



PROJECT CONCEPT NOTE

CARBON OFFSET UNIT (CoU) PROJECT

Title : 2.7 MW Wind Power Project By M/s Nextile Marbosys Pvt. Ltd.

Version : 1.0

PCN Date : 09/03/2023

CoU Issuance Period : 20 Years 04 Months

Monitoring Duration : 08/09/2021 to 31/12/2041



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

BASIC INFORMATION

Title of the project activity	2.7 MW Wind Power Project By M/s Nextile Marbosys Pvt. Ltd.
Scale of the project activity	Small Scale
Completion date of the PCN	09/03/2023
Project participants	Creduce Technologies Private Limited (Aggregator) M/s Nextile Marbosys 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 7,450 CoUs per year]

SECTION - A - Description of project activity

A.1 General description of Carbon offset Unit (CoU) project activity

The proposed project titled under UCR is “2.7 MW Wind Power Project By M/s Nextile Marbosys Pvt. Ltd.”, which is wind power project located in Devbhumi Dwarka district in the state of Gujarat (India). The purpose of this plant installation and power generation is for captive consumption. PP has the full ownership of the project activity. The project is an operational activity with continuous reduction of GHG, currently being applied under “Universal Carbon Registry” (UCR).

A.1.1 Purpose of the project activity:

The project activity is a renewable power generation activity that incorporates the installation and operation of a single Wind Turbine Generator (WTG) having a capacity of 2.7 MW manufactured and supplied GE India Industrial Pvt. Ltd. respectively in district Devbhumi Dwarka of the state of Gujarat in India. This project has been promoted by M/s Nextile Marbosys Pvt. Ltd.

The WTG under the project activity was commissioned on 08/09/2021 by Gujarat Energy Development Agency (GEDA), Government of Gujarat, India.

As per the ex-ante estimate, the project will generate approximately 8,278 MWh of electricity per annum with an assumption of 35% PLF. The net generated electricity from the project activity is used for captive consumption by the project proponent (PP). The wheeling agreement is signed between Paschim Gujarat Vij Company Ltd. (PGVCL) and PP. The project activity would be displacing equivalent quantum of grid electricity resulting in emission reduction of 7,450 tCO₂ per annum. The project activity has been helping in greenhouse gas (GHG) emission reduction by using renewable resources (wind energy) for generating power that otherwise would have been generated using grid mix power plants, which is dominated by fossil fuel-based thermal power plants.

The estimated annual average and the total CO₂e emission reduction by the project activity is expected to be 7,450 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 generates electricity through wind energy, a clean renewable energy source it will not cause any negative impact on the environment and thereby contributes to climate change mitigation efforts

A.1.2 Project's Contribution to Sustainable Development

This project is a greenfield activity where grid power is the baseline. The Indian grid system has been predominantly dependent on fossil fuel-powered plants. Renewable power generation is gradually contributing to the share of clean & green power in the grid; however, the grid emission factor is still on the higher side which defines the grid as a distinct baseline.

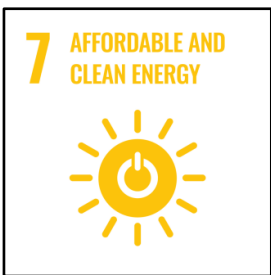
The Government of India has stipulated the following indicators for sustainable development in the interim approval guidelines for such projects which are contributing to GHG mitigations. The Ministry of Environment, Forests & Climate Change, has stipulated economic, social, environmental, and technological 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:

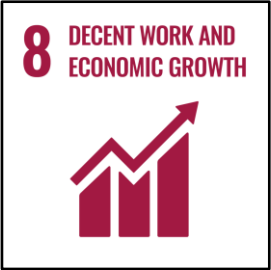

Social well-being: There have been good employment opportunities created for the local workforce during the project construction phase. The project after implementation has also continued to provide employment opportunities for the local populace in a sustained manner and the same would be continued over the project's lifetime. The employment opportunities created will contribute towards the alleviation of poverty in the surrounding area throughout the lifetime of the project activity.

Economic well-being: The project is a clean technology investment decision based on carbon revenue support, which signifies flows of clean energy investments into the host country. The project activity requires temporary and permanent, skilled and semi-skilled manpower at the project location; this will create additional employment opportunities in the region. The electricity replaced in the grid will be available for the nearby area which directly and indirectly improves the economy and lifestyle of the area. In addition, the success of this kind of project will provide new opportunities for industries and economic activities to be set up 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 successful operation of the project activity would lead to the promotion of wind-based power generation and would encourage other entrepreneurs to participate in similar projects. Increased interest in wind energy projects will further push R&D efforts by technology providers to develop more efficient and better machinery in the future. The project activity leads to the promotion and demonstrates the success of wind projects in the region which further motivate more investors to invest in wind power projects. Hence, the project activity leads to a technological well-being.

Environmental well-being: The project activity will generate power using zero emissions wind-based power generation facility which helps to reduce GHG emissions and specific pollutants like SO_x, NO_x, and SPM associated with the conventional thermal power generation facilities. The project utilizes wind energy for generating electricity which is a clean source of energy. Also, being a renewable resource, the use of wind energy to generate electricity contributes to resource conservation. It reduces the dependence on fossil fuels and conserves natural resources which are on the verge of depletion. The impact on land, water, air, and soil is negligible. Thus, the project causes no negative impact on the surrounding environment contributing to environmental well-being.

SDG Goals	Description
<p>Goal 7</p> 	<ul style="list-style-type: none"> ➤ The project activity will generate clean energy, which with increased shared will increase the affordability at a cheaper rate to end user. ➤ The project activity will utilize wind energy (renewal resource) to generate power. The project activity will increase the share of renewable resource-based electricity to global mix of energy consumption
<p>Goal 8</p>	<ul style="list-style-type: none"> ➤ Decent work and economic growth. ➤ This project activity generates additional employment for skilled and

<div data-bbox="169 141 440 409">  </div>	<p>unskilled, also the project situated in remote area will provide employment opportunities to unskilled people from villages. The training on various aspect including safety, operational issues and developing skill set will also be provided to employees</p> <ul style="list-style-type: none"> ➤ This project will achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
<p>Goal 13</p> <div data-bbox="169 752 440 1021">  </div>	<ul style="list-style-type: none"> ➤ This 2.7 MW wind project meets the SDG 13 goal by saving fossil fuel and producing clean energy. ➤ This project is expected to reduce CO₂ emissions 7,450 tons per year. ➤ SDG 13 on clean energy is closely related and complementary. ➤ In a Greenfield project, electricity delivered to the grid by the project would have otherwise been generated by the operation of grid-connected power plants. Thereby the project activity reduces the dependence on fossil fuel-based generation units and as there are no associated emissions with this project it contributes to the reduction of greenhouse gases (GHG) emissions.

A.1.3 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:**

Environmental criteria may include a company's energy use, waste, pollution, natural resource conservation, and treatment of animals, etc. For the project proponent, the energy use 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. Also, the criteria can be further evaluated on the basis of any environmental risks that the company might face and how those risks are being managed by the company. Here, as the power generation will be based on wind power, the risk of environmental concerns associated with non-renewable power generation and risk related to increasing cost of power, etc. are now mitigated. Hence, the project contributes to ESG credentials.

- **Under Social:**

Social criteria reflect on the company's business relationships, qualitative employment, working conditions with regard to its employees' health and safety, interests of other stakeholders' etc. With

respect to this project, the project proponent has robust policies in place to ensure equitable employment, health & safety measures, local jobs creation etc. Also, the organizational CSR activities directly support local stakeholders to ensure social sustainability. Thus, the project contributes to ESG credentials.

- **Under Governance:**

Governance criteria relates to overall operational practices and accounting procedure of the organization. With respect to this project activity, the PP practices a good governance practice with transparency, accountability and adherence to local and national rules & regulations etc. This can be further referred from the company's annual report. The electricity generated from the project can be accurately monitored, recorded and further verified under the existing management practice of the company. Thus, the project and the proponent ensure good credentials under ESG.

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

There was no harm identified from the project and hence no mitigation measures are applicable.

Rational: as per 'Central Pollution Control Board (Ministry of Environment & Forests, Govt. of India)', final document on the revised classification of Industrial Sectors under Red, Orange, Green and White Categories (07/03/2016), it has been declared that wind 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 regulations, Environmental and Social Impact Assessment is not required for wind projects.

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

A.3 Location of the project activity

Country	:	INDIA
State	:	Gujarat
District	:	Devbhumi Dwarka
Town/Village	:	Dharagar
Taluka	:	Bhanvad
Co-Ordinates	:	21°59'04.7"N 69°50'48.2"E

The project sites are well connected from the airport and railway station. The geographic co-ordinates of the project locations are given below:

The representative location map is shown below



Figure-1- Location of the project activity (courtesy: google images and www.mapofindia.com)

A.4 Technologies/measures

The proposed project activity is installation and operation of Single Wind Turbine Generator (WTG) manufactured and supplied GE Renewable Energy Pvt. Ltd. with installed capacity of 2.7 MW in the state of Gujarat state of India.

Technical details for WTG manufactured by GE Renewable Energy Pvt. Ltd. are as follows:

Rotor	Maximum Power Output	2730 KW
	Diameter	132m
	Number of Blades	3
	Swept Area	13,684m ²
	Rotor Speed Range	7.03 to 13.91 rpm
	Rotational direction	Clockwise looking downwind
	Tip speed @ rated power	84.3 m/s
	Orientation	Upwind
	Speed regulation	Pitch control
Pitch System	Aerodynamic brakes	Full feathering
	Principle	Independent blade pitch control

	Actuation	Individual electric drive
Yaw System	Yaw rate	0.5 degree/s

Apart from the above technical specification of WTG, the connectivity of all the WTG is to a Central Monitoring Station (CMS) through high-speed WLAN modem or fiber optic cable which helps in providing real time status of the turbine at CMS with easy GUI (Graphical User Interface) and ability to monitor the functioning of the turbine from CMS.

A Supervisory Control & Data Acquisition System (SCADA) provides a graphical representation of data providing ease to understand the behavior of WTG, long time data storage facility, access to daily generation report and power curve related information & helps to analyze the problem with graphical tools offline as well as online. The other specifications include a safety system with instrumentation for tracking individual functions of the wind turbine generator. The life time of the WTG is 20 years as per manufacturer specifications.

In the absence of the project activity the equivalent amount of electricity imported from NEWNE grid would have been generated from the NEWNE grid, which is predominantly based on fossil fuels¹, hence baseline scenario of the project activity is the grid-based electricity system, which is also the pre-project scenario.

A.5 Parties and project participants

Party (Host)	Participants
India	<p>Creduce Technologies Private Limited (Aggregator) 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 Nextile Marbosys Pvt. Ltd. (Project Owner) Address: 8- A, National Highway, Sartanpar, Ta. Wankaner, Dist. Morbi-363-621, Gujarat - India.</p>

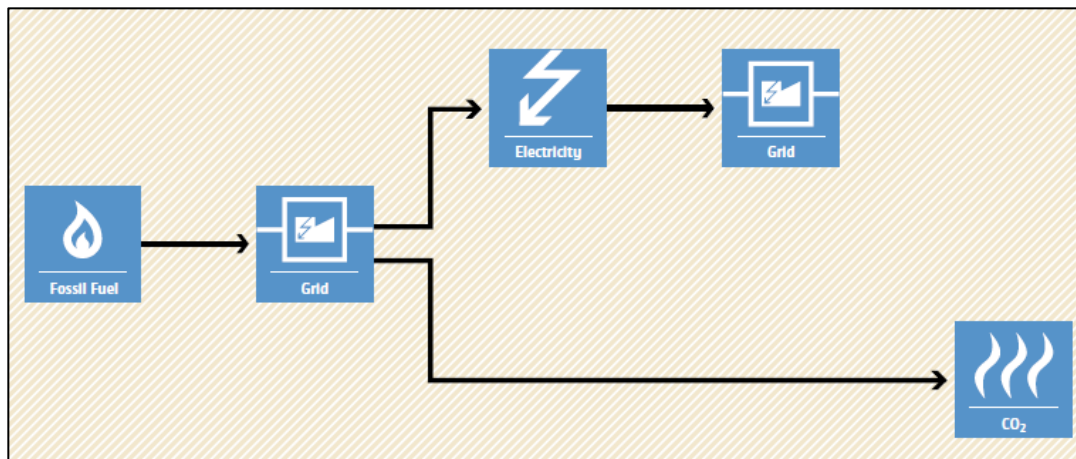
A.6 Baseline Emissions

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

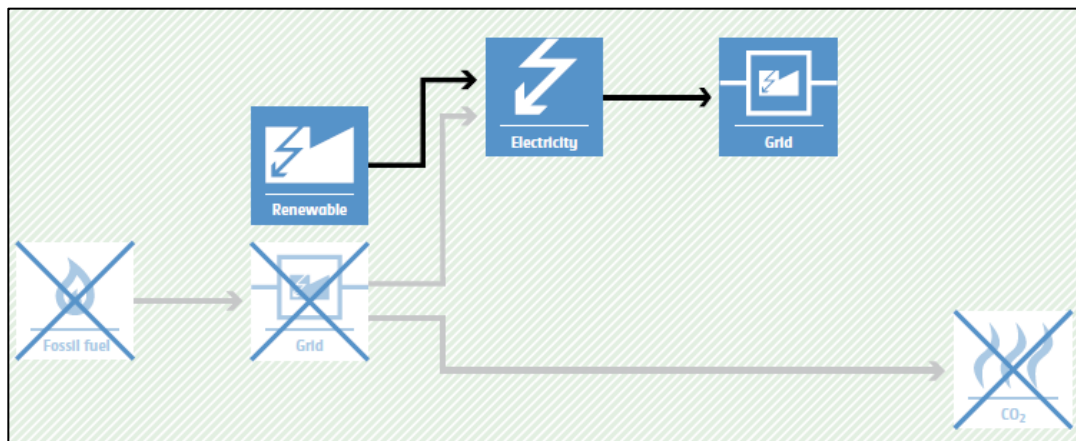
In the absence of the project activity, the equivalent amount of electricity would have been imported from the grid (which is connected to the unified Indian Grid system (NEWNE Grid)), which is carbon intensive due to being predominantly sourced from fossil fuel-based power plants. Hence, the baseline scenario of the project activity is the grid-based electricity system, which is also the pre-project scenario.

Schematic diagram showing the baseline scenario:

Baseline Scenario:



Project Scenario:



A.7 De-bundling

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

1. http://www.cea.nic.in/executive_summary.html

SECTION - B - Application of methodologies and standardized baselines

B.1 Reference 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 the generation of grid-connected electricity from the construction and operation of a new wind power-based power project. The project activity has an installed capacity of 2.7 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 the applicability of the 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 the national/regional grid through a contractual arrangement such as wheeling.	The project activity is a renewable energy project (i.e., wind power project) that uses the generated energy for captive consumption. Thus, it fulfills applicability criteria option 1 (b).
2. This methodology is applicable to project activities that: (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).	The option (a) of applicability criteria 2 is applicable as the project is a greenfield plant /unit. Hence the project activity meets the given applicability criterion.

<p>3. Hydro power plants with reservoirs that satisfy at least one of the following conditions are eligible to apply this methodology:</p> <p>(a) The project activity is implemented in existing reservoir, with no change in the volume of the reservoir; or</p> <p>(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.</p> <p>(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>	<p>The project activity involves the installation of WTG ; hence, this criterion is not applicable.</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 a 2.7 MW wind power project, i.e., the only component is a renewable power project below 15MW, 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>The project is a wind power project and thus the criterion is not applicable to this project activity.</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 is a green field project and no expansion and retrofiting were carried out. Hence this criterion is not applicable.</p>
<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.</p>	<p>The proposed project is a greenfield 2.7 MW wind power project, i.e., the only component is a renewable power project below 15 MW, thus the criterion is not applicable to this project activity.</p>
<p>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</p>	<p>The proposed project is a greenfield 2.7 MW wind power project; hence, this criterion is not applicable to this project activity.</p>

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.	
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 wind 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 a dedicated commissioning certificate and connection point,
- Project is associated with energy meters which are dedicated to the consumption point for the 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 wind power plant and the Indian grid system.

Source		Gas	Included?	Justification/Explanation
Baseline	Grid connected electricity generation	CO ₂	Yes	Main emission source
		CH ₄	No	Minor emission source
		N ₂ O	No	Minor emission source
		Other	No	No other GHG emissions were emitted from the project
Project	Greenfield Wind Electric Power project Activity	CO ₂	No	No CO ₂ emissions are emitted from the project
		CH ₄	No	Project activity does not emit CH ₄
		N ₂ O	No	Project activity does not emit N ₂ O
		Other	No	No other emissions are emitted from the project

B.5 Establishment and description of the 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 a new wind power plant to harness the wind energy and to use for captive purposes via grid interface through wheeling arrangement. 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 "grid emission factor" refers to a CO₂ emission factor (tCO₂/MWh) that 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 2013 - 2020 years as a fairly conservative estimate for Indian projects not previously verified under any GHG program. Also, for the vintage 2021-2022, the combined margin emission factor calculated from the CEA database in India results in higher emissions than the default value. Hence, the same emission factor has been considered to calculate the emission reduction under a conservative approach.

B.5.1 Net GHG Emission Reductions and Removals

$$\text{Thus, } ER_y = BE_y - PE_y - LE_y$$

Where:

ER_y = Emission reductions in year y (tCO₂/y)

BE_y = Baseline Emissions in year y (tCO₂/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:

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

BE_y = Baseline emissions in year y (tCO₂)

$EG_{PJ,y}$ = Quantity of net electricity generation that is produced and fed into the grid as a result of the implementation of the CDM project activity in year y (MWh)

$EF_{grid,y}$ = UCR recommended emission factor of 0.9 tCO₂/MWh has been considered.
(Reference: General project eligibility criteria and guidance, UCR Standard, page 4)

Estimated annual baseline emission reductions (BE_y)

$$= 8,278 \text{ MWh/year} \times 0.9 \text{ tCO}_2/\text{MWh}$$

= 7,450 tCO₂/year

- **Project Emissions**

As per paragraph 39 of AMS-I.D. version-18, only emissions associated with fossil fuel combustion, emissions from the operation of geothermal power plants due to the release of non-condensable gases, and emissions from a water reservoir of hydro should be accounted for the project emission. Since the project activity is a wind electric power project, project emission for renewable energy plants is nil.

Thus, PE = 0

- **Leakage Emission**

As per paragraph 42 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 zero.

Hence, LE = 0

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

Hence Net GHG emission reduction, = 7,450-0-0 = 7,450 tCO₂/year (i.e., 7,450 CoUs/year)

B.6 Prior History

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

B.7 Changes to the start date of crediting

The crediting period under UCR has been considered from the date of the commissioning of the project. There is no change in the start date of crediting period.

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

Not applicable.

B.9 Monitoring period number and duration

Total Monitoring Period: 20 Years 04 Months

Date: 08/09/2021 to 31/12/2041 (inclusive of both dates).

B.10 Monitoring Plan

Data and Parameters available (ex-ante values):

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 2013 - 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://cea.nic.in/wp-content/uploads/baseline/2023/01/Approved_report_emission__2021__22.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 the CEA database (current version 18, December 2022) results in a higher emission factor. Hence for 2022 vintage UCR default emission factor remains conservative.

Data and Parameters to be monitored (ex-ante values):

Data / Parameter	EG _{PJ,facility, y}
Data unit	MWh
Description	Net electricity supplied to the NEWNE grid facility by the project activity
Source of data	Joint Meter Reading report/Energy generation report
Measurement procedures (if any):	<p>Data Type: Measured</p> <p>Monitoring equipment: Energy Meters are used for monitoring</p> <p>Recording Frequency: Continuous monitoring and Monthly recording from Energy Meters, Summarized Annually</p> <p>Archiving Policy: Paper & Electronic</p> <p>Calibration frequency: 5 years (as per CEA provision)</p> <p>Based on the joint meter reading certificates/credit notes, and energy generation report.</p>
Measurement Frequency:	Monthly
Value applied:	8,278 (Ex-ante estimate)
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 the power purchase agreement.
Purpose of data:	The Data/Parameter is required to calculate the baseline emission.
Any comment:	Data will be archived electronically for a period of 36 months beyond the end of crediting period.