



TEMPLATE

1 | **Deviation request form**

PUBLICATION DATE **11.04.2021**

Version **5.0**

A. To be completed by Gold Standard

2 | **Decision**

2.1 | Date – dd/mm/yyyy

18/10/2024

2.2 | Decision

The Deviation Request is Not Approved.

The project/PoA does not have a valid Crediting period at the time of submission. The project has an expired crediting period. Moreover, the renewal request has been rejected by UNFCCC. Hence, this is not eligible for GS certification.

2.3 | 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

3 | Background information

Deviation Reference Number	DEV_799	
Date of decision	18/10/2024	
Precedent (YES/NO)	NO	
Precedent details	NA	
Date of submission	08/08/2024	
Project/PoA/VPA	Project	
	<input checked="" type="checkbox"/> PoA	ID - GS3552
	<input type="checkbox"/> VPA	
Project/PoA/VPA title	Guacamaya Small Hydropower Programme of Activities	
Date of listing	Dec 20, 2012	
GS Standard version applicable	Gold Standard for the Global Goals	
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	Honduras, Nicaragua and Costa Rica	
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/622	
Status of the project/PoA/VPA	<input type="checkbox"/> New <input type="checkbox"/> Listed <input checked="" type="checkbox"/> Certified design <input type="checkbox"/> Certified project	
Title/subject of deviation	Revalidation start date extension	

<p>Specify applicable rule/requirements/methodology, with exact paragraph reference and version number</p>	<p>PRINCIPLES & REQUIREMENTS Version 1.2 5. PROJECT CYCLE (e) DESIGN CERTIFICATION RENEWAL</p> <p>5.1.45 Delay in the completion of re-validation beyond the last date of current certification cycle shall result in a reduction of any issuance of Certified Products and/or Impact Statements available during following certification cycle (for example, a delay of 1 year beyond the first cycle shall mean that no Certified Impact Statements shall be issued for the period of delay).</p>
<p>Specify the monitoring period for which the request is valid (if applicable)</p>	<p>Start date N/A End date N/A</p>
<p>Submitted by</p>	<p>Contact person name: Christian Giles</p> <p>Email ID: christian.giles@anacondacarbon.com</p> <p>Organisation: Anaconda Carbon S.A.</p> <p>Project participant: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p>Validation and Verification body (VVB opinion shall be included, where required by the applicable rules/requirements or request is submitted by the VVB).</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If yes; VVB name: APPLUS+ Certification (LGAI Technological Center, S.A.)</p> <p>VVB Staff name(s): Raul Gonzalez Mitre</p>
<p>Any previous deviations approved for the same project activity/PoA/VPA(s)?</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

4 | Deviation detail

4.1 | Description of the deviation:

We request that the process for revalidation of the Guacamaya Small Hydropower Programme of Activities (GS ID 3552) be permitted to begin as soon as possible even though the timeframe allotted by the standard has expired for this process to begin. The PoA has unfortunately suffered substantial delays in beginning the process under the GS4GG since for the PoA to have both CDM and GS4GG labels, it had to first go through the CDM processes of validation and verification before proceeding with the

GS4GG certifications. Multiple issues with the Clean Development Mechanism revalidation process led to substantial delays for the start of the GS4GG revalidation process. Please see below a detailed timeline that proves clear intent and communication with the GS4GG as well as VVBs regarding this matter from a time well before the expiration of the GS4GG timeframe for revalidation expired.

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

Filename: CDM.VAL.19.27 POA8950 Rev 1.0 SIGNED

- May 23, 2019
 - Signed contract with DOE ESPL

Filename: RFC DOE oct 2021

- July 14, 2021 – page 9-10:
 - DOE (Earthood) sent final revised DVR to Anaconda Carbon (PoA CME)
- July 26, 2021 – page 9:
 - Anaconda Carbon receives re-submission confirmation from the UNFCCC
- August 17, 2021 – page 9:
 - Email received from UNFCCC regarding the status of the project
- October 1, 2021 – page 6:
 - Notification from DOE that the project has been placed under review
- October 14, 2021 – page 4:
 - Email from DOE to CME: Details questions DOE made to UNFCCC experts during a workshop regarding the request for review.
- October 20, 2021 – page 3:
 - Clarification issues from Technology Mechanism of the UNFCCC to DOE after calibration workshop
- October 27, 2021 – page 1:
 - Email from CME to DOE with updated PoA-DD and responded protocol.

Filename: Communication ACO2- DOE - RCP May 2022

- March 11, 2022 – PAGE 2
 - Communication with DOE about the status of Guacamaya RCP. They told us that *"GS RCP was put on hold as it is a labelled project and the CDM part has been sent for EB meeting review. If it gets rejected, then we cannot submit GS RCP too. Thus, we are waiting for final decision on CDM RCP"*

Filename: Rejection for Renewal March 2022

- March 14, 2022
 - CDM rejects the renewal request.

Filename: RFC DOE Oct 2021

- March 28, 2022 – page 507:
 - Query sent to sustain-cert about the design certification renewal under Gold Standard.
- April 2, 2022 – page 43:
 - Responses received from GS on delayed PoA RCP issue.
- April 2, 2022 – page 507:
 - Answer of Sustain-Cert to query regarding PoA RCO.
- April 5, 2022 – page 42:
 - CME receives email regarding the reasons for rejection for PoA8950 https://cdm.unfccc.int/filestorage/e/x/t/extfile-20220404212935856-Ren_rule05.pdf/Ren_rule05.pdf?t=TG98cjl2MWx0fDAiZLsZ67J5b3q4tfo-BE3j
- May 6, 2022 – page 112:
 - Addendum and account invoice that Earthood sent to ACO2
- May 13, 2022 – page 98:
 - Discussion of the plan to proceed with the CDM & GS RCP

Filename: Communication ACO2- DOE - RCP May 2022

- June 8, 2022 – page 3:
 - CME asks DOE via email about the possibility to complete GS RCP without CDM approval.
- June 9, 2022 – page 4:
 - DOE raised findings on GS RCP
- Mar 22, 2023 – page 7:
 - CME confirms intention to DOE regarding another attempt to renew crediting period.
- Mar 23, 2023- page 7:
 - DOE sent the UN mail regarding rejection reason and last discussion around the new scope of work.

Filename: Asking Quote from DOE since Apr 2023

- April 20, 2023:
 - CME requests quote from DOE on the revalidation of the PoA under CDM and GS

Filename: Communication ACO2-DOE Since May 2023

- August 22, 2023:
 - CME asks DOE if it possible to move forward only with a GS revalidation without doing the CDM revalidation

Filename: Communication ACO2- GS Nov. 2023

- Nov. 2, 2023:
 - CME contacts SustainCert explaining the CDM rejection and reiterates intention to proceed with the renewal crediting period under GS.

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

The PoA "GUACAMAYA SMALL SCALE HYDROPOWER PROGRAMME OF ACTIVITIES" was a CDM and GS Program of Activities (PoA) project.

The project has been successfully implemented and issued CERs as observed in the CDM web site:

https://cdm.unfccc.int/ProgrammeOfActivities/poa_db/3WHBIA0SVEDK9NYTQJP4OC F7Z18LM6/view

The last issuance occurred for the monitoring period from 01/09/2019 to 31/12/2020. The CDM crediting period of the PoA was valid from 13/04/2011 to 12/04/2039. The first period started on 20/12/2012 and finished 19/12/2019. The second period should have been started on 20/12/2019 and would finish 19/12/2026. Nevertheless, the renewal was rejected by the UNFCCC as per information available in the CDM web site: https://cdm.unfccc.int/PoARenewal/ren_db/poaren753946503/history

According to the GS web site: <https://registry.goldstandard.org/projects/details/622> the GS project crediting period started on 20/12/2012 and finished 19/12/2019, aligned with the CDM crediting period. There is no information in the GS web site to demonstrate that the PoA has also issued GS CERs. There is only information regarding the validation.

The PoA shall have been renewed several years ago as the first crediting period finished on 19/12/2019. This did not happen. Furthermore, the first site visit of the GS registered project occurred during validation stage on 28/11/2013 (as per Validation Report No. 01 996 9105064224 (version 02, 20/11/2014) from the VVB TÜV Rheinland.

These means:

1. The minimum frequency of on-site visit has not happened;
2. The PoA has not yet been renewed;

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4.2 | Assessment of the deviation:

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

a) From PRINCIPLES & REQUIREMENTS, Version 1.2 we couldn't complete the following rule:

5. PROJECT CYCLE

DESIGN CERTIFICATION RENEWAL

5.1.45 Delay in the completion of re-validation beyond the last date of current certification cycle shall result in a reduction of any issuance of Certified Products and/or Impact Statements available during following certification cycle (for example, a delay of 1 year beyond the first cycle shall mean that no Certified Impact Statements shall be issued for the period of delay.

Project additionality, prior consideration and emission reductions have not been affected by the delays incurred. The project activity has operated as described in the GS Passport and PD, with the only difference being that the timeframes for start of project activity and GS4GG revalidation and VCU issuance have been affected by delays with CDM procedures. Constant communication has been kept with the GS and Sustain-Cert through this process, which proves full intent of project to revalidate and to continue issuing VCUs.

b) Because of the delays mentioned above, the PoA is also in breach of another GS4GG rule regarding on-site visit frequency. The minimum frequency of on-site visit has not happened in over three years, as per requirements of the "Site Visit and Remote Audit Requirements and Procedures", V2.0 which requires on paragraph 3.1.2, "once within every three years after the first physical site visit date".

As mentioned, the delays with CDM and subsequently GS4GG revalidation processes has made it impossible to execute a site visit, and therefore the frequency of on-site visits has been affected. Once the project PoA is successfully revalidated, a verification process is to start at once, which would include a on-site visit.

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

There are two deviations identified for this PoA:

1. The minimum frequency of on-site visit has not happened, as per requirements of the "Site Visit and Remote Audit Requirements and Procedures", V2.0 which requires on paragraph 3.1.2, "*once within every three years after the first physical site visit date*". According to the Validation Report No. 01 996 9105064224 (version 02, 20/11/2014) from the VVB TÜV Rheinland, physical on-site visit occurred during GS validation stage on 28/11/2013. There is no further evidence in the GS web site regarding any verification not any other site visit. The only documents available at the GS web site are corresponding to validation stage: <https://platform.sustain-cert.com/public-project/657>
2. The PoA has not yet been renewed its crediting period (crediting period finished 19/12/2019) considering the requirements established in the GS Principles and requirements, V1.2 which states in paragraph 5.1.46:

"Delay in the completion of re-validation beyond the last date of current certification cycle shall result in a reduction of any issuance of Certified Products and/or Impact Statements available during following certification cycle (for example, a delay of 1 year beyond the first cycle shall mean that no Certified Impact Statements shall be issued for the period of delay)".

The Project Developer (PD) has provided detailed information regarding the continuous delays presented by the PoA regarding the renewal of the crediting period (RCP) under CDM. According to the evidence provided, the RCP has been contracted on 23/05/2019 and on 14/03/2022, the CDM rejected the renewal of the project, almost 3 years later. Furthermore, the evidence provided also gives important information about the impact of the CDM renewal to the GS renewal process.

Since 2022, evidence confirm that ongoing communication with the GS has happened for almost 2 years. This demonstrates the ongoing process and intention from the PD to renew the CP under GS.

The evidence provided demonstrate that the project has suffered several delays in the renewal of the CP of the CDM project. Furthermore, due to these delays, the GS process has also faced several delays of the process to renew the CP. It is VVB opinion that there is enough evidence to demonstrate that several delays have been faced by the project activity and those were not in the control of the Project Developer.

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4.3 | Impact of the deviation:

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

Without the deviation request being approved, the project activities under the PoA will not be able to generate offsets that are sorely needed due to a substantial debt that the energy off taker has with the project activities. Also, the PoA has interested offset buyers that are awaiting issuance of offsets in order to meet their environmental compliance goals. Failure to revalidate because of well documented CDM issues would deprive project activities from much needed revenues proceeding from carbon offset sales. The project has issued and sold offsets for all of its crediting period and has ERPAs ready to execute for upcoming verifications.

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

Due to the delays presented during the renewal of the CDM PoA, the renew of the GS part has been also delayed. Furthermore, this also prevented the PD to perform further on site visits as the PoA was not yet renewed. This has impacted the PoA as the incomes from carbon offsets are needed for the correctly operation of the PoA, as per the CDM PDD (dated 04/12/2012).

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4.4 | Documents:

- CDM.VAL.19.27_POA8950_Rev_1.0_Signed
- RFC DOE oct 2021
- Communication ACO₂- DOE - RCP May 2022
- Rejection for Renewal March 2022
- RFC DOE Oct 2021
- Communication ACO₂- DOE - RCP May 2022
- Asking Quote from DOE since Apr 2023
- Communication ACO₂-DOE Since May 2023
- Communication ACO₂- GS Nov. 2023

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