

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **11.04.2022**

Version **5.0**

A. To be completed by Gold Standard

1| Decision

1.1 | Date –21/10/2022

1.2 | Decision

The deviation request is **Approved** since the Project Developer is complying with para 1.2.2. of the [Rule clarifications 'Transition Requirement Applicability'](#) which states that the projects shall provide the evidence to VVB to confirm that the validation contract with VVB was signed before 23/11/2021 to undergo validation as GS4GG projects. PD has also demonstrated compliance with the requirements mentioned in section 3.1.12. b of version 2.0 of the [Transition Requirements](#).

PD shall submit the project for design review within the deadline i.e., 23/11/2022.

The Project Developer shall document the deviation request, its implications, and GS' decision in the appropriate section of the GS PDD.

FAR for validating VVB (to be considered at design certification stage):

The validating VVB shall, through appropriate means at its disposal, evaluate the PA's compliance with the above-mentioned condition and provide its opinion in the Validation 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_283	
Date of decision	21/10/2022	
Precedent (YES/NO)	No	
Precedent details	N/A	
Date of submission	18/10/2022	
Project/PoA/VPA	Project	ID – 6089
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	BAHAWALPUR SOLAR POWER PLANT PROJECT	
Date of listing		
GS Standard version applicable		
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	Pakistan	
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/1732
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 Validation Deadline
Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	GS4GG
Specify the monitoring period for which the request is valid (if applicable)	<div>Start date</div> <div>End date</div>
Submitted by	<div>Contact person name: Evren Evcit</div> <div>Email ID: Evren.Evcit@zorlu.com</div> <div>Organisation: ZORLU ENERJI PAKISTAN LIMITED</div> <div>Project participant: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></div>
Validation and Verification body (VVB opinion shall be included, where required by the applicable rules/requirements or request is submitted by the VVB).	<div>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></div> <div>If yes; VVB name:</div> <div>VVB Staff name(s):</div>
Any previous deviations approved for the same project activity/PoA/VPA(s)?	Yes <input type="checkbox"/> No <input 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):

We kindly argue that carbon additional revenue was one of the parameters considered as a market survival strategy during the investment decision phase of the project. However, Zorlu Enerji Pakistan Limited (PP) has paused the financing and consequently the commissioning phases of GS6089 Bahawalpur Solar Power Project, which was listed in Gold Standard formerly, **due to several official implications dictated by the Pakistan Ministry of Energy (Power Division) authority and COVID-19 Pandemic uncertainties**. These implications are explained in detail in the Error! Reference source not found..

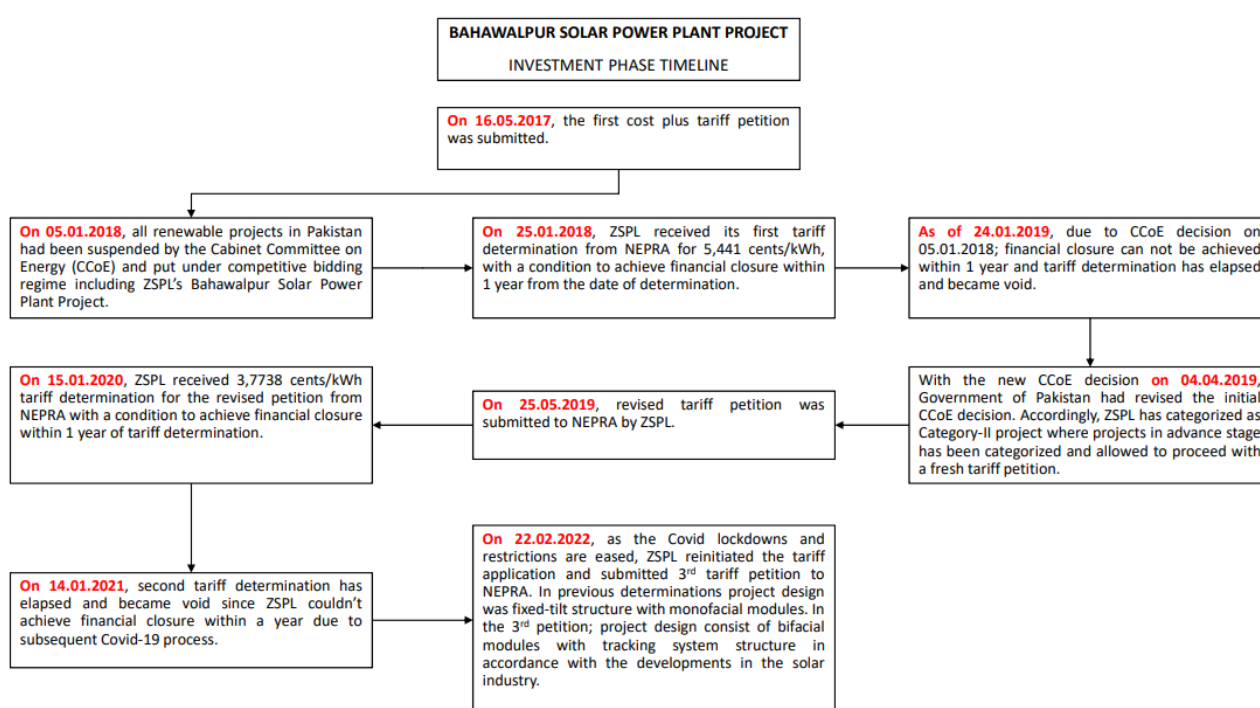


Figure 1. Bahawalpur SPP Investment Phase Timeline

Table 1. Project Chronology

Milestone	Date
CDM consideration is demonstrated via project feasibility report.	02.2017
IEE (Initial Environmental Examination) report completion and submission to EPA	02.2017
Approval of Feasibility Study Report	10.03.2017
IEE Approval	02.05.2017
The first cost plus tariff petition was submitted.	16.05.2017

Service Agreement signed with UPM for GS CDM development of the proposed project	03.07.2017
Generation license	18.08.2017
The start date of the project activity: the signing date of EPC (Engineering, Procurement and Construction) contract	24.08.2017
CDM prior notification to CDM EB and Pakistan DNA	14.09.2017
Memorandum of Understanding (MoU) between The Gold Standard Foundation & Zorlu Solar Pakistan (Pvt.) Ltd	03.11.2017
All renewable projects in Pakistan had been suspended by the Cabinet Committee on Energy (CCoE) and put under competitive bidding regime including ZSPL's Bahawalpur Solar Power Plant Project.	05.01.2018
ZSPL received its first tariff determination from NEPRA for 5,441 cents/kWh, with a condition to achieve financial closure within 1 year from the date of determination.	25.01.2018
Start date of the GS crediting period	01.07.2018
Due to CCoE decision on 05.01.2018; financial closure can not be achieved within 1 year and tariff determination has elapsed and became void.	24.01.2019
With the new CCoE decision, Government of Pakistan had revised the initial CCoE decision. Accordingly, ZSPL has categorized as Category-II project where projects in advance stage has been categorized and allowed to proceed with a fresh tariff petition.	04.04.2019

The approval of preliminary review from Gold Standard	23.05.2019
Revised tariff petition was submitted to NEPRA by ZSPL.	25.05.2019
ZSPL received 3,7738 cents/kWh tariff determination for the revised petition from NEPRA with a condition to achieve financial closure within 1 year of tariff determination.	15.01.2020
Second tariff determination has elapsed and became void since ZSPL couldn't achieve financial closure within a year due to subsequent Covid-19 process.	14.01.2021
as the Covid lockdowns and restrictions are eased, ZSPL reinitiated the tariff application and submitted 3 rd tariff petition to NEPRA. In previous determinations project design was fixed-tilt structure with monofacial modules. In the 3 rd petition; project design consist of bifacial modules with tracking system structure in accordance with the developments in the solar industry.	22.02.2022

So, having said that the project activity has been paused due to reasons beyond the PP's control and consent, the carbon certification transactions have also been paused for this project. As a consequence, the project could have not been progressed further by the former carbon consultant and no VVB could be appointed due to this reason. However, **it shall be noted that the project financial closure and commissioning have not been done completed yet; and the project coordinates have not been altered.** In this respect, the project is in a need of extending 23 November 2023 ,deadline to complete validation activity. Because, the planned investment decision has been impacted and required for alternation due to the multiple changes dictated by the Pakistan Government power purchase tariffs as shown in Figure 1.

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):

Having said that the carbon additional revenue has been included our project's market survival strategy years ago, we would like to implement Gold Standard carbon certification as the project's financial closure and commissioning activities are yet to be done. However, we are concerned about not being able to submit GS6089 to design review before the newly determined deadline by Gold Standard Secretariat due to the above mentioned current difficult conditions existing in the energy market in Pakistan. To conclude, we sincerely request you to approve project's eligibility for design review to be valid at least till the completion of financial closure and commissioning. In this way, project will better survive in a tough financing mechanism, whose conditions and terms of references have been altered multiple times in the near project history, by having a chance to design its carbon finance structure in a robust manner.

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):

Extension of deadline for submission of projects for design review to at least June 2022.

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.)*

Kindly see the below supporting documents justifying the official milestones taken by Pakistan Ministry of Energy (Power Division)

- **Amendments to the Renewable Energy Policy 2006 (Framework 2013)**
- **Amendment in Decisions of the Cabinet Committee on Energy Held on 17th December 2017 and February 2018**

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 - 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