

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **11.04.2022**

Version **5.0**

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 05/09/2022

1.2 | Decision

Considering the delays in implementation, the project request to change the crediting period to “16/12/2019 – 15/12/2026” is approved. However, in-line to para 6.3.1 of the [GHG Emissions Reduction & Sequestration Product Requirements v.2.1](#) the total duration of the crediting period shall not exceed the maximum crediting period allowed under relevant GS4GG activity requirements. It also includes the period for which the project has issued emission reductions for under other standard.

Document the deviation request, its implications, and GS’ decision in the appropriate section of the PDD.

The validating VVB shall, through appropriate means at its disposal, evaluate the Project's compliance with the above-mentioned conditions 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_297	
Date of decision	05/09/2022	
Precedent (YES/NO)	No	
Precedent details	N/A	
Date of submission	02/09/2022	
Project/PoA/VPA	<input checked="" type="checkbox"/> Project	No GS ID yet
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	Liki Pinangawan Muaralaboh Geothermal Power Plant (CDM only)	
Date of listing	N/A project has not gone through the preliminary review nor initiated the transition process.	
GS Standard version applicable	N/A	
Date of transition to GS4GG (if applicable)	Not yet transitioned	
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	Not yet transitioned	
Date of design certification/inclusion (if applicable)	N/A	
Location of project/PoA/VPA	Indonesia	
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	N/A	
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 (but with CDM only)	
Title/subject of deviation	Change of crediting period start date for CDM to GS4GG transition	
Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	Requirements <ul style="list-style-type: none"> Principles & Requirements v1.2 dated 23/10/2019 Transition Requirements v2.0 dated 16/08/2021 	

	<ul style="list-style-type: none"> GHG Emission Reductions and Sequestration Product Requirements v2.1 dated 24/02/2022 Safeguarding Principles & Requirements v1.2 dated 24/10/2019
Specify the monitoring period for which the request is valid (if applicable)	<div>Start date End date</div> <div>N/A</div>
Submitted by	<div>Contact person name: Shevanti Nefdt</div> <div>Email ID: s.nefdt@hamerkop.co</div> <div>Organisation: Hamerkop Climate Impacts Ltd.</div> <div>Project participant: Yes No</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><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div>If yes;</div> <div>VVB name:</div> <div>VVB Staff name(s):</div>
Any previous deviations approved for the same project activity/PoA/VPA(s)?	<div><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</div> <div>Not under the GS4GG</div>

3| Deviation detail

3.1 | Description of the deviation:

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

The project Liki Pinangawan Muaralaboh Geothermal Power Plant certified to the CDM intends to transition to the Gold Standard for the Global Goal (GS4GG). One of the constraints faced by most projects already registered under the CDM wishing to transition to the GS is related to the start date of the crediting period (CP). Since January 2022, the GS has made an important distinction between projects with a CP start date before/after 1 January 2016. Projects with a CP start date before 1 January 2016 must demonstrate that the project faces serious risk of interruption without carbon revenue. This can be difficult for infrastructure projects of a certain size. Although CDM projects are not required to carry out a further assessment of additionality, they must demonstrate continued financial need according to the requirements of the GS4GG. The GS has announced its intention to develop a standardised approach to assist project

developers in demonstrating this risk when applying for transition, but this has not yet been developed.

The initial start date of the project activity of the Liki Pinangawan Muaralaboh Geothermal Power Plant was 15th of August 2012. Whilst the official crediting period start date with the CDM is 18th September 2015 (as presented in the CDM PDD, in the 1st Monitoring Report on the CDM registry project page: [CDM: Liki Pinangawan Muaralaboh Geothermal Power Plant \(unfccc.int\)](https://cdm.unfccc.int/projects/CDM/Liki_Pinangawan_Muaralaboh_Geothermal_Power_Plant)), the project did not start operation until 16th December 2019. However, the PD has been focusing its attention on other issues and the project has not requested a change of the CP to the CDM executive board. This was due to a delay in the progress of the project and therefore impacted to the negotiation of the Emission Reductions Purchase Agreement (ERPA) and a post-registration design change in the capacity of the power plant from 234 MW, initially planned when the project was initially submitted to the CDM in May 2012 (ref. date of registration request), to 88.81 MW. The design change was approved on 14th April 2021 (as can be seen on the project CDM page: [CDM: Liki Pinangawan Muaralaboh Geothermal Power Plant \(unfccc.int\)](https://cdm.unfccc.int/projects/CDM/Liki_Pinangawan_Muaralaboh_Geothermal_Power_Plant))

Thus, before starting the transition process, the project proponent would like the Gold Standard to understand and accept the change of the crediting period start date to reflect the project actual start of emission reductions.

The proposed change is to move forward the CP start date of the project from "18/09/2015 – 17/09/2022" to "16/12/2019 – 15/12/2026". This type of design change is similar to the deviation requested submitted by **Project Kamojang Unit 5 PT. Pertamina Geothermal Energy (DEV_155)** whereby the date change was successfully approved. The Power Purchase Agreement (PPA) for Liki Pinangawan Muara Laboh GPP was signed in 2012 between SEML (Supreme Energy Muara Laboh) and PT PLN (Persero). Soon after the PPA was developed, the results from the exploration feasibility study, conducted between 2012-2014, did not align with expected findings. The results from the exploration stage showed that the plant capacity was far off the initial target of 2x110 MW. SEML therefore had to re-negotiate the PPA, especially regarding the tariff adjustment, which took another 2 years held between 2014 - 2016. According to Indonesian regulations, the only buyer for electricity generated by the Independent Power Producer had to be PT PLN (Persero) / PLN. Thus, the PPA with PLN

as a single buyer had to be agreed upon by both parties prior to the exploration phase and development of the power plant.

In parallel with the PPA Amendment negotiation process, SEML conducted the EPC tender process and awarded the tender announcement after PPA amendment was agreed & signed in 2016. In 2017 SEML commenced the Power Plant Construction and development well drilling after financial closed with consortium of financial institution of Asian Development Bank, JBIC, NEXI, Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ financial Group and Mizuho Bank. The Commercial Operations Date was declared on December 16, 2019. The documents submitted with this deviation request provide evidence with a timeline illustrating the progress of the project activity thus providing the justification for the delay in start date.

As for any project transitioning to the GS4GG, the project will undergo re-validation and registration. The design change approval is intended to be provided before the transition process is kicked-off.

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

The opinion of the VVB has not been requested here, since the PD thinks this change will have no tangible impacts as per the following sections. In addition, this project will undergo transition to the GS4GG

3.2 | Assessment of the deviation:

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

The following requirements from *Annex A – Design Change Approval Procedure* of the *Gold Standard Principles & Requirements v1.2* were assessed:

Scope of assessment	Justification
(a) Additionality	<p>The change in the crediting period will not impact the project additionality which was demonstrated, validated by a VVB and approved by the CDM EB in the latest version of the PDD.</p> <p>The new start date does not impact most of the investment analysis from the most recent PDD apart from identifying whether there are any power plants with the same output or capacity in the geographical area before</p>

	<p>the new start date. This change does not impact the validity of the investment or barrier analysis performed in the most recent PDD since there will be no changes in the output capacity, no components are being added, no sites are being removed or added, and parameters within the control of the project developer will remain the same without affecting the most recent emission reduction and IRR calculation.</p> <p>However, the additionality will be further demonstrated as per the requirement of the transition process.</p>
(b) Project scale	<p>Large scale. The change in the CP start date does not have an impact on the project scale as it will still be categorized as a large-scale project with a maximum output capacity of 88.81 MW thereby by exceeding the small-scale renewable energy threshold of 15 MW (e) or 45 MW (th).</p>
(c) Applicability of methodology	<p>The validity of the baseline scenarios on the GHG emissions from the grid power generation will be confirmed as per the transition process requirement.</p> <p>The change in start date and crediting period start is unlikely to have an impact based on the eligibility principles, criteria, and requirement of the applied methodology <i>ACM0002 Consolidated baseline methodology for grid-connected electricity generation from renewable sources, Version 12.2.0</i>.</p> <p>There is a new version of the methodology, <i>ACM0002 Version 20.0</i> that was released after the project had been registered. However, since the project will be transitioning to the GS, Section 4.2.2 of <i>GHG Emission Reductions and Sequestration Product Requirements V2.1</i> states that projects shall apply the <i>version applied at the time of registration/renewal of crediting period with other standard, as applicable</i> at the time of first submission for transition to GS4GG. The transition project will then update to the <i>latest version available at the time of submission for validation of renewal of crediting period</i>.</p>
(d) Stakeholder feedback on design change	<p>The need to conduct a stakeholder consultation will be evaluated through conducting the transition gap analysis between the GS4GG requirements and conditions that the project had to fulfill registration under the CDM. The PD</p>

	<p>will follow the stakeholder consultation and engagement requirements.</p> <p>There will be no extension of the project boundaries to new sites or different sites relative to the time of previous stakeholder consultations.</p>
(e) Sustainable development assessment	<p>The impact on SDGs will be updated in the transition request form. A reassessment against the Gold Standard <i>Safeguarding Principles & Requirements V1.2</i> will be undertaken to ensure the project still aligns with the safeguarding principles.</p> <p>The change in the CP start date to the CDM is not expected to change the nature of the impact and sustainable development, apart from postponing the project SDG benefits.</p>
(f) Monitoring and Reporting plan	<p>Currently, the monitoring plan is in line with the applied methodology. The PD will determine whether any changes are needed based on the gap analysis to be performed as part of the transition process.</p> <p>The change in the CP start date will not impact the MRV plan.</p>
(g) Legislation	<p>The project has received all approvals/licenses from environmental and/or regulatory agencies. These will be submitted as additional documentation during the transition process if requested.</p> <p>The change in the CP start date to the CDM will not impact the legislation of the legality of the project.</p>

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

N/A

3.3 | Impact of the deviation:

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

Following to proposed deviation, the impact will be evaluated as followed:

1. Project Design

Explanation:

Changes will be made to the start date of the operation of the project. The Location of the project activity will remain the same as well as the technology employed by the project activity. The baseline and monitoring methodology will remain the same and is aligned with the applied methodology (ACM0002).

2. Safeguarding principles assessment

Explanation:

The project will be evaluated against the Safeguarding Principles and Requirements V1.2 during the transition process. To ensure the project complies with the safeguarding principles, an assessment of the social, economic, and environmental aspects will be re-validated during the transition process. The CP start date change is not expected to have any impact on safeguards and their assessment. The project is only postponed in time.

3. SDG assessment

Explanation:

The SDG impact of the project will be assessed during the GS transition process. At least 3 SDGs will be selected, and a monitoring plan will be established accordingly. The CP start date change is not expected to have any impact on safeguards and their assessment. The project is only postponed in time. SDG impact also will.

4. Emission reductions

Explanation:

Based on the latest PDD, the ex-ante calculation of emission reductions will not change since the design of the project, the capacity or the outputs will not change, from the registered CDM project. This can be evaluated during the gap analysis to analyze the gaps between GS4GG requirements and the conditions the project had to fulfill for registration with the CDM.

5. Monitoring frequency

Explanation:

The monitoring frequency is not expected to change with the CP start date change. It will be updated to reflect the new start date and as per required by the methodology. This can be evaluated during the gap analysis to analyze the gaps between GS4GG requirements and the conditions the project had to fulfill for registration with the CDM.

6. Data quality

Explanation:

The data quality will remain in line with the requirement of the applied methodologies and the CP start date change is not expected to change this. This can be evaluated during the gap analysis to analyze the gaps between GS4GG requirements and the conditions the project had to fulfill for registration with the CDM.

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

Explanation:

There is no current risk of any other relevant aspect of the project with a change in the start date. This can be evaluated during the gap analysis to analyze the gaps between GS4GG requirements and the conditions the project had to fulfill for registration with the CDM.

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

N/A

3.4 | Documents:

1. Registration Documents:
 - a. Initial Registration Documents:
 - PDD
 - ER sheet
 - IRR sheet
 - Validation Report
 - b. Updated documents from the post registration change:
 - PDD (**most recent version referred to throughout**)
 - ER sheet
 - IRR sheet
 - Validation Report
2. Documents demonstrating the actual start date of the project:
 - a. Declaration of First Unity Commercial Operation Date (COD)
3. Series of documents showing proof of delay of operation start date (not to be published):
 - a. Power Purchase Agreement (PPA)
 - b. Exploration stage
 - c. Ministerial license
 - d. First Amendment of PPA
 - e. Second Amendment of PPA
 - f. Exploitation stage
4. Verification documents
 - 1st Monitoring Report
 - Verification Report
5. Timeline illustrating the progress of project activity

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