



PROJECT CONCEPT NOTE

CARBON OFFSET UNIT (CoU) PROJECT

Title : 2.1 MW Small Scale Wind Power Project by M/S Ajay
Cotspin Industries

Version : 1.0

PCN Date : 21/12/2022

**CoU Issuance
Period** : 19 Years 10 Months

**Monitoring
Duration** : 29/03/2022 to 31/12/2041



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

BASIC INFORMATION

Title of the project activity	2.1 MW Small Scale Wind Power Project by M/S Ajay Cotspin Industries
Scale of the project activity	Small Scale
Completion date of the PCN	21/12/2022
Project participants	Creduce Technologies Private Limited (Project Aggregator) M/S Ajay Cotspin Industries (Project Owner)
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 3311 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 “2.1 MW Small Scale Wind Power Project by M/S Ajay Cotspin Industries”, which is a Wind Power project located in Hadmatiya Village, Jamnagar Taluka, Jamnagar district in the state of Gujarat (India). 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 single Wind Turbine Generator (WTG) having a capacity of 2.1 MW manufactured and supplied by Suzlon Energy Ltd. in the district Jamnagar of the state of Gujarat in India. This project has been promoted by M/S Ajay Cotspin Industries.

The WTG under the project activity was commissioned on 29/03/2022 by the Gujarat Energy Development Agency (GEDA), Government of Gujarat, India.

As per the ex-ante estimate, the project will generate approximately 3680 MWh of electricity per annum. The net generated electricity from the project activity is being used for captive consumption by the Project proponent (Here in called as ‘project Proponent’ PP). A Wheeling agreement is signed between Uttar Gujarat Vij Company Limited (UGVCL) and PP. The project activity would be displacing an equivalent amount of grid electricity resulting in an emission reduction of 3311 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 CO₂e emission reduction by the project activity is expected to be 3311 tCO₂e, whereas the actual emission reduction achieved during the first CoU period shall be submitted as a part of the 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 mitigation. 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: The project would help in generating direct and indirect employment benefits accruing out of ancillary units for manufacturing towers for the erection of the Wind Turbine Generator (WTG) and for maintenance during the operation of the project activity. It will lead to the 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: The project is a clean technology investment decision based on carbon revenue support, which signifies the flow 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 generated electricity will be displacing an equivalent amount of electricity that otherwise would have been generated by fossil fuel sources, thereby reducing grid emission. In addition, improvement in infrastructure 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 project activity employs state of art technology WTG which has high power generation potential with optimized utilization of land. The successful operation of project activity would lead to the promotion of this technology and would further push R&D efforts by technology providers to develop more efficient and better machinery in the future. Hence, the project leads to 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. 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. Thus, the project causes no negative impact on the surrounding environment contributing to environmental well-being.

SDG Goals	Description
Goal 1 	➤ End poverty in all its forms ➤ Eradication of extreme poverty; reduction of all poverty by half; implementation of social protection systems; ensuring equal rights to ownership, basic services, technology and economic resources; and the building of resilience to environmental, economic and social disasters.
Goal 5	➤ Achieve gender equality and empower all woman and girls. ➤ SDG 5 aims to grant women and girls equal rights, opportunities to live free without discrimination Including workplace

5 GENDER EQUALITY 	discrimination any violence. This is to achieve gender equality and empower all women and girls.
Goal 7 7 AFFORDABLE AND CLEAN ENERGY 	➤ Ensure access to affordable, reliable, sustainable and modern energy for all. ➤ These targets include access to affordable and reliable energy while increasing the share of renewable energy in the global energy mix. This would involve improving energy efficiency and enhancing international cooperation to facilitate more open access to clean energy technology and more investment in clean energy infrastructure. ➤ Three out of the five targets are "outcome targets": ➤ Universal access to modern energy; increase global percentage of renewable energy; double the improvement in energy efficiency. ➤ The remaining two targets are "means of achieving targets": to promote access to research, technology and investments in clean energy; and expand and upgrade energy services for developing countries.
Goal 8 8 DECENT WORK AND ECONOMIC GROWTH 	➤ Decent work and economic growth. ➤ Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
Goal 12	➤ SDG 12 is "Ensure sustainable consumption and production patterns and is meant to ensure good use of resources, improving energy efficiency, sustainable infrastructure, and providing access to basic services, green and decent jobs

	and ensuring a better quality of life for all.
Goal 13 	➤ Combat climate change and its impacts ➤ The impact of climate change not only impacts national economies, but also lives and livelihoods, especially those in vulnerable conditions. ➤ SDG 13 and SDG 7 on clean energy are closely related and complementary.

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, the Project Proponent 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. Also, the project activity is a wind power project owned and managed by the proponent for which all required NOCs and approvals are received. 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 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 Regulation, Environmental and Social Impact Assessment is not required for Wind 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	Gujarat
DISTRICT	Jamnagar
TOWN/VILLAGE	Hadmatiya
CO-ORDINATES	22°21'00.3"N 70°11'53.4"E

The representative location map is shown below

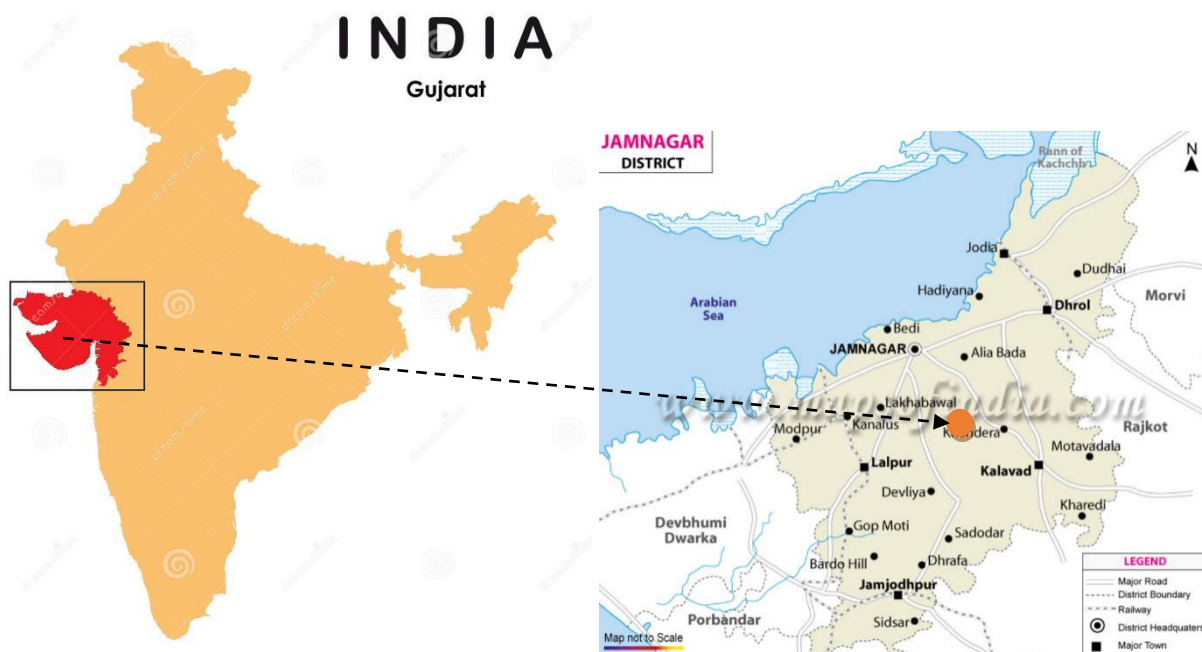


Figure-1- Location of the project activity (courtesy: google images and www.mapofindia.com)

A.4 Technologies/measures

The proposed project activity is the installation and operation of a single Wind Turbine Generator (WTG) manufactured and supplied by Suzlon Energy Ltd., with an installed capacity of 2.1 MW in the state of Gujarat, India.

Technical specification of WTG by Suzlon Energy Ltd.

Parameters	Values
Turbine Model	S120
Operating Data	
Rated power	2.1 MW
Cut in wind speed	3 m/s
Rated wind speed	9.5 m/s
Cut-out Wind speed	18 m/s
Hub Height	140 m
Rotor	
Pitch system	Electric asynchronous motor, 3-stage planetary gearbox
Diameter	120 m
Generator	

Type	Slip ring asynchronous generator
Rated power	2.1 MW
Frequency	50 Hz
Cooling system	Forced oil cooling lubrication system
Braking System	
Aerodynamic brake	Pitch/full blade
Mechanical brake	Hydraulic disc brake, activated by hydraulic pressure (active brake)
TOWER	
Type	Hybrid lattice tower (HLT)
Tower height	138.1m
Corrosion protection	Anti-corrosion paint

Apart from the above technical specification of WTG, the connectivity of the WTG is to a central Monitoring Station (CMS) through a 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.

In the absence of the project activity, the equivalent amount of electricity imported from the 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	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 M/S Ajay Cotspin Industries (Project Owner) Address: Plot No. I - 143, Phase -1, GID, Gujarat Samachar Street, Mehsana. 384002

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

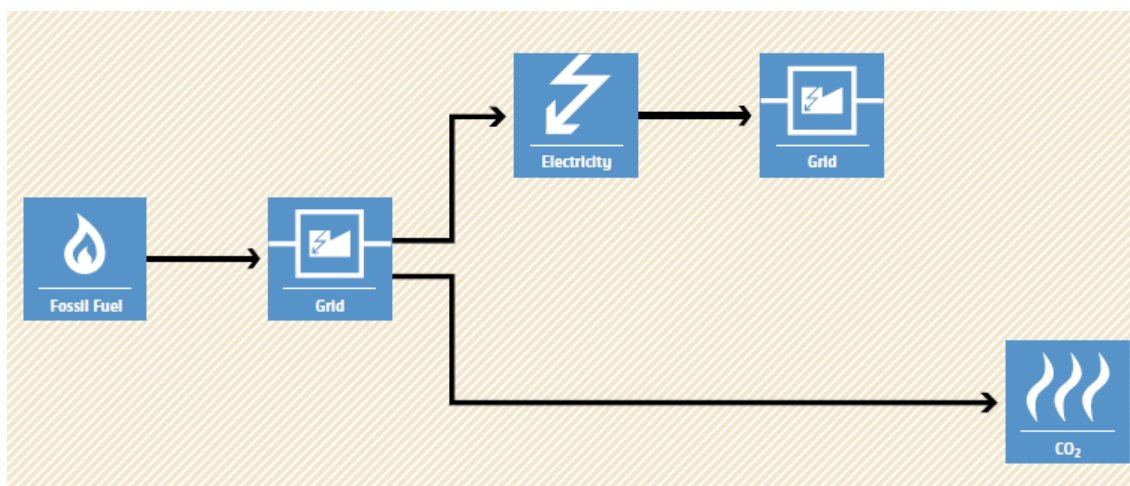
A.6 Baseline Emissions

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

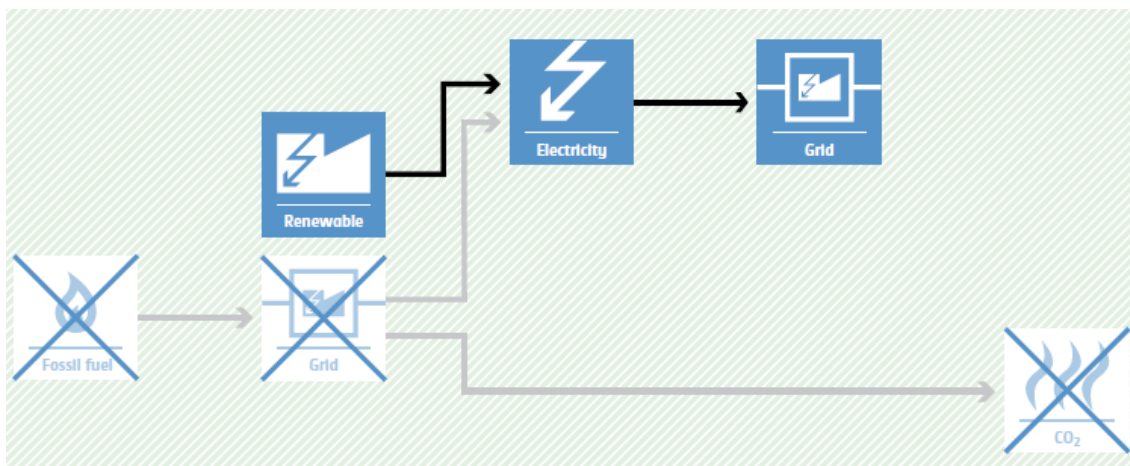
In the absence of the project activity, the equivalent amount of electricity would have been imported from the grid (which is connected to the unified Indian Grid system (NEWNE Grid)), which is carbon intensive due to being predominantly sourced from fossil fuel-based power plants. Hence, the baseline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

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 2.1 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).	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.
3. Hydro power plants with reservoirs that satisfy at least one of the following conditions are eligible to apply this methodology:	The project activity involves installation of Wind Turbine Generator (WTG); hence, this criterion is not applicable.

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	
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.	The proposed project is a 2.1 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.
5. Combined heat and power (co-generation) systems are not eligible under this category	The project is a wind power project and thus the criterion is not applicable to this project activity.
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 distinct¹ from the existing units.	The proposed project is a greenfield 2.1 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.
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 proposed project is a greenfield 2.1 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.
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	The proposed project is a greenfield 2.1 MW wind power project; hence, this criterion is not applicable to this project activity.

shall be in accordance with the 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.	
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 Turbine Generator (WTG) 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 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

Source		Gas	Included?	Justification/Explanation
		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 wind energy. 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, 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

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:

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

BE_y = Baseline emissions in year y (t CO₂)

$EG_{PJ,y}$ = 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)

= 3680 MWh/year * 0.9 tCO₂/MWh

= 3311 tCO₂/year

Hence Net GHG emission reduction, = 3311-0-0 = 3311 tCO₂/year (i.e., 3311 CoUs/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, emissions from a water reservoir of Hydro should be accounted for the project emission. Since the project activity is a wind power project, project emission for renewable energy plants is nil.

Thus, PE = 0

B.5.2 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:

B.6 Prior History

The project was not applied under any other GHG mechanism. Hence project will not cause double accounting of carbon credits (i.e., COUs).

B.7 Changes to start date of crediting

The crediting period under UCR has been considered from the date of commissioning of the project. There is no change in 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: 19 Years and 10 Months

Date: 29/03/2022 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://a23e347601d72166dcd6-16da518ed3035d35cf0439f1cdf449c9.ssl.cf2.rackcdn.com//Documents/UCRStandardMay2022updatedVer4_280522132927419375.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 and Parameters to be monitored (ex-post monitoring 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	Wind energy certificate issued by GETCO (Gujarat Energy Transmission Corporation Limited)
Measurement procedures (if any):	Data Type: Measured Monitoring equipment: Energy Meters are used for monitoring Archiving Policy: Electronic Calibration frequency: Once in 5 years (considered as per provision of CEA India). The net electricity generated by the project activity will be calculated from net electricity supplied to grid from the share certificate issued by state utility (currently GETCO) on monthly basis for respective

	WTG. The amount of energy supplied by the WTG are continuously monitored and recorded once a month. The same can be cross-checked from the State utility website which is publicly available.
Measurement Frequency:	Monthly
Value applied:	3680 (Ex-ante estimate)
QA/QC procedures applied:	Continuous monitoring, hourly measurement monthly recording. Tri-vector (TVM)/ABT energy meters with accuracy class 0.2s
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.