

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE 14.1.2021

Version 4.0

A. To be completed by Gold Standard

1| Decision

1.1 | Date - 12/01/2022

1.2 | Decision

The applied deviation is partially approved. The PD must ensure that:

- 1. No issuance is claimed for the first crediting period which ended on 30/11/2018.
- Design certification renewal of the project is successfully completed as per the requirements of GS4GG along with its transition to GS4GG. Please refer to para 3.1.3 of latest version of <u>Transition requirements</u>.
- 3. Subsequent Verifications that occur after transition shall take into account the GS4GG Requirements. (para 3.1.9, Transition requirements). Please note that as per the requirements of para 5.1.46 of <u>Principle and Requirements</u>, no issuance can be claimed for a period of delay in design certification renewal.

The PD shall document the deviation request, its implications, and GS' decision in the appropriate section of the GS PDD and Monitoring Report (for the relevant MP). The verifying VVB shall, through appropriate means at its disposal, evaluate the Project's

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compliance with the above-mentioned conditions and provide its opinion in the Validation/Verification Report.

SustainCert shall review both the PD's response and the VVB's assessment/opinion of the same and take appropriate steps.

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

No

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_218		
Date of decision	12/01/2022		
Precedent (YES/NO)	No		
Precedent details	N/A		
Date of submission	14/12/2021		
Project/PoA/VPA	Project	ID – GS575	
	□ PoA	ID – GSXXXX	
	UVPA	ID – GSXXXX	
Project/PoA/VPA title	POYRAZ 54.9 MW WIND FARM PROJECT, TURKEY		
Location of project/PoA/VPA	Turkey		
Scale of the project/PoA/VPA	 ☐ Microscale ☐ Small scale ☑ Large scale 		
Gold Standard Impact	https://registry.goldstandard.org/projects/details/1		
Registry link of the	008		
project/PoA/VPA			
Status of the project/PoA/VPA	Listed Certified design		
	Certified proj	_	
Title/subject of deviation	Issuance of VERs from CP1 and Revalidation under GS4GG		
Specify applicable	ACM0002, Version 07		
rule/requirements/methodolo			
gy and version number			
Specify the monitoring period	Start date	End date	
for which the request is valid			
(if applicable)	Contact normal SILA DUDAN		
Submitted by	Contact person name:SILA DURAN Email ID: sila@sekansdanismanlik.com Organisation: Sekans Danışmanlık Project participant: Yes 🗌 NO🖂		
Validation and Verification	Yes NO		
body (VVB opinion shall be			
included, where required by	If yes;		
the applicable	VVB name:		

rules/requirements or request	Auditor name:
is submitted by the VVB).	

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 <u>Deviation Approval Procedure/</u><u>Design Change Requirements.</u>

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

Poyraz 54,9 MW Wind Farm Project, Turkey, involves a grid-connected onshore wind farm project in Balikesir Province. The project has been developed under GS v1. The project activity's first crediting period was ended on Nov 30, 2018. Currently, the Project Owner is seeking to issue its emission reductions units belonging to first crediting period and initiate the revalidation for crediting renewal period under GS4GG.

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

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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):

The project has been developed as a VER project accounting for GS financing and revenue from carbon credits which are essential for the feasibility of the project as well as supporting the sustainable development parameters.

On 01.04.2013, the project owner has signed a consultancy agreement with OAK Danışmanlık for the verification of the project, however, the process was stopped since the project owner could not find demanding buyers which would help to cover the costs for DOE and issuance costs. The process itself would bring additional costs to the Project

Owner rather than bringing revenue. Due to low demand of VERs, and lower VER prices than expected, the Project Owner decided to keep her rights until both the revenue opportunities and VER prices arise.

Considering the USD/TRY exchange rate fluctuation between 2013-2020, it has become viable and more profitable for Project Owner to carry on with the additional registration and verification expenses, even hiring a new consultant. It shall be noted that the certification fees and revenues are in US Dollars and USD had tripled its value against local currency¹, where CPI of 2013 was 7.40% and only raised to 14.60% in 2018².

Additionally, the Project Owner did not know that there was a probability to loose their rights if they did not go under verification before the crediting period end date. As the PO intended to initiate works to issue the VERs, the COVID measures have started in 2020 and the PO had to slow down all actions and they could not realize physical site visit which would enable them to issue VERs from CP1. Additionally, they learned and knew that 5-6 year period issuances of projects were issued even in 2020.

The Project Owner requests to continue its project cycle and have the opportunity to secure carbon revenue.

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

¹ <u>https://evds2.tcmb.gov.tr/index.php?/evds/serieMarket/#collapse_2</u>

² https://legalbank.net/belge/enflasyon-oranlari-tefe-ufe-tufe-oranlari/3225950/

project. Please substantiate the impact assessment with relevant and verifiable data/information.

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

During this time, the project owner has continued to monitor all parameters which were validated and approved during the design certification. To secure carbon finance, the Project Owner continued its monitoring activities internally in the same manner as the projects was being verified.

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.)