**Joint Crediting Mechanism Approved Methodology VN\_AM007**

**“Installation of Solar PV System”**

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| * 1. **Title of the methodology** |

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| Installation of Solar PV System, Ver 01.0 |

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| * 1. **Terms and definitions** |

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| 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). |

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| * 1. **Summary of the methodology** |

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

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| * 1. **Eligibility criteria** |

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

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| 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 to monitor output power of the solar PV system(s) and irradiance is installed at the project site. |

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| * 1. **Emission Sources and GHG types** |

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| Reference emissions | |
| Emission sources | GHG types |
| Consumption of grid electricity and/or captive electricity | CO2 |
| Project emissions | |
| Emission sources | GHG types |
| Generation of electricity from solar PV system(s) | N/A |

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| * 1. **Establishment and calculation of reference emissions** |

**F.1. Establishment of reference emissions**

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| The default emission factors are set in a conservative manner based on the Viet Nam’s national grid. The emission factor is calculated based on the recent three years of electric power source mix published by Vietnamese government identifying 1) primary fuel type which has the largest volume of generated electricity among the fossil fuel types used as a source and 2) the best heat efficiencies derived from the type of power plants currently operational in Viet Nam according to the identified primary fuel type.  As a result, the emission factor of 0.333 tCO2/MWh is applied which is calculated based on the heat efficiency of the most efficient natural gas-fired power plant supplying electricity to the national grid. The value is lower than the emission factor of the Viet Nam grid published by the government of Viet Nam, which is 0.8154 tCO2/MWh (combined margin, 2015), and ensures net emission reductions.  In addition, the emission factor of a diesel power generator is calculated by applying the default heat efficiency of 49%, an efficiency level which is above the value of the world’s leading diesel power generator, and set to 0.533 tCO2/MWh. |

**F.2. Calculation of reference emissions**

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| REp : Reference emissions during the period *p* [tCO2/p]  ECi,p : Quantity of electricity consumed or sold to the power company from electricity generated by the project solar PV system *i* during the period *p* [MWh/p]  EFRE, i : Reference CO2 emission factor for the project solar PV system *i* [tCO2/MWh] |

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| * 1. **Calculation of project emissions** |

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| Project emissions are not assumed in the methodology as electricity consumption by any PV system is negligible.  PEp = 0  PEp : Project emissions during the period *p* [tCO2/p] |

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| * 1. **Calculation of emissions reductions** |

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| ERp = REp － PEp  = REp  ERp : Emission reductions during the period *p* [tCO2/p]  REp : Reference emissions during the period *p* [tCO2/p]  PEp : Project emissions during the period *p* [tCO2/p] |

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| * 1. **Data and parameters fixed *ex ante*** |

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

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| Parameter | Description of data | Source |
| EFRE, i | Reference CO2 emission factor for the project solar PV system *i*.  The value for EFRE,i is selected from the emission factor based on the national grid (EFRE,grid) or based on captive diesel power generator (EFRE,cap) in the following manners:  In case the PV system in a proposed project activity is connected to the national grid including through an internal grid which is not connected to a captive power generator, EFRE,grid, 0.333 tCO2/MWh is applied.  In case the PV system in a proposed project activity is connected to an internal grid which is connected to both the national grid and a captive power generator, EFRE,grid, 0.333 tCO2/MWh is applied.  In case the PV system in a proposed project activity is connected to an internal grid which is not connected to the national grid, EFRE,cap, 0.533 tCO2/MWh is applied. | Additional information  The default emission factor is derived from the result of the survey on the generation efficiency of major natural  gas-fired power plants in  Viet Nam and the default heat efficiency of 49% which is set above the value of the most efficient diesel power generator.  The default value is revised if deemed necessary by the JC. |

History of the document

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| Version | Date | Contents revised |
| 01.0 | 10 October 2017 | JC6, Annex 2  Initial approval. |
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