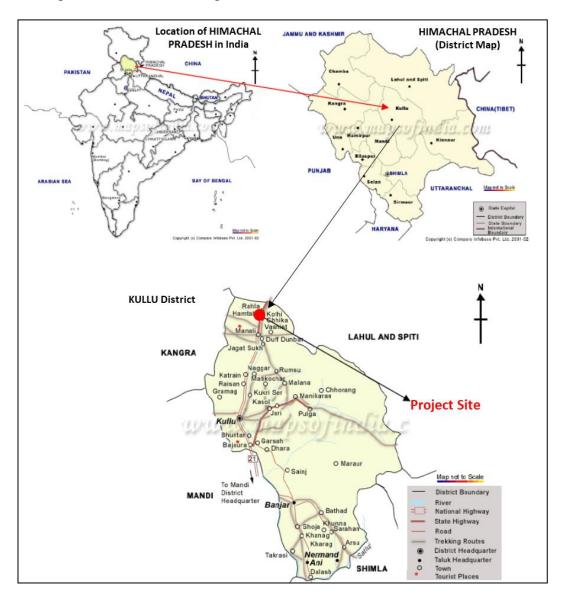
Country : India

State : Himachal Pradesh

District : Kullu Village : Kothi

This Marhi small hydroelectric power project is located in district Kullu of Himachal Pradesh and harnesses hydro power potential through weir constructed on the streams of Beas and Shelasar. The district head quarter Kullu and village Kothi is approachable by 79 km and 24 km from project site respectively. The nearest rail head is Joginder, which is about 162 km from the project site. The geographic co-ordinates of the project locations are (1) 77°11'43" E & 32°19'21" N and (2) 77°17'5" E & 32°23'14" N.

The representative location map is included below:



(Courtesy: google map and images)

#### A.4. Technologies/measures >>

The project activity involves 2 numbers hydro turbine generators of 2500 KW capacity each with internal electrical lines connecting the project activity with local evacuation facility. The generators generate power at 3.3kV, which can further be stepped up to 33 KV. The project activity can operate in the frequency range of 50 Hz and in the voltage range of 3.3kV  $\pm$  10%. The average life time of the generator is around 30 years as per the equipment supplier specification. The other salient features of the technology are:

Design Discharge	1.06 cumecs		
Gross Head	638.50 m		
Net Head	601.86 m		
Diversion Weir	001.00 m		
Type	Trench weir		
Shape	Trapezoidal		
Length	80 m on Beas and 5 m on Shelasar		
Feeder Channel	oo iii on beas and 5 iii on shelasar		
Length	32 m		
Shape / Material	Rectangular / R.C.C (cut and cover)		
Size	For Beas For Shelasar		
Size	3.15 m x 5.7 m 1.5 m x 3.0m		
Desilting Tank	3.13 iii x 3.7 iii 1.3 iii x 3.0iii		
Total Length	60.0 m		
Width	6.00 m		
Full supply depth	3.00 m		
Type / Material	R.C.C		
Velocity of flow	0.2 m/sec		
Penstock	0.2 117 500		
Diameter of primary Penstock	Telescopic of varying Diameter and Thickness.		
Number	One		
Diameter – Main pipe	1300 mm (I.D.)		
Thickness for main pipe	8 mm to 20 mm		
Length	2140 m		
Diameter of Branched penstock	450mmn & 16 mm thickness		
Material	Steel		
Power House	Steel		
Type	Surfaced Power House (R.C.C structure)		
Size	32.4 m x 8.1 m x 15.3 m		
Capacity	2 x 1650 kW		
Gross head	638.50 m		
Net head	601.86 m		
Electromechanical Equipment	55100 M		
Turbine type	Pelton Horizontal		
Turbine rumber	02 Nos.		
Capacity of each turbine	2500 kW		
Turbine normal speed	1500 rpm		
Type of generators	Synchronous		
Generator Normal Speed	Synchronous 1000 rpm		

Generator Rated voltage	3.3kV
Tail Race	
Shape	Rectangular
Length	20 m (approx.)
Power	
Installed capacity	2 x 2500 kW
No. of unit generated @ 75% dependable	25.68 MU

The hydro turbines have already been commissioned by HPSEB as per following details;

- Unit-I: Serial number HPSEB/PHE/Marhi HEP/2007- 2549-2601 Dated 02/01/2007
- Unit-II: Serial number HPSEB/PHE/Marhi HEP/2007- 373-80 Dated 10/05/2007

In the absence of the project activity the equivalent amount of electricity would have otherwise been generated by the operation of fossil fuel-based grid-connected power plants and fed into Indian grid system, hence baseline scenario of the project activity is the grid-based electricity system, which is also the pre-project scenario as discussed in the previous section.

# A.5. Parties and project participants >>

Party (Host)	Participants
India	Creduce Technologies Private Limited (Representator)
	Contact person: Shailendra Singh Rao Mobile: +91 9016850742, 9601378723 Address: 2-O-13,14 Housing Board Colony, Banswara, Rajasthan - 327001, India
	Sai Engineering Foundation (Developer) Address: Sai Bhawan Building, New Shimla - 171009, Himachal Pradesh, India.

#### A.6. Baseline Emissions>>

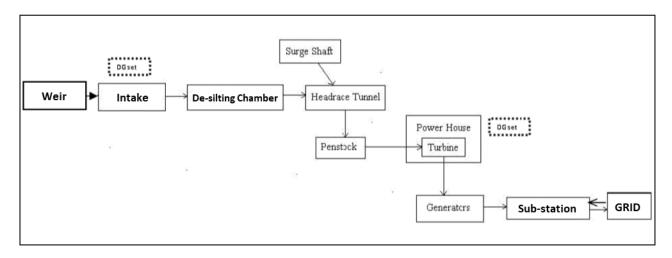
The baseline scenario identified at the PCN stage of the project activity is:

• Grid

In the absence of the project activity, the equivalent amount of electricity would have been generated by the operation of fossil fuel-based grid-connected power plants and fed into Indian grid system, which is carbon intensive due to use of fossil fuels. Hence, baseline scenario of the project activity is the grid-based electricity system, which is also the pre-project scenario.

Schematic diagram showing the baseline scenario:

#### **Project Scenario:**



#### **Baseline Scenario:**

As per the approved consolidated methodology AMS-I.D. Version 18, if the project activity is the installation of a new grid-connected renewable power plant/unit, the baseline scenario is the following:

"The baseline scenario is that the electricity delivered to the grid by the project activity would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources into the grid".

The project activity involves setting up of a new SHEP plant to harness the green power from Hydrel energy and to supply the produced power to the grid. In the absence of the project activity, the equivalent amount of power would have been supplied by the Indian grid, which is fed mainly by fossil fuel fired plants. Hence, the baseline for the project activity is the equivalent amount of power produced at the Indian grid.

#### A.7. Debundling>>

This project activity is not a debundled component of a larger project activity.

#### SECTION B. Application of methodologies and standardized baselines

#### **B.1.** References to methodologies and standardized baselines >>

#### **SECTORAL SCOPE:**

01, Energy industries (Renewable/Non-renewable sources)

#### TYPE:

I - Renewable Energy Projects

#### **CATEGORY:**

AMS. I.D. (Title: "Grid connected renewable electricity generation", version 18)

**Note:** PP had applied the version 10 of the methodology as the project is a CDM registered project under the CDM ID 0943 with the version 10 of the applied methodology. The project was registered at CDM on 5<sup>th</sup> May 2007 with fixed crediting period of 10 years (from 01<sup>st</sup> May 2007 to 30<sup>th</sup> April 2016). After the completion of crediting period PP has not renewed the project on CDM mechanism. Hence, for UCR latest version of methodology i.e., version 18 is being considered for emission reduction calculation.

#### B.2. Applicability of methodologies and standardized baselines >>

The project activity involves generation of grid connected electricity from the operation of a new hydro power-based power project. The project activity has installed capacity of 5.00 MW which will qualify for a small-scale project activity under Type-I of the Small-Scale methodology. The project status is corresponding to the methodology AMS-I.D., version 18 and applicability of methodology is discussed below:

	Applicability Criterion	Project Case
1.	This methodology comprises renewable energy generation units, such as photovoltaic, hydro, tidal/wave, wind, geothermal and renewable biomass:  (a) Supplying electricity to a national or a regional grid; or  (b) Supplying electricity to an identified consumer facility via national/regional grid through a contractual arrangement such as wheeling.	The project activity involves setting up of a renewable energy (hydro) generation plant that exports electricity to the fossil fuel dominated Indian electricity grid system. Thus, the project activity meets this applicability conditions.
2.	Illustration of respective situations under which each of the methodology (i.e. AMS-I.D: Grid connected renewable electricity generation", AMS-I.F: Renewable electricity generation for captive use and mini-grid" and AMS-I.A: Electricity generation by the user) applies is included in Table 2	According to the point 1 of the Table 2 in the methodology – "Project supplies electricity to a national/ regional grid" is applicable under AMS I.D. As the project activity supplies the electricity to the regional grid which is a regional grid, the methodology AMS-I.D. is applicable
3.	This methodology is applicable to project activities that:	The Project activity involves the installation of new power plant at a site

Applicability Criterion	Project Case
(a) Install a Greenfield plant;	where there was no renewable energy
(b) Involve a capacity addition in (an) existing	power plant operating prior to the
plant(s);	implementation of the project activity.
(c) Involve a retrofit of (an) existing plant(s);	Thus, Project activity is a Greenfield
(d) Involve a rehabilitation of (an) existing	plant and satisfies this applicability
plant(s); or	condition (a).
(e) Involve a replacement of (an) existing	
plant(s).	As the project activity is a man off given
4. Hydro power plants with reservoirs that satisfy at	As the project activity is a run-off river
least one of the following conditions are eligible to apply this methodology:	type hydro power plant, this criterion is not relevant for the project activity.
(a) The project activity is implemented in	not relevant for the project activity.
existing reservoir, with no change in the	
volume of the reservoir; or	
(b) The project activity is implemented in	
existing reservoir, where the volume of the	
reservoir(s) is increased and the power	
density as per definitions given in the project	
emissions section, is greater than 4 W/m <sup>2</sup> .	
(c) 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 4 W/m2	
5. If the new unit has both renewable and non-	The rated capacity of the project activity
renewable components (e.g., a wind/diesel unit),	is 5.00 MW with no provision of Co-
the eligibility limit of 15 MW for a small-scale	firing fossil fuel. Hence, meeting with this criterion.
CDM project activity applies only to the renewable component. If the new unit co-fires	this cherion.
fossil fuel, the capacity of the entire unit shall not	
exceed the limit of 15 MW.	
6. Combined heat and power (co-generation) systems	This is not relevant to the project activity
are not eligible under this category	as the project involves only hydro power
	generating units.
7. In the case of project activities that involve the	There is no other existing renewable
capacity addition of renewable energy generation	energy power generation facility at the
units at an existing renewable power generation	project site. Therefore, this criterion is
facility, the added capacity of the units added by	not applicable.
the project should be lower than 15 MW and	
should be physically distinct from the existing	
units.	
8. In the case of retrofit or replacement, to qualify as	The project activity is a new installation,
a small-scale project, the total output of the	it does not involve any retrofit measures
retrofitted or replacement power plant/unit shall not exceed the limit of 15 MW.	nor any replacement and hence is not
	applicable for the project activity.  This is not relevant to the project activity
9. In the case of landfill gas, waste gas, wastewater treatment and agro-industries projects, recovered	as the project involves only hydro power
methane emissions are eligible under a relevant	generating units.
Type III category. If the recovered methane is used	generating units.
for electricity generation for supply to a grid then	

Applicability Criterion	Project Case
the baseline for the electricity component shall be	
in accordance with procedure prescribed under	
this methodology. If the recovered methane is used	
for heat generation or cogeneration other	
applicable Type-I methodologies such as "AMS I.	
C.: Thermal energy production with or without	
electricity" shall be explored.	
10. In case biomass is sourced from dedicated	This is not relevant to the project activity
plantations, the applicability criteria in the tool	as the project involves only hydro power
"Project emissions from cultivation of biomass"	generating units.
shall apply.	

#### **B.3.** Applicability of double counting emission reductions >>

There is no double accounting of emission reductions in the project activity due to the following reasons:

- Project is uniquely identifiable based on its location coordinates,
- Project has dedicated commissioning certificate and connection point,
- Project is associated with energy meters which are dedicated to the generation/feeding point with the grid interface.

#### B.4. Project boundary, sources and greenhouse gases (GHGs)>>

As per applicable methodology AMS-I.D. Version 18, "The spatial extent of the project boundary includes the project power plant and all power plants connected physically to the electricity system that the project power plant is connected to."

Thus, the project boundary includes the Hydro Turbine Generators and the Indian grid system.

Source		Gas	Included?	Justification/Explanation	
	Grid	CO <sub>2</sub>	Yes	CO2 emissions from electricity generation in fossil fuel fired power plants	
line	connected	CH <sub>4</sub>	No	Minor emission source	
Baseline	electricity generation	N <sub>2</sub> O	No	Minor emission source	
		Other	No	No other GHG emissions were emitted from the project	
	Greenfield	$CO_2$	No	No CO <sub>2</sub> emissions are emitted from the project	
ect	Hydro Power	CH <sub>4</sub>	No	Project activity does not emit CH <sub>4</sub>	
Project	Project	N <sub>2</sub> O	No	Project activity does not emit N <sub>2</sub> O	
	Activity	Other	No	No other emissions are emitted from the project	

#### B.5. Establishment and description of baseline scenario >>

This section provides details of emission displacement rates/coefficients/factors established by the applicable methodology selected for the project.

As per para 19 of the approved consolidated methodology AMS-I.D. Version 18, if the project activity is the installation of a new grid-connected renewable power plant/unit, the baseline scenario is the following:

"The baseline scenario is that the electricity delivered to the grid by the project activity would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources into the grid".

The project activity involves setting up of a new hydro power plant to harness the green power from hydro energy and to use for sale to national grid through PPA arrangement. In the absence of the project activity, the equivalent amount of power would have been generated by the operation of grid-connected fossil fuel-based power plants and by the addition of new fossil fuel-based generation sources into the. The power produced at grid from the other conventional sources which are predominantly fossil fuel based. Hence, the baseline for the project activity is the equivalent amount of power produced at the Indian grid.

A "grid emission factor" refers to a CO<sub>2</sub> emission factor (tCO<sub>2</sub>/MWh) which will be associated with each unit of electricity provided by an electricity system. The UCR recommends an emission factor of 0.9 tCO<sub>2</sub>/MWh for the 2014 - 2020 years as a conservative estimate for Indian projects not previously verified under any GHG program. Hence, the same emission factor has been considered to calculate the emission reduction under conservative approach.

#### **Net GHG Emission Reductions and Removals**

Thus,  $ER_y = BE_y - PE_y - LE_y$ 

Where:

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

#### **Baseline Emissions**

Baseline emissions include only CO<sub>2</sub> emissions from electricity generation in power plants that are displaced due to the project activity. The methodology assumes that all project electricity generation above baseline levels would have been generated by existing grid-connected power plants and the addition of new grid-connected power plants.

The baseline emissions are to be calculated as follows:

$$BE_y = EG_{PJ,y} \times EF_{grid,y}$$

#### Where:

$BE_y$	=	Baseline emissions in year y (t CO <sub>2</sub> )
$EG_{PJ,y}$	=	Quantity of net electricity generation that is produced and fed into the grid as a
		result of the implementation of this project activity in year y (MWh)

$EF_{grid,y}$	=	UCR recommended emission factor of 0.9 tCO <sub>2</sub> /MWh has been considered.		
		(Reference: General Project Eligibility Criteria and Guidance, UCR Standard,		
		page 4)		

#### **Project Emissions**

As per paragraph 39 of AMS-I.D, version 18, for most renewable energy project activities emission is zero.

As per applied methodology only emission associated with the fossil fuel combustion, emission from operation of DG Set, would be accounted for the project emission on actuals. Therefore, following project emission type has been considered for the project activity:

#### **Diesel consumption:**

The project also involves consumption of minor quantity of Diesel in standby DG Set. So, the formula used to calculate the project emissions due to diesel consumption is provided below:

 $PE_{Diesel} \hspace{1.5cm} = \Sigma \hspace{.1cm} DC_y \times P \times NCV_{Diesel} \times EF_{\hspace{.1cm}CO2Diesel}$ 

Where:

PE<sub>Diesel</sub> = Project Emission due to Diesel consumed during monitoring period in DG set

 $DC_y$  = Diesel Consumption in Liters (L) P = Density of Diesel (0.86Kg/Lit)  $NCV_{Diesel}$  = Net Calorific Value of Diesel

EF<sub>CO2Diesel</sub> = IPCC 2006 Emission factor for Diesel

Hence,  $PEy = PE_{Diesel}$ 

#### Leakage

As per paragraph 22 of AMS-I.D. version-18, 'If the energy generating equipment is transferred from another activity, leakage is to be considered.' In the project activity, there is no transfer of energy generating equipment and therefore the leakage from the project activity is considered as zero.

#### Hence, LEy= 0

The actual emission reduction achieved during the first CoU period shall be submitted as a part of first monitoring and verification. However, for the purpose of an ex-ante estimation, following calculation has been submitted:

Estimated annual baseline emission reductions (BEy)

- $= 23,180 \text{ MWh/year} \times 0.9 \text{ tCO2/MWh}$
- = 20,862 tCO2/year (i.e., 20,862 CoUs/year)

#### **B.6. Prior History>>**

The project activity is a small-scale hydro project, following are the key details under the prior history of the project:

- a) The project activity was applied under Clean Development Mechanism (CDM) of UNFCCC to consider generation or issuance of carbon credits under the project ID and title "Project: 0943 5 MW Renewable Energy Project for a Grid system, India at Beas Nallah in Kullu district of Himachal Pradesh by M/s Sai Engineering Foundation" and got registered on 05 May 2007 with fixed crediting period of 10 years i.e., from 01 May 2007 to 30 April 2016. During this crediting period PP has taken carbon credits for period from 05 May 2007 to 30 September 2010. However, after this issuance no CDM verification took place for remaining crediting period due to low carbon pricing and higher investment required in the verification and issuance process. Also, after the completion of crediting period PP has not renewed the project on CDM mechanism.
- b) The project was not applied under any other GHG mechanism; also for the current period of COUs, the CDM verification has also not been initiated. Hence project will not cause double accounting of carbon credits (i.e., CoUs).

#### B.7. Changes to start date of crediting period >>

There is no change in the start date of crediting period.

The start date of crediting under UCR is considered as 01/01/2014, as the project was commissioned in 02/01/2007 and no GHG emission reduction has been claimed so far.

# B.8. Permanent changes from PCN monitoring plan, applied methodology or applied standardized baseline >>

Not applicable.

#### **B.9.** Monitoring period number and duration>>

First Monitoring Period: 8 years, 00 months 01/01/2014 to 31/12/2021 (inclusive of both dates)

## **B.8.** Monitoring plan>>

### Data and Parameters available at validation (ex-ante values):

Data / Parameter	UCR recommended emission factor
Data unit	tCO <sub>2</sub> /MWh
Description	A "grid emission factor" refers to a CO <sub>2</sub> emission factor (tCO <sub>2</sub> /MWh) which will be associated with each unit of electricity provided by an electricity system. The UCR recommends an emission factor of 0.9 tCO <sub>2</sub> /MWh for the 2014 - 2020 years as a fairly conservative estimate for Indian projects not previously verified under any GHG program. Hence, the same emission factor has been considered to calculate the emission reduction under conservative approach.
Source of data	https://a23e347601d72166dcd6- 16da518ed3035d35cf0439f1cdf449c9.ssl.cf2.rackcdn.com//Documents /UCRStandardNov2021updatedVer2_301121081557551620.pdf
Value applied	0.9
Measurement methods and procedures	-
Monitoring frequency	Ex-ante fixed parameter
Purpose of Data	For the calculation of Emission Factor of the grid
Additional Comment	The combined margin emission factor as per CEA database (current version 16, Year 2021) results into higher emission factor. Hence for 2021 vintage UCR default emission factor remains conservative.

Data / Parameter	P
Data unit	kg/lit
Description	Density of diesel
Source of data	http://www.fast-tek.com/TM104.pdf
	http://www.iocl.com/Products/DieselSpecifications.pdf
Value applied	0.860
Measurement methods and procedures	Fixed Value has been taken from the publicly available data source.
Purpose of Data	Calculation of project emission
Comments	This parameter is fixed ex-ante for the entire crediting period.

Data / Parameter	NCV diesel,y
Data unit	GJ/Ton
Description	Net calorific value of the Diesel in year y
Source of data	As options a, b & c are not available, the project proponent chooses option d i.e., IPCC default values at the upper limit of the uncertainty at a 95% confidence interval as provided in Table 1.2 of Chapter 1 of Vol. 2 (Energy) of the 2006 IPCC Guidelines on National GHG Inventories

	and is fixed Ex-ante. This is in accordance to the "Tool to calculate project or leakage CO2 emissions from fossil fuel combustion", latest version applied.
Value applied	43.30
Measurement methods and procedures	IPCC Default Value is considered.
Purpose of Data	Calculation of project emission
Comments	This parameter is fixed ex-ante for the entire crediting period.

Data / Parameter	EF CO2, diesel, y
Data unit	tCO <sub>2</sub> e/TJ
Description	CO2 emission factor of diesel in year y
Source of data	IPCC default value
Value applied	74.8
Measurement methods and procedures	As options a, b & c are not available, the project proponent chooses option d i.e., IPCC default values at the upper limit of the uncertainty at a 95% confidence interval as provided in Table 1.4 of Chapter 1 of Vol. 2 (Energy) of the 2006 IPCC Guidelines on National GHG Inventories and is fixed Ex-ante. This is in accordance to the "Tool to calculate project or leakage CO2 emissions from fossil fuel combustion" latest version applied.
Purpose of Data	Calculation of project emission
Comments	This parameter is fixed ex-ante for the entire crediting period.

# Data and Parameters to be monitored (ex-post monitoring values):

Data / Parameter	EG <sub>PJ,y</sub>
Data unit	MWh / year
Description	Net electricity supplied to the grid by the project activity
Source of data	Monthly Joint Meter Readings (JMRs)
Measurement	Data Type: Measured
procedures (if any):	Monitoring equipment: Energy Meters are used for monitoring Recording Frequency: Continuous monitoring and Monthly recording from Energy Meters, Summarized Annually Archiving Policy: Paper & Electronic Calibration frequency: 5 years (as per CEA provision)  Generally, the calculation is done by the Authority/Discom and the project proponent has no control over the authority for the calculation. Therefore, based on the joint meter reading certificates/credit notes, the project shall raise the invoice for monthly payments.
	In case the monthly JMR provides net export quantity, the same will be directly considered for calculation. However, if the JMR does not directly provide "net electricity" units, then quantity of net electricity supplied to the grid shall be calculated using the parameters reflected in

	the JMR.
	the JMR.
	For example, the difference between the measured quantities of the grid export and the import will be considered as net export: $EG_{PJ,y} = EG_{Export} - EG_{Import}$
	Thus, EG <sub>PJ,y</sub> is the net export which will be either directly sourced from the monthly generation statements (such as JMR) or to be calculated from export and import values reported.
Measurement Frequency:	Monthly
Value applied:	23,180
**	(Annualized average value has been considered here for an ex-ante
	estimation only, whereas this is an-ex post parameter hence actual
	value shall be applied during monitoring and verification)
QA/QC procedures applied:	Calibration of the Main meters will be carried out once in five (5) years as per National Standards (as per the provision of CEA, India) and faulty meters will be duly replaced immediately as per the provision of power purchase agreement.
	Cross Checking:
	Quantity of net electricity supplied to the grid will be cross checked from the invoices raised by the project participant to the grid.
Purpose of data:	The Data/Parameter is required to calculate the baseline emission.
Any comment:	All the data will be archived till a period of two years from the end of the crediting period.

Data / Parameter	$DC_y$
Data unit	Liters
Description	Diesel consumption by the standby DG set in year y
Source of data	Plant Records
Measurement methods and procedures	The diesel quantity available in the diesel storage tanks is recorded daily by PP in the plant log book. The diesel consumption has been recorded in the logbook in litres. However, based on the density of diesel of about 0.86 kg/litre, the diesel consumption in tons is calculated.
Frequency of	Continuously and recorded monthly basis.
monitoring/recording	
Value monitored	To be monitored as per actuals
Monitoring equipment	Calculated
QA/QC procedures to	The measured data will be cross checked with total diesel procurement
be applied	using payment receipts.
Purpose of the data	Calculation of project emissions.
Calculation method	Data Type: Measured & Calculated
	Data Archiving: Paper/ Electronic.
Comments	The data would be archived up to two years after the end of crediting period.