

AIB Press Release

Response to EU Commission's consultation on new RED

11 February 2016



“The European GO system has been a major success over the last 10 years, covering nearly all tradeable green electricity” says Jan van der Lee, chairman of the AIB Board. Van der Lee underlines that in order to take the European GO system a step further, the Commission should address several issues in the forthcoming RES II Directive.

“The AIBs mission is to guarantee the origin of European energy” explains van der Lee.

“In order to do so, the GO needs to cover all sources of electricity, not only renewables, through a system of full disclosure where a GO is issued for each MWh produced and cancelled for each MWh consumed.”

“Businesses need information about carbon emissions and radioactive waste resulting from their electricity consumption, and the GO is the natural instrument to carry such information. In order to empower Europe’s electricity consumers, both corporate and household, and raise awareness, it is necessary for the regulation on GOs and disclosure to be reformulated into a single Directive.”

“With these additions, the Commission will empower the electricity consumers to actively shift the European electricity mix into a green direction.”

Detailed response to the Commission Consultation

In its Energy Union Framework Strategy, the Commission announced a new renewable energy package for the period after 2020, to include a new renewable energy directive (REDII) for the period 2020-2030 and an updated EU bioenergy sustainability policy. The AIB provided a response to the consultation which covers the REDII aspects on question 15.

Question 15

Should the current system for providing consumers with information on the sources of electricity that they consume be further developed and improved?

[Box: If not, why? If yes, how? Should the current Guarantees of Origin (GO) system be made the mandatory form of information disclosure to consumers? Should other information, such as e.g. CO2 emissions be included? Should it be extended to the whole energy system and include also non-renewable sources? Other ideas? To what extent has the current GO system been successful in providing consumers with information on the sources of electricity that they consume? Max 500 words]

The transition towards a sustainable energy system should be driven by consumers choosing electricity products with different origins, impacts and prices. The GO and disclosure, embedded in the RES Directive (2009/28/EC) and the Internal Energy Market Directive (2009/72/EC), allow all European electricity consumers to proactively opt for electricity from renewable sources. The Association of Issuing Bodies (AIB) has developed the European Energy Certificate System (EECS) to successfully harmonise the GO system in most European countries, and provide an accurate, reliable and transparent mechanism for tracking energy origin. The AIB’s EECS Standard and CA-RES’ work promoting harmonization has virtually eliminated the problem of double disclosure of renewable electricity.

The volume, value and use of GOs has grown constantly in the last decade, and the amount of electricity they represent has grown to more than 360 TWh per annum. The Commission should continue to support the European GO system, and cancelled GOs should, in principle, be the sole basis for disclosure information.

The RES Directive limits the GO system to renewable energy, while most electricity disclosure relates to non-renewable energy. The cost of the electricity tracking system is thus born exclusively by renewables. Extending the GO system to all types of energy builds a level playing field for all electricity, regardless of its source. Through 'full disclosure' encompassing all fuel sources and technologies, correct disclosure information of all energy supply can be verifiable through GOs, as implemented in e.g. Austria. There should be an obligation to issue GOs for all net electricity production regardless of the energy source and to cancel GOs for all final consumption, including self-supplied final consumers. Only in exceptional situations, where consumption cannot be covered by cancelled GOs, should a residual mix be used, and the methodology should be regulated at EU level. GOs should also be issued for supported electricity, but Member States should decide whether these GOs are tradable.

The IEM Directive requires suppliers to disclose to their customers the content of carbon emissions and radioactive waste in sold electricity, yet the current RES Directive does not require this information to be included on GOs, which offer the logical instrument for providing consumers with unambiguous information about the environmental impact of their electricity consumption. The shift in behaviour that will result from this will push the European integrated electricity market towards more investment in renewable generation capacity.

Current rules for electricity disclosure vary across Europe. This creates market barriers and contributes to "double perception" of renewable energy consumption. In order to empower Europe's electricity consumers, both corporate and household, and raise awareness, it is necessary for the regulation on GOs and disclosure to be reformulated into a single Directive, to provide a consistent and mutually supportive basis for an effective Electricity Disclosure system. This should include - but not be limited to - a harmonized deadline for disclosure, and a requirement that suppliers should disclose both their total fuel mix and the fuel mix of the electricity product sold to the consumer, should they differ.

The Association of Issuing Bodies is the leading enabler of international energy certificate schemes. The AIB promotes the use of a standardised system, based on harmonised environment, structures and procedures in order to ensure the reliable operation of international energy certificate systems.

The AIB provides a well-tested standard for certificate trade - the **European Energy Certificate System (EECS)** - which is the basis for certificate schemes in 20 European countries and enables international trade. The knowledge of AIB is shared by available documents on Internet and by contacting the organisation.

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