

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **11.04.2021**

Version **5.0**

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 21/07/2022

1.2 | Decision

The deviation request is approved. The Project Developer may continue with the certification process.

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_278	
Date of decision	21/07/2022	
Precedent (YES/NO)	No	
Precedent details	N/A	
Date of submission	28/06/2022	
Project/PoA/VPA	Project	ID – GS1138
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	KANGAL WEPP 128 MW	
Date of listing	18/03/2013	
GS Standard version applicable	GS Version 2.2 VER	
Date of transition to GS4GG (if applicable)	-	
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	-	
Date of design certification/inclusion (if applicable)	-	
Location of project/PoA/VPA	Turkey	
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/93	
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	GS Toolkit V2.2 Rule 3.10 Exemption	
Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	ACM0002 Version 17.0	
Specify the monitoring period for which the request is valid (if applicable)	Start date	End date
Submitted by	Contact person name: Nilsun Akpınar	
	Email ID: nilsun.akpinar@makienerji.com.tr	
	Organisation: Kangal Elektrik Enerji Üretim ve Ticaret 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 rules/requirements or request is submitted by the VVB).	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes; VVB name: VVB Staff name(s):
Any previous deviations approved for the same project activity/PoA/VPA(s)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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):

Our Project, GS1138 KANGAL WEPP 128 MW has been submitted on the Gold Standard registry on 08/05/2018. Registration review was initiated on 07/05/2018. However, registration review cannot be closed within 1 year due to various problems stemming from GS consultant quitting the job, the PO carrying out the registration process with her own staff who had no experience in this field, and then this staff leaving the job.

PP didn't continue the validation/verification process earlier, although a registration request was made in May 2018 because the VER credits prices were relatively low during those times in which this Project should have conducted its validation/verification process. Also, considering the cost of consultancy, VVB, and GS fees for a validation/verification processes, it was an additional financial burden to conduct the validation/verification process for the PP. So, PP did not continue the validation/verification process back then. However, the PP never gave up their carbon certification right. As soon as the conditions prevailed, the PP continued with the certification process. Furthermore, Turkey has been experienced Turkish currency and debt crisis in 2018, and the value of Turkey's currency has nosedived since January 2018. The significant fluctuation in currency rates and inflation rates that has taken

place in recent years in Turkey has severely damaged the country's economy, which resulted in quite a lot of negative outcomes. Thus, the need for carbon revenue of the Project has increased, and the PP continued with the certification process in order to help support the bank loan repayment between the years of 2022-2032. The loan that will be obtained will tremendously help the PP with the repayment during the remainder of the years (2022-2032). The years of 2014-2018 are the investment phase of the project, and project has put into operation in 3 phases. It became operational at full capacity at the beginning of 2018. Income statements for the years 2020 and 2021, and repayment schedule of the Project for the years of between 2022-2032 have been provided to prove that the project costs are quite high and that the Project is at a loss in this process without the carbon revenue supporting. So, PP never gave up their carbon certification right and decided to continue for this process. Then, 2nd round is initiated on 24/03/2019 upon PD's response.

We would like to point out that GS has never applied this rule for this project until now. GS sent its 2nd round response on 24/03/2019. During this round, GS did not provide any comments on this issue, even though it has been one year since the registration application. For this reason, it is understood that GS will not apply this rule. While the project is in the final stage of the review process and the findings of the 4th round are expected to be closed, it is thought that it would not be right for GS to apply this rule and therefore we kindly request an exemption.

Due to the misleading of the previous consultant, PP wrongly assumed that all second-round findings were closed, and the validation process was completed. However, the PP never gave up their carbon certification right, as mentioned above. As soon as the conditions prevailed, the PP continued the certification process. Unfortunately, the validation process has sustained a considerable delay time due to Project's previous consultant. The PP could not reach the documents prepared by the previous consultant for a long time because the previous consultant firm was closed without informing the PP, and the documents were in the account of that consultant firm. Correspondences including the problems due to the previous consultant between 2018-2019 have been provided. After that consultant firm was closed, the search for a new consultant firm started. Meanwhile, the Covid-19 has also started and caused a great loss of time until 2021. After the evaluation process of the proposals received from the consulting firms was completed, a contract was signed with Life Enerji in 2021, and carbon trading process was restarted. Then, account transfer took place after many correspondences

with GS, and the projects were finally transferred to PP's account. The validation process was started as soon as the PP became aware that the Project had not been registered yet. However, the problems caused by previous consultants and the account transfer process caused this process to take a long time.

Within the scope of the rules published by GS on 16/08/2021, even the projects that are not in the registration stage but remain listed for a long time are given the opportunity to register. However, it is in contradiction with this published rule (Gold Standard TRANSITION REQUIREMENTS - publication date: 16/08/2021, version:2.0) that the projects (in the registration stage) are not registered only because the response time is delayed.

We kindly request, with this deviation request form, an exemption from the article 3.10 of the Gold Standard Toolkit V2.2 document. This way, the project validation process will continue without 1 year delay of response in registration review process.

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

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

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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):

If our request is accepted, the project will complete its validation process without any loss of rights. So, we kindly request, with this deviation request form, an exemption from the articles 3.10 of the Gold Standard Toolkit V2.2 document.

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

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

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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):

In the case of the project being liable to the article 3.10 of the Gold Standard Toolkit V2.2 document, it will lose its right to get registered to Gold Standard while it is in the final stage of the validation process.

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

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

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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.)*

Version number	Release date	Description
5	11.04.2022	Additional information added: <ul style="list-style-type: none"> - date of listing, design certification, transition - standard version

		<ul style="list-style-type: none"> - specific reference to a requirement deviated from - any previous deviations/design changes approved <p>Guidance on VVB opinion</p>
4	14.01.2021	
3	16.07.2020	
2	03.05.2018	
1	01.07.2017	Initial adoption