



New developments in the field of RECS, EECS and GOs

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What is new?

Looking at it from a historic point of view:

1. The certificate system
 - What is a certificate and what are the developments here?
2. The use of the certificate (or cancellation if you wish)
 - When is cancellation needed and how is this regulated?
 - What developments do we see here?
3. Claims by consumers after cancellation of the certificate
 - What developments: what claims can a consumer make after cancellation:
 - Sustainability
 - Carbon accounting
 - Additionality

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Certificate systems: developments in and around AIB

- New PRO
 - Expiry date of certificates
 - Status GO under regime 2001 versus 2009
- Open issues:
 - Cancellation statements
 - Statistics
 - Tariffs
- Differences between RECS-certificates and GO's
- Participants in AIB (6 RECS, 12 GO and 4 Disclosure)
 - 6 RECS: Fr, IE, IT, P, S, CH
- Promotion EECS
 - Is it EECS, or AIB, or GO, or what?
- CEN/CENELEC

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Use of GO

Voluntary Market ← → Target Compliance Market

- Focus in this presentation is on the Voluntary Market :
 - Mandatory use for green electricity products
 - Mandatory use for disclosure
- 1. Green electricity products
 - Legislation in a number of countries (NL, BE, AU, DK, N, ...)
 - On a voluntary basis: RECS Good Practice
- 2. Disclosure
 - Legislation in a number of countries (NL, BE, AU,)
 - Double counting is possible because of poor European coordination

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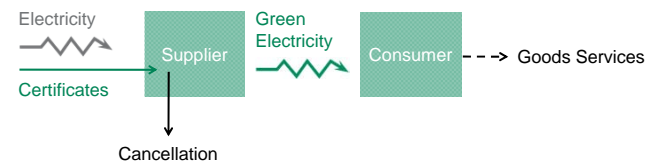
RECS Good Practice

- It is better to have legislation in place
 - Than authorities will audit (or will organise this
- In case no legislation is in place
 - RECS message: organise your own independent audit and be transparent about it!
- Special attention for 'self cancellation'

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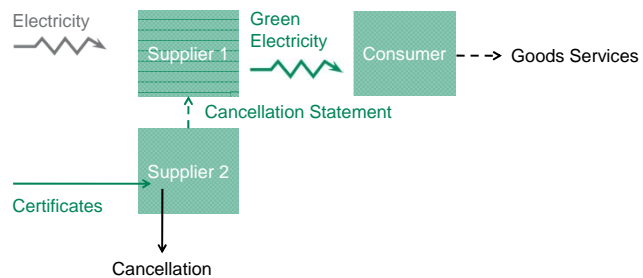
Situation 1



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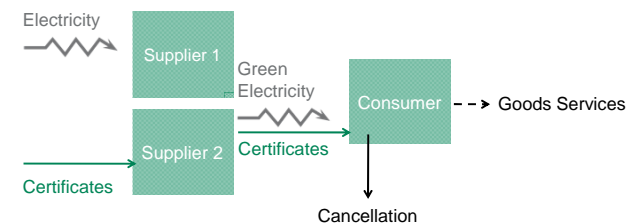
Situation 2



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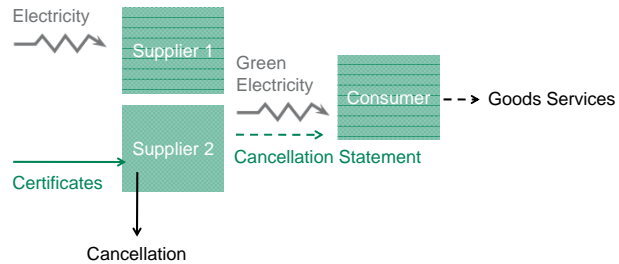
Situation 3



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Situation 4



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Disclosure

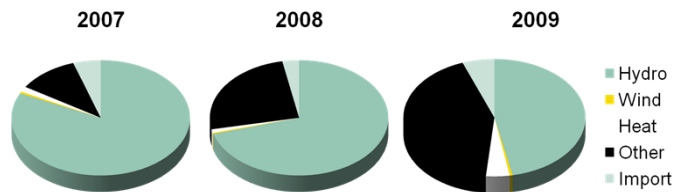
- Mandatory use of GO for RES in disclosure
- What is the problem?
 - Double counting
 - Best example is Norway: if 40% is exported, what comes back?
- What is the solution?
 - A European approach is needed
 - Agree upon a methodology and calculate the 'residual mix'
 - European Platform Electricity Disclosure (EPED)
 - Clear position of 'competent body' in a country is needed

Note that disclosure is about (1) Fuel mix, (2) carbon emissions and (3) nuclear waste

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An example



- The Norwegian fuel mix has become less renewable over the years (black pie)
- Where will it end? 0% Renewable?

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Disclosure and carbon emissions

- Characteristics of green electricity products
 - The electricity must be tracked without double counting: EECS (GO) and EPED can assure that
 - If tracked properly: the carbon foot print can be made
 - But, what is the carbon foot print if electricity is produced by RES?
 - *There is consensus about a LCA approach*
 - *But what values should be used than?*
 - *Wind and solar can be done with defaults, but what about biomass?*
- What are the consequences for the foot print of the residual mix (fossil)?
 - Is LCA used for fossil and nuclear as well?
 - Specific emissions of fossil increases by separating RES from the mix

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Consumer claims

Three aspects are usually discussed:

- Sustainability
- Carbon accounting
- Additionality

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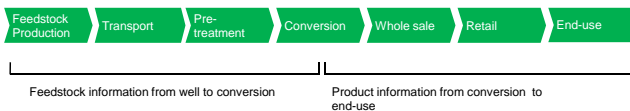
Sustainability

- Not all renewable energy is sustainable
- How to handle this?
 - Wind, solar, geothermal,: good regulations for licensing is sufficient
 - Hydro power: a certification scheme is needed for 'water management'. This is usually part of the license!
 - Biomass: a certification scheme is needed for the biomass (feedstock)
- Information of certification schemes can/should be included on the GO: this is the only way to inform consumers
 - But a third party should be the 'owner' of the certification scheme of the feedstock and not the producer
- The most important aspect of sustainability is carbon emissions (as discussed with Disclosure)

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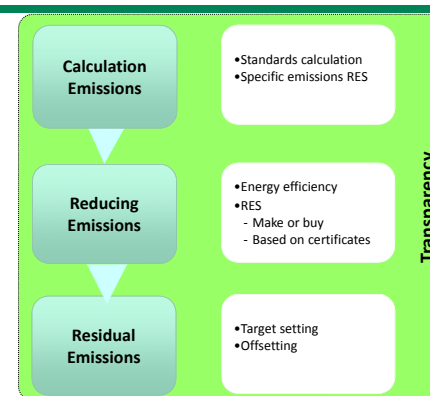
Information flows sustainability Biomass



- It must be avoided that parallel information flows are introduced
- Point of departure is make existing information available for the end-user: the end-user need to decide what is sustainable or not (or will be helped by making his choices by NGO's and or consumers organizations or governments)



Carbon Foot Print





Carbon Accounting

Issues on the table with Carbon Foot Printing

- Double issue: GO and Emission Reduction Units
 - Within EU no ERU's possible
- No consensus about the use of the LCA (one to one)
- No corrections on emission factor residual mix
- No carbon additionality whatsoever: because of ETS!
- What is RECS International doing:
 - Starting a dialogue with GHG Protocol and ISO
 - Supporting corrections specific emission factor for residual mix: EPED/RE-DISS will present first calculations

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Additionality

- In theory two views possible:
 1. By purchasing renewable electricity, I (as a consumer) improve my individual situation (lower carbon foot print)
 2. By purchasing, I as a consumer (should) improve the situation in the world (environmental values are/should be added)
- RECS International has no position in this discussion
 - But, RECS is of the opinion that consumers should be properly informed whether additionality is offered and if so, what definition is used
- In case additionality is offered we see in practice three definitions used:
 - Dark green (on top of the targets)
 - Fund model: extra money is collected and additional environmental value is added (e.g. CDM)
 - Economical (classical) model: exclude part of supply (old installations) and create a situation with more demand than supply, that will lead to new power

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Summarising

- RECS will continue promoting the EECS standard
 - Stimulating AIB to improve their system (and make it cheaper)
 - Introducing a European standard CEN
- RECS will continue supporting better regulations how to use the GO
 - Trying to influence national governments
 - Supporting EPED
- RECS will continue the debate about consumers claims:
 - Adequate sustainability information transferred by the GO
 - Promoting correct rules for carbon accounting
 - Keep choice for additionality open for consumers

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RECS Yearly Event 2011

RECS *Market* Meeting 2011

The Power of Transparency

- 30 and 31 March 2011, Brussels
- Everything about the Voluntary Market: starting with transparent information for consumers

RECS *Policy* Forum 2011

Towards 2014 -- Making renewable energy affordable

- 31 March 2011, Brussels
- Everything about the Target Compliance Market:
 - The problem: RES is very expensive
 - The solution: improved market based support systems (or cooperation mechanisms)

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