

Webinar on the Joint Crediting Mechanism (JCM) Implementation for Sri Lanka

Contribution to GHG Emission Reductions
in Sri Lanka through the JCM

February 16, 2024



Yasumitsu Kida
Shibata Corporation Co., Ltd.

About Us : Shibata Corporation Co., Ltd.

Company Name	Shibata Corporation. Co., Ltd.
Establishment	March 1953 = <u>70 years history</u>
Sales	<u>JPY 4.57 Bn</u> (FY2022) Around <u>USD 30.60 Mn</u>
Head Office	Fukui-city, Japan
Branch Office	Tokyo & Osaka
Overseas	Sri Lanka, Singapore, Thailand, Vietnam & Malaysia
Website	https://www.shibata-s.co.jp



Main Business Fields

(1) Renewable Energy ~ Solar Power

- Construction, O&M and Sales of Solar Power Plants / Systems
- PPA



(2) Decarbonization ~ Carbon Credits & RECs

- Issuance and Sales of Environment Values (Carbon Credits & Reusable Energy Certificates (I-REC)) in Asian Countries
- Consultation & Co-working for Carbon Neutral Business



(3) Environment & Energy Saving

Proposing Products & Service for Environmental-friendly & Energy Saving



(4) Real Estate Sales & Construction



Global Business of Shibata Corp. Group

Thailand

- Renewable Energy (PPA) & Environment
- Decarbonization (Carbon Credits & I-RECs)

Malaysia

- Decarbonization (Carbon Credits & I-RECs)
- Food Import & Wholesale

Sri Lanka

- Renewable Energy
- Decarbonization (Carbon Credits & I-RECs)

Japan

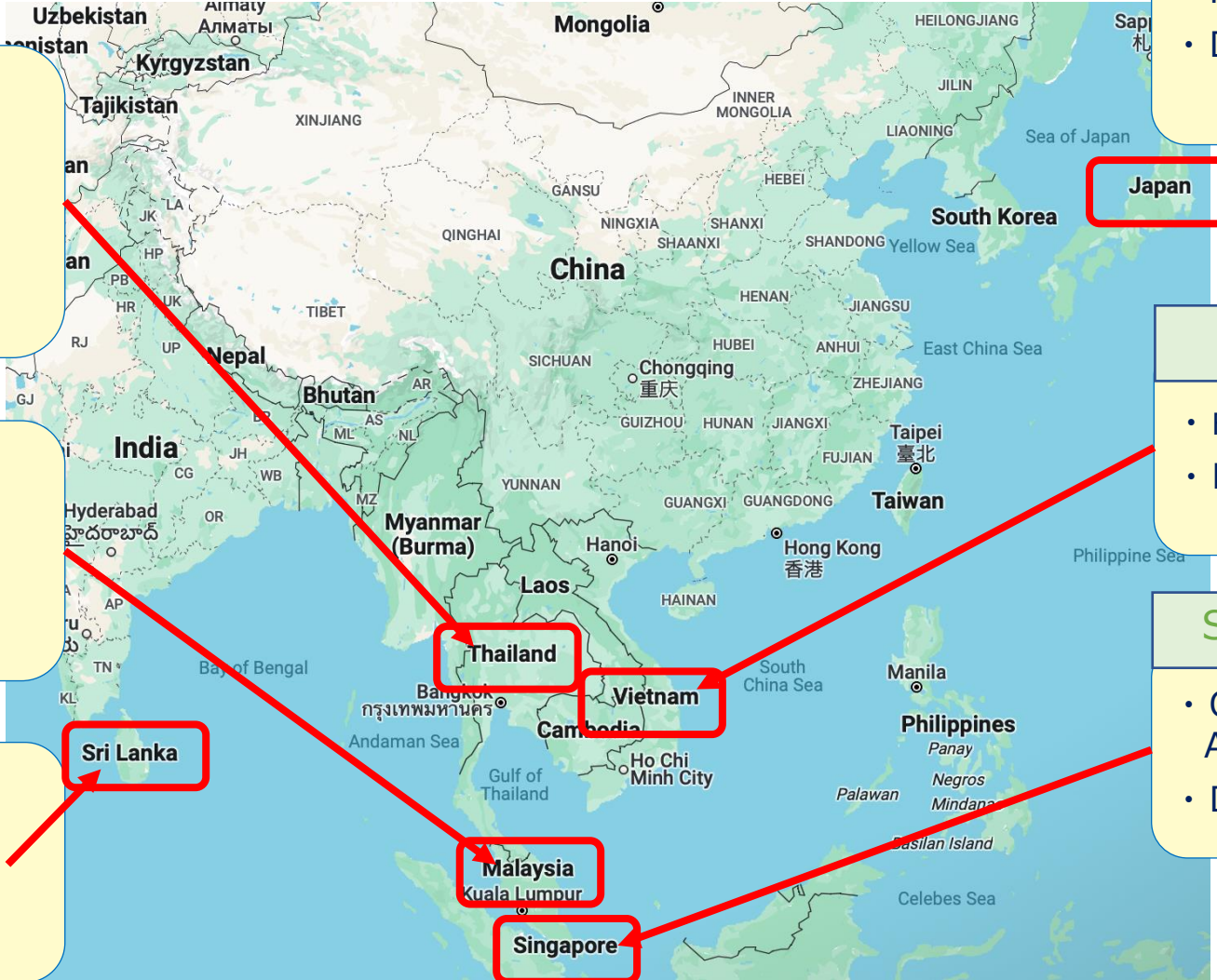
- Renewable Energy
- Decarbonization (Carbon Credits & I-RECs)

Vietnam

- Food Wholesale & Agriculture
- Hotel Operation

Singapore

- Overall Management of Asian Countries Business
- Decarbonization



Shibata Corp. Group has **plenty of experience, knowledge & network for Sri Lankan business**

Outline of our selected JCM Model Project in FY2023



JCM THE JOINT CREDITING MECHANISM

Global Environment Centre Foundation

Access

Contact

Search

Japanese

Overview

Call for Proposals

Projects

News

Publications

JCM Global

Projects Selected in the Third Selection

Match

No.	Partner Country	Representative Participant	Project Title	Expected GHG Emission Reductions (tCO ₂ /year)
9	Chile	Sojitz Corporation	Introduction of 196MWh BESS in Huatacondo PV Plant in Tarapaca Region	17,975
10	Philippines	Kanematsu Corporation	11.3MW Mini Hydro Power Plant in Tumauni	29,342
11	Philippines	Kyuden International Corporation	10MW Solar Power Project in San Jose, Luzon Island	6,846
12	Philippines	Tokyo Century Corporation	7MW Solar Power Project in Collaboration with Power-supply Company	4,731
13	Sri Lanka	Shibata Corporation Co., Ltd.	13.5MW Solar Power Project in Kebithigollewa, North Central Province	6,511

Outline of our selected JCM Model Project in FY2023

Project Title: 13.5MW Solar Power Project in Kebithigollewa, North Central Province / Sri Lanka

Representative Participant	Shibata Corporation Co., Ltd.
Partner Participants	Windforce PLC Kebithigollewa Solar Power (Pvt) Ltd
Plant Capacity	13.5MW
Expected GHG Emission Reductions	6,511 tCO2/year
Expected COD	July 2024
Required MRV Period	17 Years



Source: Google map

International Consortium



SHIBATA

Representative Participant (Japan)

Shibata Corporation Co., Ltd.



WINDFORCE

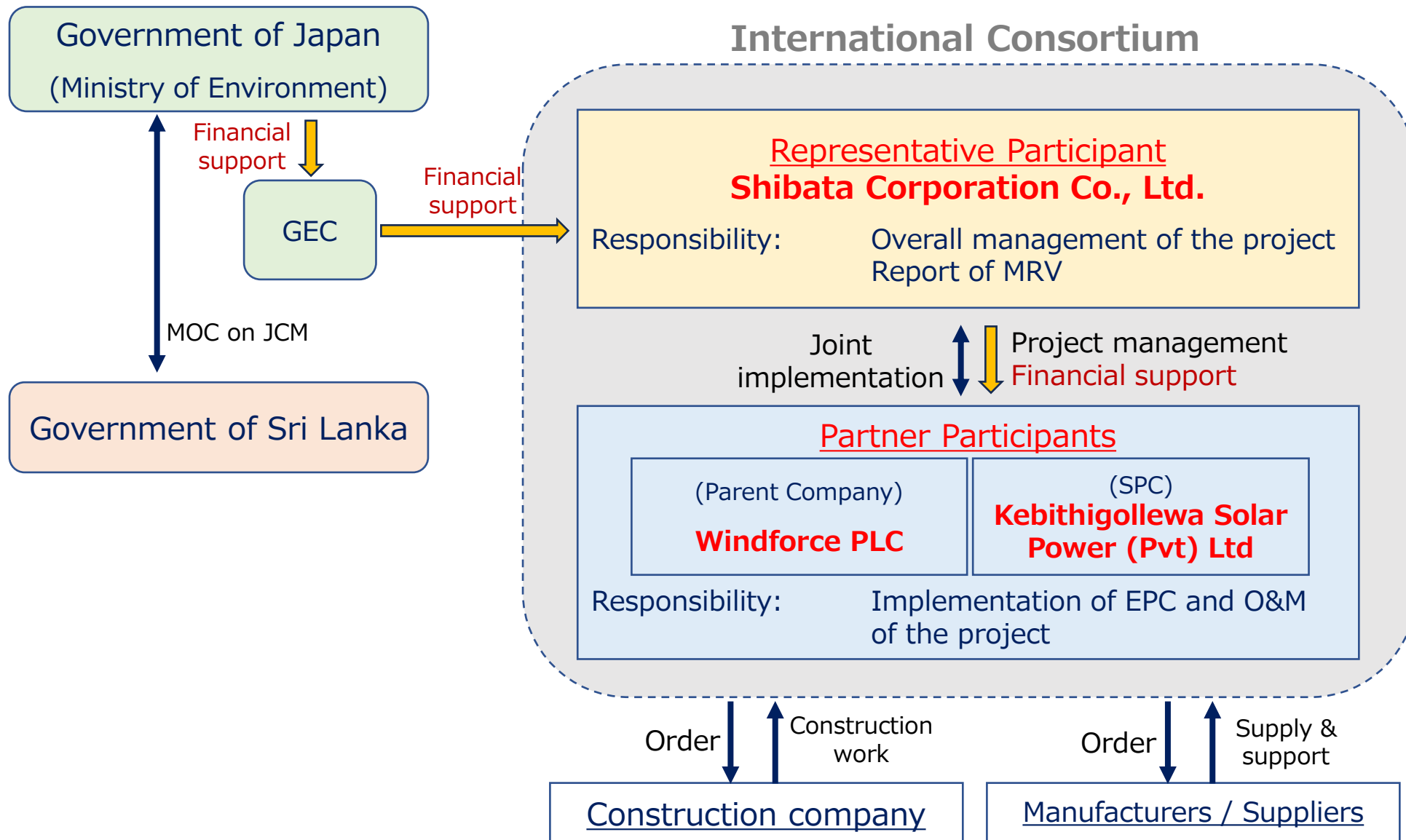
Partner Participants (Sri Lanka)

Windforce PLC

Kebithigollewa Solar Power (Pvt) Ltd

*SPC

Implementation Structure



Schedule & Progress

Schedule	Process
Jul 31, 2023	Submitted our Proposal for the JCM Financing Programme
Aug-end, 2023	Hearing Assessment by GEC
Oct 13, 2023	Joint Committee b/w Sri Lanka & Japan
Dec-mid, 2023	Approval of our Proposal for the JCM Financing Programme Start of Procurement & Construction Works
Dec 2023 - Jun 2024	Procurement & Construction Works with our Monitoring & Report to Governments
Jun 2024	Completion of Construction & Test Operation of the Project
Jul 2024	COD



Lessons Learned

(1) Before Application

- Understanding of Sri Lankan economic & business environment and corporate information in Sri Lanka
 - Especially for renewable energy business & FIT
 - Situation of the Sri Lankan economy & business has been drastically & rapidly changed.
- **Sufficient experiences** for the development & operation of projects similar to the proposed project

Lessons Learned

(2) Project Formulation

- Formulation of projects **with reliable & feasible planning**
 - Acquisition of related licenses
(land approval, energy permit, grid connection, environment assessment, etc.)
 - Highly reliable presumption of acquisition of PPA
 - Feasible & realistic project financing plan (equity/loan)

Lessons Learned

(2) Project Formulation

- Formulation of projects with **profitable business planning**
 - 17 years business projection with profitability
 - * in case of solar power plant project
 - Reasonable profitable projection, even considering the high interest rates in Sri Lanka
 - Risk / possibility of sudden policy changes in Sri Lanka's macroeconomic environment, taxation, etc.

Lessons Learned

(2) Project Formulation

- **Communication with the Ministry of Environment of Sri Lanka & the Embassy of Japan in Sri Lanka** from the stage of project formation and application

(3) Project Participants

- Fully understanding of **17 years obligation of MRV** (Measurement, Reporting, and Verification)
 - Establishment of system & team structure, especially for monitoring, O&M & reporting, with written agreements

Lessons Learned

(4) Overall

- Higher likelihood of adoption to the JCM Financing Programme for good quality & well organized projects, compared to other countries
- Importance of sincere & open report & consultation to GEC about any concerns or issues during the assessment & implementation processes



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