

## TGF Project Profile : Vanaküla Wind Power Development, Estonia

### The Project Activity

The Vanaküla wind power development project, is a Joint Implementation project developed between Estonia and the investor countries and companies of the Baltic Sea Region Testing Ground Facility (Iceland, Norway, Sweden, Denmark, Finland and Germany, DONG Naturgas, Fortum, Kymmivoima, Kerevan Energia, Gasum, Outukumpu, Vapo and Vattenfall). The JI project was prepared by NEFCO on behalf of TGF (in its capacity as Fund Manager to the Facility). The project developer and owner is the privately owned company, OÜ Intercon Energy.

The proposed project activity is the development of 9 MW installed capacity (3 turbines at ca. 3MW each) wind power project at the Narootsi location in Vanaküla municipality of Estonia. The expected net energy output of this project is ca. 26 GWh per year.

The project is located at the NE coast of Estonia at Vanaküla municipality. The site meets all prerequisites for successful wind power generation – good wind conditions, nearby technical infrastructure (grid, roads, port) and no environmental or other restrictions. All relevant permits have been secured.

### Nature of Emission Reductions

The Vanaküla wind project will generate emission reductions through the displacement of carbon intensive electricity. The investment project is expected to result in an emission reduction of ERUs 127,000 tCO<sub>2</sub>e. The emission reductions will be purchased by the TGF.

The project is put forward as a Type I (Renewables <15MWe) small scale JI project.

The project uses the Approved Consolidated Methodology of the CDM for grid connected renewables. For a full explanation of the methodology used please refer to the Project Design Document.

### Technology

The wind turbines will be supplied by the Finnish manufacturer, WinWind and will be of the WWD-3 (NH90-RD100) type.



WWD 3 Turbines (Photo from [www.winwind.fi](http://www.winwind.fi))

### Contribution of Carbon Finance

Investment costs of the project are estimated at EUR 11,6 million. The investments costs include erection of the wind farm, power station, and connection to grid and project development. Financing is based on own capital resources, bank loan and sales of CO<sub>2</sub> reduction units.

Carbon finance was integral to the financing of the project given the insufficient financial return and level of uncertainties relating to tariffs. Carbon finance contributed approximately 8% of the capital invested.

### For Further Information

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For General Information on the TGF, visit <http://www.nefco.org/tgf>