

**Joint Crediting Mechanism Approved Methodology PW\_AM001**  
**“Displacement of Grid and Captive Genset Electricity by a Small-scale Solar PV System”**

**A. Title of the methodology**

Displacement of Grid and Captive Genset Electricity by a Small-scale 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
<i>GHG emission reduction measures</i>	Displacement of grid electricity and/or captive electricity using diesel fuel as power source by installation and operation of the solar PV system(s)
<i>Calculation of reference emissions</i>	Reference emissions are calculated on the basis of the AC output of the solar PV system(s) multiplied by the conservative emission factor of the grid and captive electricity.
<i>Calculation of project emissions</i>	Project emissions are the emissions from the solar PV system(s), which are assumed to be zero.
<i>Monitoring parameters</i>	The quantity of the electricity generated by the project solar PV system

**D. Eligibility criteria**

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

Criterion 1	The project installs solar PV system(s).
Criterion 2	The solar PV system is connected to the internal power grid of the project site and/or to the grid for displacing grid electricity and/or captive electricity at the project site.
Criterion 3	The PV modules have obtained a certification of design qualifications (IEC 61215, IEC 61646 or IEC 62108) and safety qualification (IEC 61730-1 and IEC 61730-2).
Criterion 4	The equipment to monitor output power of the solar PV system and irradiance is installed at the project site.

## E. Emission Sources and GHG types

Reference emissions	
Emission sources	GHG types
Consumption of grid electricity and/or captive electricity	CO <sub>2</sub>
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

Considering that Palauan grids are not connected to other grids and use diesel fuel as a power source, net emission reductions are ensured as follows.

It is assumed that solar PV systems installed in Palau will replace grid electricity and/or captive electricity generated by the existing diesel generators whose power generation efficiency is estimated to be around 33-41%, which leads to the CO<sub>2</sub> emission factor of 0.805-0.631 tCO<sub>2</sub>/MWh.

However, applying such emission factor derived from the existing diesel generators does not achieve net emission reductions. Therefore, the power generation efficiency of 49%, which has not been achieved yet by the world's leading diesel generators, is employed in this methodology to ensure net emission reductions. The emission factor of grid and captive electricity is set to

0.533 tCO<sub>2</sub>/MWh based on the power generation efficiency of 49%.

## F.2. Calculation of reference emissions

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

$RE_p$  : Reference emissions during the period  $p$  [tCO<sub>2</sub>/p]

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

$EF_{RE}$  : The reference CO<sub>2</sub> emission factor of grid and captive electricity [tCO<sub>2</sub>/MWh]

## G. Calculation of project emissions

$$PE_p = 0$$

$PE_p$  : Project emissions during the period  $p$  [tCO<sub>2</sub>/p]

## H. Calculation of emissions reductions

$$\begin{aligned} ER_p &= RE_p - PE_p \\ &= RE_p \end{aligned}$$

$ER_p$  : Emission reductions during the period  $p$  [tCO<sub>2</sub>/p]

$RE_p$  : Reference emissions during the period  $p$  [tCO<sub>2</sub>/p]

$PE_p$  : Project emissions during the period  $p$  [tCO<sub>2</sub>/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
$EF_{RE}$	The reference CO <sub>2</sub> emission factor of grid and captive electricity, calculated based on the power generation efficiency of 49% using	Additional information The default emission factor is derived from the result of the

	<p>diesel fuel as the power source.</p> <p>The default value for <math>EF_{RE}</math> is set to be 0.533 tCO<sub>2</sub>/MWh.</p> <p>*The efficiency of the most efficient diesel engine is close to but below 49%.</p>	<p>survey on the new high-efficient engines using diesel fuel as power source.</p> <p>The default value should be revised if necessary from survey result which is conducted by JC or project participants every three years.</p>
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## History of the document

Version	Date	Contents revised
01.0	20 February 2015	JC2, Annex 1 Initial approval.