



PROJECT CONCEPT NOTE

CARBON OFFSET UNIT (CoU) PROJECT

Title: 2.5 MW Small Scale Gosikhurd (RBC) Hydro Electric Project by M/s Aarti Hydro Power Pvt. Ltd.

Version 1.0

Date 30/03/2022

First CoU Issuance Period: 02 Years and 04 Months

Date: 03/09/2019 to 31/12/2021



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

BASIC INFORMATION	
Title of the project activity	2.5 MW Small Scale Gosikhurd (RBC) Hydro Electric Project by M/s Aarti Hydro Power Pvt. Ltd.
Scale of the project activity	Small Scale
Completion date of the PCN	30/03/2022
Project participants	Creduce Technologies Private Limited (Representator) M/s Aarti Hydro Power Pvt. Ltd. (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 7884 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 activity “2.5 MW Small Scale Gosikhurd (RBC) Hydro Electric Project by M/s Aarti Hydro Power Pvt. Ltd.”, is a grid connected Hydro Electric Power project located in Bhandara district in the state of Maharashtra, India. The project is an operational activity with continuous reduction of GHG. This project is currently being applied under “Universal Carbon Registry” (UCR).

Purpose of the project activity:

The proposed project activity is promoted by M/s Aarti Hydro Power Pvt. Ltd. (herein after called as project proponent ‘PP’). The proposed project activity is installation and operation of Horizontal S-Type Kaplan generator with installed capacity of 2.50 MW in District-Bhandara, Maharashtra UT of India.

Gosikhurd (RBC) Hydro Electric Project is located on right side on the foot of the Gosikhurd irrigation Dam. It utilizes flow of Gosikhurd Dam, which is located on the river Wainganga. It is a major tributary of river Pranhita River in the Godavari basin. The project activity aims to harness kinetic energy of water (renewable source) to generate electricity. The water released after generation will be diverted for irrigation through tail race canal. The project activity has been commissioned for commercial operation as on 03/09/2019.

The net generated electricity from the project activity is sold to state electricity board of Maharashtra under the Power Purchase Agreement (PPA) signed between the PP and the utility, here it is Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL). 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., 8,760 MWh from the Indian grid system, which otherwise would have been generated by the operation of fossil fuel-based grid-connected power plants. The estimated annual CO₂e emission reductions by the project activity are expected to be 7884 tCO₂e.

The estimated annual average and the total CO₂e emission reductions by the project activity is expected to be 7884 tCO₂e, 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:

Social well-being: The project would help in generating direct and indirect employment benefits accruing out of ancillary units for manufacturing of the hydro turbine generator and for maintenance during operation of the project activity. It will lead to development of infrastructure around the project area in terms of improved road network, etc. and will also directly contribute to the development of renewable infrastructure in the region.

Economic well-being: Being a renewable resource, using hydro energy to generate electricity contributes to conservation precious natural resources. The project contributes to the economic sustainability through promotion of decentralization of economic power, leading to diversification of the national energy supply, which is dominated by conventional fuel based generating units. Locally, improvement in infrastructure will provide new opportunities for industries and economic activities to be setup in the area. Apart from getting better employment opportunities, the local people will get better prices for their land, thereby resulting in overall economic development.

Technological well-being: The project activity leads to the promotion of 2.50 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 project leads to technological well-being.

Environmental well-being: The project utilizes hydro energy for generating electricity which is a clean source of energy. The project activity will not generate any air pollution, water

pollution or solid waste to the environment which otherwise would have been generated through fossil fuels. Also, it will contribute to reduction GHG emissions. Thus, the project causes no negative impact on the surrounding environment contributing to environmental well-being.

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 project activity produces renewable electricity without any GHG emissions. For the PP, 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 implementation of the project activity would provide 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 is associated with a significant investment. This investment is quite significant in a rural area. These activities would contribute 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 from 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.

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

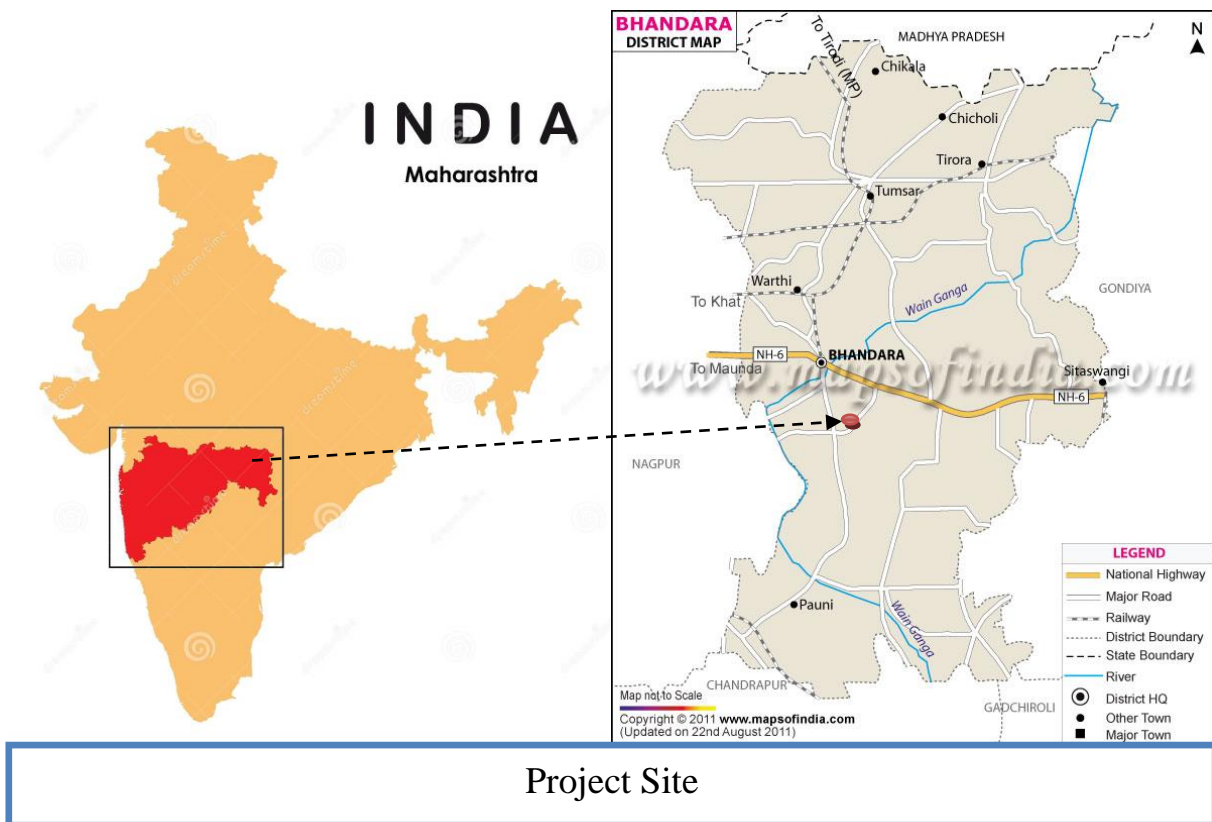
section.

A.3. Location of project activity >>

Country : India
State : Maharashtra
District : Bhandara
Tehsil : Pauni
Village : Gosikhurd

It is located near Gosikhurd Village, Taluka Pawani, District Bhandara. The Gosikhurd (R.B.C.) Hydro Electric Project is approachable from Pawani Village situated on Nilaj- Bhandara road. The Gosikhurd Project is about 100 Km from Nagpur and 40 Km from Bhandara. The nearest railway station is Bhandara Road railway station which is about 50 Km from the dam site. Bhandara Road railway station is on Bombay- Kolkata line of central Railway. Latitude and longitude coordinates of the project are 20° 52' 15" N, 79° 37' 0" E.

The representative location map is included below:



A.4. Technologies/measures >>

The project uses the water from existing dam i.e., Gosikhurd irrigation Dam, which utilizes water of river Wainganga, it is a major tributary of river Pranhita River in the Godavari basin. by harnessing a maximum gross head of 9.688 m to generate 2.50 MW of power. The project proposes to install two generating sets of 1250 kW capacity. The technology employed is the Horizontal S - TYPE KAPLAN generator.

Following are the principal components of scheme.

- a. Penstock
- b. Turbines
- c. Head Race Tunnel
- d. Power house
- e. Tailrace Channel
- f. Switchyard

The turbine has the following broad parameters:

Gross Head	10.488 m
Net Head	9.688 m
Penstock	
Number of Penstock	2
Maximum head	10.488 m
Design discharge	22.579 cumecs
Diameter of Penstock	3850 mm Dia
Length of Penstock	60 m
Thickness of Penstock	12 mm
Design Pressure	1.631 kg/cm ²
Power House	
Size	29m x 25 m
Ground Level at Power House	242.000 m
Sill Level of D.T. Gate	233.423 m
Turbines	
Type	Horizontal S- Type Kaplan
Numbers	2
Capacity	1250 KW each
Efficiency of Turbine	94%
Rated Discharge	22.579 cumecs
Rated Head	6.920 m
Generator type	Horizontal Shaft 3 phase 50 c/s
Synchronous Speed	187.500 rpm
Generation voltage	3.3 KV
Estimated efficiency	96%
Tail Race Channel	
Shape	Trapezoidal
Total Length of TRC	75.00 m

Bed width	18.10 m
Evacuation Arrangement	
Switch yard	2 X area (25 m X 11 m)
Switch yard Ground Level	242.00 m (Avg.)

The hydro turbines have already been commissioned dated 03/09/2019.

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 unified India 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	<p>Creduce Technologies Private Limited (Representator)</p> <p>Contact person: Shailendra Singh Rao Mobile: +91 9016850742, 9601378723 Address: 2-O-13,14 Housing Board Colony, Banswara, Rajasthan - 327001, India.</p> <p>M/s Aarti Hydro Power Pvt. Ltd. (Developer)</p> <p>Address: - PLOT NO.365/1A/1, Near Ambedkar Hostel 100 Feet Road, Vishrambag, DIST, SANGLI, MAHARASHTRA 416 415, India.</p>

A.6. Baseline Emissions>>

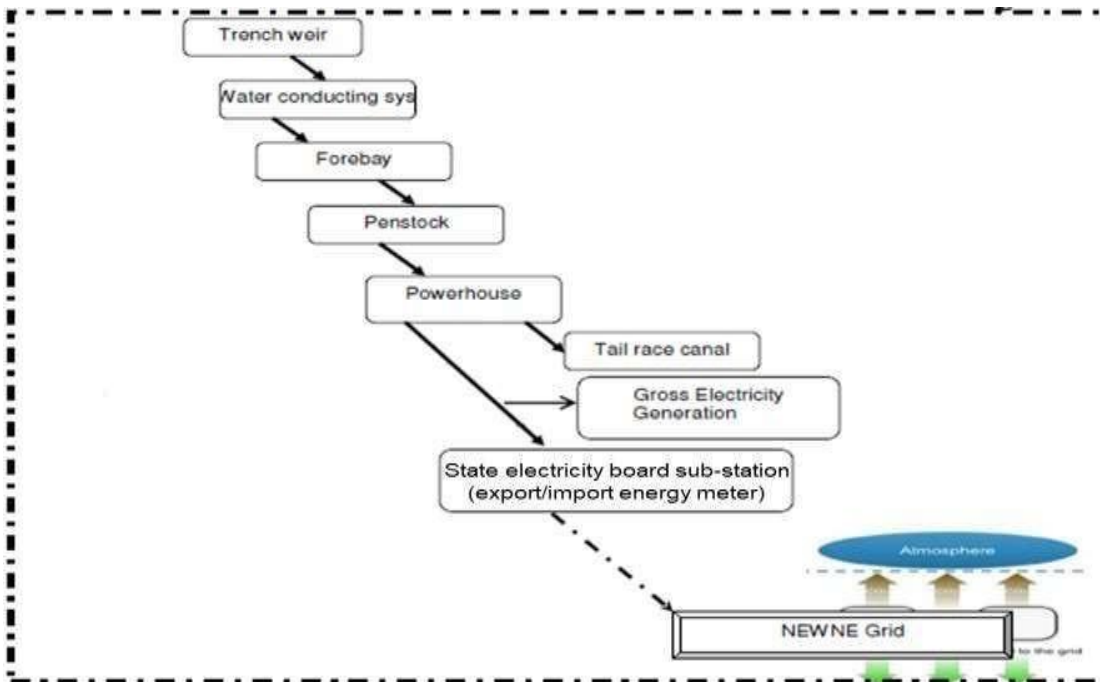
The baseline scenario identified at the PCN stage of the project activity is:

- 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 NEWNE grid, 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:

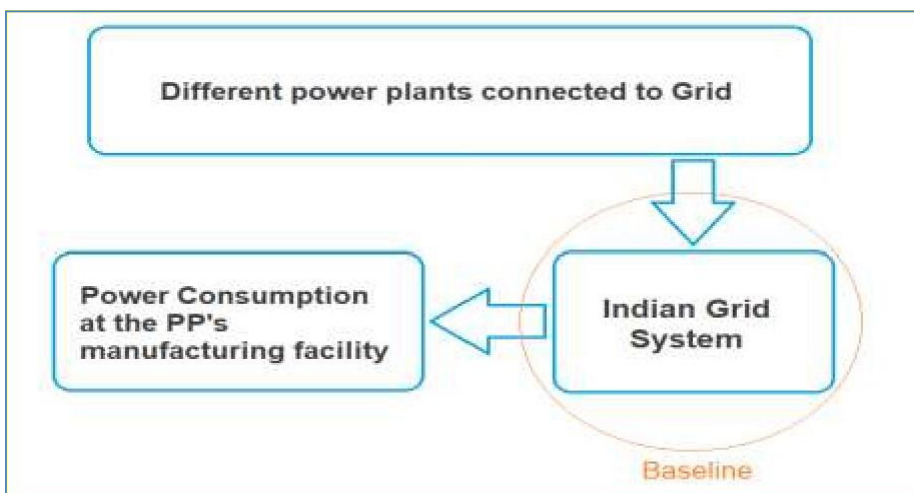


NEWNE – North East West and North-East Grid, is now a part of unified Indian Grid system.

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 plant to harness the green power from Hydro 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)

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

The project activity involves generation of grid connected electricity from the construction and operation of a new hydro power-based power project. The project activity has installed capacity of 2.50 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
<p>1. This methodology comprises renewable energy generation units, such as photovoltaic, hydro, tidal/wave, wind, geothermal and renewable biomass:</p> <p>(a) Supplying electricity to a national or a regional grid; or</p> <p>(b) Supplying electricity to an identified consumer facility via national/regional grid through a contractual arrangement such as wheeling.</p>	<p>The project activity involves setting up of a grid connected renewable energy (Hydro) generation plant for supplying to national grid. Thus, it fulfils the criteria (a) of point 1.</p>

<p>2. This methodology is applicable to project activities that:</p> <ul style="list-style-type: none"> (a) Install a Greenfield plant; (b) Involve a capacity addition in (an) existing plant(s); (c) Involve a retrofit of (an) existing plant(s); (d) Involve a rehabilitation of (an) existing plant(s)/unit(s); or (e) Involve a replacement of (an) existing plant(s). 	<p>The option (a) of applicability criteria 2 is applicable as project is a Greenfield plant /unit. Hence the project activity meets the given applicability criterion.</p>
<p>3. Hydro power plants with reservoirs that satisfy at least one of the following conditions are eligible to apply this methodology:</p> <ul style="list-style-type: none"> (a) The project activity is implemented in 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/m². (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 	<p>The project activity utilizes water of Gosikhurd irrigation dam. Hence point (a) of criteria 3 is applicable here.</p>
<p>4. 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 new unit co-fires fossil fuel, the capacity of the entire unit shall not exceed the limit of 15 MW.</p>	<p>The proposed project is 2.50 MW Hydro power project, i.e., only component is renewable power project below 15 MW, thus the criterion is not applicable to this project activity.</p>
<p>5. Combined heat and power (co-generation) systems are not eligible under this category.</p>	<p>This is not relevant to the project activity as the project involves only Hydro power generating units.</p>
<p>6. In the case of project activities that involve the capacity 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.</p>	<p>This project activity does not involve the capacity addition of an existing project. Therefore, this criterion is not applicable.</p>

7. In the case of retrofit, rehabilitation or replacement, to qualify as a small-scale project, the total output of the retrofitted, rehabilitated or replacement power plant/unit shall not exceed the limit of 15 MW.	The project activity is a new installation, it does not involve any retrofit measures nor any replacement and hence is not applicable for the project activity.
8. In the case of landfill gas, waste gas, wastewater treatment and agro-industries projects, recovered methane emissions are eligible under a relevant Type III category. If the recovered methane is used for electricity generation for supply to a grid, then 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.	This is not relevant to the project activity as the project involves only Hydro power generating units.
9. In case biomass is sourced from dedicated plantations, the applicability criteria in the tool “Project emissions from cultivation of biomass” shall apply.	No biomass is involved, the project is only a Hydro power project and thus the criterion is not applicable to this project activity.

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 consumption point for project developer

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
Baseline	Grid connected electricity generation	CO2	Yes	CO2 emissions from electricity generation in fossil fuel fired power plants
		CH4	No	Minor emission source
		N2O	No	Minor emission source
		Other	No	No other GHG emissions were emitted from the project
Project	Greenfield Hydro Power Project Activity	CO2	No	No CO2 emissions are emitted from the project
		CH4	No	Project activity does not emit CH4
		N2O	No	Project activity does not emit N2O
		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 i.e., India grid system 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 grid. 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 CO2 emission factor (tCO2/MWh) which will be associated with each unit of electricity provided by an electricity system. The UCR recommends an emission factor of 0.9 tCO2/MWh for the 2014-2020 years as a fairly conservative estimate for Indian projects not previously verified under any GHG program. Also, for the vintage 2021, the combined margin emission factor calculated from CEA database in India results into higher emission than the default value. 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 (tCO₂/y)

BE_y = Baseline Emissions in year y (t CO₂/y)

PE_y = Project emissions in year y (tCO₂/y)

LE_y = Leakage emissions in year y (tCO₂/y)

Baseline Emissions

Baseline emissions include only CO₂ 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 ₂)
$EG_{PJ,y}$	=	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 ₂ /MWh has been considered, this is conservative as compared to the combined margin grid emission factor which can be derived from Database of Central Electricity Authority (CEA), India. (Reference: General Project Eligibility Criteria and Guidance, UCR Standard, page 4)

Project Emissions

As per paragraph 39 of AMS-I.D. (version 18, dated 28/11/2014), for most renewable energy project activities emission is zero. Since the project activity is located on irrigation dam, project emission for this plant is nil.

Thus, PEy = 0

Leakage

As per paragraph 42 of AMS-I.D. version-18, all projects other than Biomass projects have zero leakage.

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)

BEy = 8,760 MWh/year × 0.9 tCO₂/MWh
BEy = 7884 tCO₂/year (i.e., 7884 CoUs/year)

B.6. Prior History>>

The project activity is a small-scale hydro project and was not applied under any other GHG mechanism prior to this registration with UCR. Also, project has not been applied for any other environmental crediting or certification mechanism. Hence project will not cause double accounting of carbon credits (i.e., COUs).

B.7. Changes to start date of crediting period

The start date of crediting under UCR is considered as 03/09/2019.

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 : 02 Years and 04 Months
Date : 03/09/2019 to 31/12/2021 (inclusive of both dates)

B.10. Monitoring plan>>

The project activity essentially involves generation of electricity from water, the employed Hydro Power Plant can only convert Hydro energy into electrical energy and cannot use any other input fuel for electricity generation, thus no special ways and means are required to

monitor leakage from the project activity.

Data / Parameter	UCR recommended emission factor
Data unit	tCO ₂ /MWh
Description	A "grid emission factor" refers to a CO ₂ emission factor (tCO ₂ /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 ₂ /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.

Parameter	EG _{PJ,y}
Data unit	MWh
Description	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).
Source of data Value(s) applied	JMR
Procedures	The Net electricity generation by the hydro power plant is recorded by the project proponent in the record logs. At the end of every month, Energy bill is generated based on the total monthly electricity exported to the grid.
Monitoring frequency	Monthly
Purpose of data	To estimate Baseline Emission