

# PRO RESTRUCTURING



General Meeting & Markets Committee

29-30 September 2009 – Hotel le Richemond, Geneva

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# Topics

- Reasons for restructuring
- Timeline
- Restructuring process – what has changed?
- Merging chapters
- Major issues
- Way forward

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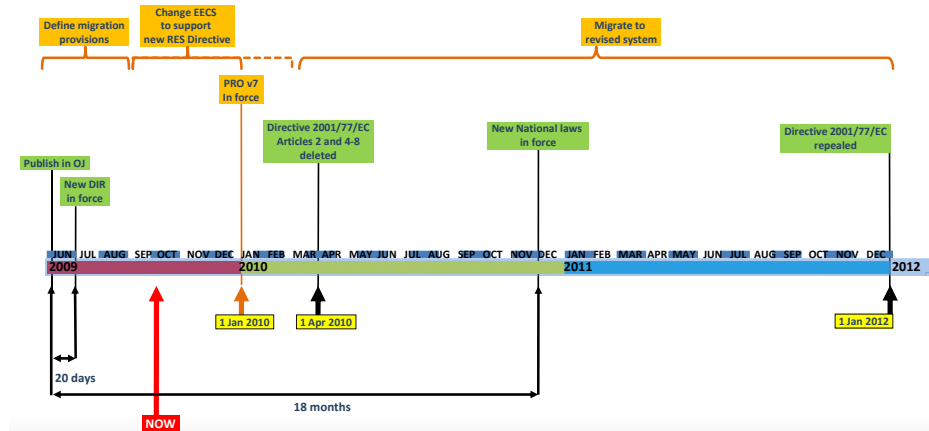
# Motivation

- **New RES Directive**
  - The purpose of a GO is fixed - **Disclosure**
  - Third countries are included – no need for “non-EU” certificates
- **Simplification**
  - A single process for all certificate types
  - No need for separate management of each type of certificate
  - The “multi-certificates” approach has won the day
- **Enlargement**
  - New countries can join, including non-EU
  - Some members handle gas as well as electricity. All handle heating & cooling
- **Build strengths of each scheme into the core**
  - Same provisions, same quality standards, for each type of certificate
- **Homogenise the market**
  - Get rid of gaps in treatment of different types of certificate
- **Market demand**
  - Liquidity
  - Simplicity

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# RES Directive - timeline



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## Process of restructuring

- **PRO is now in parts:**
  - 1: Principles of EECS
  - 2: The generic certificate system
  - 3: Scheme membership
  - 4: Energy specifics
- **New section N (Electricity) created within Part IV**
- **Aspects of PRO specific to electricity moved to section N**
- **Changes approved by the GM since 1 Jan 2009 applied**
  - Exception June 2009 → not yet applied
- **Cross-references checked and corrected**
- **Chapters deleted and contents moved to:**
  - Main body → energy-generic
  - Section N → electricity-specific
- **Section M10 (transition) deleted**
  - All Production Devices registered before 1<sup>st</sup> version of PRO must be re-registered by 2 Mar 2010
  - RECS and “old GO” issued before 2<sup>nd</sup> March 2005 have limited value
    - Belgian GO exist for 5 years → retain M10 until 1 April 2010, and implement new PRO then?

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## The new structure

### Part I: Principles of EECS

1. Definitions
2. Core values

### Part II: The generic certificate system

1. Harmonisation measures
2. Processing of EECS certificates

### Part III: Scheme membership

1. EECS Schemes
2. Admission and expulsion procedures
3. Probity of members
4. Members' agents & measurement bodies
5. Compliance
6. Disputes
7. Assessment panels
8. Change procedures
9. General

### Part IV: Energy specifics

1. Electricity
2. Gas ...

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## Topics under discussion with DG TREN (1)

- **GO provisions of Directive 2001/77/EC to be deleted 1<sup>st</sup> April 2010; new National laws to be in place by 5 December 2010**
  - What happens to GO issued under Directive 2001/77/EC in the meanwhile?
  - **Still acceptable under national law, but failure to implement will eventually bring about Commission infringement procedures. National regime must be valid under national law, so there would be no need for any "gap", as national administrations would/could ensure a smooth transition**
  - Presumably, after 5 Dec 2010, MS implementing Directive 2009/28/EC need not accept GO from MS that have not?
  - **Grounds for non-recognition given in Directive ... failure to recognise GOs simply because the government has not changed the reference in the law from 2001/77 to 2009/28 would be arguable: they could do it, but if the case is spurious, the Commission could take a different view and require recognition (Art. 15(10))**
- **AIB proposes a single GO for both EU and third countries**
  - What is the COM view on this?
  - **AIB should focus in all of its deliberations on the need (Art. 15(5) for accuracy, reliability and fraud-resistance / veracity**

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## Topics under discussion with DG TREN (2)

- **CHP & RES Directives treat energy source and technology separately**
  - What is the COM view of using a single certificate, both as a GO for RES and for CHP?
  - **Cautious about merging them. One certificate for both RES & CHP would prevent double counting. But a problem may arise if there is a market for CHP GOs (for an eventual CHP disclosure requirement, future target, or as part of future energy efficiency/white certificate scheme or target...)? If CHP GOs not useful, then this is theoretical But how would a single certificate function in a separate CHP market? Would owners have to choose one certificate or the other? This might be complicated, and is a long term risk**
  - The existence of two EECS certificates (one for RES, one for GO) raises issues of double-counting, and would need separate regulation in the PRO to address combinatorial issues
- **Extent of support**
  - Should we quantify support, or simply denote that it has been received?
  - **COM wants quantified support, even if such quantification is only indicative**
  - Members prefer support received to be acknowledged by scheme
  - **This has not been resolved**

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## Points to consider (1)

- Whether / how to link the various Directives and the PRO? *Create EECS certificates, and allow them to be eligible as GO when issued in some domains*
- Separate certificates for RES GO and CHP GO? *Up to MS*
- When do 2001/77/EC certificates expire? *1st Jan 2012*
- Admissibility of fossil/nuclear certificates for disclosure purposes? *Yes*
- Admissibility of multiple support certificates (e.g. UK ROCs and LECs)? *OK*
- How to treat labels (ok-power, Naturemade etc)? *Add code to the certificate per eligible label*
- Treat RECS as a label? *Yes*
- How to treat IBs that convert GO issued by a competent body into an electronic transferrable commodity? *The same as any other EECS member, provided there is an agreement between the IB and the competent body*
- Should the provisions for cancellation statements be generic to all EECS certificates – and mandatory or voluntary? *Yes*

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## Points to consider (2): Treatment of RECS certificates:

Agreement with RECS (as label operator) setting out certain criteria for issue of RECS certificates, including:

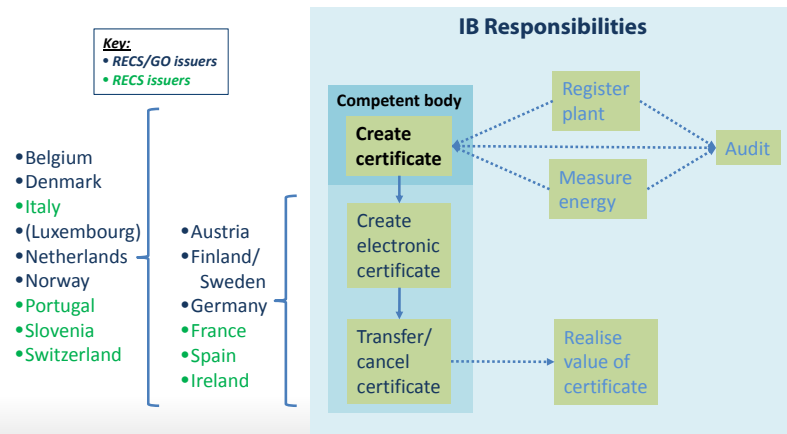
- **Owner of a PD must undertake:**
  - not to receive other types of certificate during period of registration
  - to allow info on Production Devices to be made available to other EECS participants
- **IB must undertake:**
  - to audit each PD every 5 years (1 year for biomass)
  - to make available to Participants information on Production Devices
  - may use an Approved Measurement Body rather than an Authorised Body for meter readings

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## Points to consider (3a): Differing IB structures & responsibilities



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## Points to consider (3b): Can IBs that are not competent bodies import and export EECS GO issued by IBs that are competent bodies?

**Current**



**Future**



*GO should be able to travel from one GO issuer to another, via a non-GO issuer  
... all members of AIB should be treated equally*

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## Points to consider (4): Other documents

- **Subsidiary documents**
  - Segregate SD03 (registration databases) into business & technical specs
  - Reconsider boundary between PRO and subsidiary documents
    - These can be done as a separate step*
- **Amend Articles of Association**
  - “2.1.2 To this end, the Association may carry out all activities ... which ...  
(c) Develop, improve and implement a standardized system which includes among others: ... standards and practices for **energy electricity** metering.”
  - Changes to votes and fees **Currently under consideration**
  - Amend registered address **Registered – just needs change to AoA**



## Way forward

- **Update PRO with current change requests if possible / sensible**
- **TF PRO to comment**
- **Review of PRO for consistency & impact of proposed change**
- **Write to Commission explaining preferred approach**
- **PRO to be reviewed by WGIA**
- **Brief GM and RECS User Groups**
- **Formal consultation at Markets Committee**
- **Decide at the December 2009 / February 2010 GM**

