

Association of Issuing Bodies

RED II: The Latest Status

Vienna Open Market Committee

Laura Plunkett

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- Potential changes to **RED II** published 30th November 2016, and so the debate started!


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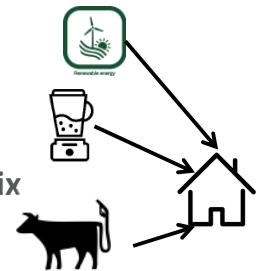
Where are we now?

- **Parliament's Industry Committed voted on 28th November 2017**
 - Compromise Amendment 10 accepted
- **Let's find out what is good, bad and better...**

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The Pros





- 'Shall' issue RES GOs
- **MANDATORY** use of GOs for disclosure
- **EXPIRED** GOs go into the Residual Mix
- Extension to renewable gas
- Role of HEC GOs clarified – disclosure
- Simplify information on GOs for small PDs 
- Allows purchases direct from producers



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The Cons



- **RES energy only – Residual Mix still needed**
- **Compliance with CEN-EN 16325**
 - CEN is for energy - interference by other energy media
 - Bureaucratic and slow 
 - AIB will need to embed CEN into EECS; EECS has evolved since 2011
 - Derogation only permitted where there is an obstruction in the form of national legislation; others will be needed
- **Scope of GO isn't fully regulated**   
- **Minimum capacity for GOs**
- **GOs valid for calendar year plus 6 months**
 - Different shelf life for GOs

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The Improvements



- **Supported GOs 'Double compensation' to be accounted for 'from the date of entry into force of RED II'**
- **No 'double compensation' is seen where:**
 - Support results from tender or tradable green certificates
 - Market value of GO is taken into account when setting support level
 - GO are issued to suppliers/consumers through competitive sales or corporate PPAs
 - GOs are issued and instantly cancelled

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Other Improvements



- **GOs to record whether the energy met sustainability and GHG emissions savings criteria**
- **Renewable Gas (including hydrogen) to get a GO**
- **Single GO for HEC using RES**

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Lobbying to correct errors/omissions



- **Do all AIB members and Open Market Committee participants agree with the assessment of the latest draft?**
- **The Council is due to agree on RED II (only, not the full clean energy package) at the beginning of next year. Then the dialogue between Com, Council and EP will seek a compromise on the whole CEP by of 2018**
- **How can AIB and market parties help each other in this last leg of lobbying?**

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- **27th September - CEPS event ‘Does the EU renewables sector need a GO market?’**
- **Andre Poschmann of the German Ministry of Economic Affairs and Energy addressed the issue of how additionality might be assured in green electricity contracts**
- **Proposed the development and adoption of an EU Additionality Label for new plant**

- **Age of the plant is already on the GO, why is a label needed to restate this?**
- **Simply shifts the burden from state to individual – would the state spend the money reclaimed from the consumer on more RES, doubtful**

- **AIB prepared a paper for consideration by Poschmann**
 - AIB already recognise voluntary sustainability schemes currently recognised by the EU Commission
 - AIB already supports the recording on GOs of Independent Criteria Schemes (ICSs) that the AIB has accredited for use in that country
 - *The definition and verification of compliance with ecological or sustainability quality criteria is left with the qualified and authorised institution*
 - *AIB members are required to leave the information intact when importing/exporting GOs*