

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 – 08/02/2023**

**1.2 | Decision**

The deviation request is approved. The VVB may use the same team for the scope of combined validation, verification and design certification renewal.

The VVB shall document the deviation request, its implications, and GS' decision in the appropriate section of the validation report and verification report.

SustainCert shall review VVB's reporting of the same and take appropriate steps.

#### **FAR for the VVB performing the next verification:**

The next verifying VVB shall, through appropriate means at its disposal, evaluate the aspects related to the design certification renewal conducted in the combined submission made by Earthood and provide its opinion if they find it appropriate.

If Earthood is hired for subsequent verifications by CME, they shall allocate an entirely new verification and technical review team.

**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_366	
Date of decision	08/02/2023	
Precedent (YES/NO)	No	
Precedent details	NA	
Date of submission	30/01/2023	
Project/PoA/VPA	Project	ID – GSXXXX
	<input checked="" type="checkbox"/> PoA	ID – GS11450
	<input checked="" type="checkbox"/> VPA	ID – GS11476, 11477, 11478, 11504, 11505, 11481, 11474, 11475, 11479, 11480
Project/PoA/VPA title	MicroEnergy Credits – Microfinance for Clean Energy Product Lines – India	
Date of listing	04-01-2022	
GS Standard version applicable	GS4GG	
Date of transition to GS4GG (if applicable)	-	
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	04-01-2022	
Date of design certification/inclusion (if applicable)	28-11-2022	
Location of project/PoA/VPA	India	
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	<a href="https://registry.goldstandard.org/projects/details/3501">https://registry.goldstandard.org/projects/details/3501</a>	
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 from Validation and Verification by Same VVB (RU 2020 PR – PR V1.2)	

Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	Validation and Verification by Same VVB (RU 2020 PR – PR V1.2)
Specify the monitoring period for which the request is valid (if applicable)	Start date                      End date
Submitted by	Contact person name: Deepika Mahala
	Email ID: deepika.mahala@earthhood.in
	Organisation: Earthood Services Pvt. Ltd.
	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 type="checkbox"/>  If yes; VVB name:  VVB Staff name(s):
Any previous deviations approved for the same project activity/PoA/VPA(s)?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

### 3 | Deviation detail

#### 3.1 | Description of the deviation:

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

Earthood Services Pvt. Ltd. (VVB) was hired by MicroEnergy Credits (MEC) for validation and verification of GS PoA 11450 and 39 VPAs which are part of the PoA. MEC submitted for transitioning the PoA and all CPAs from CDM to Gold Standard under GS reference number GS11450 in January 2022. During the transition, a few VPAs (list provided below) had completed 5 years crediting period under CDM.

VPA 2 – GS11474

VPA 3 – GS11475

VPA 4 – GS11476

VPA 5 – GS 11504

VPA 6 – GS11505

VPA 7 – GS11477

VPA 8 – GS11478

VPA 9 – GS11479

VPA 10 – GS11480

VPA 11 – GS11481

With that context and considering the buyer's commitment of VER delivery by March 2023, CME raised a clarification to SustainCert regarding whether CME could combine validation and verification for design review, CP renewal (for some of the VPAs) and MP1 performance review. On 11<sup>th</sup> August 2022, SustainCert responded, quote, "A transition project that has completed 5 years of its valid crediting period under CDM shall submit the transition request together with the Crediting Period renewal request. Thus, PD can combine validation and verification for design review, CP renew review and MP1 performance review." With that understanding, CME proceeded with a combined design review, CP renewal and MP1 performance review.

As per Gold Standard, GS4GG principles and requirements, version 1.2, dated 23<sup>rd</sup> October 2019 section 5.1.28 "Unless otherwise stated (for example in an applied Methodology or Product Requirements), the same VVB may undertake Validation and Verification of a given Project". On the above requirement, Gold Standard issued a rule update "VALIDATION AND VERIFICATION BY SAME VVB (RU 2020 PR – PR V1.2)" which stated that if the same VVB wishes to perform verification of a given project/PoA for which they have performed validation activity (including the inclusion of VPA/CPA, renewal of crediting period, design change review), the VVB shall ensure that the integrity and impartiality of the verification audit are maintained. In such cases, the VVB shall meet the following requirement:

- The VVB shall ensure that the entire verification audit team, including the lead auditors, auditors and sectoral experts, are different from the team that performed the validation activity (including the inclusion of VPA/CPA, renewal of crediting period, design change review).
- The VVB shall transparently disclose in the verification report that the same VVB has performed validation activity (including the inclusion of VPA/CPA, renewal of crediting period, design change review) for the given project/PoA. The VVB shall disclose the details of the audit team, including names of all the team members and their roles in the previous audit performed by the same VVB.

In the same rule update, it was also added that the requirement to have different audit teams does not apply to combined Design Certification with first verification and performance review for a given project (paragraph 5.1.53, Principles and Requirements

V1.2, p 28). The same audit team may perform both validation and verification for combined Design Certification (DC) and first performance certification (PC) for a given project.

As per the Rule update, it has been mentioned that the verification audit team shall be separate from the validation (including the inclusion of VPA/CPA, renewal of crediting period, design change review) audit team however Earthood used the same team because it is the first verification under GS along with combined DCR.

Keeping that in mind, Earthood would request a deviation on the Rule Update to allow the same team to do combined DCR and first verification and performance review. In case, Earthood is hired for subsequent verifications by CME, Earthood will change composition of the audit team as well as the technical review team to ensure that the integrity and impartiality of the verification audit are maintained.

Earthood would like to request for the deviation considering the above issues. In applying this deviation, Earthood has adhered to the following core GS principles:

**Environmental integrity:** This deviation doesn't result in any over-estimation of GS VERs.

**Contribution to Sustainable Development Goals (SDGs):** The SDG contribution achieved are in line with GS4GG requirement and are not compromised

**Safeguarding principles and Requirements:** Safeguarding Principles Assessment carried out for the VPA are in line with GS4GG requirements.

**Compliance with host country regulations:** The scope of this deviation work does not conflict with host country regulations.

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.*

The deviation has been requested by the VVB as defined above.

### 3.2 | Assessment of the deviation:

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

The proposed deviation does not compromise with any requirement of the Gold Standard as the PoA will follow all relevant requirements for listing, registration and issuance. As explained above, VVB is requesting deviation from rule update because combined design certification and first performance certification also includes renewal of CP.

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.*

The deviation has been requested by the VVB as defined above.

### 3.3 | Impact of the deviation:

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

As justified in section 3.1.1 above by the VVB, the deviation request does not impact the design of the PoA as it has already been implemented. The safeguarding assessment, SDG assessment, emission reduction calculation etc. will be done in line with Gold Standard requirements.

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

The deviation has been requested by the VVB as defined above.

### 3.4 | Documents:

NA

Version number	Release date	Description
5	11.04.2022	<p>Additional information added:</p> <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> <p>Guidance on VVB opinion</p>

4	14.01.2021	
3	16.07.2020	
2	03.05.2018	
1	01.07.2017	Initial adoption