

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **14.1.2021**

Version **4.0**

A. To be completed by Gold Standard

1| Decision

1.1 | Date – 04/10/2021

1.2 | Decision

The deviation request is **not approved** since there were no real actions from the Project Developer to secure carbon finance since the project listing.

The project developer must comply with paras 2.1.4 and 3.1.12 of the [Transition Requirements](#).

1.3 | Is this decision applicable to other project activities under similar circumstances?

N/A

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

2| Background information

Deviation Reference Number	DEV_187	
Date of decision	04/10/2021	
Precedent (YES/NO)	Yes	
Precedent details	N/A	
Date of submission	24/09/2021	
Project/PoA/VPA	Project	ID – GS959
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	KAPIDAG WIND POWER PLANT	
Location of project/PoA/VPA	Host country(ies)	
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	https://registry.goldstandard.org/projects/details/1277	
Status of the project/PoA/VPA	<input type="checkbox"/> New <input checked="" type="checkbox"/> Listed <input type="checkbox"/> Certified design <input type="checkbox"/> Certified project	
Title/subject of deviation	Extension Request on the Completion of DOE Design Review	
Specify applicable rule/requirements/methodology and version number	GS4GG	
Specify the monitoring period for which the request is valid (if applicable)	Start date	End date
Submitted by	Contact person name: Çağdaş Coşar	
	Email ID: cagdascosar@nasenerji.com.tr	
	Organisation: KAPIDAĞ RÜZGAR ENERJİ ELEKTRİK ÜRETİM SAN.TİC.A.Ş.	
	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	Yes <input type="checkbox"/> NO <input checked="" type="checkbox"/>	

rules/requirements or request is submitted by the VVB).	If yes; VVB name: Auditor name:
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3| Deviation detail

3.1 | Description of the deviation:

**Guidance* 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 requesting deviations, given in the [Deviation Approval Procedure/Design Change Requirements](#).*

3.1.1 | Deviation detail (to be completed by Project developer):

Kapıdağ Wind Power Plant is renewable energy generation project that feeds electricity to Turkey's national electricity grid. The project has been listed in Gold Standard Foundation Impact Registry by ID No 959. The project has not been active through the required certification steps under Gold Standard VER carbon scheme since 2015. There are several reasons behind the inactiveness of the project. In this respect we would like to explain some force majeure reasons below and ask you for the extension of very limited time in order to complete process.

The project and its corresponding corporate legal entity Kapidag Ruzgar Enerji Santrali Elektrik Uretim A.S (i.e., the daughter company) were formerly owned by **Aksa Enerji** which is another energy company registered in Turkey. The current owner **Fernas İnşaat A.Ş.** ("Fernas", "New Owner") has completed the acquisition of the company in 2017 after a long period of decision process because of instability of Turkish economy.

The first force majeure reason behind the inactiveness period in carbon certification of GS959 relates to economic situation of former owner then. Due to financial decisions conducted by the former owner, whose IRR values were drastically low, there were no budget to spent because of economic problems of the company. For example, the stock certificates of former owner Aksa Enerji (i.e., AKSEN) has been

transacted at the lowest levels in its history¹. Followed by the national economic problems after the coup attempt happened on 15 July 2016 in Turkey. Many workers employed by Aksa Enerji in the daughter company have resigned as they have come across with several financial troubles and therefore key workers who had to follow the GS959 project were not working in the company anymore.

²Furthermore, due to the lowest transaction levels in VER price in the history during the same timeframe, the project's former consultant has stopped working. Thus, across these negative milestones in the project story have caused continuous delays for carbon certification implementation.

The second force majeure reason behind the inactiveness period relates to the difficulties happened during project's operational restructuring stage. The project has been acquired by the new owner, Fernas. After the project has been delivered to the new owner for operation, the carbon certification initiation has been interrupted by the impact of COVID-19 pandemic that led Fernas to preserve fundamentals and mainstreams for the project operations because of the health safety of each person who had to attend in certification process. Consequently, the design certification procedure had to be postponed for a while again due to this global force major event. Therefore, the project's design certification could not be completed although majority of the process has been completed (i.e., the project has been submitted for Design Review already)

3.1.2 | VVB opinion (to be completed by VVB, if applicable):

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¹ For historical trends of AKSEN stock certificates, please visit [this link](#).

² It shall be noted that the project sale has been done at the current average market price under the mentorship of an international finance institution.

3.2 | Assessment of the deviation:

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

3.2.1 | Deviation assessment (to be completed by Project developer):

Having discussed the project's story as above, Kapidag Ruzgar Enerji Santrali Elektrik Uretim A.S. needs carbon additional revenue in order to facilitate the project's operational reconstructing process by considering all misfortunes with which the project have faced till date. To conclude, we kindly request Gold Standard to remain GS959's design certification where it has left.

3.2.2 | VVB opinion (to be completed by VVB, if applicable):

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3.3 | Impact of the deviation:

**Guidance* 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.*

3.3.1 | Impact assessment (to be completed by Project developer):

Continuation of Gold Standard Design Review based on the corresponding Design Review Feedback form which was issued by Gold Standard on 19/03/2015.

3.3.2 | VVB opinion (to be completed by VVB, if applicable):

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3.4 | Documents:

**Guidance* List of documents provided (note that once a decision has been made by Gold Standard, this deviation form along with supporting documents will be made public on the Gold Standard website. If any of the supporting documents are confidential, please indicate here to ensure they are omitted.)*

Official Project Story Letter signed by Kapıdağ Rüzgar Enerji Elektrik Üretim San.Tic. A.Ş.