

### Certification and disclosure: Renewables & Electricity Markets Directives

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## **Consumer protection & information**

- Directive 2009/72/EC requires electricity suppliers to disclose their energy mix in the energy bills of consumers
  - Member States must ensure that the system of disclosure is reliable
- ❖ Directive 2005/29/EC (unfair commercial practices) is also relevant
  - It provides protection to consumers and prohibits traders from creating a false impression of the nature of products
  - It requires that information provided is specific, accurate and unambiguous.
- Directive 2009/28/EC (renewables) establishes an instrument for energy mix disclosure
  - The guarantee of origin...



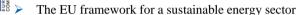
### The EU regulatory framework

- Energy market liberalisation
  - » Including grid unbundling, market opening and consumer protection
- Pricing <u>emissions</u> in some sectors EU ETS, & non ETS reduction targets
- The renewable energy Directive
  - » Legally binding targets driving supportive national frameworks, inc. guarantees of origin
- R&D support for development of clean <u>technology</u> ("SET" plan)
- Energy efficiency regime: eco-labels, eco-design, the Buildings Directive
  - » information to consumers, minimum efficiency standards for appliances & buildings



#### Forthcoming:

- Infrastructure Package: tackling grid bottlenecks, improved planning and EU financing
- 2020 Energy Strategy: focus on grid, market and renewables integration
- 2050 Roadmap: pathways to the low carbon economy.





### Guarantees of origin in Directive 2009/28/EC

- Guarantees of origin are certificates proving electricity is generated from renewable energy sources
- must be issued upon request, used and cancelled within 12 months
- independent national competent body for (electronic) issuing, transfers and cancellations to ensure <u>accuracy</u>, <u>reliability and fraud resistance</u>
- Some standardisation (1MWh, date & country of issue & unique identification n°. date of energy production; age, location of installation..





# **Guarantees of origin in Directive 2009/28/EC**

- Use: providing consumer information
- may be used to meet energy mix disclosure requirements (not compulsory)
- transparent, objective, non discriminatory criteria may be applied by Member States ("optional additionality")
- transfers require deductions from "source" supplier's energy mix (no double counting)
- provision of information on age of installation may also be required
  - Commission supports initiatives to ensure guarantees of origin can usefully play a role in the consumer information market (e.g. E-TRACK/RE-DISS work supported by Intelligent energy Programme)





- All three Directives now being implemented
  - » RE-DISS project
  - "Concerted Action" on implementing the renewables Directive, including GOs
- Time to make up for inadequate implementation of earlier Directives
- Broader? open scope for widespread use of GOs for other energy sources (explicit in CEN work)
- Unique? <u>not mandatory</u> as the sole instrument or certificate.
  - » However the requirement for accuracy and reliability should ensure that there is no duplication or double counting from different systems.
- Properly implemented, the GO can be a widespread instrument for certifying green energy, tradable across all Member States and driving consumer interest in green energy.
- Two follow up issues: coverage (AIB) & consumer buy-in (inc. additionality Q)