

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 – 11/01/2023

#### 1.2| Decision (Revised)

The deviation request is **approved**. However, the Project Developer shall note that:

1. GS CERs for the monitoring period 01/01/2020 to 17/10/2021 may be claimed if the VVB site visit is concluded on or before 31st March, 2023.
2. If the VVB site visit is concluded after 31st March 2023, the project developer shall only be allowed to claim GS labelling of CDM CERs for the project for a maximum period of three years from the date of the latest site visit (physical/remote) by a VVB.

Additionally:

1. The project developer shall sufficiently demonstrate that continuity in the Project's monitoring activities is maintained and shall justify that no monitoring gaps exist within the GS labelling period (which includes elements related to GS monitoring requirements). However, if gap(s) exist, the project developer shall

justify that conservative approach(es) have been applied in line with section 3 of the [Deviations Approval Requirements and Procedures](#) and overarching GS principles (as applicable).

2. The Project Developer shall document the deviation request, its implications, and GS' decision in the appropriate section of the PDD/Monitoring Report (for the relevant MP).

The verifying VVB shall, through appropriate means at its disposal, evaluate the Project's compliance with the above-mentioned conditions and provide its opinion in the Verification Report.

Sustain Cert 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

- **To be completed by the Project Developer/Coordinating and Managing Entity and/or VVB requesting deviation** (Submit deviation request form in Microsoft Word format)

- **Background information**

Deviation Reference Number	DEV_355	
Date of decision	11/01/2023 (Revised)	
Precedent (YES/NO)	No	
Precedent details	NA	
Date of submission	30/12/2022	
Project/PoA/VPA	<input checked="" type="checkbox"/> Project	ID – GS660
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	Lam Soon Forced Methane Extraction from Organic Waste-Water Treatment Plant for Energy Generation in Production Process	
Date of listing	N/A	
GS Standard version applicable	2.0	
Date of transition to GS4GG (if applicable)	N/A	
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	Host country(ies) : Thailand
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	<a href="https://registry.goldstandard.org/projects/details/1137">https://registry.goldstandard.org/projects/details/1137</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
Title/subject of deviation	Request for approval on monitoring gap and exemption on the required site visit.
Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	<p>The Gold Standard Requirement Version 2.0 Principle &amp; Requirements version 1.2</p> <p>1. Section 5.1.50 Transitioning project</p> <p>Transition Requirements version 2.0</p> <p>i. section 2.1.2 Registered Project with fixed 10 years CP</p> <p>Applicability of minimum site visit requirements by VVB – 16/08/2021</p> <ul style="list-style-type: none"> <li>• Section 2.2.3, Minimum site visit and</li> <li>• Section 2.3.2, Monitoring Gaps</li> </ul>
Specify the monitoring period for which the request is valid (if applicable)	Start date 01/08/2014      End date 17/10/2021
Submitted by	Contact person name: <u>Chetan Aggarwal</u> Email ID: <a href="mailto:c.aggarwal@southpole.com">c.aggarwal@southpole.com</a> , standards@southpole.com
	Organisation: Swiss Carbon Assets Ltd.
	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).	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes; VVB name:</p> <p>VVB Staff name(s):</p>

Any previous deviations approved for the same project activity/PoA/VPA(s)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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- **Deviation detail**

- **Description of the deviation:**

- Deviation detail (to be completed by Project developer):

Swiss Carbon Assets Ltd. is requesting a deviation for the project GS ID 660 Lam Soon Forced Methane Extraction from Organic Waste-Water Treatment Plant for Energy Generation in Production Process. The deviation requested is for the approval on monitoring gap and exemption on the required site visit.

As per the Rule updates – Applicability of minimum site visit requirements by VVB, **Section 2.2.3** states.

“ Follow-up site visits – In case follow-up site visits are not conducted within three years after the previous site visit, and the delays were due to:

- Force Majeure, the VVB shall submit a request for deviation to Gold Standard.
- Non-Force Majeure, the VVB shall not verify the monitoring period falling before three years of the site visit date. Under similar circumstances for GSCERs projects, CERs only for three years before the site visit date shall be labeled as GSCERs.”

**Section 2.2.4** states, “The project may have more than two years (first site visit) or three years (follow up site visit) of monitoring periods before the site visit date, the remaining years of the retroactive periods will be foregone without any extension of crediting period”

**Section 2.3.2** states; “The VVB shall ensure no monitoring gaps exist within the eligible Monitoring Period(s). However, if gap(s) exist, the VVB shall ensure that conservative approach(es) have been applied and verified in line with section 3 of the Deviation Approval Requirements and Procedures (version 1.1) and overarching Gold Standard principles (as applicable)”

The project has completed validation and the first verification, covering the monitoring period of 06/06/2014 to 31/07/2014 on 10/01/2018 (referring to the completion date of the verification and certification report). The onsite validation/ verification was on 13/01/2015 – 14/01/2015. Complying with the requirements, the minimum site visit should have been conducted at least once every three years before 13/01/2018.

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However, due to force majeure circumstances, the project has not been able to conduct site visits, but is scheduled for March 2023. According to section 2.2.4 of the rule update on the applicability of minimum site visit requirements, the project can only aim up to 3 years before the site visit date, which creates a monitoring gap between 01/08/2014 to 29/02/2020.

The project proponent would like to seek deviation from the rule updates mentioned above, and seek approval to conduct the 2nd verification with monitoring period which would be claimed as follows; data from 01/08/2014 to 31/12/2019 would be claimed as CERs only and from 01/01/2020 to 17/10/2021 will be claimed as GS CERs.

The project could not conduct site visit due to the following force majeure circumstances:

- **Floods:** Major flooding events from 26/05/2018 to 25/10/2018 due to continuous heavy rain influenced by tropical storm SON TINH and tropical storm BEBINCA<sup>1</sup>. Krabi was one of the areas that was heavily impacted due to the flooding. To travel to the site, it would require driving through some of the flooded area, thus the site visit could not be conducted at that time.
- **Terrorist attacks:** Unrest incidents around different locations in Bangkok and other provinces in Thailand. One of the major events that slow down the site visit plan was due to several bomb blasts around Bangkok in August 2019<sup>2</sup>, though there were no casualties but there was news circulating around that there was a chance of another incident happening. Later that year in November 2019<sup>3</sup>; one of the deadliest attacks in which hit Thailand's restive south in years involved mass shooting, killing 15 police & volunteers. Following with the bloodbath incident happened in Nakhon Ratchasima shopping mall, early February 2020<sup>4</sup>, 26 people were identified dead. With this riot around Thailand, the project developer has decided to avoid the site visit during those years.
- **Covid-19 Situation:**
  - The first cluster of coronavirus infections (transmission chain with pandemic potential) was first identified in late December 2019 in Wuhan,

<sup>1</sup> [https://www.adrc.asia/countryreport/THA/2018/Thailand\\_CR2018B.pdf](https://www.adrc.asia/countryreport/THA/2018/Thailand_CR2018B.pdf)

<sup>2</sup> <https://www.theguardian.com/world/2019/aug/02/bangkok-explosions-injuries-asean-thailand>

<sup>3</sup> <https://www.google.com/url?sa=D&q=https://www.npr.org/2019/11/06/776745585/15-killed-in-deadliest-attack-to-hit-thailands-restive-south-in-years&ust=1666063020000000&usq=AOvVaw00S8ux4hzAGfSJZ0w1fyIx&hl=en>

<sup>4</sup> <https://www.bbc.com/news/world-asia-51431690>

Hubei province, China. Some of the analysis<sup>5,6</sup>, pushes human-to-human transmission back to mid-October to mid-November of 2019, with a likely short interval before epidemic transmission was initiated. WHO has announced the first Disease Outbreak News on the new virus on 05th January 2020 and on 13th January 2020, the first case outside China was found in Thailand<sup>7,8</sup> followed by the major national and global outbreak in March 2020<sup>9</sup>.

- Lock down and travel restriction: Many countries worldwide have announced travel restrictions and either full or partial lockdown. For Thailand, the country has announced its travel restriction between provinces and close of border from 26th March 2020<sup>10</sup>. The government declaration is an event beyond the control of the project participant and not foreseeable. In compliance with government emergency state declaration since March 2020<sup>11</sup>, on-site personnel have been encouraged to work remotely to avoid the risk of exposure to Covid-19 which would potentially lead to the closure of the overall site's operation. Hence, to conform with risk mitigation measures, project's participant deems reasonable to also postpone the performance certification until the situation begins to ease up and the Covid-19 restrictions are loosened.
- **Financial Constraints/ Ongoing financial Need:** In terms of carbon project development, we cannot deny that each step would require investment/ expenses i.e., project implementation, auditor fee, standard fee etc. For the project to continue implementation and certification, carbon finance is of utmost importance. In addition to justification above, there is little demand for carbon credit, as noted from Sustain Cert and our records. The first issuance happened on 04/01/2016<sup>12</sup>, with 36,296 CERS and 1,892 GS CERs on 10/10/2018<sup>13</sup>, while the first retirement or delivery was in December 2021.

<sup>5</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8139421/>

<sup>6</sup> <https://www.sciencedirect.com/science/article/pii/S2319417020300445>

<sup>7</sup> <https://www.who.int/news/item/13-01-2020-who-statement-on-novel-coronavirus-in-thailand>

<sup>8</sup> <https://www.cidrap.umn.edu/news-perspective/2020/01/report-thailands-coronavirus-patient-didnt-visit-outbreak-Market>

<sup>9</sup> On March 25, Prime Minister Prayut Chan-o-cha declared a state of emergency, effective March 26 2020, <https://th.usembassy.gov/health-alert-u-s-embassy-bangkok-thailand-march-26-2020/>

<sup>10</sup> <https://www.ilct.co.th/thailand-covid-19-state-of-emergency-announcement/> &

[https://ddc.moph.go.th/viralpneumonia/file/situation/situation-no90-020463\\_1.pdf](https://ddc.moph.go.th/viralpneumonia/file/situation/situation-no90-020463_1.pdf)

<sup>11</sup> [https://covid.kanchanaburi.go.th/files/com\\_knowledge/2020-04\\_b01f5ce48d224e7.pdf](https://covid.kanchanaburi.go.th/files/com_knowledge/2020-04_b01f5ce48d224e7.pdf)

<sup>12</sup> <https://cdm.unfccc.int/Projects/DB/TUEV-SUED1293729441.79/iProcess/RINA1417509329.97/view>

<sup>13</sup> <https://registry.goldstandard.org/credit-blocks/details/4398>

The operation and maintenance of the project that are required to comply with the GS standards require additional financial costs, which can only be covered through the carbon project development. These costs include calibration of equipment, hiring external environmental audits, etc.

Project activity has contributed to many activities apart from climate security(mitigation), such as

1. Qualitative employment: training for their employee,
2. Donating/ participating in the local community activities,
3. Income generation by hiring the local community to work on the project, etc.

The sustainable activities which the project has implemented, would not have occurred in the absence of the certified Gold Standard project. Hence, considering the cost, it was not economically viable to conduct the performance certificate at the time. Moreover, to receive data from the project owner.

To ensure that the project is carried out according to the GS transition annex & GS principle & requirements. The assessment of the deviation is explained in the following section.

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

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- **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.*

- Deviation assessment (to be completed by Project developer):

The project will follow the requirements of Transition Requirements, GS4GG Principle & Requirement, and the applicability of minimum site visit requirements rule by VVB.



Scope of assessment	Justification
Transition Requirements, GS4GG Principle & Requirement	<p>The project activity has been operated in compliance with the applied methodologies and monitoring plan as described in the registered PD. The project was validated and successfully registered under GS Requirement version 2.0 on 07/07/2016<sup>14</sup>.</p> <p>In accordance with the transition requirement section 2.1.2 the project has more than 24 months left in the crediting period at time of launch of GS4GG (01/07/2017), since the project activity has 4 years and 3.5 months left the appropriate information will be provided in the transition annex during upcoming verification.</p>
Environmental integrity	<p>The proposed deviation does not impact implementation, operation nor monitoring of the certified project activity. The GHG emission reduction would not be overestimated, and it will be ensured that the conservative approach is applied for the emission reduction calculation once appropriate.</p>
Sustainable Development Assessment	<p>The project could contribute 3 SDGs comprising SDG7, SDG8, &amp; SDG13. The justification will be provided in the transition annex which will be assessed with the latest requirement and provided to the Gold Standard.</p>
Safeguard principles and requirement	<p>The transition annex will be updated and considered the gap analysis between "Do No Harm" assessment and in line with Safeguard Principle. This is in accordance with section 3.1.11 of GS transition requirement.</p>
Legislation	<p>This can be verified during the upcoming verification. The relevant operation license and its validity will be submitted to VVB during the verification process.</p>

<sup>14</sup> Referring to date of the validation report issued by RINA, version 2.0 Aa

The applicability of minimum site visit requirements rule by VVB	With the aforementioned force majeure event, the project could not conduct the verification as per the rule updates. To adhere to the requirement, project proponents would claim carbon credits as CERs only for 01/08/2014 to 31/12/2019 while GS CERs for the monitoring data from 01/01/2020 to 17/10/2021.
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- 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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- **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.*

- Impact assessment (to be completed by Project developer):

No impacts on data quality, safeguarding principles assessment, SDG assessment, or others is expected due to the deviation request.

The impact assessment following the proposed deviations are as follows:

A. Project Design:

The project activity involves installing a closed digester system (Plug Flow - CSTR Based System) with biogas capture to extract methane gas from wastewater from the Palm Oil Mill. The captured biogas could produce the electricity through one gas engine with an installed capacity of 952 kWe. The generated electricity would then be utilized in palm oil factory and surplus would be fed in the national grid. No changes have been made to the project design. The project continues to operate as usual without any modification in any of the steps and complies to the applied methodology (AMS III.H, version 15 and AMS-I.D. version 16).

B. Safeguarding Principles assessment:

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The project has been registered under GS version 2.0. The project will consider the gap analysis within the "Do No Harm" assessment and evaluate the current implementation against the latest version of the Safeguarding Principle and requirement, to ensure the project complies to the safeguarding principle on the social, economic, and the environment.

C. SDG Assessment:

The SDG impact will be assessed during the upcoming verification.

D. Emission Reductions:

The ex-post value will be verified by an approved VVB. The project participant would adhere to the Gold Standard claim guidelines and will not claim any GS label credits during the monitoring gap to account for conservativeness.

The carbon credits claim would be as CERs only for 01/08/2014 to 31/12/2019 while GS CERs for the monitoring data from 01/01/2020 to 17/10/2021.

E. Monitoring Frequency:

Since there is no change in the project design, the monitoring frequency remains as per the registered PDD. However, this will be reassessed by the approved VVB during the verification.

The project is also certified under RSPO<sup>15</sup> and has maintained their certification through submitting the "RSPO Annual Communication of Progress" report.

F. Data quality:

No data quality should be impacted. The quality of the data will be inlined with the QA/QC section as written in the registered PDD. VVB could check and prove the accuracy and transparency of the data during the upcoming verification.

G. Potential risk or other:

There are no potential risks from the proposed deviations.

As a project participant has taken the Gold Standard Principles into account and could confirm that the monitoring plan of the project has been fulfilled.

- 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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<sup>15</sup> <https://rspo.org/members/2-0092-08-000-00/>

○ **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.)*

5	11.04.2022	Additional information added: <b>1 </b> date of listing, design certification, transition <b>2 </b> standard version <b>3 </b> specific reference to a requirement deviated from <b>4 </b> 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