

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **11.04.2021**

Version **5.0**

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 09/11/2022

1.2 | Decision

Deviation request 1:

The applied deviation request is approved. The Project Developer may continue with the design review of the project.

Deviation request 2:

The applied deviation request is partially approved. The project can undergo design certification renewal, with the crediting period starting immediately after the end date of the previous CP. However, no credit (and SDG Impacts) can be claimed for the period of delay.

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)

Please see section 2 below.

2 | Background information

Deviation Reference Number	DEV_327	
Date of decision	29/11/2022	
Precedent (YES/NO)	No	
Precedent details	N/A	
Date of submission	18/10/2022	
Project/PoA/VPA	Project	ID – GS1282
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	Efeler Biogas Power Plant	
Date of listing	2013	
GS Standard version applicable	GS v2.2	
Date of transition to GS4GG (if applicable)		
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	N/A	
Date of design certification/inclusion (if applicable)	N/A	
Location of project/PoA/VPA	Turkey	
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/163	
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	Deviation Request for (1)Project Registration and seeking labelling under GS4GG, successive verification of the 1st CP in line with GS Clarification, which stipulates “Projects that were under the listing or validation process at time of launch of GS4GG (01/07/2017) can request for registration/design review with applied version of	

	the standard before 23/11/2021" (2) revalidation to start 2nd CP.
Specify applicable rule/requirements/methodology , with exact paragraph reference and version number	ACM0010 GHG Emission Reductions From Manure Management Systems
Specify the monitoring period for which the request is valid (if applicable)	Start date 31/10/2013 End date 30/10/2020
Submitted by	Contact person name: Gediz KAYA
	Email ID: gkaya@gaiacclimate.com
	Organisation: GAIA Climate
	Project participant: Yes <input type="checkbox"/> No <input checked="" 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:

According to GS Clarification "**Transition Requirements Applicability**" published on 05.05.2022, projects that achieved "listed" status with Gold Standard Version 2.2 and previous versions of the standard and started the validation with GS4GG may submit the project for design review no later than 23/11/2022, provided that requirements are met. In the light of challenges described below, we request a deviation to continue validation of the Efeler Biogas Power Plant and submit the Project for design review by 23/11/2022 in order to issue VER credits of the 1st CP and continue with revalidation.

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

Efeler Biogas Power Plant, built and operated in Germencik district of Aydın province in Turanlar Village, in Türkiye. The project has an installed capacity of 4.8 MW_e. The purpose of the project activity is to produce electricity from poultry and cattle manure with biomethanization process which will also result in fermented products that could be utilized as fertilizers by local farmers.

The first unit was commissioned in 31/10/2013, therefore project activity start date is 31/10/2013. The project has been listed under Gold Standard in 2013. The crediting period of the project expired on 30/10/2020.

To reiterate, with the project, poultry and cattle manure will be utilized for electricity and fermented product generation, contributing to the national grid and improving the productiveness of farmers' crops which will be beneficial to the region. Thus, this project offers an environmentally beneficial answer to the problem of manure management.

The VER prices were so low between 2015 and 2020 that there was no significant GS VER transaction during this period. In addition, between the 2018-2021, Turkish currency and debt crisis was an ongoing financial and economic crisis in Turkey. It was characterized by the Turkish lira (TRY) plunging in value, high inflation, rising borrowing costs, and correspondingly rising loan defaults. Therefore, the project is still additional in Turkey where the project owner tries to maintain financial feasibility in a "high interest rate and daily currency crash" investment environment. In Efeler BPP, a fire broke out in the evening of 29.07.2021. The fire was reported on 30.07.2021 by TR Ministry of Environment and Urbanization and Climate Change. The fire started at a point close to the gas production line in the plant and it is determined that the fire grew as a result of splashing into the gas production tanks. Consequently, the damage to the plant as a result of the fire spreading to the gas production tanks caused the project to experience financial crisis.

In the meanwhile, a change in the shareholding structure of the company because certain investors losing interest in the project due to lack of financial feasibility and COVID pandemic contributed to the delay of project validation. In 2021, pandemic continued its world-wide spread, even spurred by more contagious variants. Lockdowns still existed. In 2022, although the governmental restrictions started to reduce gradually, the project owner did not wish to create any risk that would help

spread of the virus; therefore decided to postpone as much as possible to undergo any process or operations like Project revalidation which cause convening of carbon consultants, verifiers and the Project personel.

Pursuant to GS Clarification "**Transition Requirements Applicability**" published on 05/05/2022, projects that had "Listed" status under a previous version of the Standard may submit the Project for design review no later than 23/11/2022, provided that required conditions are met.

In addition and according to the GS v2.2 requirement, Revalidation process shall begin (defined by the submission of a Renewal opinion by a VVB for Design Review to Gold Standard) no later than the last date of current certification cycle. The 1st CP is 31/10/2013- 30/10/2020. The design certification renewal could not be performed by October 2020. Hence, there is a delay period of two years to start revalidation.

Therefore, we kindly request a deviation for (1) Project registration having labeled under GS4GG followed by verification of the 1st CP and (2) revalidation to start 2nd CP. Please note that this project is the first biogas project from Turkey that applied to be listed under Gold Standard. Despite awareness of carbon revenue contribution to the financial feasibility of the project, the project failed to proceed with registration due to unfortunate events.

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

N/A

3.2 | Assessment of the deviation:

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

The project contributes significantly to the region's sustainable development in the following ways:

- Reduction of the greenhouse gas emissions in Turkey by replacing electricity otherwise generated by the Turkish grid, which has a large share of fossil fuel power generation.

- Creation of local employment both during the construction and operational phase. At the moment the unemployment level in Turkey is 11.4%¹. The Project will mainly have a positive impact on the local area.
- Creation of new job opportunities for the local community and support to the regional economy through the employment of different kind of service and material supply (civil and electrical works, operation and maintenance activities, security).
- Technology and know-how transfer as the employees are trained on maintenance, safety, and operational issues.
- Contribution to the reduction of pollutants such as sulfur dioxide, nitrogen oxides and particles resulting from the electricity generation using fossil fuels in Turkey.
- Reduction of Turkish dependency on electricity imports.
- Diversifying the energy generation mix which is currently dependent on natural gas.

It has been justified that the project activity is contributing to sustainable development and result in real, measurable benefits and the Project is developed in line with "Gold Standard" rules and requirements.

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):

In addition to the must to keep the on-going maintenance of the power plant, the recent economic and financial stress in Turkey and the global crisis because of the Ukrainian War, make it even harder for the investors to access finance for further improvements. Sale of carbon credits would therefore be a great contribution to the Project revenue.

¹ <https://data.tuik.gov.tr/Bulten/Index?p=Isgucu-Istatistikleri-Ocak-2022-45644>

It is strongly believed that this Project deserves to benefit from VER issuances. The Project could not been registered because of multiple reasons none of which were caused by the Project Owner such as the fire at the plant, downfall of the voluntary carbon markets between the years 2015- 2020 and the COVID pandemic.

This will not have any impact on the quality of credits it will generate. Also, it will give an opportunity to the Project Owner to fulfill their commitment towards registration of the project with GS. Therefore, we kindly ask you to reconsider the Project to be placed back to GS Project cycle, which is very well-deserved.

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

N/A

3.4 | Documents:

Proof documents related to the fire.

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 Guidance on VVB opinion
4	14.01.2021	
3	16.07.2020	
2	03.05.2018	
1	01.07.2017	Initial adoption