



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 - 25/11/2020

1.2 | Decision – Not Approved

Considering that no exceptional circumstances exist for the proposed project in Taiwan, the deviation request from the requirements stated in paragraph 2.1.3 of the Renewable Energy Activity Requirements (version 1.2) is not approved. Thus, the proposed project cannot be submitted for certification under GS4GG.

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_153	
Date of decision	25/11/2020	
Date of submission	04/09/2020	
Project/PoA/VPA	<input type="checkbox"/> Project	ID - GSXXXX
	<input type="checkbox"/> PoA	ID - GSXXXX
	<input type="checkbox"/> VPA	ID - GSXXXX
Project/PoA/VPA title	Arbon Taiwan Bundled Wind Farm	
Location of project/PoA/VPA	Taiwan	
Scale of the project/PoA/VPA	<input type="checkbox"/> Microscale <input type="checkbox"/> Small scale <input checked="" type="checkbox"/> Large scale	
Gold Standard Impact Registry link of the project/PoA/VPA	-	
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	Issuance of GS-VER to upcoming wind project in Taiwan	
Specify applicable rule/requirements/methodology and version number	Renewable Energy Activity Requirement, Clause 2.1.3	
Specify the monitoring period for which the request is valid (if applicable)	Start date	End date
Submitted by	Contact person name: Jules Chuang	
	Email ID: jchuang@mtstonegate.com	
	Organization: Nanjitan Asset Management Ltd.	
	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.

As stated in Clause 2.1.4 in the Renewable Energy Activity Requirement, project may seek an exception to clause 2.1.3 if any exceptional circumstances exist. Taiwan is currently listed as high-income countries, however, the development of renewable energy is considerably low. Currently, renewable energy accounts for 5% of total Taiwan primary energy mix, where the government has set the target to reach 20% by 2025.

Regarding the penetration level, according to Taiwan Bureau of Energy, wind power capacity in 2019 is 845.2 MW where the total installed capacity is 55,945.7 MW. This means installed capacity of wind power in Taiwan only accounts for about 1.5% of total installed capacity.

For the past 10 years, except government-owned (Taipower) on-shore wind farms, private-owned projects in Taiwan are selling electricity under FiT to the power utility. As published this year, the FiT rate for on-shore wind farm is at 2.3 NTD/kWh, which is below the average electricity price. After doing preliminary investment analysis, we found out that the return rate for the project need additional support such as issuance of GS-VER.

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.

Attached is the preliminary investment analysis we did for this project. As shown in the sheet, the estimated IRR for this project is at 2.56% without the help of additional financing such as GS-VER. With the benchmark IRR at 8.16%, the project IRR is considerably low, mainly due to the feed-in tariff rate set by the government is much lower than the average price. At 2.3 NTD / kWh, it is hard to get a good return rate without additional financing scheme.

Year	Taiwan On-Shore FiT Rate
2016	2.8 NTD/kWh
2017	2.8 NTD/kWh
2018	2.7 NTD/kWh
2019	2.5 NTD/kWh
2020	2.3 NTD/kWh

The trend of Taiwan's FiT rate is going down each year as shown in the table above.

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.

Requesting deviation to clause 2.1.3 will not negatively impacting either safeguarding principle, SDG, etc. In fact, through the issuance of GS-VER, project will secure better financing, and it's easier to look for potential investor or getting loan from bank.

In the end, it will help increase the renewable energy share in Taiwan primary energy mix, where currently still dominated by fossil fuel. In addition to that, Taiwan still import more than 90% of its energy sources, including coal and natural gas. Adding the capacity of renewable will help Taiwan improve the energy security and reduce dependence on energy import.

VVB opinion (if applicable):

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3.4 | Documents:

List of documents provided

1. Arbon Wind Farm Investment Analysis
2. Taiwan Feed-in Tariff rate 2020
3. Taiwan Power Generation Installed Capacity (in Chinese)