



Gold Standard[®]
for the Global Goals

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **16.07.2020**

Version **3.0**

A. To be completed by Gold Standard

1| Decision

1.1 | Date – 17/09/2020

1.2 | Decision - Approved

Considering the exceptional circumstances justified in enclosed, the project deviation request from requirements stated in paragraph 2.1.3, Renewable Energy Activity Requirements V1.2 has been approved. The project can be submitted for certification under GS4GG.

The deviation approval doesn't constitute a decision on project's additionality justification which shall be reviewed by GSVVB and/or SustainCERT, as applicable, as part of validation and design review.

B. To be completed by the Project Developer/Coordinating and Managing Entity and/or VVB requesting deviation (Please submit complete deviation request form in Microsoft Word format)

2| Background information

Deviation Reference Number	DEV_151	
Date of decision	17/09/2020	
Date of submission	05/08/2020	
Project/PoA/VPA	<input checked="" type="checkbox"/> Project	ID - GSXXXX
	<input type="checkbox"/> PoA	ID - GSXXXX
	<input type="checkbox"/> VPA	ID - GSXXXX
Project/PoA/VPA title	3MW PV project in Kosovo by Pro Energy LLC	
Location of project/PoA/VPA	Republic of Kosovo	
Scale of the project/PoA/VPA	<input checked="" type="checkbox"/> Microscale <input type="checkbox"/> Small scale <input type="checkbox"/> Large scale	
Gold Standard Impact Registry link of the project/PoA/VPA	Not Applicable as it is a new project	
Status of the project/PoA/VPA	<input checked="" type="checkbox"/> New <input type="checkbox"/> Listed <input type="checkbox"/> Certified design <input type="checkbox"/> Certified project	
Title/subject of deviation	Deviation Request - GS4GG RE Activity Requirements (v1.2)	
Specify applicable rule/requirements/methodology and version number	Para 2.1.3 of GS4GG Renewable Energy Activity Requirements, Version 1.2	
Specify the monitoring period for which the request is valid (if applicable)	Start date	End date
Submitted by	Contact person name: Neeraj Joshi	
	Email ID: joshi@ipcgbh.com	
	Organization: IPC - Internationale Projekt Consult GmbH	
	Project participant: Yes <input checked="" type="checkbox"/> NO <input type="checkbox"/>	
Validation and Verification body (VVB opinion shall be included, where required by the applicable rules/requirements or request is submitted by the VVB).	Yes <input type="checkbox"/> NO <input checked="" type="checkbox"/> If yes; VVB name: Auditor name:	

3| Deviation detail

3.1 | Description of the deviation:

Use the space below to describe the deviation and substantiate the reason for requesting deviation from applicable rules/requirements. Please include all relevant information in support of the request. You are requested to follow the principles for guidelines for requesting deviations, given in the Deviation Approval Procedure.

The ProCredit Holding (PCH) is the parent company of a development-oriented group of commercial banks for SMEs, which operate in South Eastern and Eastern Europe, Ecuador, and Germany. Pro Energy LLC (PP), subsidiary of PCH is currently in the process of evaluating the opportunity to setup a solar power project and is interested to apply for GS certification for the project. The project will be implemented in Kosovo which is a partially recognized state and disputed territory. Additionally, Kosovo is not a party to the United Nations Framework Convention on Climate Change (UNFCCC).

The proposed project activity is a greenfield 3 MW solar project in Kosovo and the electricity will be wheeled via grid and used for self-consumption for the Procredit Bank in Kosovo while the surplus electricity will be sold to Kosovo Electricity Supply Company J.S.C (KESCO) at an agreed tariff rate. The above practice is novel in context of Kosovo and the project proponent has currently submitted its request for approval to KESCO.

The PP wants to develop the project under GS4GG to offset its own internal emissions originating from its primary business (banking). The expected emissions from the project are 3,962 tCO₂/annum (GS crediting period of 5-years). The project is seeking only to certify for ER (GS VER) only and no other impacts or products. If successful, this will be the first project in Kosovo and probably Eastern Europe to register under GS4GG. At the time of writing, the land for the project has been selected and detailed design study for the plant is completed. The project is still waiting to obtain final approval from the regulator for project license.

With the new RE activity requirements (point 2.1.3), we note that the project will not be eligible as Kosovo is an upper middle income country, despite the fact that penetration level of PV projects in Kosovo is only 1.04%¹. As of now only 10 MW² grid connected PV projects are in operation while the installed capacity of lignite fired power stations in Kosovo is 960MW.

Point 2.1.4 of the activity requirements states that “where exceptional circumstances exist, a project may seek an exception to paragraph 2.1.3. This include cases when a project serves impoverished beneficiaries at preferential electricity rates or the project is located in a conflict zone⁷, or penetration of proposed project technology type is not a common practice in the relevant region of the host country”.

As above mentioned, the penetration level of PV projects in Kosovo is only 1.04% and hence not a common practice in the country. Currently, there is no support scheme such as feed-in-tariff and other incentives available for the solar projects which has stagnated the development of solar projects in Kosovo. Therefore, we request the GS secretariat to accept this deviation request.

VVB opinion (if applicable):

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3.2 | Assessment of the deviation:

Use the space below to describe how the deviation complies with the requirements, and accuracy, completeness, conservativeness, as applicable is ensured. Please include all relevant information in support of the request.

The deviation request complies with the requirements, accuracy, completeness and conservativeness and follows the GS4GG Principles and requirements.

As per GS4GG Deviation approval procedures, version 1.0, the proposed project follows the following principles:

- a. Environmental integrity: The deviation request does not affect the capacity of the project, hence the Gold Standard certified products (GS VERs) will not be overestimated as a result of the deviation, ensuring conservativeness.
- b. Contribution to the Sustainable Development Goals(SDGs): As the capacity of the project activity remains same, there is no change and compromise with the project activity SDG contributions in line with GS4GG requirements.
- c. Safeguarding principles and requirements: The project activity is in line with the GS4GG Safeguarding principles and requirements.
- d. Compliance with host country regulations: Kosovo is not a party to the United Nations Framework Convention on Climate Change (UNFCCC). However, there is no mandated guidelines by Republic of Kosovo affecting the project activity and its conflict with host country regulations

VVB opinion and recommendation (if applicable):

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3.3 | Impact of the deviation:

Use the space below to describe the impact of the deviation on project design, safeguarding principles assessment, SDG assessment, emissions reductions, monitoring frequency, data quality, potential risk or any other relevant aspect of the project. Please substantiate the impact assessment with relevant and verifiable data/information.

There will be no impact of the deviation whatsoever on the project design, safeguarding principles assessment, emission reductions, SDG impacts or on the data quality.

The project is expected to reduce 3962 tCO2 per annum and contribute towards SDG 13. The generation of 3943MWh/annum of clean electricity will contribute to SDG 7. Additionally, the project will create local employment opportunities during the construction and operation of the project activity thus contributing towards SDG 8.

VVB opinion (if applicable):

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3.4 | Documents:

Memo -Investment Analysis_31072020 (Memo -Investment Analysis_31072020.docx)
 IRR spreadsheet (IRR-3MW ProEnergy_31072020.xlsx)

¹ Penetration Rate= Installed PV capacity/Total installed grid capacity = 10MW/960=1.04%

² Energy Regulator Office, Kosovo. Available at: http://ero-ks.org/2020/Autorizimet_Licencat/01_05_2020_Regjistri_i_Aplikue_sve_per_Autorizim_dhe_Pranim_ne_Skemen_Mbeshtetese.pdf (see page 6)