

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE 11.04.2021

Version 5.0

A. To be completed by Gold Standard

1 Decision

1.1 | Date - 02/11/2023

1.2 | Decision

The Request is not Approved.

The developer is proposing making alterations to the traditional baseline docking cycles based on the use of fuel additive and fuel treatment that refers to fuel switch scenario, which is not applicable under <u>Table 2 Applicable conditions and means of verification</u> of the methodology.

The developer shall refer to the eligible technology applicability measures listed in Table 1 para 2.2.2 for more information.

The developer can submit a new methodology draft document highlighting the fuel switch scenario and the relevant process modifications.

1.3 | Is this decision applicable to other project activities under similar circumstances?

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

TEMPLATE - DEVIATION REQUEST FORM V4.0

Deviation Reference Number	DEV_530		
Date of decision	02/11/2023		
Precedent (YES/NO)	No		
Precedent details	NA		
Date of submission			
	Dd/mm/yyyy Project ID – N/A		
Project/PoA/VPA	⊠ PoA	ID - GS12375	
	□ VPA	ID – GS VPA not created yet	
Project/PoA/VPA title	Enhanced fuel combustion and engine efficiency project, bio-organic fuel treatment		
Date of listing	N/A		
GS Standard version applicable	Gold Standard Methodology "Retrofit Energy Efficiency Measures in Shipping v2.0"		
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)	Not certified yet		
Location of project/PoA/VPA	Host country(ies): There is no host country. The POA and VPA(s) involve ships mostly sailing in international waters. Shipping emissions and emissions reductions are not included in the GHG inventories of any country.		
Scale of the project/PoA/VPA	☐ Microscale		
	☐ Small scal		
	_	e (to be confirmed)	
Gold Standard Impact Registry link of the project/PoA/VPA		not filed yet	
Status of the project/PoA/VPA	☑ New☐ Listed☐ Certified d☐ Certified p		
Title/subject of deviation	Redefinition	of baseline cycle	
Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	Gold Standard Methodology "Retrofit Energy Efficiency Measures in Shipping v2.0" - Section 3.4.2		
Specify the monitoring period for which the request is valid (if applicable)	Start date End date Entire project crediting period		

TEMPLATE - DEVIATION REQUEST FORM V4.0

Submitted by	Contact person name:
	E 117D 0 20E0
	Email ID:as@pnz2050.com
	Organisation: Project Net Zero SA
	Project participant: Yes $oxtimes$ No $oxtimes$
Validation and Verification body	Yes □ No ⊠
(VVB opinion shall be included,	
where required by the	If yes;
applicable rules/requirements or	VVB name:
request is submitted by the	
VVB).	VVB Staff name(s):
Any previous deviations	Yes □ No ⊠
approved for the same project	
activity/PoA/VPA(s)?	

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 Design Change Requirements.

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

The methodology "Retrofit Energy Efficiency Measures in Shipping v2.0" states under section 3.4.2 "baseline cycle":

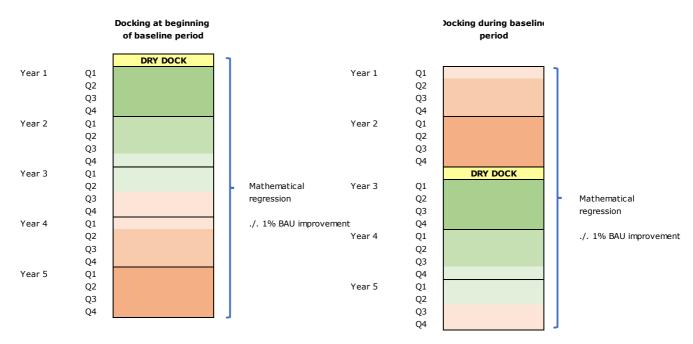
"The starting point is the individual ship's fuel efficiency based on the previous full dry dock cycle of operation (denominated as the "baseline dry dock cycle"). The baseline docking cycle is used to apply or adjust the Basic Model which, based on regression analysis, characterizes the relationship of baseline fuel to various explanatory variables."

The above section assumes that the retrofits are applied during the periodical dry dock mandatory stoppage / survey, which should be the case for most retrofits contemplated by the methodology, however the use of additives / fuel treatments is different as its use can start anytime during the dry dock cycle, hence the traditional docking cylces are not appropriate.

TEMPLATE - DEVIATION REQUEST FORM V4.0

However, to match the ship performance pattern it is important the baseline is representative of a full docking cycle but it doesn't necessary need to start with the docking event. As long as the duration of the docking cycle is captured within the baseline period, the individual fuel efficiency is represented in the baseline.

The Autonomous Technological Improvement calculated at 1% per dry dock cycle can equally be applied to the baseline period data following the deviation request proposal, meaning that a 1% performance improvement is expected between the baseline and the project period, whenever the docking date applies during the baseline period as the baseline consumption efficiency is derived from the mathematical regression.



Fuel consumption efficiency (vs post docking efficiency)



Highest efficiency post docking maintenance Initiation of first minor signs of effeciency decrease Marginal ongoing efficiency decrease process Noticeable efficiency decrease but kept at lower level Reaching medium efficiency decrease level Reaching high efficency decrease levelction level

It is therefore proposed to deviate from the relevant methodology and determine the baseline period as the same duration as a standard dry dock cycle (i.e. 60 or 30 months following the age of the ship) but starting 60 or 30 months prior the first day of use of fuel treatment (i.e. representing the same duration as a traditional dry dock cycle) and the project period staring at the first day of fuel treatment.

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.

N/A

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):

The baseline monitoring period, data collection protocol and treatment, computing of Autonomous Technological Improvement and application of mathematical regression remains unchanged, however the only amendment is the start date of the baseline and project periods which are not matching the timing of mandatory docking maintenance / surveys and maintaining the monitoring duration of the baseline for a similar duration of a traditional dry dock cycle.

Based on above explanations, the deviation is not impacting the accuracy, completeness and conservativeness of the baseline and project phase.

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.

N/A

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):

The deviation will not impact the emission reduction calculation as the baseline will still comprise a full docking cycle (and the expected fuel efficiency performance decrease during a dry dock cycle) and will account for the Autonomous Technological Improvement of 1% after the normalized consumption derived from the regression analysis.

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.

N/A

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.)

Version number	Release date	Description
5	11.04.2022	Additional information added: - 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