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1 Implementation of Tracking Systems

1.1 Electricity Disclosure

“Regulations on Information to End Users of Electricity” issued pursuant to Section 32(4) of the “Electricity Market Law” have been approved with the Decision No. 77 of the Council of the Public Utilities Commission of 22 March of 2006. These regulations state the type and amount of information the system operator shall provide in bills and information materials made available to end users.

Once a year, the energy supply economic operator shall provide end users with an information material, which includes information on the types of primary energy sources and their share in the amount of electricity supplied by the respective system operator during the previous year, and an information material, which includes sources of reference where information on impact on the environment is publicly available, at least in regards to carbon dioxide emissions and radioactive waste produced as a result of generating the supplied electricity from primary energy sources during the previous year.

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

1.2.1 RE-GO System

The rules regarding issuance of guarantees of origin for electricity from renewable energy sources have been set in the Regulation of the Cabinet of Ministers No. 503: Regulations on Electricity Generation from Renewable Energy Sources, adopted 24th of July 2007 (Noteikumi par elektroenerģijas ražošanu, izmantojot atjaunojamos energoresursus¹). The competent body regarding issuance (issuing body) is the Ministry of Economics.

In order to fully implement the requirements laid down in Article 15 of Directive 2009/28/EC, Cabinet Regulation No. 900 of 22 November 2011 “Regulations on Receiving the Guarantee of Origin for Electricity Generated from Renewable Energy Sources” (hereinafter — Cabinet Regulation No. 900) was issued pursuant to Section 29(5), Section 291 (5) and Section 292 and is effective as from 3 December 2011. Cabinet Regulation No. 900 states the information to be included in the guarantee of origin and the procedures the electricity producer has to follow in order to receive a guarantee of origin for the amount of electricity, in megawatt hours (MWh), generated from renewable energy sources. In accordance with Cabinet Regulation No. 900, the MoE issues guarantees of origin and maintains a record thereof electronically.

1.2.2 CHP-GO System

1.2.3 EECS

No EECS domain exists.

1.2.4 GO Statistics

GOs have been issued. The 2011 Progress Report for Latvia reports 3 415 GWh issued in 2009 and 3 442 GWh issued for 2010.

1.3 Other RES-E Relevant Support Schemes

Purchase obligation and Feed in Tariffs are the main support schemes for RES electricity.

¹ <http://www.likumi.lv/doc.php?id=162007>

2 Proposals for Improvement of the Tracking System

2.1 Proposals regarding general regulation on tracking systems

Disclosure should be more detailed and EECS GOs implemented.

2.2 Proposals regarding Disclosure

1. A residual mix should be introduced in order to account for untracked consumption and it should be calculated according to the RE-DISS methodology, following the RE-DISS schedule for RM calculations. (BPR [25-28]).
2. 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 the country (BPR [31-33]). The same allocation rule should apply to expired GOs (BPR [6]).
3. In the medium to longer term, GO should be the only “tracking certificate” used. Any other tracking systems of a similar purpose and function as GO should be closely coordinated with GO and eventually converted to GO (BPR [15]).
4. (Other) Reliable Tracking Systems (RTS) should be defined where appropriate based on criteria of added value, reliability and transparency (BPR [23,24]). It is important to regulate contract based tracking clearly since this is much used. (BPR [29, 30, 32]).
5. The country should clarify the relation between their support schemes for RES & cogeneration on the one side and GO and disclosure schemes on the other side. Where necessary, the support schemes should be defined as RTS (BPR [36]).
6. 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. (BPR [39]).
7. 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]).
8. 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

9. The metered production periods for purposes of issuing GO should not be longer than a calendar month. Longer intervals up to one year are acceptable only for very small plants. If possible, issuing should be done without delay after the end of each production period (BPR [1, 2]).
10. Expiration date should be implemented to 12 months after the end of the production period (BPR [3]).
11. An extension to this lifetime can be granted if a GO could not be issued for more than [six] months after the end of the production period for reasons which were not fully under the control of the plant operator. In this case, the lifetime of the GO might be extended to [six] months after issuing of the GO. (BPR [4]).
12. The implementation of GO in all countries in Europe should be based on the European Energy Certificate System (EECS) operated by the Association of Issuing Bodies (AIB). In case that national GO systems are established outside of EECS, then EECS should at least be used for transfers between registries. (BPR [7]). Reliable linkages should be established with countries which are not EECS members. (BPR [8]).

13. 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]).
14. The GO system should be extended beyond RES & cogeneration to all types of electricity generation, which should all be handled in one registry. (BPR [11]).
15. Besides GO, only Reliable Tracking Systems (which may include contract based tracking) and the Residual Mix should be available for usage for disclosure. No other tracking mechanisms should be accepted. (BPR [17]).
16. Within the rules set by the respective Directives, Member States 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]).

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

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