JCM Proposed Methodology Form

Cover sheet of the Proposed Methodology Form

Form for submitting the proposed methodology

| Host Country Mexico | | |
|---|---|--|
| Host Country | Mexico | |
| Name of the methodology proponents | Institute for Global Environmental Strategies | |
| submitting this form | | |
| Sectoral scope(s) to which the Proposed | 1. Energy industries | |
| Methodology applies | (renewable-/non-renewable sources) | |
| Title of the proposed methodology, and | Installation of Solar PV System, Ver 01.0 | |
| version number | | |
| List of documents to be attached to this form | The attached draft JCM-PDD: | |
| (please check): | Additional information | |
| | | |
| Date of completion | 28/08/2017 | |

History of the proposed methodology

| Version | Date | Contents revised |
|---------|------------|------------------|
| 01.0 | 28/08/2017 | First Edition |
| | | |
| | | |

A. Title of the methodology

Installation of Solar PV System, Ver 01.0

B. Terms and definitions

| Terms | Definitions |
|--------------------------------|---|
| Solar photovoltaic (PV) system | An electricity generation system which converts sunlight |
| | into electricity by the use of photovoltaic (PV) modules. |
| | The system also includes ancillary equipment such as |
| | inverters required to change the electrical current from |
| | direct current (DC) to alternating current (AC). |

C. Summary of the methodology

| Items | Summary | |
|--------------------------|---|--|
| GHG emission reduction | Displacement of grid electricity and/or captive electricity using | |
| measures | fossil fuel as power source by installation and operation of the | |
| | solar PV system(s) | |
| Calculation of reference | Reference emissions are calculated on the basis of the AC | |
| emissions | output of the solar PV system(s) multiplied by either; 1) | |
| | conservative emission factor of the grid, or 2) conservative | |
| | emission factor of the captive diesel power generator. | |
| Calculation of project | Project emissions are the emissions from the solar PV system(s), | |
| emissions | which are assumed to be zero. | |
| Monitoring parameters | The quantity of the electricity generated by the project solar PV | |
| | system(s) | |

D. Eligibility criteria

This methodology is applicable to projects that satisfy all of the following criteria.

| Criterion 1 | The project newly installs solar PV system(s). |
|-------------|---|
| Criterion 2 | The PV modules are certified for design qualifications (IEC 61215,IEC 61646 |
| | or IEC 62108) and safety qualification (IEC 61730-1 and IEC 61730-2). |
| Criterion 3 | The equipment used for monitoring output power of the solar PV system(s) |

| | and irradiance is installed at the project site. |
|--|--|
|--|--|

E. Emission Sources and GHG types

| Reference emissions | | |
|---|-----------------|--|
| Emission sources | GHG types | |
| Consumption of grid and/or captive electricity | CO ₂ | |
| Project emissions | | |
| Emission sources | GHG types | |
| Generation of electricity from solar PV system(s) | N/A | |

F. Establishment and calculation of reference emissions

F.1. Establishment of reference emissions

The default emission factor is set in a conservative manner for the Mexican grid. The emission factor is calculated based on the latest electricity mix in Mexico and refers to the conservative emission factor of each fossil fuel power plant in order to secure net emission reductions. The conservative emission factor of each plant is calculated to be 0.742 tCO₂/MWh for coal-fired power plant and 0.343 tCO₂/MWh for gas-fired power plant based on the survey on heat efficiency of power plant in Mexico. The emission factor for diesel power plant is calculated to be 0.533 tCO₂/MWh based on a default heat efficiency of 49%, an efficiency level which is above the value of the world's leading diesel power generators.

In case the PV system(s) in a proposed project activity is directly connected or connected via an internal grid, not connecting to a captive power generator, to a grid (PV Case 1), the value of operating margin without low cost/must run (LCMR) resources, using the best heat efficiency among currently operational plants in Mexico in calculating emission factors of fossil fuel power plants, are applied.

In the case the PV system(s) in a proposed project activity is connected to an internal grid connecting to both a grid and a captive power generator (PV Case 2), the lower value between the emission factor for PV Case 1 (tCO₂/MWh) shown in Section I. and the conservative emission factor of diesel-fired power plant of 0.533 tCO₂/MWh is applied. The emission factors to be applied for PV Case 2 (tCO₂/MWh) are shown in Section I.

In the case that the PV system(s) in a proposed project activity is only connected to an internal grid connecting to a captive power generator (PV Case 3), the emission factor of a diesel generator calculated by applying the most efficient heat efficiency of 49%, an efficiency level which has not been achieved yet by the world's leading diesel generator is applied: $0.533 \text{ tCO}_2/\text{MWh}$.

The reference emission factors for each case is shown in Section I.

F.2. Calculation of reference emissions

$$RE_p = \sum_i (EG_{i,p} \times EF_{RE})$$

 RE_p : Reference emissions during the period p [tCO₂/p]

 $EG_{i,p}$: Quantity of the electricity generated by the project solar PV system *i* during the period *p* [MWh/p]

 EF_{RE} : Reference CO₂ emission factor of grid and/or captive electricity [tCO₂/MWh]

G. Calculation of project emissions

 $PE_p = 0$

 PE_p : Project emissions during the period p [tCO₂/p]

H. Calculation of emissions reductions

$$ER_{p} = RE_{p} - PE_{p}$$

$$= RE_{p}$$

$$ER_{p} : Emission reductions during the period p [tCO_{2}/p]$$

$$RE_{p} : Reference emissions during the period p [tCO_{2}/p]$$

$$PE_{p} : Project emissions during the period p [tCO_{2}/p]$$

I. Data and parameters fixed *ex ante*

The source of each data and parameter fixed *ex ante* is listed as below.

| Parameter | Description of data | Source |
|--------------------|---|---|
| EF _{RE,i} | Reference emission factor of the project solar PV system <i>i</i> . The value for $EF_{RE,i}$ is selected from the reference emission factor based on a grid ($EF_{RE,grid}$) or based on a captive diesel power generator ($EF_{RE,cap}$) in the following manner: In case the PV system(s) in a proposed project activity, which is directly connected or connected via an internal grid not connecting to a captive power generator (PV Case 1), to a grid, $EF_{RE,grid}$ is set as 0.434 tCO ₂ /MWh. In case the PV system(s) in a proposed project activity, which is connected to an internal grid connecting to both a grid and a captive power generator (PV Case 2), $EF_{RE,grid}$ is set as 0.434 tCO ₂ /MWh. In case the PV system(s) in a proposed project activity is connected to an internal grid which is not connected to a grid (PV Case 3), $EF_{RE,cap}$ is set as 0.533 tCO ₂ /MWh. | Additional information The default emission factor is obtained from a study of electricity systems in Mexico and the most efficient diesel power generator (49% heat efficiency). The default value is revised if deemed necessary by the JC. |