

## “Making Guarantees of Origin and Electricity Disclosure in Europe more reliable”

Minutes of the first Domain Workshop organised by the European Platform for Disclosure (EPED) and the project “Reliable Disclosure Systems for Europe (RE-DISS)”

20 May 2010, Brussels, Representation of the State of Baden-Württemberg to the EU

### Participants:

<i>Name</i>	<i>First name</i>	<i>Organisation</i>	<i>Domain</i>
Austang	Ann-Christin	Stattnet	NO
Cornelis	Pierre-Yves	Commission Wallonne pour l'Énergie	BE/Wa
De Waale	Bart	Commission de la régulation de l'électricité et du gaz	BE
Fevrier	Nicolas	Executive Agency for Competitiveness and Innovation	
Friberg Nielsen	Christian	energinet.dk	DK
Gaia	Morleo	Gestore dei Servizi Energetici (GSE)	IT
Gialoglou	Kyriakos	European Commission, DG SANCO	
Groebke	Lukas	Swissgid	CH
Hedenström	Claes	Vattenfall / RECS International	
Hornick	Claude	Institut Luxembourgeois de Régulation	LU
Kolseth	Kristin	Norwegian Water Resources and Energy Directorate	NO
Kooiman	Frank	Netherlands Ministry of Economic Affairs	NL
Larripa	Bernard	Réseau de Transport d'Électricité	FR
Lehtovaara	Marko	Grexel Systems	FI
Lenzen	Michael	CertiQ B.V.	NL
Lescot	Diane	Observ'ER	FR
Lundgren	Jens	Energy Markets Inspectorate	SE
Marchal	Julien	General directorate for energy and climate change	FR
Mohrbach	Elke	German Federal Environmental Agency	DE
Niermeijer	Peter	RECS International	
Noorlander	Matthias	Netherlands Competition Authority (NMa)	NL
O'Rourke	Robert	Commission for Energy Regulation (CER)	IE
Pålsson	Marie	Energy Markets Inspectorate	SE
Pereira	Pedro	Rede Eléctrica Nacional (REN)	PT
Pietropaolo	Rosanna	Gestore dei Servizi Energetici (GSE)	IT
Puchbauer-Schnabel	Angela	E-Control	AT
Radziszewski	Mariusz	Ministry of Economy Poland	PL
Schaffner	Christian	Swiss Federal Ministry of Energy	CH
Schumacher	Hanna	German Federal Ministry of Environment	DE
Seebach	Dominik	Öko-Institut e.V.	DE
Timpe	Christof	Öko-Institut e.V.	
Van Craenenbroeck	Thierry	VREG	BE/FI

## 1. Welcome and Introduction

Lukas Groebke (LG) and the deputy director of the Representation of the State of Baden-Württemberg to the European Union welcome all participants, who shortly introduce themselves.

### **Introduction to the Workshop (Christof Timpe, Öko-Institut)**

*(see presentation "01-Introduction (Timpe).pdf")*

## 2. Commission priorities related to Guarantees of Origin and electricity disclosure

### **Implementation of EU Directives on Renewable Energy and the Internal Energy Market – Commission priorities related to Guarantees of Origin and electricity disclosure (Kyriakos Gialoglou, DG SANCO)**

*(see presentation "02-Green and clean energy and consumers (Gialoglou).pdf")*

Kyriakos Gialoglou (KG) highlights the role of the Citizen's Energy Forum in making the markets actually function from the point of view of consumers. The Unfair Commercial Practices Directive protects consumers against misleading practices and false information. This also means that green energy claims have to be substantiated. Implementation of this Directive is up to national regulators, but there is guidance from the Commission on criteria for green claims. Advertisement authorities should be made aware of the results of EPED & RE-DISS.

The European Consumer Summit in March 2010 assessing consumers' expectations also included a workshop on green energy. Most consumers seem not to be willing to pay a premium for green power. Furthermore, the workshop showed that green claims must be more transparent.

The RE-DISS Best Practice Recommendation is a good idea to support self-regulation of Issuing Bodies and the electricity industry. The contents of EPED & RE-DISS are very important and relevant.

### **Q&A:**

Can suppliers put pressure on authorities for a better regulation of GO and disclosure data with reference to the Unfair Commercial Practices Directive? KG: This is not directly possible but national bodies will be responsible and this workshop shows that knowledge is there.

How can suppliers prove reliability of disclosure data, as they are required to do so? KG: An existing certification scheme is, for example, a proof in itself. First priority should be that disclosed figures are correct, second priority should be that it is truthful, i.e. accurate, third priority should be that when companies are marketing their ecological performance over and above legal requirements they should not exaggerate (e.g. one should not claim a "mostly renewable electricity supply", when the share of renewables is only 60 %). Provision of carbon footprint information may be possible by companies, but this is not as relevant and does not have to be provided as frequently as fuel mix information.

## 3. Major challenges for European governments in implementing reliable systems of Guarantees of Origin and electricity disclosure

### **Major challenges for European governments in implementing reliable systems of Guarantees of Origin and electricity disclosure – Findings from the E-TRACK project (Diane Lescot)**

*(see presentation "03-Challenges for governments (Lescot).pdf")*

#### **4. Potential elements of a “best practice recommendation”**

##### **Potential elements of a “best practice recommendation” (Christof Timpe)**

(see presentation “04-Potential Elements of a Best Practice (Timpe).pdf”):

##### **Q&A:**

KG stresses the importance of providing clear information to consumers. He argues that it could be confusing for consumers if suppliers disclose several fuel mixes (product mix, company mix, plus a national average mix). CT: According to the EU Directive, companies are only obliged to disclose the company mix. However, as soon as products are differentiated, the provision of separate disclosure information to consumers is relevant in order to avoid double counting of e.g. green energy. It is important to present the information in a easily understandable way, e.g. in tables and pie charts.

#### **5. The benefits of improved systems of Guarantees of Origin and electricity disclosure from a market player perspective**

##### **The benefits of improved systems of Guarantees of Origin and electricity disclosure from a market player perspective (Claes Hedenström)**

(see presentation “05-Market players interest in EPED (Hedenström).pdf”):

#### **6. How the Residual Mix and the best practice can be used by Competent Bodies**

##### **How the Residual Mix and the best practice can be used by Competent Bodies (Thierry van Craenenbroeck)**

(see presentation “08-Use of residual mix and best practice (Van Craenenbroeck).pdf”):

Directive 2009/72/EC requires the installation of a Competent Body also for disclosure, not only for GO. When working now on the RES-GO in implementing the RES Directive, we should keep in mind the requirements of the new IEM Directive, whose implementation is required by March 2011.

In Flanders (like in all other regions of Belgium) green products and the disclosure of green shares in fuel mixes must be based on GO. This goes down as far as to the access points to the grid. For each of these the correct number of GO have to be cancelled. Correspondingly, supplier generation mixes and ENTSO-E statistics which are used as well for disclosure in Belgium are cleared off all RES.

The VREG proposal to the Flemish government will be to maximise the use of the GO. For disclosure, the Competent Body should have sufficient freedom to design a system which is harmonised on a European level and thus not too many details should be set in primary legislation. All Competent Bodies should ask for flexibility in designing details of disclosure systems.

##### **Q&A:**

Pierre-Yves Cornelis (PYC) adds that there is a consensus about a standard for GO within AIB. In addition to this, CEN is now starting a formal standardisation process which also closely includes AIB as contributing stakeholder/expert.

## 7. Methodology for the calculation of national Residual Mixes

### Methodology for the calculation of national Residual Mixes – How to improve disclosure information across Europe (Dominik Seebach)

(see presentation: *“06-Methodology Residual Mix Calculations (Seebach).pdf”*):

#### Q&A:

Can Contract Based Tracking be banned? DS and CT: Contract Based Tracking is currently being used in most of (or even all) European countries. It seems unrealistic to ban its use completely within a short period and thus we have to deal with it in our calculations. Banning it would be up to European Regulations or national governments.

Why should one go for regional approaches at all in determining Residual Mixes? CT and CH: E.g. Nordic countries might want to balance surpluses and deficits among themselves before taking up attributes from the European mainland. This is understandable given the highly integrated Nordic electricity market. At the same time it is highly political, as it influences the Residual Mix of the countries.

## 8. Results of pilot calculations for national Residual Mixes for the year 2009

### Results of pilot calculations for national Residual Mixes for the year 2009 – Data ready to be used by all countries (Marko Lehtovaara)

(see presentation *“07-Results of pilot calculations for 2009 (Lehtovaara).pdf”*):

EPED and RE-DISS encourage Competent Bodies across Europe to actually use the results presented in their domains.

A consolidated calculation of the Residual Mix will be presented in July 2010 based on the data available by then. Competent Bodies will be contacted to support the data collection.

High-level results from the Residual Mix calculations will be published on the RE-DISS and EPED websites and therefore will be freely available to Competent Bodies and other stakeholders.

Contract based tracking is one of the biggest challenges to the reliability of disclosure information. We are depending on information to be provided by the energy industry, but this information is typically not collected at central sources. Competent Bodies should require market participants to do so.

## 9. How the Residual Mix and the best practice can be used by actors in the electricity market

### How the Residual Mix and the best practice can be used by actors in the electricity market (Peter Niermeijer)

(see presentation: *“09-Consumers choice and showing good practice (Niermeijer).pdf”*):

The EPED & RE-DISS approach is important for the green market as it allows taking away the threat of double counting.

#### Q&A:

PYC reports that Wallonia forbids consumers to cancel GO on their own behalf for two reasons: Firstly, it is not the obligation for consumers to disclose the fuel supply. Secondly, this obligation

should be kept on suppliers in order to stimulate electricity market differentiation. This formally excludes two of the options for application of GO which has been presented by Peter Niermeijer (PN).

CH states that since the start of RECS and EECS the volumes of GO has grown significantly (from a starting point of 100 GWh/a to a current volume of 200 TWh/a). He supposes that therefore it might be worth to promote the ultimate goal of fully certificate based tracking systems. CT: We will have to deal with implicit tracking mechanisms and accept that there are different tracking systems in place at least for the next years. Therefore, we have to work on the adaptation of the other existing tracking systems besides GO in order to increase the reliability of the overall disclosure information.

Hanna Schumacher (HS) states that the need is not so much to focus work on the implementation of GO, which can be handled, but rather with the other tracking systems used.

## **10. The road ahead: How EPED and RE-DISS can support Competent Bodies**

**The road ahead: How EPED and RE-DISS can support Competent Bodies in Europe in implementing advanced systems of Guarantees of Origin and electricity disclosure**

*(see presentation: “10-How EPED and RE-DISS can support Competent Bodies (Timpe).pdf”):*

CT presents the proposal to form a group of Competent Bodies which are interested in a coordinated implementation of reliable GO and disclosure.

**A follow-up workshop will be held on 8 July 2010, again in Brussels.**

CT also outlines the “homework” which needs to be done by then in order to proceed with the discussions. (For details see the presentation.)

In a tour de table all participants shortly report about the deadlines which are used in their country for the publication of disclosure information. Most participants state their interest in participating actively in further EPED / RE-DISS activities.

LG thanks all participants for their interest and contributions and closes the workshop.