



Gold Standard[®]
for the Global Goals

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **16.07.2020**

Version **3.0**

A. To be completed by Gold Standard

1| Decision

1.1 | Date – 27/10/2020

1.2 | Decision - Approved

The deviation request is approved under the condition that, during the design certification process, the PD successfully demonstrates the renewability and overall suitability of the biomass (and its residue), used for making the NERADO fuel for powering the aluminium recycling process, through compliance with the following four requirements:

- I. As an alternative to fossil fuels, the proposed project activity makes use of renewable biomass resources, in line with the definition provided in CDM's EB23 Annex 18 [here](#). The renewability of the biomass shall be monitored along the crediting period and be included in the Monitoring Plan, where required by the applied Impact quantification methodology.
- II. The proposed project activity does not result in the diversion of existing biomass resources. The project activity expected to make use of biomass resources already in use shall NOT be eligible for Gold Standard registration unless convincing evidence is provided to demonstrate that the current users agree with the envisioned shift of use (potential leakage associated to such a shift must be taken into account). In the absence of such an agreement, the Project Developer shall demonstrate that their project activity makes use of surplus biomass for each type of biomass resource used.
- III. Project Developer shall demonstrate that their proposed project will only make use of degraded land and shall include this criterion in the Sustainability Monitoring Plan to ensure there is no diversion of land from other essential purposes like food production. Two exceptions may be considered:
 - a) Convincing evidence is provided showing that the envisioned energy crop is part of a traditional rotational cropping, OR

- b) An increase of the productivity is obtained, locally and to the benefit of the current users, through measures implemented in the context of the activity so as to at minimum compensate for the part of the land newly allocated to growing the energy crop.

Compliance with these criteria above must be monitored over the crediting period and thus be part of the Monitoring Plan.

- IV. If the project activity is making use of palm oil and/or palm oil mill by-products or residues for electricity and/or heat generation, and/or for biofuel production, the Project Developer shall provide a Compliance Report showing that the project is in compliance with the latest version of the [Roundtable on Sustainable Palm Oil](#) guidance document on Principles and Criteria for Sustainable Palm Oil Production (including the national interpretations), validated by a GS-VVB, and provided as part of the documentation to be reviewed at the time of the registration review. Project Developer must demonstrate that they have started the process for RSPO compliance at the time of preliminary review. If the project is located in a country where a national interpretation of the RSPO principles has not been established and approved by the RSPO, compliance shall be established against the international RSPO Criteria. In such a case, the certification body must develop local indicators through a consultative process, available in the local language.

For demonstrating compliance with requirements II and III, the PD shall provide convincing evidence to demonstrate that the current users of the biomass (and its residue) and other stakeholders involved in the entire value chain agree with the envisioned shift of use under the proposed project, i.e. from making soap noodles to producing NERADO fuel for powering the aluminium recycling process.

The validating VVB shall assess the PD's compliance (and supporting documents) with the above decision and its underlying requirements and provide their opinion in the Validation Report. SustainCert shall subsequently review both the PD's compliance with the above requirements and VVB's assessment and opinion on the same.

B. To be completed by the Project Developer/Coordinating and Managing Entity and/or VVB requesting deviation (Please submit complete deviation request form in Microsoft Word format)

2| Background information

Deviation Reference Number	COVID_DEV 161	
Date of decision	27/10/2020	
Date of submission	28/09/2020	
Project/PoA/VPA	<input checked="" type="checkbox"/> Project	ID – GSXXXX
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	Fuel-Switch Project Deriving Carbon Assets from the Use of Non-Edible Raw Agriculture-Derived Oil System (NERADO System) To Replace Heavy Fuel Oil for Aluminum Dross Recycling in Malaysia	
Location of project/PoA/VPA	Malaysia	
Scale of the project/PoA/VPA	<input checked="" type="checkbox"/> Microscale <input type="checkbox"/> Small scale <input type="checkbox"/> Large scale	
Gold Standard Impact Registry link of the project/PoA/VPA	-	
Status of the project/PoA/VPA	<input checked="" type="checkbox"/> New <input type="checkbox"/> Listed <input type="checkbox"/> Certified design <input type="checkbox"/> Certified project	
Title/subject of deviation	Request for extension for registration of a retroactive fuel switch project due to COVID-19	
Specify applicable rule/requirements/methodology and version number	AMS.III.AS: Switch from fossil fuel to biomass in existing manufacturing facilities for non-energy applications version 02.0	
Specify the monitoring period for which the request is valid (if applicable)	Start date	End date
Submitted by	Contact person name: Sanjana Somani Email ID: sanjanasomani@gmail.com Organization: Climate Resources Exchange International Pte Ltd. Project participant: Yes <input checked="" type="checkbox"/> NO <input type="checkbox"/>	
Validation and Verification body (VVB opinion shall be included,	Yes <input type="checkbox"/> NO <input checked="" type="checkbox"/>	

where required by the applicable rules/requirements or request is submitted by the VVB).	If yes; VVB name: Auditor name:
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3| Deviation detail

3.1 | Description of the deviation:

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 guidelines for requesting deviations, given in the Deviation Approval Procedure. The project is a fuel-switch project that replaces the fuel type, from Heavy Fuel Oil (HFO) to Non-edible Raw Agriculture-Derived Oil (NERADO) in a furnace, in an aluminum dross recycling facility in Malaysia.

As per 101_v1.2_PAR_Principles and Requirements document, a start date of a project is defined as the earliest date on which the Project developer committed to expenditures related to the implementation of the Project. In accordance with the definition, the Project Start date, for the proposed project would be July 2019 when the Project owner made the first expense towards purchase of equipment. From the period of July 2019 to January 2020, the Project owner ran several trials to ensure the technology was successful. The process involved trialing different types of Non-Edible Raw Agriculture-Derived Oil, at different temperatures to ensure that the production quantity and quality of aluminum was not affected.

The project is pre-identified as eligible as it involves a methodology that is approved under the Gold Standard. The project demonstrates a clear and direct contribution to sustainable development and has positive impacts of 3 SDGs. The project design document including the monitoring and reporting plan had been prepared accordingly.

However, as a result of COVID-19, the project proponents were not able to conduct a Local Stakeholder Consultation since the Host Country (Malaysia) introduced a lockdown on 18th March 2020. Hence, as a result of closure of Malaysian borders, the project owners have not been able to visit the project site itself. The project owners are based in Singapore and commute to Malaysia/the project site on a daily basis.

Since the initial announcement of lockdown and border closure on 18th March, these measures were extended several more times by the Malaysian government, extending beyond the 1-year deadline from the project start date (i.e. July 2020). Limited cross-border travel between Singapore and Malaysia was only introduced in mid-August, with a maximum number of entries into Malaysia imposed per day. However, foreigners and International travelers are not permitted till 2021.

This has caused severe delays in collection of project data and information essential to completion of project registration, and undertaking of a Stakeholder Consultation meeting.

Due to such delays caused, the project proponents have not been able to register the project within the 1 year from the Project Start Date, as required under the 101_v1.2_PAR_Principles and Requirements document. In light of COVID-19,

closure of Malaysian borders and lack of manpower the project has had operational, technical and financial obstacles and therefore has suffered delays. Thus, the project proponents are submitting an extension request for submission of project within one year of start date as provided for under COVID-19 Interim Measures document published on July 24, 2020.

VVB opinion (if applicable):

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3.2 | Assessment of the deviation:

Use the space below to describe how the deviation complies with the requirements, and accuracy, completeness, conservativeness, as applicable is ensured. Please include all relevant information in support of the request.

The deviation request is in accordance with the COVID-19 Interim Measures document published on July 24, 2020, for extension of start date of the project, as a result of the reasons mentioned above. As such, the deviation does not result into any change.

VVB opinion and recommendation (if applicable):

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3.3 | Impact of the deviation:

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.

The deviation will not have any impact on the aforementioned (*project design, safeguarding principles assessment, SDG assessment, emissions reductions, monitoring frequency, data quality, potential risk*).

However, this deviation will allow the project to undergo preliminary review/first submission, beyond 1 year from the project start date, and also undertake the Stakeholder Consultation at a later and more suitable date.

VVB opinion (if applicable):

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3.4 | Documents:

List of documents provided

1. Straits Times Article 'Malaysia bans travel abroad, shuts school and businesses over coronavirus spread; lockdown till March31' dated March 16, 2020.

2. Straits Times Article 'Malaysia's movement restrictions extended to April 14' dated March 25, 2020.
3. Straits Times Article 'Cross-border travel between Singapore and Malaysia kicks off' dated August 18, 2020.