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1 Implementation of Tracking Systems

Switzerland is neither Member State of the European Union nor a part of the European Economic Area. This means that Switzerland is not obliged to formally implement EU directives. But with respect to the high relevance of international electricity markets for the Swiss electricity sector, Switzerland harmonises its legislation to a large extent. Electricity markets are still only partly liberalised, full liberalisation is planned by 2014. Legislation on disclosure and RE-GOs is in place. From 2013 onwards, GO will have to be issued for all electricity produced in Switzerland (including nuclear and fossil). A CHP-GO scheme as defined by the CHP Directive is not planned for the time being. The national TSO Swissgrid was appointed as Issuing Body for GO by the government.

1.1 Electricity Disclosure

The non EU Member State Switzerland has regulated disclosure in its Energy Law (particularly Article 5a; latest version issued in 2012) and in its Energy Ordinance (particularly Articles 1a – 1c; latest version issued in 2012). This has been further specified in the national Guidelines for Disclosure published by SFOE, the Federal Office of Energy. SFOE provides comprehensive information including Excel templates for calculation of the company mix and standard contracts for assignment of the ecological benefit of electricity production on its website.

The tracked information comprises no environmental indicators, but a detailed list of fuels including sub-categories which have to be listed if specific information can be provided. The categories include hydro, other renewables (subcategories: solar, wind, biogas (no waste in incineration plants and landfill) and geothermal), nuclear, fossils (subcategories: oil, gas, coal), waste (in waste incineration plants and landfills). It also allows for “non verifiable”; in case the share of “non-verifiable” production exceeds 20 % of a supplier’s share, he has to explain the reasons for this high share together with the disclosure statement. An extra category is available for electricity supported under the feed-in tariff for RES. Furthermore, the origin of electricity is divided into domestic and foreign production.

Suppliers have to decide consistently for all their consumers whether they would like to disclose the company specific fuel mix or the respective product mixes. The company mix, however, would have to refer only to supply activities of that company within Switzerland. All fuel mix information has to be based on explicit tracking, no implicit tracking mechanism is in place. Eligible tracking mechanisms for supplier specific disclosure information particularly include national GO and GO from other countries. If no GO are available, other tracking certificates, meter readings of power plants or supply contracts may be used. Disclosure information has to be updated annually by the end of year X+1 with reference to the last calendar year.

1.1.1 Disclosure Figures

Not available yet. However, according to the new legislation all supplier mix information has to be published on a central website for 2011 fuel mix for the first time.¹

1.1.2 Environmental Information

No environmental indicators are provided in the framework of electricity disclosure in Switzerland. However, the Federal Office for the Environment FOEN provides life-cycle values for CO₂ emissions of Switzerland’s electricity mix.

¹ Publication is coordinated by VSE, the Swiss electricity branch organisation.

1.1.3 Suppliers Fuel-Mix Calculations

The supplier is responsible for the calculation of his fuel mix based on the eligible explicit tracking instruments. In order to support the work of the suppliers, SFOE provides Excel templates for this calculation. All eligible tracking information by producers and wholesale traders has to be delivered to the electricity supplier by 30th of April of the following year. Disclosure information has to be provided to final consumers at least once a year.

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

1.2.1 RES-GO System

Switzerland is not an EU Member State and is thus formally not obliged to implement EU Directives. Despite its status as non EU Member State Switzerland has regulation in place which accords to the EU GO regulation in order to be compatible with the electricity market framework and has implemented the EECS Disclosure GO scheme in close coordination with its national GO system. The main regulations are laid out in the national Ordinance on the Proof of Production Type and Origin of Electricity (Herkunftsnachweis-Verordnung, latest version October 2011).

The Swiss government has appointed TSO Swissgrid as Issuing Body, which has prepared a description on the rules and procedures of RES-GO ("Leitfaden zur Beglaubigung von Anlagen und Produktionsdaten", latest version January 2012). The GOs are issued for periods of either a month (obligatory for plants >30kVA), a quarter or a year. The purpose of GO is disclosure. However, it also serves as documentation for participation under the feed-in support scheme. The use of a GO is limited twelve months after end of the respective production period, but at least until end of April of the following year. GO which have not been cancelled by then expire.

GOs are kept in an electronic registry which is available for registered RE producers, GO traders and public authorities. GOs can be transformed into "paper GO" on request; this paper GO accords to a cancellation statement, as for this transformation the specific redemption purpose has to be specified and is indicated on the paper GO. Therefore the GOs can only be freely transferred within the registry. Cancellation is mandatory for disclosure which is limited for GOs not being older than from the preceding year. For registration of plants and verification of production, accredited organisations have to be involved. In order to be eligible for imports, GO have to come from an EU or ENTSO-E member country.

1.2.2 CHP-GO System

No CHP-GO system in accordance with the CHP Directive has been proposed so far. However, as all production from plants with an installed capacity larger than 30kVA has to be covered by GO, this of course also covers electricity from CHP plants.

1.2.3 EECS

An EECS Disclosure GO scheme has been implemented in close coordination with its national GO system. Both systems are maintained in the same registry under the administration of the Issuing Body Swissgrid. GO are only issued as EECS GO on explicit request of the producers, usually in case the GO are meant to be internationally transferred to another EECS registry.

1.2.4 GO Statistics

Imports 2011:

- EECS GO: 3,17 TWh;

Issued 2011:

- EECS GO: 0,55 TWh;
- National RES-GO: 23,77 TWh

Exported 2011:

- EECS GO: 1,17 TWh;
- National RES-GO: 0 TWh (no electronic exports, only ex-domain cancellations)

1.3 RES-E Relevant Support Schemes

The major national support scheme is a feed-in scheme introduced in 2009. The electricity volumes covered by that mechanism are documented by means of non-tradable national GOs and are allocated on a pro-rata basis towards final consumers.

2 Proposals for Improvement of the Tracking System

The following proposals are made in accordance with the RE-DISS Best Practice Recommendations,² which have been agreed by the Participating Domains of the RE-DISS Project.

2.1 Proposals regarding general regulation on tracking systems

See proposals made under sections 2.2 and 2.3.

2.2 Proposals regarding Disclosure

1. Cancellations of GO relating to production periods in a given year X which take place until 31 March of year X+1 should count for disclosure in year X. Later cancellations should count for disclosure in year X+1. This would also require revision of the timeline which currently applies within Switzerland. *(BPR [5])*
2. GO should be the only “tracking certificate” used. Any other tracking systems of a similar purpose and function as GO should be converted to GO. *(BPR [16])*
3. (Other) Reliable Tracking Systems (RTS) should be defined where appropriate based on criteria of added value, reliability and transparency. *(BPR [23])*
4. 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 [29, 30])*
5. Full disclosure schemes should be implemented, including the disclosure of CO₂ emissions and radioactive waste. *(BPR [22])*
6. Instead of allowing for an “unknown” share in the disclosure statement, the Swiss Government 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 [25-28])*

² Version 2.0 (draft), 7 September 2012

- 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, SFOE should use data provided by RE-DISS. SFOE should also continue to support the collection of input data for the related calculations by the RE-DISS project team.
7. Timing of Disclosure:
- a. The deadline for cancelling GO for purposes of disclosure in a given year X should be 31 March of year X+1. *(BPR [34])*
 - 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.
(BPR [35])
8. 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 [38])*
9. Green power quality labels should use GO as the unique tracking mechanism. *(BPR [18])*
10. Suppliers offering two or more products which are differentiated regarding the origin of the energy should be required to give product-related disclosure information to all their customers, including those which are buying the “default” product of the supplier. For the Swiss regulation, this is relevant in case that e.g. a green product is marketed towards some consumers, but the respective supplier chooses to disclose the supplier share in line with the national disclosure legislation, and additionally discloses the green product share on a voluntary basis. *(BPR [39])*
11. There should be clear rules for the claims which suppliers of e.g. green power can make towards their consumers. There should be rules how the “additionality” of such products can be measured (the effect which the product has on actually reducing the environmental impact of power generation), and suppliers should be required to provide to consumers the rating of each product based on these rules. *(BPR [40])*
12. Claims made by suppliers and consumers of green or other low-carbon energy relating to carbon emissions or carbon reductions should also be regulated clearly. These regulations should avoid double counting of low-carbon energy in such claims. A decision needs to be taken whether such claims should adequately reflect whether the energy purchased was “additional” or not. *(BPR [41])*

2.3 Proposals regarding GO

13. The lifetime of GO should be limited to 12 months after the end of the production period in order to be in line with the EU RES Directive.³ GO which have reached this lifetime should expire and be collected into the Residual Mix. *(BPR [3])*

³ One should note that the existing regulation to extent this expiry date for production which takes place early in the year in principle is feasible for exclusion of double counting. However, in order to allow for a sound calculation of the Residual Mix, a shift of the cut-off date to end of March of year X+1 would be needed.

14. The GO system should be implemented under EECS. If the existing separate national system is to be kept, this shall be further developed in order to provide missing features compared to EECS, particularly including provision of statistical information. *(BPR [7])*
15. 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 relating to a disclosure year should be made available differentiated by energy source⁴ in order to support Residual Mix calculations. *(BPR [9])*
16. Within the rules set by the respective European Directives, Switzerland 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])*

Furthermore, it shall be noted that the participating domains of the RE-DISS project have decided that the Best Practice Recommendations should also include the following recommendations, which should generally be considered by all Competent Bodies in order to assess relevance for their individual domains:

- Member States should at least publish the set of criteria they apply in order to decide over recognition of GO from other Member States.
- Member States should clearly regulate the use of GO directly by end consumers.
- If using cooperation mechanisms, Member States should take care of regulating the attribution of GO concerning electricity concerned by these mechanisms.

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, 4, 8, 16
Double counting of attributes in explicit and implicit tracking mechanisms	2, 3, 8, 14, 15, 16
Double counting within individual supplier's portfolio	10
Loss of disclosure information	6
Intransparency for consumers	5, 6, 8, 9, 11, 12
Leakage of attributes and/or arbitrage	1, 7, 13
Unintended market barriers	-

⁴ This information should be provided using a structure for energy sources which corresponds to the highest hierarchy level of fuel codes in the EECS Fact Sheet 5 (see http://www.aib.net.org/portal/page/portal/AIB_HOME/EECS/Fact_Sheets)