
DECISION PAPER

SPONSORING PARTY: EECS UNIT

Title	Response to CEER Public Consultation
Objective	Agree on AIB response to consultation

1 COLLECTING AIB INPUT TO CEER PUBLIC CONSULTATION

On 7 November 2022, CEER launched a public consultation on updated guidelines of good practice for trustworthy information on green offers and consumer protection against misleading marketing (ref: C22-CEM-150-03). This public consultation aims to gather views from stakeholders on marketing practices relating to green offers, in both the pre-contractual and contractual phases; what role contracts might play in delivering the renewable penetration goal at least cost, what information is available to consumers, and consider the relationship between Guarantees of Origin (GOs) and support schemes.

AIB members were asked to comment on the updated recommendations. The results of this member survey were collected in [AIB-2023-EECSU-01-05b](#) and integrated in a joint text in this paper as a proposed AIB response to CEER's public consultation.

2 INTRODUCTION TO THE CEER PUBLIC CONSULTATION

In this public consultation, CEER presents its 11 updated recommendations on green offers, giving stakeholders the opportunity to comment on the draft proposals. The updates consider the revised Renewable Directive 2018/2001¹ and the recast Electricity Directive 2019/1944², which includes specific provisions regarding information to be provided by suppliers on energy bills, as well as the continuing technological and market evolution of the energy sector. Whilst the emergence of innovative business models and digital information tools can help empower consumers to engage with

¹ https://eurlex.europa.eu/legalcontent/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG&toc=OJ:L:2018:328:TOC

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32019L0944>

Ref: AIB-2023-EECSU-01-05 Response to CEER Public Consultation
Date: Tuesday, 24 January 2023
Location: Teleconference

energy markets, it must be ensured that these new business models and technological developments provide an accurate, reliable and accessible service.

In line with its public consultation practices, the responses received will be discussed within CEER and if feasible taken into account to enhance the final guidelines of good practice paper.

Updates and new recommendations are marked in **bold** (in the second column of the table below).

3 PROPOSED AIB ANSWER TO THE CEER PUBLIC CONSULTATION – BASED ON INPUT FROM AIB MEMBERS AND SECRETARIAT

Updated CEER Recommendations		AIB Reaction (draft)
I	How to provide access to adequate and reliable information to consumers?	Is this recommendation sufficient? Please share your comments and suggestions.
1 Updated	<p>All Comparison Tools³ (CTs) – in particular those operated or trust marked by a public authority or body – should provide a clear indication of the product mix⁴ and supplier mix⁵ for each product listed in the CT.</p> <p>If offers are claimed as “green” by CTs (and/or suppliers), the justification for doing so (as a source of information) must be transparent to the consumer (no matter whether they consume electricity and/or gas). If feasible, information should be provided to give an account of the share of energy that did not benefit from public support.</p>	<p>This text is ok. Some further improvement suggestions:</p> <ol style="list-style-type: none"> 1) Note that Comparison Tools in most cases only display the ‘green promise’ for future supply, as they show the electricity and gas products that are being offered at that time. The supervision exercise that member states perform in accordance with Annex 1.5 of the IEM Directive 2019/944(EU), by its nature can only confirm retrospectively the justification of the claims, by confirming the volumes of cancelled guarantees of origin per supplier per product for the previous year of supply. Text could therefore be added to this recommendation that “Comparison Tools should also include a reference to a summarising result of the supervision exercise by member states on the supplier disclosure obligation, as a verification basis for consumers on their supplier’s behaviour in the preceding year”. 2) delete ‘if feasible’ in the following: ‘If feasible, information should be provided on the share of energy that did not receive benefit from public support.’ 3) Recommend including a mirroring text for gas as the one that exists for electricity in IEM Directive Annex 1.5, namely a requirement for suppliers to disclose to their

³ As defined in Article 14 of Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity.

⁴ As defined in Article 5 of Annex I of Directive (EU) 2019/944: product level disclosure.

⁵ As defined in Article 5 of Annex I of Directive (EU) 2019/944: overall energy mix of the supplier.

Updated CEER Recommendations	AIB Reaction (draft)
	<p>customers the energy source of all supplied gas, and a supervision obligation on MS.</p>
<p>2 Updated</p> <p>The National Regulatory Authority (NRA) (or other competent body) should cooperate at European level and ensure that there is a harmonised format proposing a minimum standard for displaying information concerning the origin of energy supplied from renewable sources (and if applicable also from non-renewable sources) and should specify the level of detail required for this information and how such information is communicated to consumers.</p>	<p>1) The AIB disclosure platform should be institutionalized. The disclosure platform should analyze the European implementation of disclosure in a review and publish it by 2024. The platform should talk about EU wide harmonization of electricity/gas/energy disclosure. Ideally, this is a task for NRA cooperation: even if a MS may designate another authority as disclosure supervision authority, cooperation could be coordinated within CEER. Alternatively, it might be hosted under another European institution.</p> <p>2) Re-include harmonisation to be “at least on a national level” “The National Regulatory Authority (NRA) (or other competent body) should cooperate at European level and ensure, both ON A NATIONAL and European LEVEL, that there is a harmonised format proposing a minimum standard for displaying information concerning the origin of energy supplied from renewable sources (and if applicable also from non-renewable sources) and should specify the level of detail required for this information and how such information is communicated to consumers.” Reason: Harmonized format, minimum standard for displaying information, etc. was originally set in the recommendation number 2 in order to enable consumers to compare offers and choose accordingly. This competition is played in every Member State, so it was considered that this uniformity should be considered at national level.</p> <p>The proposed change in this recommendation deleted the references to national level, where are relevant, and it seems to change it by cooperation at European level -already included in recommendation 6-. This change of horizon could reduce the effectiveness of</p>

Updated CEER Recommendations	AIB Reaction (draft)
	<p>the recommendation, as currently there is no European standard for displaying information.</p> <p>3) <u>Delete 'if applicable'</u> The phrase 'if applicable' suggests that there may be cases where the harmonised format and minimum standard need not apply to non-renewable sources. To enable truly transparent comparison, the format and standard should without exception be the same for all energy sources.</p>
<p>3 Updated</p> <p>References in the energy bill to where additional information on guarantees of origin is available, such as the type of renewable energy source, the geographic origin (country or, if applicable, region) or whether or not it has received support from a renewable investment or production support scheme, should be drawn to customers' attention (e.g., on the website of the supplier and/or of the competent body for disclosure).</p>	<p><u>These are good additions</u> Making energy source and geographic origin of GOs more transparent by fostering active communication about these attributes, is useful. Geographic origin should be considered to become mandatory for electricity disclosure in the EU.</p> <p><u>But don't withhold information on non-renewables from the residual mix</u> This recommendation builds on the assumption that the average consumer is aware that any renewable share of energy supplied to them is exclusively conveyed through GOs, regardless of what the production mix in their country or region might look like.</p> <p>GOs can indeed reliably provide additional information to a consumer who purchased a specific 'green' product. However, it is equally important to inform those consumers who have <u>not</u> purchased such a product. They ought to be made aware that even if the production mix in their country or region may be (relatively) 'green', the sale of the corresponding GOs may cause their consumption mix to become 'polluted'. Since Directive 2019/944 does not require all energy origin (i.e. including non-renewable) to be disclosed through GOs, this cannot simply be achieved by providing more information on a GO: for non-renewables, there simply might not have been issued any.</p> <p><u>Proposed rephrase for the recommendation:</u></p>

Updated CEER Recommendations		AIB Reaction (draft)
		References in the energy bill to where additional information on guarantees of origin is available, such as the type of renewable energy source, the geographic origin (country or, if applicable, region) or whether or not it has received support from a renewable investment or production support scheme, should be drawn to customers' attention (e.g., on the website of the supplier and/or of the competent body for disclosure). This information shall be based only on the guarantees of origin that are cancelled in accordance with the relevant consumption, or in their absence, on the residual mix. For renewable energy sources, information on the type of renewable source should be made available to the consumer.
II	How to strengthen consumer trust by improving the existing disclosure systems?	Is this recommendation sufficient? Please share your comments and suggestions.
4 Updated	Member States should have a GO system in place for “(i) electricity; (ii) gas, including hydrogen; or (iii) heating or cooling⁶”. For this purpose, national GO system convergence should be encouraged so that GOs are easily tradable across Member States. When and where available, GOs should be used as the only instrument for tracking energy sources in green offers within disclosure systems, including in the framework of a Power Purchase Agreement (PPA) or any contract with a renewable production plant (e.g., EU	<p><u>These are good additions.</u></p> <p>We agree and we would like to emphasize the importance of the last sentence. With the introduction of GOs for energy types other than electricity, it has become essential to establish the renewable origin of energy that is converted to another type.</p> <p>For example, neither:</p> <ul style="list-style-type: none"> the (consultation of the) Delegated Act on the production of renewable transport fuels (Ares(2022)3836651); nor the provisions of Article 27 as foreseen in the revision of Directive 2018/2001 (2021/0218(COD); RED III) as adopted by the European Parliament in its first reading; <p>explicitly require that the renewable origin of electricity consumed in electrolysis be proved through GOs. In the absence of a proper, cancelled GO, such consumption cannot be considered ‘green’, and so neither can the resulting hydrogen.</p>

⁶ As defined in Article 19 of Directive (EU) 2018/2001

Updated CEER Recommendations	AIB Reaction (draft)
<p>Solar Energy). In the absence of a proper GO the offer cannot be marketed as “green”.</p>	<p><u>Include Energy Carrier Conversion in the reason for system convergence:</u> Handling GOs in relation with conversion between energy carriers is another reason for convergence of the GO systems of the various energy carriers. Suggested addition: “national GO system convergence should be encouraged so that GOs are easily tradable across Member States and that their handling in relation with energy conversion is kept reliable and efficient”.</p> <p><u>Consider limitations for heating and cooling GOs:</u> For heating and cooling, GO systems shouldn’t be designed such that GOs are tradable between geographically separated grids. Including attributes of non-interconnected grids in the residual mix is unlikely to be considered a trusted mechanism by consumers.</p>
<p>5 Updated</p> <p>GOs should be used as a basis for further harmonisation of disclosure systems. An assessment of the use of GOs in electricity should be done at national and European level to identify improvements which could be made to the existing GO system in electricity as well as best practices to convey to (i) gas, including hydrogen; or (ii) heating or cooling.</p> <p>Good practices identified in electricity disclosure system should be extended to other energy disclosure systems. The cooperation of competent authorities</p>	<p><u>Agreed.</u></p>

Updated CEER Recommendations		AIB Reaction (draft)
	for disclosure should be enhanced irrespective of the form of energy disclosed. This should be facilitated with the use of a common platform.	
6 Original	Further harmonisation of the existing disclosure systems on a European level should make the systems more reliable and efficient. The competent body for disclosure should ensure that the utmost is done to make customers aware of the information that is provided to them regarding the electricity with which they are supplied. To foster trust in the system, customers should easily be able to find clear information about the functioning of the disclosure system. The publication of an annual disclosure report by the relevant competent body is a good practice that can further increase transparency in terms of the origin of supplied electricity at national level.	<p><u>Agreed.</u> <u>In addition,</u> Disclosure Competent bodies would benefit from publicly available recommendations or guidelines on supervising the suppliers and/or consumers with disclosure obligation. <u>and, we</u> recommend that the scope of this recommendation be extended from 'electricity' to 'energy', thus including:</p> <ul style="list-style-type: none"> • gas, including hydrogen; and • heating and cooling.
7 Updated	In order to make the disclosure information for customers more coherent, efficient and reliable, it is worth considering whether the issuing of GOs should be extended to all sources of electricity. Full disclosure, meaning the cancellation of GOs for all consumption, would help to make the disclosure	<p><u>Agreed.</u> <u>In addition, harmonisation would also be welcome for:</u></p> <ol style="list-style-type: none"> 1) <u>determining the info on GHG emissions</u> to be disclosed 2) reporting deadlines to ensure a consistent calculation of the European Attribute Mix, which is an essential component of a reliable Residual Mix 3) <u>shortening the reporting deadlines so that</u> . <p>calculating and publishing residual mix can be done earlier than by 30 June to provide customers up to date information for example in CSR reports.</p>

Updated CEER Recommendations	AIB Reaction (draft)
<p>system more consistent and reliable, as well as to provide opportunities for marketing electricity products based on specific non-renewable sources in a trustworthy manner. A single, coherent, and properly designed system addressing all electricity generation, from all sources, has the potential of reducing administrative burdens and costs. In order to avoid imposing an administrative burden and costs on electricity producers, it could, as a first step, be introduced on a voluntary basis.</p> <p>Where full disclosure is not possible, a residual mix should be determined at national level. The methodology to calculate the residual mix should be harmonised across all participating countries in the interconnected energy market, per energy carrier.</p>	<p>4) Not to allowing ex domain cancellations in any form: this facilitates accurate residual mix calculations and transparent disclosure.</p>
<p>8 Updated</p> <p>The further integration of gas and electricity markets at European level should be accompanied by actively continuing the development of the European GO market, thus increasing price transparency and competition. Price information for products that include energy from supported and non-</p>	<p><u>Agreed.</u></p> <p>This is however unlikely to succeed without a legal mandate to require GO price reporting by traders at the time of their GO transaction.</p>

Updated CEER Recommendations		AIB Reaction (draft)
	supported installations should be shared publicly and be easily accessible.	
III	How to provide consumers with transparent information?	Is this recommendation sufficient? Please share your comments and suggestions.
9 New	Consumers should be able to choose “local or regional” GOs, i.e. issued for local energy production close to the consumer’s consumption point.	<p><u>Transparent information to consumers is applauded, to facilitate freedom of choice, but don’t undermine the trust in non-local GOs.</u></p> <p>Equal quality assurance is in place for local as for non-local GOs, yet transparency to consumers on the geographical origin can strengthen the acceptance of renewable energy contracts.</p> <p>Rather than imposing availability of choice to the consumers, it could be more effective to require suppliers to be transparent about the origin of GOs per offered energy product. This transparency could also be provided through information from the disclosure responsible body.</p>
10 Updated	<p>GOs and labels should be considered as two complementary mechanisms. Guarantee of Origin is the legal and technical mechanism to guarantee the source of energy, whereas labels should be considered as a communication tool to ease consumers’ understanding of the energy market.</p> <p>Labels can be considered as creating added value for more demanding customers, if it can be guaranteed that the additional impact is associated with the contract (such as direct investment of</p>	<p><u>Agreed.</u></p> <p>Remark: It is unclear what the second new paragraph aims for. It says that too many labels increase complexity but no solutions are provided. We suggest to foresee some form of notification schemes towards the NRA (/disclosure authority).</p>

Updated CEER Recommendations	AIB Reaction (draft)
<p>funds in new renewable generation capacity or reductions of CO2 emissions).</p> <p>An excessive number of labels might be confusing for consumers and potentially raise trust issues, if the information provided by these labels is inconsistent. On the supplier side, it would render it difficult for smaller suppliers to be active in every labelling system, especially when fees are charged.</p> <p>Labels should be encouraged to use GOs as their sole tracking mechanism, in order to ensure reliability and electricity and gas customer’s trust.</p>	
<p>11 Updated</p> <p>When subscribing to an offer claimed as “green” by a supplier, the supplier should provide all necessary information to enable the consumer to verify the accuracy of the offer to which they subscribed.</p>	<p>We appreciate maximum transparency. We are concerned that burdening consumers with the task of verifying the accuracy of the offer isn’t reasonable. The accuracy of electricity disclosure should be verified by the disclosure bodies.</p> <p>National level disclosure portal/dashboard could be implemented to provide information to each customer to show them the information about GO-s cancelled to prove the origin of the renewable energy consumed.</p> <p>An EU wide system of electricity disclosure checks should be set up.</p>
<p>General additional comments</p>	<p><u>Consider facilitating the transition to granular certificates</u> Guidelines of good practice in this day and age would not be complete without a reference to granular certification, i.e. the issuance of GOs for time intervals of one hour</p>

Updated CEER Recommendations	AIB Reaction (draft)
	<p>or less. The EnergyTag demonstrator projects have shown that it is possible to match production and consumption of renewable energy on an hourly basis.</p> <p>Granular certification addresses an oft-voiced concern that the GO system does not necessarily explain how renewable energy can be supplied at times when the sun was not shining and the wind was not blowing. Moreover, it may be essential to the integration of storage of renewable energy in the overall energy system.</p> <p>At minimum on a monthly basis, synchronisation of production and consumption should be promoted/encouraged.</p>
	<p>Don't only regulate supplier claims, but also consumer claims, regarding their relation with GOs</p> <p>Proposal to add text like the following in the legislative framework, on national basis, if possible also on European basis:</p> <ul style="list-style-type: none"> • “Claiming the consumption of energy from renewable sources or the associated environmental benefits is only allowed on condition that: <ul style="list-style-type: none"> A) guarantees or origin are cancelled to cover this claim, or B) (<i>only if applicable</i>, where no GOs are issued for the energy represented by the claim, another reliable tracking system prevents the double claim of the corresponding batch of renewable energy, or) C) the represented energy is part of the residual mix in the country of consumption, or D) The energy is produced on the site of the consumption, no guarantees of origin are issued for it and it is not included in any claims at other consumption sites.

Updated CEER Recommendations	AIB Reaction (draft)
	<p>Guarantees of origin are only issued for energy of which the attributes are not otherwise disclosed.”</p> <p>Argumentation: It needs an exclusive framework for instruments that can be used for claiming consumption of energy from RES. Some have raised an argument that it may take more than a GO for claiming climate neutrality of energy, particularly in the case of biomethane, but not including the GO in such claim is simply wrong. Stopping consumers to make claims on the origin of their energy and the related climate impact seems quite impossible, so it needs to be clarified which are allowed ways for making such claim. The current legislative framework only regulates claims by SUPPLIERS of electricity (and soon also for grid-transported gas), but consumers’ own claims and claims related to consumption of vehicle-transported gases, are not regulated. This risks a variety of instruments to be used for such claims, which may cause the same environmental attributes to be claimed more than once in relation with energy consumption.</p>
	<p>Ensure consistency between corporate emissions reporting and the claims in the GO system: only cancelled GOs or the residual mix can back an environmental claim by an energy consumer</p> <p>Recognise the importance of the voluntary initiative of the GHG Protocol in corporate claims and influence it to prevent double counting of energy that is represented by Guarantees of origin.</p> <p>The biggest problem is that the GHG protocol allows the option of location-based GHG claims. That may be triggered by US and other non-EU configurations. But in Europe, where the GO system is to be used for disclosure of the origin of electricity and gases,</p>

Updated CEER Recommendations	AIB Reaction (draft)
	<p>location-based claims cause direct double counting. Furthermore, such location-based claims disincentivise consumers to make a difference with their sourcing choices (incl PPAs). GOs, as a market-based instrument, do facilitate this, as long as they are not undermined by other mechanisms.</p> <p>A consumer claiming the environmental benefits of electricity for which the renewable origin is exported with GOs is simply undermining all the strengths and credibility of the GO system, penalising also the parties who adequately participate in the GO system. .</p> <p>This problem of consumer claims that are not backed by cancelled GOs, maintains to risk undermining the whole GO system, even though there is no alternative mechanism that has a better potential for avoiding double claims. GOs are the proof of uniqueness, by legal design. Yet therefore it would make sense to include a prohibition <u>on consumer claims</u> that are not properly backed by GOs. Currently only supplier claims are regulated, consumers aren't. Therefore a prohibition on such non-GO backed claims, as proposed in previous comment would be good to add in legislation.</p>
	<p>Where available, information on the sustainability characteristics of the represented gas (PoS) needs to be an attribute on gas GOs to avoid double counting of gas molecules through use of parallel certification systems.</p>