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1 Implementation of Tracking Systems

1.1 Electricity Disclosure

Rules for electricity disclosure have been approved in the Electricity Market Act passed 11th of February 2003. The amendment act¹ was passed in 28th of January 2010. Also the grid code² contains part of the rules.

The seller shall present the disclosure information (breakdown of energy sources used for generation of electricity) in the electricity bill. Disclosure is made annually for each financial year preceding the relevant selling period. Division of energy sources means more specific division than RES, NUC and FOS, i.e. hydro, wind, natural gas, coal...

1.1.1 Disclosure Figures

Suppliers disclose energy sources in the electricity bill and no disclosure information was found on the internet.

1.1.2 Environmental Information

Both CO₂ emissions and radioactive waste are reported in disclosure information. Further, SO₂ emissions and deposited oil shale ash need to be reported. The reference to the environmental information needs to be included in the electricity bill.

1.1.3 Suppliers Fuel-Mix Calculations

The new legislation proposal (2011) should (according to Elering, the Estonian TSO) include taking into account attributes tracked with GOs in fuel mix calculations. The residual mix would most likely be delivered by Elering. No residual mix calculation exists, since the GO-system is not well developed.

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

The legislation for implementing the national guarantee of origin system was passed in the Electricity Market Act, which was passed in 11th of February 2003 (§58) and amended in 28th of January 2010. The competent body appointed to its task by the Act is the TSO, Elering³. The Electricity Market Act sets ground for rules of issuance of RE-GOs and CHP-GOs. The new legislative proposal⁴ from 2011 would set the legislation of RES-GO very similar to that of Directive 28/2009/EC, Art. 15. The proposal is planned to be accepted by the end of the year.

Elering has applied to become AIB member in 2011, with the view to issue GOs under the EECS format and a domain protocol has already been prepared. The application is suspended upon the adoption of the new legislation.

1.2.1 RE-GO System

The GO system is operational, but not based on EECS. Currently GOs are not transferrable or for sale and the procedures for cancelling are missing. GOs are used as certificates for the producers themselves

¹ <http://eelvoud.valitsus.ee/main#x0mCd2RT>

² <https://www.rigiteataja.ee/akt/13344551>

³ <http://elering.ee/paritolutunnistused/>

⁴ <http://eelvoud.valitsus.ee/main#ECedbeNu>

and handed out in paper. The situation will be fixed with the acceptance of the proposal and following actions.

According to the proposal, GOs are issued in electronic form in a central registry operated by Elering. GOs can be traded independently from the electricity to which they relate and are cancelled to disclose the origin of consumed electricity. GOs need to be cancelled within 12 months of their issuance. GOs can be exported or imported from other Member States.

1.2.2 CHP-GO System

The basic legislation exists. At the time the report is being written, Estonian EECS domain protocol is only written for RE-GO and not much progress has taken place regarding CHP-GOs. The registry and issuing body for CHP-GOs will be the same as for RE-GO.

1.2.3 EECS

EECS domain doesn't yet exist, but this should change in the course of 2013. No RECS certificates are planned.

1.2.4 GO Statistics

The information should be available in the future at <http://elering.ee/paritolutunnistused/>.

1.3 Other RES-E Relevant Support Schemes

The main support is Feed in Tariff.

Information about FIT levels can be found at <http://elering.ee/renewable-energy-subsidy-2/>. For FIT, Elering checks production data sent by producers and, if something seems wrong, notifies the Competition Authority. There is no relation between the FIT and GO system.

2 Proposals for Improvement of the Tracking System

2.1 Proposals regarding general regulation on tracking systems

Disclosure regulations should be detailed and electronic 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 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