

TEMPLATE

# DEVIATION REQUEST FORM

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PUBLICATION DATE **11.04.2021**

Version **5.0**

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## A. To be completed by Gold Standard

### 1 | Decision

#### 1.1 | Date – 10/10/2022

#### 1.2 | Decision

The requested deviation is **not Approved** considering the GS4GG requirement under para 2.1.1. (b) of Annex B under [GHG Emissions Reduction & Sequestration Product Requirements](#) states that:

“The project or CPA is eligible for transition to GS4GG, if the project or CPA has a valid registration status with the other standard at the time of first submission (preliminary review) to Gold Standard” and in this case the project was submitted for preliminary review under GS after six months of the expiration of the first crediting period under CDM.

**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_309	
Date of decision	10/10/2022	
Precedent (YES/NO)	No	
Precedent details	N/A	
Date of submission	20/09/2022	
Project/PoA/VPA	Project	ID – GS11540
	<input type="checkbox"/> PoA	
	<input type="checkbox"/> VPA	
Project/PoA/VPA title	Zone 3 Landfill Gas Project	
Date of listing	New project, still not listed	
GS Standard version applicable	Gold Standard for the Global Goals, Version 1.2.	
Date of transition to GS4GG (if applicable)	Not applicable	
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	New project, currently under Preliminary Review for transition from CDM	
Date of design certification/inclusion (if applicable)	New project, still not certified	
Location of project/PoA/VPA	Chile	
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	New project, still not listed	
Status of the project/PoA/VPA	<input checked="" type="checkbox"/> New <input type="checkbox"/> Listed <input type="checkbox"/> Certified design <input type="checkbox"/> Certified project	
Title/subject of deviation	GS Preliminary Review for transition from CDM was submitted while CDM first crediting period was expired	
Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	GHG EMISSIONS REDUCTIONS & SEQUESTRATION PRODUCT REQUIREMENTS/2. Eligibility Requirements/2.1 General Requirements/Requirement 2.1.1.c	

Specify the monitoring period for which the request is valid (if applicable)	Start date 26/07/2014      End date 25/07/2021
Submitted by	Contact person name: Alfredo Gil Acevedo
	Email ID: <a href="mailto:ag@allcot.com">ag@allcot.com</a>
	Organisation: Industrias de Biogás S.A. and ALLCOT AG
	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):

###### Deviation detail

We submitted the project "Zone 3 Landfill Gas Project" for GS Preliminary Review on 17/01/2022 and GS issued the first round of findings on 08/03/2022, after that we confirmed that the crediting period in CDM should not be expired (first CDM crediting period expired on 25/07/2021) to be eligible under GS and we started to perform the Crediting Period Renewal for the 2<sup>nd</sup> crediting period under CDM (from 26/07/2021 to 25/07/2028). The crediting period renewal it has already been validated by the DOE and it is currently under I&R Check in CDM).

After communication with GS on 14/09/2022 and revision of the GHG EMISSIONS REDUCTIONS & SEQUESTRATION PRODUCT REQUIREMENTS/2. Eligibility Requirements/2.1 General Requirements/Requirement 2.1.1.c, we confirmed that:

*The project or CPA is eligible for transition to GS4GG, if the project or CPA;*

*[...]*

*c. has a valid (must not have expired crediting period) registration status with the other standard **at the time of first submission (preliminary review) to Gold Standard.***

Thus, there is a deviation request from this requirement as the submission of the project for GS Preliminary Review (on 17/01/2022) was performed some months after the end date of the first CDM crediting period (25/07/2021).

#### Reason for requesting deviation

Despite the project crediting period start date under CDM was after 01/01/2016 (on 26/07/2014) and there were not still issued CERs, the high cost of operating a project with new technology in the country and factors external to the developer's control, cause the commercialization of environmental benefits to become an economic necessity, beyond an initiative to mitigate the causes of climate change (Despite having Power Purchase Agreements (PPAs) for the purchase and sale of Electric Energy).

The project has been managed through a bank loan and long-term sale of Electric Power and, as can be seen in the financial cash flow attached as evidence, the project has suffered significant annual losses between 2015 and 2021.

Due to the current situation of the CDM (and new flexible mechanisms) and due to all uncertainty regarding the expected migration of the project activity as a GHG mitigation project-based initiative under Article 6.4 of Paris Agreement, the migration of the project activity into Gold Standard is considered an important step to ensure sustainable carbon revenues.

On the other hand, important investment has been made for monitoring equipment calibration and maintenance and to perform and validate a Post Registration Change (approved on 18 Feb 2021) to delay the crediting period start date under CDM.

Additionally, the site visit by the DOE KBS Certification Services Pvt. was performed from 21/09/2021 to 23/09/2021 for the transition from CDM to GS and for the combined GS design and GS performance review to speed up the certification process under GS. In parallel, the GS Preliminary Review is currently on-going.

In parallel, the renewal of the second crediting period has been validated by the DOE Applus+ on 15/06/2022 and it is undergoing Information and Reporting Check Review process under CDM.

#### Current status of project operation

Four engines are used for electricity generation, the first, with a capacity of 1,059 kW was installed on 22/03/2015 and the subsequent three engines, with a capacity of 1061 kW were installed at the project site on 02/06/2017. The electricity produced using the LFG recovered is used for project activity self-consumption purposes as well as for its selling to the local distribution network under a power purchase agreement.

The average monthly electricity generation is 2,115 MWh during 2021.

The annual estimated generation for the 2<sup>nd</sup> crediting period under CDM (from 26/07/2021) is 161,280 metric tonnes CO<sub>2</sub> equivalent.



**Figure 1: Project Activity pictures**

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.*

Not applicable

### 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):

In preparing this application, INBIO and ALLCOT have considered The Gold Standard for the Global Goals rules in accordance with the Standard's core principles of fairness, reliability, conservativeness, and pragmatism. (Principles, Clause 1.2.6).

#### 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.*

Not applicable

### 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):

Zone 3 project contributes actively to SDGs. According to the GS PDD/MR currently under validation/verification for transition to GS, the following net benefits are estimated during the monitoring period 26/07/2014 – 25/07/2021:

SDG	SDG Impact	Baseline estimate	Project estimate	Net benefit
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13	GHG Emission (tCO <sub>2</sub> e) (yearly average)	167,249	39	167,210
7	Affordable and clean energy (yearly average)	0	26,911 MWh of renewable energy	26,911 MWh of renewable energy
	Number of plant jobs created	0	5	5
	Number of training sessions provided to plant employees	0	7	7
	Number of plant employees receiving training	0	9	9
	Number of plant employees receiving safe equipment	0	10	10
8	Number of fatal and non-fatal employee accidents	0	0	0
	Number of capacity building sessions provided to waste pickers	0	4	4
	Number of waste pickers receiving capacity building sessions	0	15, 6 women	15, 6 women
	Number of capacity building hours provided to waste pickers	0	8	8

### 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.*

Not applicable

### 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.)*

Excel spreadsheets with financial records have been attached with the yearly business cash flow between 2015 and 2021 as evidence of the project activity losses without the



additional support from the carbon incomes (to be treated as confidential documentation).

Version number	Release date	Description
5	11.04.2022	Additional information added: <ul style="list-style-type: none"> <li>- date of listing, design certification, transition</li> <li>- standard version</li> <li>- specific reference to a requirement deviated from</li> <li>- any previous deviations/design changes approved</li> </ul> Guidance on VVB opinion
4	14.01.2021	
3	16.07.2020	
2	03.05.2018	
1	01.07.2017	Initial adoption