

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **11.04.2022**

Version **5.0**

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 01/09/2022

1.2 | Decision

The deviation request is **not approved** considering the GS4GG requirement under para 6.1.1 of Annex B under [GHG Emissions Reduction & Sequestration Product Requirements](#) states that:

“Transition project & CPA seeking issuance of GSVERs or conversion of issued GSCERs to GSVERs shall issue GSVERs for a maximum crediting period allowed as per relevant GS4GG activity requirements or crediting period with the other standard, whichever ends first. Under no circumstance, can the crediting period registered with other standards be extended”.

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_296	
Date of decision	01/09/2022	
Precedent (YES/NO)	No	
Precedent details	N/A	
Date of submission	15/06/2022	
Project/PoA/VPA	Project	ID – GS765
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	BK Energia Itacoatiara Project	
Date of listing	11.10.2010 (GS fast track process)	
GS Standard version applicable	GS4GG	
Date of transition to GS4GG (if applicable)	10.06.2019	
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	-	
Date of design certification/inclusion (if applicable)	05.12.2011	
Location of project/PoA/VPA	Brazil	
Scale of the project/PoA/VPA	<input type="checkbox"/> Microscale <input checked="" type="checkbox"/> Small scale <input type="checkbox"/> Large scale	
Gold Standard Impact Registry link of the project/PoA/VPA	https://registry.goldstandard.org/projects/details/1181	
Status of the project/PoA/VPA	<input type="checkbox"/> New <input type="checkbox"/> Listed <input type="checkbox"/> Certified design <input checked="" type="checkbox"/> Certified project	
Title/subject of deviation	Transition to GS VER: Extension of crediting period	
Specify applicable rule/requirements/methodology	Renewable Energy activity requirement v1.4 GHG Emission Reduction and Sequestration Product requirement v2.1	

gy, with exact paragraph reference and version number	
Specify the monitoring period for which the request is valid (if applicable)	Start date 01/01/2021 End date 31/10/2022
Submitted by	Contact person name: Paul Leon
	Email ID: paul.leon@myclimate.org
	Organisation: Foundation myclimate - The Climate Protection Partnership
	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 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):

The CDM0168 GS765 BK Energia Itacoatiara Project has been registered under both standards. The three crediting periods of the project were defined based on the renewable crediting period, maximum of 21 years (7 years * 3):

- CDM CP1: 01 Nov 2002 – 31 Oct 2009 (7 years). Only under CDM mechanism.
- GS CDM CP2: 01 Nov 2009 – 31 Oct 2016 (7 years). CDM and GS mechanisms.
- GS CDM CP3: 01 Nov 2016 - 31 Oct 2023 (7 years). CDM and GS mechanisms.

The CDM ceased its registry for any vintage since 2021 , therefore the issuance of credits (post 2020) is considered provisional until the transition of new Article 6.4 mechanism is completed. Regrettably there is no clarity about the guidelines, requirements, timelines, etc, hence no issuance with CDM in a short term will be possible. That's the reason we are requesting the possibility to issue only GS VERs (and not GS CERs), since vintage 2021 until the end of the original 3rd crediting period (31 October 2023).

Based on Annyta Luo's feedback (email is submitted as evidence) *'the total crediting period i.e., Standard X + GS4GG crediting period must be equal to that allowed under relevant GS4GG activity requirements. For example; RE activity requirements allows issuance of GSVERs for maximum 15 years. An eligible renewable energy project that has already claimed emission reductions for 5 years under Standard X, can issue GSVERs for 10 more years under GS4GG'* (Product requirement v2.1 point 6.3.1).

Project Developer can claim GS CER till 23 Oct 2023 (mirror CDM CP) -> It is not the case for our project.

Project Developer can claim GS VER till 31 Oct 2017 (if transition to GS VER, maximumly 15 years; please seek deviation to have 21years in total) -> This is the option we apply.

Since the next monitoring period (01/01/2021-31/12/2021) which will be submitted by Q2 of 2022, it will be requested a transition to GS VERs (from GS CERs), but to apply to this option we first request a deviation of the crediting period to extend the crediting period to 21 years (the original maximum crediting period when the project were submitted in 2002 in CDM) from 15 years (which is the new maximum crediting period for GS projects since few years ago).

The project developer had the intention to continue under both standards (CDM and GS) and complete the 21 years of crediting period which is about to end the next year, but the new mechanism to be place in official carbon market still not ready to issue credits in a short term and also the new evidence requested will take some time to collect as depend on Public entities' decision.

As the crediting period of the project is about to end (31/10/2023), we kindly request an exception of RE activity requirements which allows issuance of GSVERs for

maximum 15 years and maintain the maximum crediting period set as 21 years as CDM GS project.

It is important to mention that GS approved the transition annex at 10 June 2019. Here was accepted the relevant targets, its impacts and methodological choices/approaches for estimating the SDG outcome for six SDGs. It was accepted the data and parameters fixed ex ante and data and parameters to be monitored for monitoring contribution to each of the six SDGs defined. It was completed the safeguarding principles assessment based on original GS passport where is analyzed the social, economic and environmental impact of the project.

No GS CERs will be requested later as there is no intention to complete the transition to new Article 6.4 mechanism. After the acceptance of this deviation request, we will write the GS Monitoring Report for period 01 January 2021 – 31 December 2021 as we have used to do in the last monitoring reports and will be verified by the contracted VVB, no CDM Monitoring Report will be written, the process will be the same as a common GS VERs project.

As part of the next GS performance review and right after the GS Monitoring Report (01 January 2021 - 31 December 2021) is approved by the VVB and the GS Verification Report is released by the VVB, the transition request form will be submitted to GS with transition pathway Option 2 selected: project seeking registration with GS4GG to issue GSVERs only (Ref: Annex B, GHG Product Requirements section 10 Transition Procedure).

10.1.3 | CDM project, PoA/CPA already registered under GS4GG for issuance of GSCERs may transition to GS4GG to issue GSVERs at any point by submitting the Transition Request Form.

The project will not convert issued GS CERs to GS VERs as no issuance of GS CERs will be requested since vintage 2021.

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.*

N.A.

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 deviation proposed looks for an extension of the maximum crediting period allowed for RE projects. In this case a one-time change in current RE activity requirements which allows issuance of GSVERs for maximum 15 years. As explained above the project was original set as CDM GS project will allows a maximum crediting period for 21 years (7 years x 3), but the latest updates in official carbon market which decided in November 2021 the official release of a new Article 6.4 mechanism (which replace the CDM) but without any further details about the timeline of the transition to the new mechanism, therefore the project developer decided to start the transition from GS CERs to GS VERs for any issuance post 2020, but as GS765 is one of the oldest project in myclimate portfolio the new criteria released by GS some years ago about the 15 years as maximum length of the crediting period, our project already overpass that end date: $2002 + 15 \text{ years} = 2017$.

The expectation was to follow with both standards (CDM and GS) until the end of the 21 years - of crediting period - which is the next year (31 October 2023), but as the lack of information of the new Article 6.4 mechanism and no timeline about when will be in place, it was decided to continue only as a GS VER project, but with a deviation about the end of original crediting period (31 October 2023) and with the extension of 21 years as crediting period (over the 15 years which is the current RE activity requirements).

The project developer proposed a deviation in RE activity requirements but justified in the intention of the project developer to continue with CDM and GS standard bodies, and comply with the 21 years of crediting periods, but due to delays and lack of information in the new Article 6.4 mechanism, it is decided to start the transition to GS VERs.

The accuracy, completeness and conservativeness is ensured in the project will be the same, no change in any aspect of the project. The only request is to maintain the original crediting period set until 31 October 2023. The project has followed since 2002 the CDM rules and since 2009 integrated the GS requirements (and its upcoming upgrades). The GS765 is one of the oldest project in CDM and GS platform and expect to comply the 21 years of crediting period as envisioned since the project starts. It is important to mention that when the project was registered under GS, the 21 years rules of maximum crediting period was on place also with this standard, the change to 15 years was on place few years ago, when the project already was in its 3rd crediting period (01 Nov 2016 - 31 Oct 2023).

As will be explained below there is any change in the monitoring plan, therefore the same level of accuracy and completeness are maintained in the monitoring plan of the project activity based on strict CDM, GS and local regulations.

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.*

N.A.

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):

a. Project design

The project will maintain the same design as explained in PDD, the request of extension of the crediting period does not affect the project design.

b. Safeguarding principles assessment

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In case of the safeguarding principle, no revision will be necessary in scores of the 9 Principles indicators because the request of extension of the crediting period does not affect this section, therefore there are not economic, social, political, ecological differences that the original PDD.

c. SDG Assessment

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In case of the SDG Impact no revision will be necessary as the biomass plant is working in the same way, the first evaluation – transition annex - about the SDG impact is the same as the change request does not affect the SDG impact.

d. Emission Reductions

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In case of the safeguarding principle, no revision will be necessary in scores of the 9 Principles indicators because the change in calibration frequency for power meter is approved by Brazilian regulations, therefore there are not major economic, social, political, ecological differences that the original PDD.

e. Monitoring frequency

The design change proposed does not affect the monitoring frequency. The project will maintain the same monitoring plan for all parameters as set in last version of PDD. Take into account the original end date of the 3rd crediting period of the CDM GS project is 31 October 2023, which it is the same the project -GS VER- is requesting.

There is no change in the monitoring plan, the same level of accuracy and completeness are maintained in the monitoring plan of the project activity.

f. Data quality

The QA/QC procedures for all parameters monitored will be maintained, the data quality is not affected by the change proposed as the original end date of the 3rd crediting period of the CDM GS project is 31 October 2023, which it is the same the project -GS VER- is requesting

g. Potential risk or any other relevant aspect of the project

No potential risk is foreseen and the plant will be working as the same way as before, No change about legislation is included in the project.

The place of the biomass plant and its function remains the same therefore it won't be economic, social, political, ecological differences.

The original scale of the project (and the methodologies applied) is small scale; and the change in the crediting period has no consequences in terms of thresholds as the amount of tCO₂ reduced per year is still < 60,000 tCO₂eq per annum. Therefore, the same rules are still applicable to the project.

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.*

N.A.

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.)*

- Email with Annyta Luo's opinion about the transition process from GS CERs to GS VERs (January 2022).
- GS transition annex

- *GS transition annex review.*
- *Latest PDD approved by CDM and GS v6.7 dated 05 September 2021.*
- *PDD v6.7 dated 15 June 2022 based on GS4GG template.*
- *ER calculation file approved during renewal 3rd crediting period.*

Version number	Release date	Description
5	11.04.2022	<p>Additional information added:</p> <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