



Input RECS International Market Committee

Peter Niermeijer/ Niels van der Linden
Market Committee
30 September 2009
Geneva



Topics

- 4 star strategy
- Promotion of code of conduct (Quality Standard)
- CO₂ and foot printing
- Additionality
- Sustainability



Four-star-strategy

- 1 Encourage Member States to implement Guarantee of Origin based on the EECS standard (8 of 27)
- 2 Encourage MS to use Guarantee of Origin for electricity disclosure and for verifying green products
- 3 Encourage Member States to implement an electricity disclosure standard based on E-track – Test phase of an European Platform for Electricity Disclosure (EPED)
- 4 Encourage Member States to make use of the co-operation mechanisms



Focus points RECS International over time

Looking backwards we see three focus points:

1. A standardised certificate system
2. Minimum regulation for use of GO
3. Uniform claims after use (cancellation) of GO

Today we would like to focus on the claims after cancellation of GO (first two points are still very relevant)



Carbon footprinting

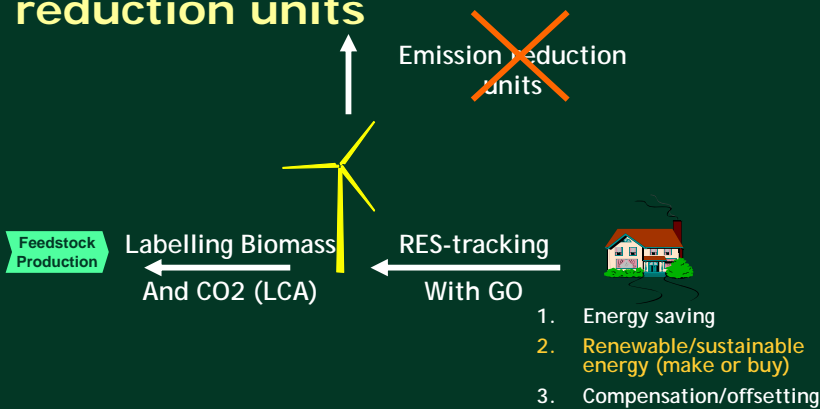


Topics foot printing

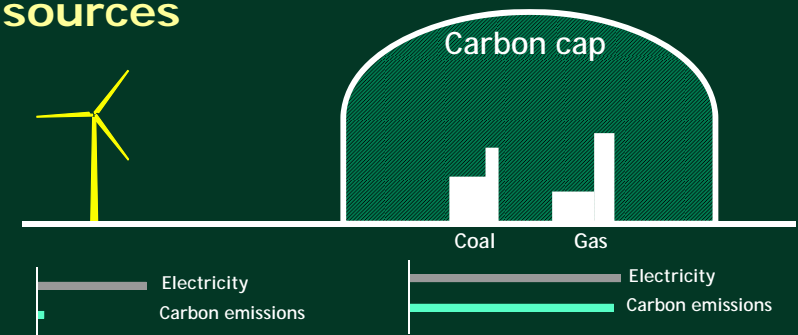
- Green House Gas protocol: the use of specific emission factor
 - Thus tracking of electricity source is needed
- Introduction of double counting?
 - Issue of green certificates and emission reduction units at the same time
 - Specific emission factor other sources
 - Corrections on residual mixes



Tracking electricity source Double counting emission reduction units



Specific emissions other sources



- New RES power does not lead to less CO2
- New RES power leads to increase specific emissions other sources



Discussion Carbon foot printing

- Working with specific emissions and tracking electricity is starting point
- Specific emissions must be based on LCA rather than 'end of pipe' (including specific emissions other sources)
- Calculations specific emissions other sources must be corrected based on volume renewable electricity (tracked by GO's)
- Residual mixes must be corrected by imports and exports of GO's and physical part of electricity (Norway as an example): EPED



Additionality



Definition of additionality

Additionality is a quality aspect for green electricity as a product to be supplied to an end-user

Definition:

- Because of purchase of renewable electricity, additional environmental value is created.
- The purchase of renewable electricity leads to additional environmental value



Three type of definition for additionality

- I. Green Dark
 - The electricity sold is not counted for national targets
- II. Fund model
 - For every kWh sold a percentage of price is put in a fund
 - With the fund extra power (or environmental value) is created
- III. Economic model
 - The demand is higher than supply
 - Supply side is made smaller by excluding part of the supply side (e.g. only wind, after 2004 or only nonsubsidised electricity)



Discussion additionality

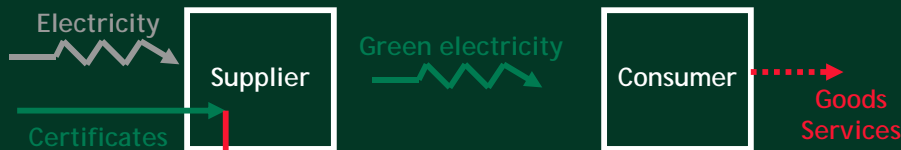
- Non of the definitions make sense
- Can be solved by a European approach (is not feasible and was tried by Thurmes)
- Main cause of distortions is the fact that RES is subsidised on the supply side (the subsidies make it possible to invest in new power and the fact that electricity is purchased is not relevant)
- Forget about it!



Quality Standard



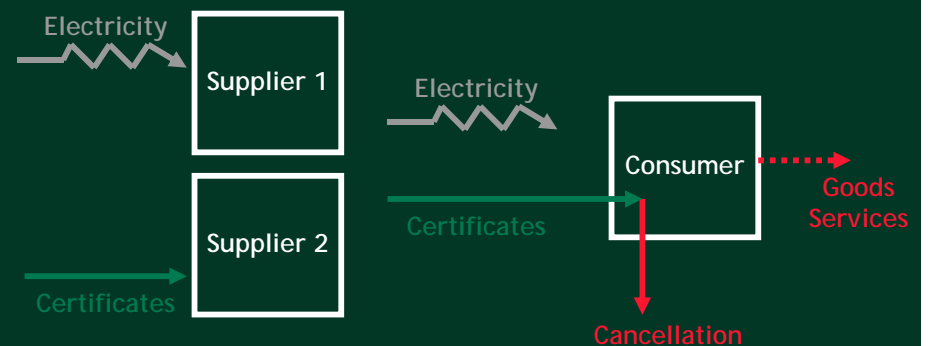
Principles of Quality Standard



- Volume green electricity and volume cancelled certificates must be in balance
- A third party must have audited this
- The third part must publish results of audit publically: RECS website
- Governed by RECS International



QS also for Consumers





Discussion QS

- RECS International promotes the QS with the aim to put the issue on the agenda (education of policy makers): 'the use of the GO'
- It clarifies also the need of cancellation statements (feedback to AIB)



Sustainability

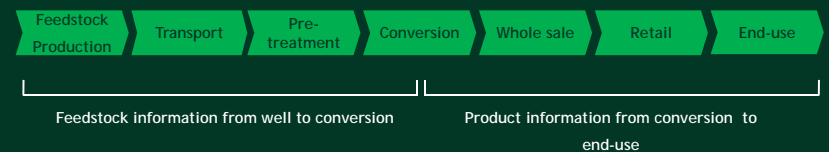


Issues at stake

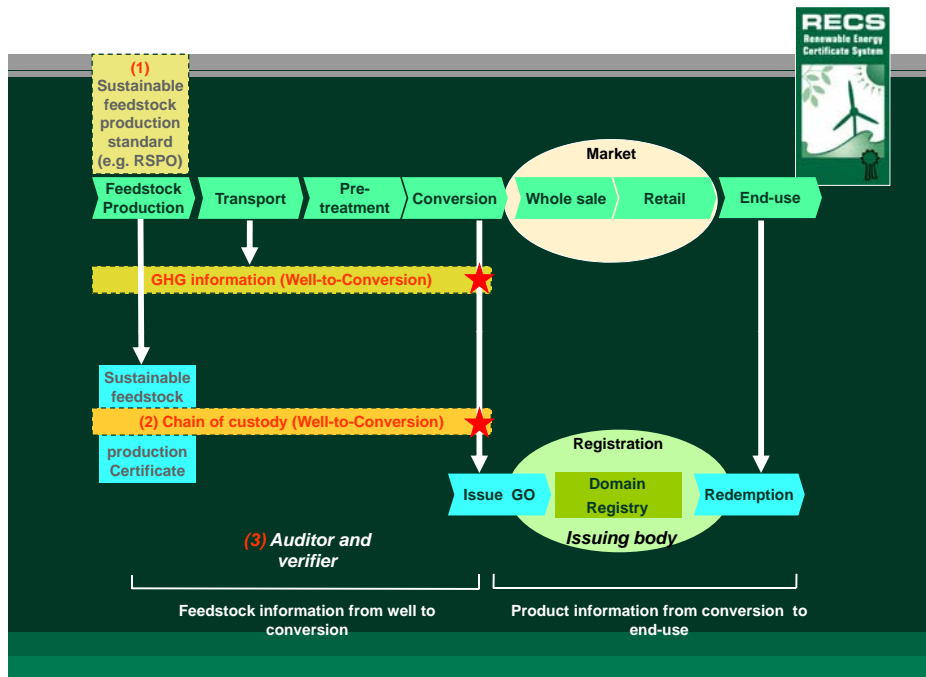
- Not all renewable sources are sustainable
- Either the installation is qualified as sustainable and/or the fuel is qualified as sustainable.
 - Hydro power: the installations and how it is run
 - Wind power: the installation
 - Biomass: the installation as well as the feedstock



Information flows



- 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)



Two information fields

- Specific emissions: based on standardised LCA calculations
 - Based on substitute method
- Available labels of the installation and/or feedstock
 - Concession or license of hydro installation
 - Label for biomass
- Meta standard
 - What concession for hydro (not older than 5 years) or label for biomass is acceptable?
 - (1) sustainability criteria (people, profit and planet), (2) chain of custody and (3) requirements for auditors and verifiers

Discussion Sustainability

- The GO is carrier of information that is available
- Based on information on the GO the end-user needs to make choices
- Info on the GO is twofold
 - Specific emissions based on LCA
 - Excising label on installation (hydro) and/or feedstock (biomass)