



Ref: AIB-2008-MC01-09

Date: 17 September 2008

Location: Vienna

Meeting paper: Task Force Support Recommendations on Support Certificates

Decision(s) required: To adopt the recommendation of TF Support that a new PRO Chapter be implemented for support certificates

At the Rome General Meeting in June 2008, a Task Force Support was created to conclude on the long-running debate concerning the treatment of members with certificate-based support schemes, and building upon work undertaken by various AIB groups including Workgroup Internal Affairs (see change request PRO-CR0710, which forms Annex 3 to this document). Members of the Task Force were: J Vorrink, PY Cornelis, D Seebach, M Quicheron, G van Dijk, H Sprongl and P Moody.

Terms of reference

The terms of reference for the task were that an assessment of the pros and cons of the different solutions (including the then-current change request, chapter 5 and perhaps the technical "filtering" proposal") was to be prepared, along with a concrete and balanced proposal for decision at the September General Meeting in Vienna.

TFS confined its considerations to GoO RES-E: separate consideration, potentially along similar lines, will be given to CHP GO and EECS Disclosure certificates at a later General Meeting.

Impact

This matter is of particular concern to Brussels and Wallonia, which have such schemes – the application from Brussels for Chapter 1 membership will be considered at the September 2008 General Meeting in Vienna. Should the revised support proposals be accepted, it was intended that the extension of the Walloon Domain Protocol to include issuing of GoO RES-E for supported MWh should be put forward for approval at the Vienna General Meeting in Vienna: however, CWaPE has now deferred this until the November General Meeting in Ljubljana.

Consultation

A written advice from RECS International is sought on these proposals. The advice of WGS is sought on the impact on registry and Hub systems of the current proposals, and of any alternatives raised by TF Support. Further, the advice of WGIA is sought on the impact on DPs of the current proposals; and of any other alternatives raised by TF Support.

Modus operandus, findings and conclusions

Members of Task Force Support (TFS) first agreed on and completed a questionnaire, to identify where areas of disagreement existed, and find areas of agreement. Details of this are included as Annex 1. Misunderstandings were then resolved and questionnaires corrected and consolidated. From this, TFS developed a collective view as shown in figure 1 (the colour-coding seeks to highlight areas of agreement - a key is given at the bottom of the picture – cells with no colour indicate areas where members disagreed).

Criteria	1 PRO Uniqueness (status quo)	2 PRO MC	3 Support chapter (6)	4 MC chapter (5)	5 Technical solution
+ = supports 0 = neutral / not relevant - = does not support / introduces a risk					
1 LEADING ENABLER					
i Enabling participation of as many domains and certificate types as possible					
a Domains can join for unsupported MWh	+++++	+++++	+++++	+++++	+++++
b Domains can join for supported MWh	000-0-	+++++	+++++	+++++	+++++
ii High quality					
a High standard	+++++	-++0+	-0000	0000	-0--
b No risk of double counting / usage	+000++	-0+--	-0000-	+0+00-	-+0+-
c No risk of double issuing	+++++	-+++++	-+++++	+++++	-+++++
d No risk of double selling	++00++	-+0--	-+0--	++000+	-+0--0
e Simple to explain and understand	++00+0	-+--0	-+0--	+0-00+	-+0-0-
f Flexible, can facilitate all Domain policies	-----	+0000+	00000+	++00++	++00+0
g AIB-wide: clear to understand, no confusion or risk of double selling	+ -+++	-+0--	-+--+	0+0+0	-+--0
h In MC domains: clear to understand, no confusion or risk of double selling	+ -0++	-+++0	-++++	++0+0	-+--0
i In SC domains: clear to understand, no confusion or risk of double selling	+0+++	-+--	-+0+	+--0	-+--0
3 TRADE					
a Liquidity	+++0	+++++	+++++	+++0+	+++++
b Unsupported MWh can be traded	+++++	+++++	-000+	+++++	+++++
c Supported MWh can be traded with all domains	-----	+++++	+000+	-+--0	++0+-
d Supported MWh can be traded with MC domains	-+--+	+++++	+000+	+++++	+++++
e Supported MWh can be traded within MC domains	+?0000	+?00+0	+000++	++++0	++00++
4 PRO CHANGES					
a PRO change qualified majority not needed	+?00++	-+--	-+--?	-+0+	-+0-
b PRO changes need to be drafted	+00++	+00+-	-0+-?	+0+0+	-+0+
5 COSTS					
a Database and traders interface need to be changed by SC- domains	+000++	-00+-	-000-	---0++	---+-
b Database and traders interface need to be changed by MC- domains	+00++	-+--0	-0+-+	+--0	-0-+
c Hub needs change	+000++	---+-	-000-	+0---0	---+-
d Hub testing by all domains	+000++	---+-	-000-	+0---0	---+-
6 TIME AND TIMELINE					
a Changing present DP's not needed and assessment not needed	+000++	-?0--	-?0++	+0+++0	--0++
b Modifying of hub and testing	+00++	-+--	-0+-	++++0	-+--
7 LEGAL					
a Risk of losing a legal challenge for not accepting GO of a MC-domain	+0+++	-0--	-00-+	000-00	-0-+-
b Chance that legal challenge for not accepting certificate of a MC-domain occurs	+00++	-0--	-000-+	00--00	-00+-
8 CONSISTENT WITH DIRECTIVE					
a Directive 2001-77	+00++	+++++	+++++	+++++	++0+++
b CHP Directive 2004-08	+00++	-+--+	00+00+	00+00+	-00--+
c Proposal of COM	+?++0	-?--0	-?00	-?--0	-?--+
d Turmes report	00000	00000	-000	00000	-000+
e Final text ????	0?	0?	0?	0?	0?
9 OTHER					
a Compatible with long term goal of a single certificate for 1 MWh	0--	0++	0+-	---	000
b Supports certification of other energies	0000-	00+0+	0000+	0-00+	0000+

KEY:	all + or all 0	no -	no +	all -
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Figure 1: Summary of questionnaire responses

The conclusions of TFS can be summarised by aggregating the responses to each criteria by type, for each option as set out in figure 2.

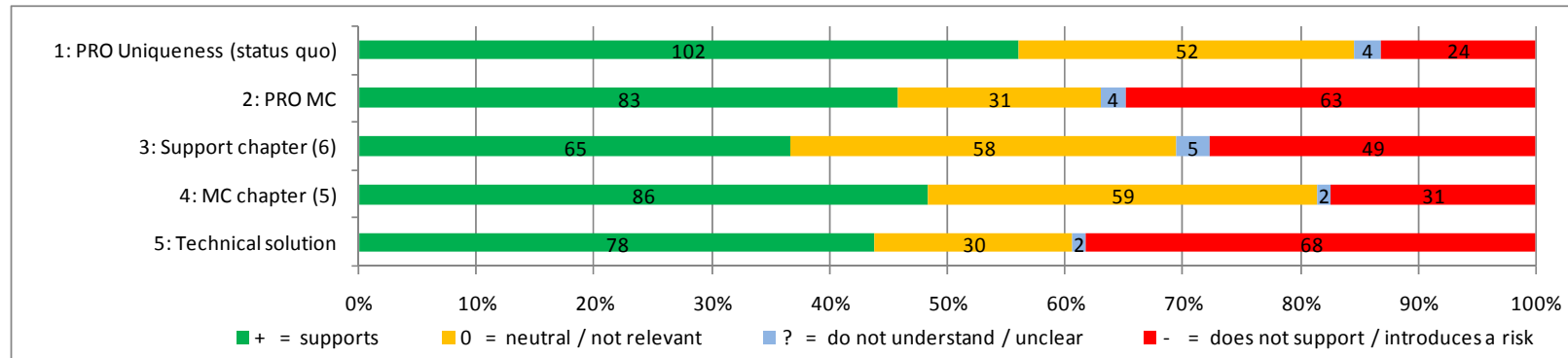


Figure 2: analysis of responses

Figure 3 refines this to a degree, by ignoring responses indicating that the respondent could not form an opinion as they felt the option was irrelevant or neutral to this criteria, did not understand the criteria or felt it insufficiently clear.

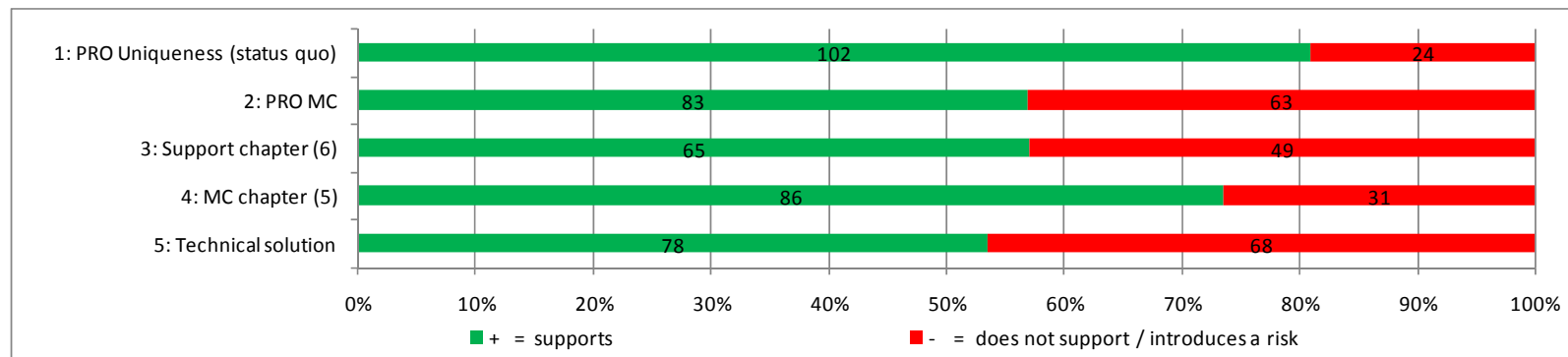


Figure 3: analysis of firm responses

This shows TFS members agreed that the status quo (PRO uniqueness) supported the majority of criteria. More importantly, TFS also concluded that the most appropriate (i.e. most supportive and least risky) means of satisfying the requirements of multiple certificate domains wishing to participate in EECS for GoO RES-E was to develop a chapter setting out such a scheme, requiring the issuers and importers of such certificates to become members of such a scheme.

Having concluded this, TFS proceeded to agree the text of a draft multiple certificate; and this is included as Annex 2.



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Participation in Chapter 5

TFS recommends that there should be an **opt-in** (rather than **opt-out**) system, because the PRO has been developed on the basis of opting-in to schemes. Also, because a country that opts out might be seen to be discriminating against countries that do not, which could be counter to the provisions of the EU Directive.

However, TFS recognises that it should be as easy as possible for members of (e.g.) Chapter 1 to participate in Chapter 5 without changing their Domain Protocols. This should be achieved:

1. Through a General Meeting decision for existing members of Chapter 1, offering them a one-time opportunity to join Chapter 5 at the November General Meeting in Ljubljana; and
2. By changing the Domain Protocol Template (DPT) to add this extra Chapter for new Members. If the proposals of TFS are accepted, then a change to the DPT will be prepared for the approval of the November General Meeting in Ljubljana.

DECISION: The AIB General Meeting accepts in full the recommendations of Task Force Support for the immediate adoption and implementation of PRO Chapter 5: GoO RES-E IN DOMAINS WITH MULTIPLE CERTIFICATE TYPES as attached to General Meeting paper AIB-2008-GM03-05 and rejects change request PRO-CR0710.

DECISION: The November AIB General Meeting in Ljubljana will offer then current members of the EECS GoO RES-E Scheme the opportunity to join the MC Scheme set out in PRO Chapter 5: GoO RES-E IN DOMAINS WITH MULTIPLE CERTIFICATE TYPES as attached to General Meeting paper AIB-2008-GM03-05.

Fee structure and voting rights

The existing fee structure set out in the PRO is for a standing fee and an activity fee, and does not allow for exceptions to the fee structure for specific chapters. TFS understands that Members participating in both chapters 1 and 5 may be reluctant to pay a standing fee twice for issuing GOs under these schemes (note that the position with RECS and GoO RES-E certificates is similar, since a Member pays only a single fee for each certificate issued under both schemes).

The November 2006 AIB General Meeting in Vienna agreed to cap membership fees at €40,000 for the first scheme, plus €5,000 per additional scheme¹. This effectively capped membership at €55,000 for members all of the four current schemes, but permitted this cap to increase if further schemes were created.

As this matter, and that of voting rights, is outside of the terms of reference of TFS, and is under active consideration by WGIA, TFS proposes that membership fees should remain unchanged at least until the WGIA review is concluded unless the General Meeting decides otherwise. Potential solutions might be to cap the number of Schemes for which a Member has to pay, or to offer a discount to participants in both Chapters 1 and 5. TFS hopes that the fee structure will not create a hurdle for Members to participate in Chapter 5.

Task Force Support
8th September 2008

¹ See page 5 of the meeting minutes (AIB-2006-GM04-02)



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ANNEX 1 - THE QUESTIONNAIRE

Members of TFS agreed that there were five different options:

1. PRO Uniqueness: the status quo;
2. PRO MC: conversion of the entire PRO to permit a single megawatt hour to be associated with a number of certificates, each of a different type;²
3. Support chapter: a chapter defining a scheme for members that wish to manage their support certificates under EECS;³
4. MC chapter: a version of chapter 1 ("GoO Res-E Certificates") defining a scheme for members wishing either to adopt a multiple certificate approach; or to permit the import of GoO RES-E from Multiple Certificate Members; and
5. Technical solution: the use of a "filtering system" allowing each member to decide which types of certificate they import and export, and to and from which other members.

Each TFS member completed a questionnaire which analysed the impact of each of these options, by requiring a response to each criterion of either:

- "+" This option supports this criterion;
- "-" This option either does not support this criterion, or introduces an element of risk;
- "0" This option is either neutral or not relevant to this criterion; or
- "?" The respondent either does not understand this criterion, or finds it insufficiently precise to respond to.

The criteria were as follows:

Leading Enabler

Enabling the participation of as many domains and certificate types as possible

- a) Domains can join for unsupported MWh
- b) Domains can join for supported MWh

High quality

- a) Supports a high standard
- b) There is no risk of double counting / usage
- c) There is no risk of double issuing
- d) There is no risk of double selling
- e) Simple to explain and understand
- f) Flexible, and can facilitate all Domain policies
- g) AIB-wide: clear to understand, with no confusion or risk of double selling
- h) In MC domains: clear to understand, with no confusion or risk of double selling
- i) In SC domains: clear to understand, with no confusion or risk of double selling

Trade

- a) Liquidity
- b) Unsupported MWh can be traded
- c) Supported MWh can be traded with all domains
- d) Supported MWh can be traded with MC domains
- e) Supported MWh can be traded within MC domains

PRO Changes

- a) PRO change – a qualified majority is not needed

² See Annex 3 – Change request CR0710: accommodation of support certificates

³ See Annex 3 – Change request CR0710: accommodation of support certificates



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- b) PRO changes need to be drafted

Costs

- a) Database and traders interface need to be changed by SC domains
- b) Database and traders interface need to be changed by MC domains
- c) Hub needs change
- d) Hub testing is required by all domains

Time & Timeline

- a) Changing present DPs and assessing them is not needed
- b) Modification and re-testing of Hub is necessary

Legal

- a) There is a risk of losing a legal challenge for not accepting GO from a MC-domain
- b) There is a chance of legal challenge for not accepting certificates from a MC-domain

Consistent with Directive

- a) RES Directive (2001/77/EC)
- b) CHP Directive (2004/08/EC)
- c) COM proposal for a new RES Directive
- d) Claude Turmes proposals for revisions to the COM proposal for a new RES Directive
- e) Final text of the new RES Directive

Other

- a) Compatible with the long-term goal of a single certificate for each megawatt hour
- b) Supports the certification of other forms of energy



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ANNEX 2 – CHAPTER 5: GoO RES-E IN DOMAINS WITH MULTIPLE CERTIFICATE TYPES

1 INTRODUCTION

1.1 AIB Members employ several ways of handling disclosure and support, they either:

- a) Do not use certificates for support or disclosure (e.g. this used to be the case in most countries until the implementation of the RES Directive);
- b) Use certificates for disclosure only, and do not use certificates for support (e.g. Germany, Austria, Switzerland, Slovenia, Luxemburg, Portugal, Spain, Norway, Finland, Italy, Ireland, France and Denmark - in some of these countries, disclosure certificates are only issued where support has not been received);
- c) Use separate certificates for support and disclosure (hereinafter referred to as "Multiple Certificate Domains"), and either:
 1. Issue either a support certificate or a disclosure certificate for a single megawatt hour of electricity, but never both (e.g. Sweden and Wallonia under EECS chapter 1); or
 2. Issue both a support certificate and a disclosure certificate for the same megawatt hour of electricity (e.g. UK, Sweden, Wallonia and Brussels in their national schemes);
- d) Issue a single certificate for both disclosure and support purposes, using this certificate either:
 1. Sequentially, to provide information for support, and then trading it for disclosure purposes (e.g. Netherlands);
 2. Simultaneously, to meet a quota obligation and for disclosure purposes (e.g. Poland); or
 3. Sequentially, for disclosure purposes, and then trading it to meet a quota obligation (e.g. Flanders)

1.2 This "Multiple Certificate Chapter" is established as an EECS Scheme and has been developed for Multiple Certificate Domains that wish to issue EECS GoO RES-E. In principle, all Chapter 1 GoO RES-E Domain Schemes are eligible to become members of this Chapter 5, such that Domains may become members of either or both Schemes, enabling them to transfer GoO RES-E to and from other members with the same Scheme membership(s).

1.3 This Chapter 5 enables Multiple Certificate Domains to implement (in an EECS-compliant manner) the Renewable Electricity Directive, the CHP Directive and the Internal Market Electricity Directive alongside their certificate-based support schemes in a way which coherently and consistently administers consumer information and support schemes for specific technologies or sources of energy.

1.4 In this Chapter, unless the context requires otherwise or there is express provision to the contrary, terms shall have the meanings respectively ascribed to them below:

TERM	DEFINITION
CHP Directive	Directive 2004/8/EC of the European Parliament and of the Council;
Consumption Declaration	a declaration with respect to the fuel sources of a Production Device;
Disclosure	The process whereby a supplier provides to its customers information about energy that has been supplied to them (see Article 3.6 of the Internal Markets Electricity Directive);
High-Efficiency CHP	CHP which meets the criteria of Annexes II and III of the CHP Directive;



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MC Domain Scheme	the Domain Scheme establishing Multiple Certificates in a Domain;
MC Member	a Member which is for the time being a Scheme Member of the Multiple Certificate Scheme;
MC Qualification Criteria	the criteria set out at section 3.1;
MC Scheme	the EECS GoO RES-E Scheme established by this 0, together with the Domain Schemes in respect of the Domains of Multiple Certificate Members.
Multiple Certificate (MC)	A set of Certificates issued in a MC Domain and relating to the same megawatt hour of energy;
Energy Source Factor	in relation to any Production Device and period of time and single energy source the proportion expressed as a factor of less than one of the Nett Electrical Energy Generation of that Production Device which is from that single energy source, as specified (consistently with the terms of the relevant Domain Scheme) in the Production Declaration for that Production Device with respect to the period over which the electrical energy was generated;
Nett Electrical Energy Generation	the gross electrical energy production of a Production Device as evidenced by measured values collected and determined by an Authorised Body with reference to its Import and Export Meters (adjusted by meter amendments and the outcome of any disputes) minus the demand of any generating auxiliaries and minus losses in the main generator transformers on the site of the Production Device;
Gross Electrical Energy Generation	As stated in Article 5 and Annex II(a) of the CHP Directive, the total annual gross electrical energy production of a Production Device; as evidenced by measured values collected and determined by an Authorised Body with reference to its Import and Export Meters (adjusted by meter amendments and the outcome of any disputes);
Support	Public Support as defined in the PRO;
Purpose	The original intended use for which a certificate is issued, whether this is Disclosure, Support or both Disclosure and Support.

2 APPOINTMENT CRITERIA

2.1 The Appointment Criteria in connection with a proposed Domain for a prospective MC Member are that the prospective MC Member is either:

- (a) an Authorised Body for the purpose of issuing Certificates under the relevant National Certification scheme with respect to any Production Device located in the proposed Domain which meets the requirements for the MC Scheme; or
- (b) (subject only to the consent of the owner and/or operator of the relevant Production Device) entitled to receive the data contained in Certificates issued in electronic form under the relevant national certification scheme



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and in each such case (subject only to the consent of the owner and/or operator of the relevant Production Device) is entitled to receive the data comprised in Certificates issued in electronic form for the purposes contemplated by the PRO and entitled:

(c) to use and permit such data to be used for the purposes contemplated by the PRO; and

(d) to grant the license referred to in section M4.1.1 with respect to such data.

2.2 The Scheme Members of MC Scheme and their respective MC Domains are set out in the PRO Fact Sheet "MC Members".

3 QUALIFICATION CRITERIA

3.1 The criteria of each MC Domain Scheme for Production Devices to qualify for registration for the purposes of MC Scheme (the "Qualification Criteria") are that:

(a) the Production Device is capable of generating electrical energy;

(b) the metering arrangements for the electrical inputs and outputs of the Production Device (including electrical energy consumed in pumping water for use by that Production Device) satisfy the legislative and administrative requirements applicable in the relevant Domain (including the requirements of the Domain Protocol);

(c) the Production Device satisfies any legislative and administrative requirements applicable in the relevant Domain (including the requirements of the Domain Scheme).

4 PRODUCTION DEVICE REGISTRATION

4.1 A MC Domain Scheme's provisions with respect to the maintenance of the EECS Registration Database shall be such that the Registrant of a Production Device for the purposes of MC Scheme shall be obliged to re-apply for registration for the Production Device:

(a) no less than every five years;

(b) on each occasion that it notifies the Scheme Member of changes that have occurred, or are planned, with respect to that Production Device, which as the case may be, have resulted in, or will result in, the information recorded in the EECS Registration Database with respect to that Production Device becoming inaccurate.

4.2 A MC Domain Scheme's provisions with respect to the maintenance of the EECS Registration Database shall be such that a Production Device shall cease to be registered for the purposes of MC Scheme where a Registrant fails to re-apply for registration in the circumstances referred to in section E2.3.

5 CREATION OF GoO RES-E UNDER THIS SCHEME

5.1 The provisions of a MC Domain Scheme are based on derogation from Sections A2.1.1, C8.2.2, C.8.3.2 and E3.2.4 relating to the uniqueness of EECS Certificates.

5.2 The provisions of a MC Domain Scheme shall be such that EECS Certificate shall be Issued solely in respect of:

(a) electrical energy which has been produced from the energy source for the relevant megawatt hour claimed by the Registrant of the Originating Production Device;

(b) a Production Device which has been registered for the purpose of Issuing EECS Certificates under this MC Scheme in the EECS Registration Database for the relevant MC Domain; and

(c) electrical energy of which the measured value has been collected and determined by an Authorised Body.



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- 5.3 The Purpose of an EECS Certificate in a MC Domain shall be either:
- (a) defined for that EECS Certificate, which has been issued under the relevant National Certification Scheme; or
 - (b) derived from one or more Certificates Issued under the relevant National Certification Scheme.
- 5.4 A MC Scheme Member shall take all reasonable measures to ensure that no Certificate may be converted into a Certificate bearing another Purpose.
- 5.5 Without prejudice to section F6 of the PRO, Members of this MC Scheme may not issue more than one EECS Certificate with the same Purpose in respect of the same energy output.
- 5.6 With regard to High-Efficiency CHP, the provisions of a MC Domain Scheme shall be such that:
- (a) the inclusion of High-Efficiency CHP in a MC Domain must fulfil the criteria set out in Section 5 of Chapter 4 (CHP-GO CERTIFICATES); and
 - (b) only an amount equal to the Nett Electrical Energy Generation may be issued under a MC Domain Scheme. The remainder (i.e. Gross Electrical Energy Generation minus Nett Electrical Energy Generation) may only be issued under Chapter 4 CHP-GO.
- 5.7 The provisions of each MC Domain Scheme shall be such that, where the preconditions of that MC Domain Scheme with respect to the Issuing of Certificates have been met, EECS Certificates issued under this Scheme shall be Issued in respect of the quantity of electrical energy generated by the relevant Production Device and period claimed in a Production Declaration and specified (in whole MWh) by the Registrant of the Production Device or by an Account Holder duly authorised on its behalf, in accordance with provisions consistent with sections 5.8 and 5.9.
- 5.8 The provisions of each MC Domain Scheme shall be such that an EECS Certificate Issued under this Scheme shall not be Issued in respect of any electrical energy specified in a Production Declaration where the Scheme Member is not in receipt of measured values of electrical energy production collected and determined by an Authorised Body which, having regard to the relevant Consumption Declaration where relevant, can corroborate the amount so specified.
- 5.9 The provisions of each Domain Scheme shall be such that each EECS Certificate Issued thereunder has a Face Value of:
- (a) 1 MWh;
 - (b) 10 MWh;
 - (c) 100 MWh;
 - (d) 1000 MWh;
 - (e) 10,000 MWh;
 - (f) 100,000 MWh; or
 - (g) 1,000,000 MWh.
- 5.10 The provisions of each Domain Scheme shall be such that:
- (a) where the Production Device only produces electrical energy from a single energy source, the amount of electrical energy determined for the purposes of EECS Certificates Issued under this Scheme as having been produced by a Production Device shall be the amount of Nett Electrical Energy Generation produced by that Production Device;
 - (b) where the Production Device produces electrical energy from more than one energy source, the amount of electrical energy determined for the purposes of EECS Certificates Issued under this Scheme as having been produced by a



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Production Device from that energy source shall be the amount of Nett Electrical Energy Generation produced by that Production Device multiplied by the Energy Source Factor;

- (c) a person submitting a Production Declaration in relation to a Production Device for which one of the sources of energy is pumped water shall be obliged to submit (in respect of the same period as that to which the Production Declaration relates) a Consumption Declaration and to specify therein the amount of electrical energy consumed in pumping water for use by that Production Device in that period;
- (d) a person submitting a Production Declaration in relation to a Production Device for which one of the sources of energy is biomass shall be obliged to submit (in respect of the same period as that to which the Production Declaration relates) a Consumption Declaration and to specify therein:
- (i) the values of M^1, C^1, \dots, M^n and C^n ; and
 - (ii) as the Renewable Source Factor for that period, a factor no greater than L ,

where:

$$L = \frac{M^1 x C^{RE}}{(M^{RE} x C^{RE}) + (M^{Non-RE} x C^{Non-RE})}$$

and

M^{RE} is the mass of the Renewable Energy Source for that Production Device during the relevant period;

C^{RE} is the average calorific value of the Renewable Energy Source for that Production Device during the relevant period;

M^{Non-RE} is the mass of the fuel for that Production Device during the relevant period which is not a Renewable Energy Source; and

C^{Non-RE} is the calorific value of the fuel for that Production Device during the relevant period which is not a Renewable Energy Source.

ANNEX 3 – CHANGE REQUEST CR0710: ACCOMMODATION OF SUPPORT CERTIFICATES

Change request:	PRO-CR0710 Change Request PRO in order to accommodate support certificates
Raised by:	Pierre-Yves Cornélis
Date raised:	8 October 2007
Date last updated:	28 May 2008
Status:	Approved by WGIA
Priority:	Medium

Introduction

In many domains, support certificates are issued for electricity produced from (e.g.) renewable sources; and used to enable such policy instruments as quota obligations. Support certificates are not intended to be used for other purposes (disclosure and/or target counting), which may be enabled by the issue of separate guarantees of origin for the same MWh. However, the “uniqueness requirement” of the EECS PRO (see article A2) prevents the guarantee of origin schemes operating within these domains participating in EECS.

In other domains, either:

1. The support scheme is not based on certificates (for instance the feed-in schemes in place in, for instance, Germany and Spain); or
2. Guarantees of origin (rather than support certificates) are issued to provide evidence of the production of renewable source electricity (e.g. in the Netherlands) for the support scheme; or
3. Guarantees of origin are not issued where separate support certificates have also been issued as evidence of the production of renewable source electricity both for a support scheme and for purposes of disclosure (and/or target counting).

Context

In this change request, the expression “*multicertificate domain*” refers to a geopolitical entity (or “*domain*”) where:

1. Separate certificates are issued as evidence of the source of a single MWh of electricity, each certificate being used for a different purpose (e.g. support, target counting or disclosure);
2. Each type of certificate may only be issued by the accredited issuing body for that type of certificate in this domain (which may issue one or more types of certificate); and
3. Each type of certificate has a distinct purpose (i.e. support, target counting and/or disclosure) which is defined by local regulations.

The initial AIB EECS system was based on a single certificate, which could be used for one or more purposes. However, the following developments suggest that this may no longer be adequate, and that AIB should consider adjusting its vision to include multicertificate domains:

1. Wallonia (CWAPE) – a multicertificate domain – has applied to become a member of the EECS RES-E and CHP GO schemes;
2. Belgium, Norway and Sweden have proposed that a multicertificate chapter be added to the existing chapters of the PRO;
3. The ETRACK project has found that support certificate schemes can be operated in a harmonised way parallel to GO in a multicertificate approach; and
4. The European Commission is currently revising EU Directive 2001/77/EC:

Change Request

Principles and Rules of Operation

- The Board of AIB has strongly advised the Commission to establish a clear linkage between guarantees of origin, as defined in the Directive, and the disclosure obligation stated in article 3.6 of Directive 2003/54/EC;
- The draft Directive proposed on 23rd January 2008 explicitly changes the existing definition of the guarantee of origin in order for it to be used for target counting. It establishes some links with support, mostly restrictions on trade. This text implicitly puts an end to the use of existing guarantees of origin for disclosure.

These points suggest that the AIB should consider clearly defining and categorising the purpose and use of the certificates.

Possible attitudes towards multicertificate domains

Roughly said, there are three possible attitudes that AIB can maintain towards multicertificate domains and their issuing bodies:

- 1) **Retaining the current *uniqueness* criterion** (see article A2 of the PRO), and so refusing applications for membership from issuing bodies in multicertificate domains, or imposing them to restrict the issuing of EECS certificates (in practice, this requirement condones different national standards for non-EECS certificates; it also hampers trade of certificates);
- 2) **Incorporating into the PRO appropriate requirements and constraints** such as to enable issuers of support certificates in multicertificate domains to become members of AIB schemes; and
- 3) **Extending the scope of EECS** to support certificates issued for reasons other than disclosure (i.e. support and target counting).

Option 1) may prevent AIB from gaining new members and from certifying *all* energy in existing member domains; and thus establishing a more widely accepted standard than is presently the case. This may lose AIB its position as the natural choice for EU Member States implementing the current (and, in future, the revised) EU Directives. Retaining the “uniqueness provision” may therefore lead to stagnation or regression of the pre-eminence of AIB as the provider of the system of choice for guarantees of origin. Furthermore, domains implementing a multicertificate approach may take the initiative of setting up a competing standard, in parallel to but separate from AIB, to import and export GOs and perhaps also support certificates.

WGIA therefore advises AIB not to adopt option 1).

In the long term, option 3) may be preferable (i.e. extending the scope of AIB). This might conceivably include consolidating the current PRO Chapters into a generic chapter for electricity disclosure. However, the outcome of the current revision of the RES Directive should be awaited before the third option is considered. In the meantime, the EC should be encouraged to clarify the role of guarantees of origin in disclosure.

WGIA therefore advises AIB to defer adopting option 3).

In the short to medium term, the AIB should consider the conditions under which issuing bodies from multicertificate domains might be permitted to join at least the GO schemes, such that AIB does not lose the opportunity to attract new Members.

Therefore, the option 2) is the preferred choice.

However, the AIB has its reputation to maintain. When accepting issuing bodies from multicertificate domains as members, the AIB must be vigilant against the ever-present risk against which it claims to offer the best insurance: that of double-counting.

Double-counting occurs when one MWh of electricity is counted more than once, in one or more domains, for the same purpose (i.e. disclosure, target counting or support). Multicertificate domains introduce a higher risk of double-counting than single certificate domains, and WGIA proposes that this risk be kept at current levels by requiring members from multicertificate domains to meet a set of additional constraints and requirements.

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While WGIA accepts that it is not (yet) desirable to set up a chapter of the PRO relating to support certificates; it recommends that issuing bodies in multicertificate domains be allowed to join existing GO schemes and that a set of appropriate constraints and requirements should be developed in order that option 2) can be implemented. This list would require of issuing bodies in multicertificate domains:

1. The inclusion in the domain protocol of a clear and transparent description of the corresponding support certificate system ;

NB: description of support systems should be made a generic requirement of all domain protocols.

2. A legal or regulatory distinct use of GO and support certificates;

More specifically, as issuing and use of support certificates will be dependent rather on national legislation than on an AIB-governed Domain Protocol, the legal and subsequent regulations for the support scheme will have to clearly restrict the use of support certificates for the purpose of support. This includes both the operational rules of the certificate scheme and the official communication towards public and particularly consumers in particular.

3. GO may not be converted into support certificates and vice versa;
4. GoO should be earmarked to acknowledge the granting of production support to the corresponding electricity;
5. Both GoO and support certificate must be electronic data; and
6. Export of support certificates outside of the domain must be transparent and not used contrary to its assigned Purpose by the importing country.

The GM approved the preparation of a set of conditions under which EECS might incorporate provisions for support certificates.

Existing text

A2 UNIQUENESS

A2.1.1 The arrangements for issuing, transferring and Redeeming EECS Certificates should be such as to eliminate the possibility of more than one EECS Certificate being issued, registered or redeemed in respect of the same megawatt hour of energy.

A2.1.2 The arrangements for issuing EECS Certificates should be such as to eliminate the possibility of EECS Certificates being Issued in respect of the same energy and attributes for which other tradable Certificates (other than EECS Certificates of a different type where specifically permitted by the PRO) have or will be issued.

...

C6.2 Criteria

C6.2.1 Each Domain Protocol shall:

- (a) define the area and scope of the relevant Domain in clear, transparent and unambiguous terms;
- (b) shall specify each Authorised Body, each Approved Member's Agent and each Approved Measurement Body in respect of the relevant Domain and the functions with respect to which they are Authorised Bodies or Approved in connection with the relevant Domain Scheme;
- (c) secure that the relevant Domain Scheme meets the requirements of section C5.2 and the Chapter establishing the relevant EECS Scheme, including (where the relevant EECS Scheme is based

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on a Legislative Certification Scheme) by supplementing the National Certification Scheme to that effect; and

- (d) include change procedures enabling it to be amended so that the relevant Domain Scheme continues to meet the requirements of section C5.2 notwithstanding:
 - (i) any amendment to the PRO; or
 - (ii) where the relevant EECS Scheme is based on a Legislative Certification Scheme, any amendment to the National Certification Scheme for the relevant Domain. Such change procedures shall provide that a change to the Domain Protocol may only be implemented at the time provided for in a resolution by the General Meeting under section L5.2;
- (e) provide a clear and unambiguous summary of the National Certification Scheme (where applicable).

C8.2.2 An EECS Certificate may be a Scheme Certificate under more than one EECS Scheme, (provided that the applicable criteria of each relevant Domain Scheme are met) but, subject to section F6, only one EECS Certificate may be properly Issued in respect of the same energy output.

C8.3.2 Without prejudice to section F6, Members shall not Issue more than one EECS Certificate in respect of the same energy output.

...

- E3.1.1 Each Domain Scheme must provide that an EECS Certificate Issued thereunder shall contain the following information, in the manner and format provided for by the relevant Chapter:
- (a) the EECS Scheme(s) in respect of which it has been Issued; and
 - (b) the unique number assigned to it by the Originating Member in accordance with the Subsidiary Document "EECS Registration Databases";
 - (c) subject only to CHAPTER 2:, section 6.8, the first day on which the energy output to which the EECS Certificate relates was generated;
 - (d) the last day on which the energy output to which the EECS Certificate relates was generated;
 - (e) the nature of the Originating Production Device;
 - (f) identify the Originating Production Device;
 - (g) its Face Value in accordance with the provisions of the relevant Domain Scheme;
 - (h) the identity of the Originating Member;
 - (i) subject only to CHAPTER 2:, section 6.8, the date on which it was Issued;
 - (j) an indication, as appropriate, as to whether:
 - (i) the relevant EECS Registration Database records that no Public Support has been, is being or will be given in respect of the Originating Production Device;
 - (ii) the relevant EECS Registration Database records that Public Support has been given in relation to an investment in the Originating Production Device or its owner;

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- (iii) the relevant EECS Registration Database records that Public Support is being or will be given with respect to the energy output of that Originating Production Device;
- (iv) the relevant EECS Registration Database records that both:
 - (1) Public Support has been given to an investor in the Originating Production Device in relation to its investment therein or in the body which owns that Production Device; and
 - (2) Public Support is being, or will be, given in respect of the energy output of that Originating Production Device; or
- (v) the relevant EECS Registration Database does not record whether or not Public Support has been, or is being, given in respect of the Originating Production Device.

.....

E3.2.4 The Domain Scheme with respect to any Domain and EECS Scheme must be such that EECS Certificates may only be Issued thereunder in respect of:

- (a) Production Devices which are, at the time of Issue:
 - (i) situated in that Domain;
 - (ii) registered in the EECS Registration Database of the relevant Scheme Member in relation to the relevant EECS Scheme;
- (b) the energy output of a Production Device during any period in which it was registered in an EECS Registration Database for the purposes of that EECS Scheme, provided the last day on which the measured energy output was generated is not more than:
 - (i) thirteen (13) calendar months after the first day on which the measured energy output was generated; and
 - (ii) twelve (12) calendar months before the date of issue of any related EECS certificates; and
- (c) energy output in respect of which (save to the extent permitted under section F6) no other Certificate, of any variety, has been, or is being, Issued.

E3.2.5 The provisions of each Domain Scheme must be such that:

- (a) any EECS Certificate Issued under that Domain Scheme shall be issued by the relevant Scheme Member by recording its details on that Scheme Member's EECS Registration Database in the Transferables Account nominated for such purposes by the Registrant of the Originating Production Device;
- (b) the Scheme Member shall be obliged to inform the holder of any such Transferables Account of the Issuance of any Scheme Certificate into its Transferables Account and of that Scheme Certificate's details or otherwise make such information available to that person;
- (c) where the Domain Scheme incorporates a National Legislative Scheme, any EECS Certificate Issued in connection with a Legislative Certification Scheme shall either:
 - (i) constitute a National Scheme Certificate under the relevant National Certification Scheme; or

- (ii) be derived from and incorporate the relevant electronic data from one or more National Scheme Certificates issued under the relevant National Certification Scheme.

Proposed text

A2 UNIQUENESS

- A2.1.1 The arrangements for issuing, transferring and Redeeming EECS Certificates should be such as to eliminate the possibility of more than one EECS Certificate **bearing the same Purpose** being issued, registered or redeemed in respect of the same megawatt-hour of energy.
- A2.1.2 The arrangements for issuing EECS Certificates should be such as to eliminate the possibility of EECS Certificates being Issued in respect of the same energy and attributes for which other tradable Certificates (other than EECS Certificates of a different type where specifically permitted by the PRO) have or can be issued **for the same Purpose**.
- A2.1.3 Where several Certificates, each of which has a different Purpose, are to be issued for the same energy output, then the arrangements for doing so should be transparent.**
- A2.1.4 The Purpose of the Certificate should not be the same as or conflict with the Purpose of any other Certificate issued for the same megawatt-hour.**
- A2.1.5 The Purpose of the Certificate should be clearly communicated by the relevant institutions (including government, Issuing Body, market participants a.o.) in order to avoid confusion between the different Certificates and their particular purposes for all parties affected (particularly consumers).**
- A2.1.6 The nature of the Certificate should be electronic.
- A2.1.7 The Purpose of a Certificate defines to which usages a given Certificate can be put, namely disclosure, support and statistical accounting for target achievement. The usage of a Certificate cannot be contrary to its assigned Purpose.**

A4 OPERATIONAL RELIABILITY

- A4.1.1 Sources of operational risk arising in the **issue, transfer or redemption** process for EECS Certificates should be identified and mitigated through the development of appropriate systems, controls and procedures, **including arrangements for prohibiting multiple Issuing for the same Purpose; preventing the conversion of the Certificate into any other Certificate issued for the associated energy; acknowledging the granting of production support to the corresponding energy; and retaining the Purpose of imported Certificates**

B1 DEFINITIONS

TERM MEANING

Purpose	The predefined usage for which a certificate is issued, where this is either or both of Disclosure and Support.⁴
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⁴ In the future, Purpose could be extended to target counting.

Disclosure	The process whereby a supplier provides to its customers information about energy that has been supplied to them as required by Article 3.6 of the Internal Markets Electricity Directive – 2003/54/EC)
Support	Financial support for generated electricity offered under a public scheme, for example feed-in tariffs or premiums, tenders and quota obligations.
Bundling	Process describing the assembly of Certificates with different Purposes into one Certificate carrying more than one Purpose
Unbundling	Process describing the disassembly of a Certificate carrying more than one Purpose into separate Certificates with different Purposes (one Certificate per Purpose)
EECS Certificate	a unique Certificate specifying and representing the purpose , quality and method of production of a specific quantity of energy output, which is maintained on a EECS Registration Database, and Issued in accordance with the provisions of a Domain Scheme;

C6.2 Criteria

C6.2.1 Each Domain Protocol shall:

...

(f) Demonstrate that the Purpose of the Certificate is clearly stated and communicated to relevant parties

C8.2.2 An EECS Certificate may be a Scheme Certificate under more than one EECS Scheme, (provided that the applicable criteria of each relevant Domain Scheme are met) but, subject to section F6, only one EECS Certificate **of a given Purpose** may be properly Issued in respect of the same energy output.

C8.3.2 Without prejudice to section F6, Members shall not Issue more than one EECS Certificate **of a given Purpose** in respect of the same energy output.

E3.1.1 Each Domain Scheme must provide that an EECS Certificate Issued thereunder shall contain the following information, in the manner and format provided for by the relevant Chapter:

...

(k) the Purpose for which each Certificate is Issued

(l) an indication, as appropriate, as to whether other Certificates have been or can be issued for other Purposes associated for the same megawatt-hour of energy;⁵

⁵ This only applies to multipurpose domains.

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- E3.2.4 The Domain Scheme with respect to any Domain and EECS Scheme must be such that EECS Certificates may only be Issued thereunder in respect of:
- (a) Production Devices which are, at the time of Issue:
 - (i) situated in that Domain;
 - (ii) registered in the EECS Registration Database of the relevant Scheme Member in relation to the relevant EECS Scheme;
 - (b) the energy output of a Production Device during any period in which it was registered in an EECS Registration Database for the purposes of that EECS Scheme, provided the last day on which the measured energy output was generated is not more than:
 - (i) thirteen (13) calendar months after the first day on which the measured energy output was generated; and
 - (ii) twelve (12) calendar months before the date of issue of any related EECS certificates; and
 - (c) energy output in respect of which (save to the extent permitted under section F6) no other Certificate **of the same Purpose** has been, or is being, Issued.
- E3.2.5 The provisions of each Domain Scheme must be such that:
- (a) any EECS Certificate Issued under that Domain Scheme shall be issued by the relevant Scheme Member by recording its details on that Scheme Member's EECS Registration Database in the Transferables Account nominated for such purposes by the Registrant of the Originating Production Device;
 - (b) the Scheme Member shall be obliged to inform the holder of any such Transferables Account of the Issuance of any Scheme Certificate into its Transferables Account and of that Scheme Certificate's details or otherwise make such information available to that person;
 - (c) where the Domain Scheme incorporates a National Legislative Scheme, any EECS Certificate Issued in connection with a Legislative Certification Scheme shall either:
 - (i) constitute a National Scheme Certificate under the relevant National Certification Scheme; or
 - (ii) be derived from and incorporate the relevant electronic data from one or more National Scheme Certificates issued under the relevant National Certification Scheme.
 - (d) Members shall take reasonable steps to ensure a Certificate cannot be used contrary to its assigned Purpose.
- E3.2.6 Additional provisions for Domain Scheme **where Certificates with different Purposes are Issued for the same energy output are:**
- (d) **any Purpose shall be either:**
 - (i) **that defined on a Certificate issued under the relevant National Certification Scheme; or**
 - (ii) **derived from and incorporating the relevant electronic data from one or more Certificates issued under the relevant National Certification Scheme;**
 - (e) **each Certificate may not be converted into a Certificate bearing another Purpose;**

(f) the format of each Certificate shall be electronic.

F6.4 Bundling and Unbundling

F6.4.1 The provisions of each Domain Scheme shall be such that:

- the rules for **Bundling and Unbundling** are defined with regard to **Issue and Transfer and Redemption**; and
 - the rules for **Unbundling only allow splitting among Certificates with different Purposes in such a way that the sum of the parts is not greater than the Unbundled Certificates**; and
 - the rules for **Unbundling are based on the Energy Source Factor of each fuel for that period**.
-

WGIA - Beaconsfield – 11 October 2007

No comments had been received from members of the GM, other than those made at the WGIA Lausanne meeting.

There was discussion of Jan Vorrink's presentation to the Lausanne WGIA meeting, including whether his objections related to the concept of separate certificates carrying support in parallel to GO; or on legal grounds. Some members felt that the matter should be resolved by voting.

There are a number of arguments:

- **Statistical diversity**, depending upon whether support, disclosure or target certificate were used, and the potential for this to damage the credibility of EECS and of the GO;
- **Legal drafting** of the Directive which, in some translations, seems to require that GO are the only certificates that may be used as evidence of RES production;
- **International trade** leaving the dis-benefits of RES production (e.g. balancing charges) with the consumer, while rewarding the producer; and
- **Misuse of certificates**, and in particular the opportunity for certificates to be used for other purposes than those for which they were intended (e.g. use of a solely support certificate for disclosure purposes).

These, and associated issues, are outlined in PRO-CR0710.

The recommendations of the ETRACK project (see above) included the development of a chapter for support certificates, and the ability to separate a GO used for both support and disclosure into two separate certificates; and that Member States should be able to restrict import of either of these.

The numbering of the 2nd set of bullets on PRO-CR0710 is incorrect, and should start at 1 (not 4). A fourth bullet should also be added, to say that the recommendations of the ETRACK project support the creation of support certificates.

Concerning the proposed text, a number of suggestions were made:

- Members felt that splitting a GO into support and disclosure certificates should not be possible, and that two certificates should be issued in this case
 - The purpose of a GO should, by default, be disclosure
 - There may be other references to the uniqueness of certificates elsewhere in the PRO. These will also need to be amended
 - The drafting of A2.1.3 and E3.2.5(d) needs more work. PM and PYC will work to improve this.
-

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Principles and Rules of Operation

Proposal of PY Cornelis assisted by P Moody – 6-13 November 2007

The above draft was prepared for circulation to the WGIA.

WGIA reviewed the document

GM in December 2007 and in March 2008 suggested changes

WGIA improved the existing text during several meetings between up to 22 May 2008.

The above final draft was prepared by WGIA for approval by GM.

Further to these discussions, several topics were removed from this document and placed in their own change request (among others, CR0802 and CR0804).
