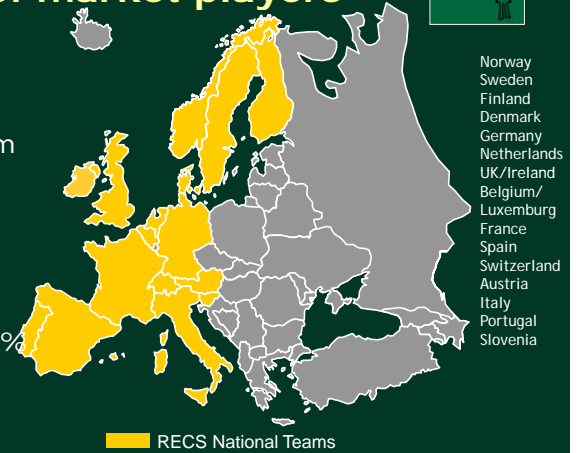# Platform Disclosure Standard

Claes Hedenström

President RECS International

Brussels, 25 June 2009

RECS international
An association of market players

- ❖ 230 members in 24 countries
- ❖ Association of Issuing Bodies (AIB) - the system provider – <u>standard GO/EECS</u>
- ❖ 16 countries in the European electronic certificate infrastructure
- ❖ 180 TWh/yr certified (35% of total RES-E in 2008)
- ❖ Co-operation with Eurelectric and EFET

Norway
Sweden
Finland
Denmark
Germany
Netherlands
UK/Ireland
Belgium/
Luxemburg
France
Spain
Switzerland
Austria
Italy
Portugal
Slovenia

RECS National Teams

Our vision is still valid

"... pan-European market for renewables facilitated by certificates"

The RES- Directive has given us a stepwise approach

Opportunities

Short term

- Standardisation of **Guarantee of Origin** will support a pan-European RES market
  - Not for targets but **will bring the customers into the picture** enabling them to show their interest in RES
- The option **joint projects** will stimulate project developers to sell projects abroad – lowering costs
  - approval needed by the hosting government

Long term

- Hopefully more opening of the market - more opportunities to lower the costs

Four-star-strategy

1 Full implementation of the EECS system

2 Strengthen the use of the GO

3 Use of Disclosure Standard

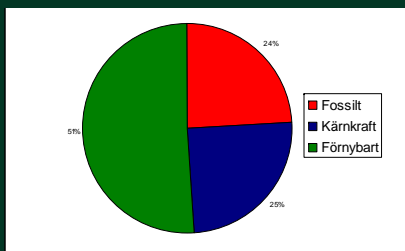**4** First step towards opening RES market

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3 Disclosure a RECS concern

- Utilities are requested to deliver the information to end-use customers
  - The information must be reliable

- Marketing regulation also requires that product information given must be correct – puts utilities under pressure
  - But utilities cannot solve the problem themselves

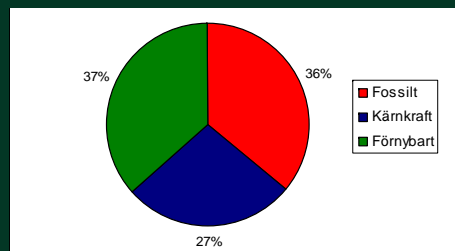- Member States cannot either solve the problem themselves

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Huge double counting in Nordic

Sum of national mixes

24%
25%
5%

- Fossilt
- Kärnkraft
- Förnybart

Nordic mix

37%
36%
27%

- Fossilt
- Kärnkraft
- Förnybart

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3 RECS Concept for disclosure

- Concept based on the E-track standard
  - See the E-TRACK Final Report (www.E-track.org)
- We support **explicit tracking**
  - Guarantee of Origin (RES) based on EECS (180 TWh)
  - Other instruments/sources under the condition that corresponding GO have not been issued and that this information is available from centralized official sources
    - During a transition period – GO a request later on
  - Disclosure certificates (non-RES) based on EECS
- **Implicit tracking** needed
  - Residual mix – national, regional, EU-level
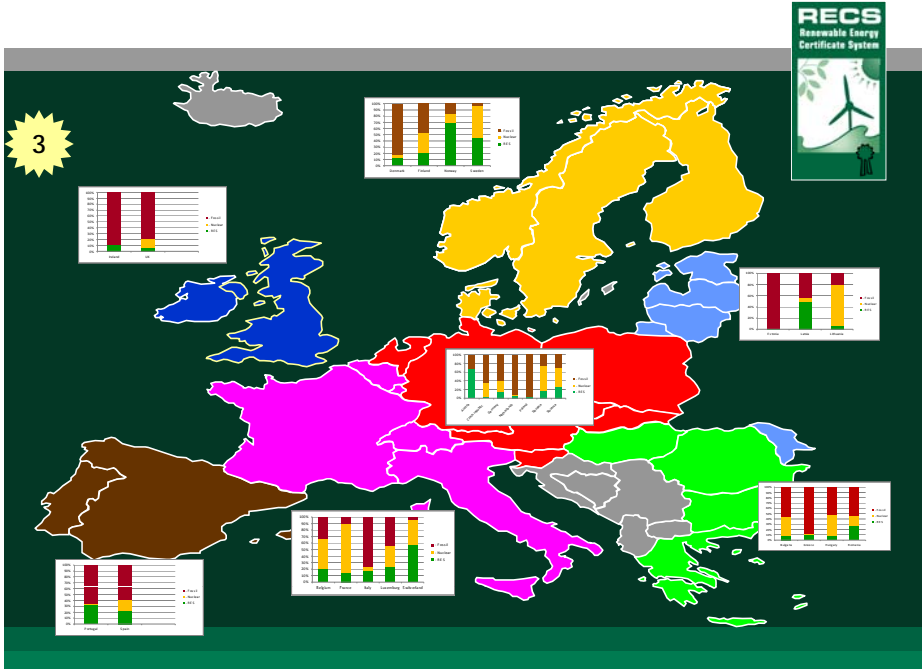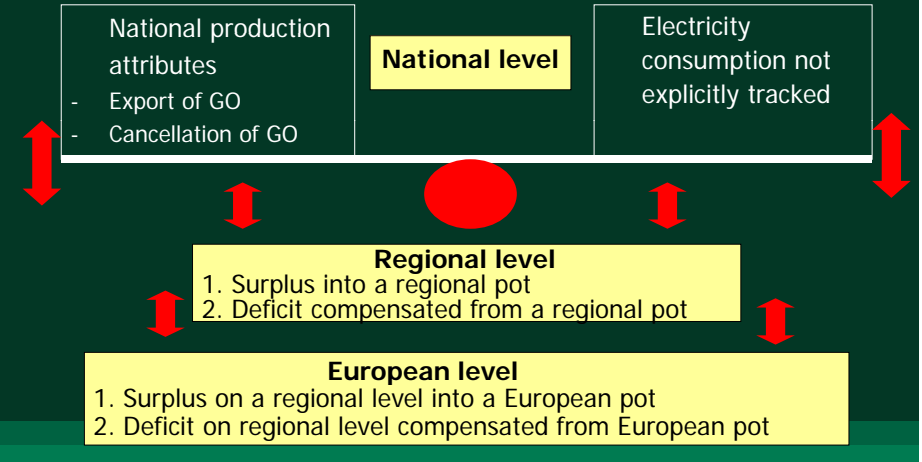- Not acceptable: bilateral, not-centralised tracking

Slide 1

3

RECS International presents the first approach towards a reliable electricity disclosure system for Europe

- Huge risk for distrust in disclosure due to a lot of double counting
- The problem to solve is the co-ordination of cross-border transfer of generation attributes due to physical import /export and trade of Guarantee of Origin

We need a reliable and consistent electricity disclosure system across Europe

Slide 2

3

Residual mix must be balanced

National production attributes		
- Export of GO	**National level**	Electricity consumption not explicitly tracked
- Cancellation of GO		

Regional level
1. Surplus into a regional pot
2. Deficit compensated from a regional pot

European level
1. Surplus on a regional level into a European pot
2. Deficit on regional level compensated from European pot

Slide 3

3

Slide 4

3

This is just a first step

There are a lot of problems:

- Production statistics normally late
  - Preliminary and old statistics sometimes necessary
- National tracking solutions not based on GO
- GO EECS not fully implemented
- Cancellations differently handled
- Different closing dates

Stepwise improvements needed

3 RECS International recommend

- National implementation of GO based on EECS
- Disclosure certificates for non-RES an option
- Green products and all type of transfer verified by GO based on EECS
- National residual mix calculated at the Platform used on national level

This would help countries to avoid double counting and present

3 Next step

- Initiative group established
  - Volunteering regulators, RECS
- National "Disclosure Bodies" invited to take part
  - In the end hopefully all European countries
- Stepwise implementation and development by the participants
  - Methodology, how to use system
- "Reliable Disclosure Standard" a very welcomed supporting project

www.recs.org

"Don´t make it complicated, by bringing in facts"
(Groucho Marx)

Thanks for your attention