



VALIDATION REPORT

- contributes towards meeting the electricity supply deficit in Maharashtra
- conserving natural resources
- rural and infrastructure development

The Project Scenario is considered additional in comparison to the baseline scenario, and therefore eligible to receive Certified Emissions Reductions (CERs) under the CDM, based on an analysis, presented by the PDD, of investment, technological and other barriers, and prevailing practice.

The project design is sound and the geographical (taluka Vankusawade, district Satara, Maharashtra) and temporal (20 years) boundaries of the project are clearly defined.

3.2 Baseline

The Bajaj Auto Limited's Project uses the approved baseline methodology ACM0002 (Consolidated baseline methodology for grid-connected electricity generation from renewable sources, version 04 dated 28/11/2005).

The baseline methodology applies to electricity capacity additions from wind sources and hence suitable for the project activity. The project activity did not involve any fuel switch. The project activity considers western regional grid in India. This grid fulfills the methodology conditions like clear identification of geographic and system boundaries and public availability of characteristics of the grid. Hence the project activity meets all the applicability conditions of the methodology.

The alternative considered for determination of the baseline scenario in the context of the project activity is electricity generation in power plants connected to the western regional grid. This provision also meets the requirement of the methodology.

The four possible alternative baseline scenarios are the following:

- (a) Proposed project activity without CDM
- (b) Proposed project activity with CDM benefits
- (c) Electricity generation in power plants connected to the western regional grid
- (d) Captive power plant using fossil fuel

These options do not include those options that:

- do not comply with legal and regulatory requirements; or
- depend on key resources such as fuels, materials or technology that are not available at the project site.



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As per the PDD, out of the above four alternatives identified, alternatives c & d were found to be financially feasible. Out of these two alternatives, the one providing conservative estimate of emissions reductions viz. alternative c was chosen as the baseline. As per the PDD, this alternative is also cheaper than the project activity. According to the PDD, this alternative is not expected to face any prohibitive barriers that could have prevented it from being taken up as the project activity.

The additionality of the emissions reductions is discussed using the tool for demonstrating the additionality. Barrier analysis is used to demonstrate the additionality. The technological barriers include unavailability of inhouse experts on windmills operations, non-core business operations, upgrading the skill sets of the existing persons, possibilities of damage of the windmills on account of lightning and fire incidents. The investment barriers include huge investment in order to reduce the risk of lower load factor, cost of wind power being higher than coal or grid based power, etc. The barriers due to prevailing practice is that the technology penetration in the state of Maharashtra where the project is implemented is as low as 2.64%.

3.3 Monitoring Plan

The Project uses the approved consolidated monitoring methodology ACM0002 (Consolidated monitoring methodology for zero-emissions grid-connected electricity generation from renewable sources, version 04 dated 28/11/2005).

The adopted monitoring methodology has been chosen based on the following reasons:

- The methodology applies to electricity capacity additions from wind sources
- There was no fossil used at the site. Hence, there is no switching from fossil fuels to wind sources in the project activity

As discussed under section 3.2, the project activity meets the applicability conditions of the methodology.

The monitoring plan meets the requirements of the methodology. The monitoring is mainly a joint metering report by the project participant and the electricity authority. The meters used for monitoring are sealed and calibrated by the authorities. Check meters are provided and these are also calibrated by the authority. Considering the provisions of calibration and alternate modes of measurement, the uncertainties in monitoring are very limited.

3.4 Calculation of GHG Emissions

As per ACM0002 methodology, the baseline emission sources considered are fossil fuel fired power plants connected to the relevant electricity