

Last updated 14/10/12

1 Implementation of Tracking Systems

In Czech Republic, the market is fully liberalised since 2006. Numerous suppliers are present on the market.

1.1 Electricity Disclosure

In Czech Republic, disclosure obligation has been transposed in national law through the Energy Regulatory Office (ERO) decree 210/2011 coll. Responsibility for disclosure is assigned to the regulator, ERO. Transposition does not comprise any regulation on calculation methodology, mere elements of the IEM directive have been transposed.

1.1.1 Disclosure Figures

There is no disclosure format imposed to suppliers. They disclose their supply mix, but no product mix. No regulation is in place regarding product disclosure.

1.1.2 Environmental Information

1.1.3 Suppliers Fuel-Mix Calculations

Fuel mix calculations are performed by suppliers themselves, mainly on contract basis. National GOs are not used currently for disclosure. Regarding the electricity they buy on the market, suppliers qualify it as unknown. There is no communication of a market mix by the market operator, OTE.

Fuel mix calculations, in practice, are not checked by the regulator.

No national residual mix calculation is foreseen. According to ERO's Decree 211/2011 the disclosure of electricity of unknown origin is classified as "other sources".

As regards imports, only GOs from renewable energy sources are accepted for disclosure in Czech Republic.

1.2 Guarantees of Origin for Electricity from Renewable Energy Sources and High-Efficient Cogeneration

1.2.1 RE-GO System

Guarantees of origin were created in Czech Republic through Act 180 of March 2005 on Promotion of use of renewable energy sources :

(13) On the basis of a written request from a producer producing electricity from renewable sources, the electricity market operator shall issue a certificate of origin of electricity from renewable sources (hereinafter referred to as the "guarantee of origin"). The electricity market operator shall issue a guarantee of origin within 30 calendar days after having received the request. The form for a request for issuing a guarantee of origin and the form for a guarantee of origin shall be stipulated in an implementing regulation.

(14) The Ministry of Industry and Trade shall perform recognition of guarantees of origin issued in another Member States of the European Communities.

The competent authority for RES GO is OTE, the Czech market operator for electricity and gas. RES directive 2009/28 has been transposed in national law (Act 165/2012 of 31 January 2012), which replaces the 180 ACT of March 2005. Title IX introduces the issuing of GOs in electronic format. A GO can be

asked to OTE within 12 months following production period. GOs are linked to disclosure and should be used to disclose renewable origin.

Secondary legislation is being drafted at the time this profile is written by the ministry of industry jointly with OTE. A public consultation should take place between summer 2012 and the end of the year. The decree is expected to be in place in January 2013.

As of October 2012, there is no electronic GO registry in place yet. GOs are still issued under PDF file format and sent to producers by email as per former legislation. No cancellation is foreseen in the system. GOs are not used for disclosure. Their only use is linked to the tax exemption that Customs authority grants to electricity suppliers on electricity produced from renewable energy sources. It is afterwards not disclosed by suppliers which have purchased them to end consumers. GOs have started to be used only after the decision of the customs authority to grant the tax exemption upon proof of renewable origin through GO.

No export of national GO is possible at the moment, except under the form of a PDF. Imports of national GOs are foreseen by Law, the ministry of Industry and Trade is responsible for validating imported GOs.

According to the draft decree that is being circulated, GOs are valid for 12 months. After expiration or cancellation, GOs cannot be transferred anymore. The new electronic GO will be implemented in a new registry which will be operated by OTE, the independent market operator.

1.2.2 CHP-GO System

CHP GOs were created with Energy Act 458/2000. Further details were defined in public notice 439/2005. Act 165/2012 of 31 January 2012 replaces the former provision with Title X providing for the creation of HE CHP GOs. This is under the responsibility of the Ministry of Industry and Trade. Further legislation should precise the contents of the HE CHP GO.

1.2.3 EECS

There is no EECS system in place at the moment in Czech Republic. OTE is supervising the creation of an electronic registry for GO and most probably this will be done through the EECS system. OTE has taken part as an observer in the AIB September General Meeting.

1.2.4 GO Statistics

No statistics on PDF GOs available.

1.3 Other RES-E Relevant Support Schemes

Main support schemes are feed in, bonus systems and investment aid. From the 2011 Progress report submitted by the Czech Republic to the Commission, it seems that GOs related to supported electricity are not tradable. Supported green electricity is not disclosed to end consumers but used to cover grid losses.

2 Proposals for Improvement of the Tracking System

2.1 Proposals regarding general regulation on tracking systems

Transposition of directive 2009/28 and 2009/72 should be implemented in practical terms. Recommendations below are made according to the RE-DISS Best Practice Recommendations v2.

2.2 Proposals regarding Disclosure

1. A Residual Mix should be implemented to be used alongside GOs and should follow the RE-DISS calculation methodology (BPR 25-28).
2. The supported electricity should not be used to cover grid losses. Grid losses should be covered by residual mix. Supported electricity should be allocated to end consumers in a clarified manner (either on a prorata basis or be granted through GO or be disclosed through the Residual Mix). (BPR 23, 24)

3. If contract based tracking is to be allowed besides GO as explicit tracking instrument, it shall be regulated so that
 - a. The rules of the tracking system are transparent and comprehensive and are clearly understood by all participants in the system.
 - b. Double counting of attributes and loss of disclosure information is minimised within the contract based tracking scheme and also in the interaction of the contract based tracking scheme to GO and other RTS (if applicable). As a precondition for this, the contract based tracking scheme should be able to provide comprehensive statistics about the volumes and types of electricity attributes, which are tracked through it.
 - c. The relevant information for disclosure purposes should be available in time to meet the timing requirements for the coordinated calculation of a European Residual Mix. This means that this information has to be collected centrally in order to have a national residual mix calculated by end of April of year X+1.
 - d. In cases that suppliers of electricity intend to use contract based tracking in order to fulfil claims made towards consumers regarding the origin of a certain electricity product (e.g. a green energy product), GO should be used instead of contract based tracking.
(BPR 23, 24, 29-32)
4. Full disclosure schemes should be implemented, including the disclosure of CO₂ emissions and radioactive waste. (BPR 22)
5. Instead of allowing for an “unknown” share in the disclosure statement, especially as regards to purchases on the markets organised by OTE, the Czech regulator should provide a Residual Mix as a default set of data for disclosure of energy volumes for which no attributes are available based on cancelled GO or based on other Reliable Tracking Systems (RTS). (BPR 26-27)
 - a. The calculation of the Residual Mix should follow the methodology developed in the RE-DISS project. As part of this methodology, competent bodies from all countries in Europe should cooperate in order to adjust their Residual Mixes in reflection of cross border transfers of physical energy, GO and RTS.
 - b. For purposes of this cross-border adjustment, the regulator should use data provided by RE-DISS. The regulator should also continue to support the collection of input data for the related calculations by the RE-DISS project team.
6. Timing of Disclosure (BPR 35):
 - a. The deadline for cancelling GO for purposes of disclosure in a given year X should be 31 March of year X+1.
 - b. The timing of the calculation of the Residual Mix should be coordinated across Europe:
 - i. By 30 April X+1 all countries should determine their preliminary domestic Residual Mix and whether they have a surplus or deficit of attributes.
 - ii. By 15 May X+1, the European Attribute Mix should be determined.
 - iii. By 31 May X+1, the final national Residual Mixes should be published.
 - iv. As of 1 July X+1 the disclosure figures relating to year X can be published by suppliers.
7. All electricity products offered by suppliers with claims regarding the origin of the energy (e.g. green or low-carbon power) should be based exclusively on cancelled GO. No other tracking systems should be allowed, with the exception of mechanisms defined by law, e.g. a pro-rata allocation of generation attributes to all consumers which is related to a support scheme. (BPR 17, 18)

2.3 Proposals regarding GO

8. The implementation of GO should be based on the EECS system operated by the Association of Issuing Bodies. For international transfers, appropriate connections should be made with non EECS members. (BPR 7-8)

9. The metered production periods for purposes of issuing GO should not be longer than a calendar month and where possible should not run across the start and end dates of the disclosure periods. Longer intervals up to one year are acceptable e.g. for very small plants. (BPR 1-2)
10. The lifetime of GO should be limited to 12 months after the end of the production period. GOs which have reached this lifetime should be collected into the Residual Mix. (BPR 3)
11. So-called ex-domain cancellations of GO, where a GO is cancelled in one registry and a proof of cancellation is then transferred to another country in order to be used there for disclosure purposes, should only be used if there is no possibility for a secure electronic transfer and if there is an agreement on such ex-domain cancellations between the competent bodies involved. Statistical information on all ex-domain cancellations should be made available in order to support Residual Mix calculations. (BPR 9)
12. Within the rules set by the respective European Directives, the Czech Republic should consider to reject the recognition of GO from other countries for disclosure in case that these countries have not implemented adequate measures which avoid double counting, e.g. a proper determination of a Residual Mix for disclosure. (BPR 21)
13. The CHP GO registry should be connected with the RE-GO registry, so that there should be no issuing of more than one GO for the same unit of electricity. (BPR 15)

2.4 Matrix of disclosure related problems and country-specific proposals

Problem	Country-specific proposal
Possible double counting in different explicit tracking instruments	2, 3, 7, 8, 11,13
Double counting of attributes in explicit and implicit tracking mechanisms	2, 3, 5, 11,12
Double counting within individual supplier's portfolio	
Loss of disclosure information / Intransparency for consumers	2,3, 4
Leakage of attributes and/or arbitrage	6, 8, 9, 10, 11
Unintended market barriers	8, 11