AIB The Association of Issuing Bodies

AIB Newsletter, issue n°3

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Word from the President

Dear reader of the AIB Newsletter,

As you might have heard already, I have been elected as new President of AIB in its last General Meeting in June 2006 in Oslo. I want to take this opportunity to thank my predecessor, Walter Boltz from E-Control, for the great job which he has done as AIB President in his two-year term since June 2004.

The AIB is currently undergoing a rapid and very productive development. In the course of the implementation of the new Basic Commitment, the Principles and Rules of Operation (PRO), AIB members have revised the detailed regulations for their Domains. The new Domain Protocols have come into force in mid June 2006 and are published on the AIB website. These Domain Protocols implement either a system of Guarantees of Origin for electricity from renewable energy sources, or the Renewable Energy Certificate System, or both at a time. Together with the PRO and subsidiary regulations, they form the European Energy Certificate System (EECS).

While the certificate system currently in place focuses on electricity from renewable energy sources, AIB has already made provisions for more comprehensive energy certification. Two new so-called "Chapters" have been added recently to the EECS system, which establish the basis for coordinated European certificate systems for Guarantees of Origin for high-efficient cogeneration, and for generic disclosure certificates, which can be used for any kind of electricity generation. These four Chapters are bound together by the rules of the PRO, which prevents double counting of electricity both within one of the chapters and also between the different chapters. It is now up to the members of AIB, in cooperation with governmental and regulatory bodies and the energy market players, to decide which of the new Chapters are going to be implemented in their domains.

In addition to the certificate systems AIB will in a short time also publish an informational service. This service will be to provide data on the International Residual Mix. By using the residual mix information for purposes of electricity disclosure instead of production statistics, double counting with other tracking systems, such as EECS certificates, will be minimised. With the EECS chapters and the Residual Mix information, AIB is able to provide European market players and governments with a comprehensive system for the implementation of electricity disclosure, Guarantees of Origin, and other energy policies.

The numbers of issued, transferred and redeemed certificates governed by AIB and its members show a steady increase over time. AIB will continue to work closely with the European Commission, national governments and regulators and with market actors, such as those represented in the RECS International association. I am confident that AIB is on course to achieve its mission – to be the leading enabler of international energy certificate schemes.

Christof Timpe
AIB President

AIB news

New Domain Protocols

Since the AIB's Principles and Rules of Operation – the PRO – went live in March 2005, members of AIB have been working hard to adapt their systems to the new regime. The deadline for this was 16 June 2006.

All members have now updated their domain protocols, and almost all of these were accepted at the meeting in Oslo. Consequently, the approved Issuing Bodies are as follows:

** The Norway GO protocol awaits notification by Iceland of the EFTA Secretariat of the recent approval of the EEA agreement concerning the adoption of the RES Directive 2001/77/EC by the Althing (the Icelandic parliament).*
*** The Spanish protocol is still being reviewed.*

New schemes-CHP guarantees of origin

Since members of the AIB first commenced operation in 2001, over 140 million certificates – each representing one megawatt hour of electricity – have been created. The 2005 volume of 50 million certificates issued was a real breakthrough, and demonstrated the high level of acceptance of AIB services. An increasing demand for certification of renewable electricity for fuel mix disclosure has been the driver of this growth in certificate volumes. EECS has proved to be highly effective, efficient, fraud resistant and, since economies of scale have been realised, low cost.

In 2006, the AIB faced new challenges: not only was the demand for certificates to be used in fuel mix disclosure expected to increase substantially, but a new framework for CHP guarantees of origin [1] needed to be developed and implemented. In addition to the information present on RES guarantees of origin and RECS certificates, "CHPGO" would identify use of heat, lower calorific value and energy savings.

AIB Workgroup Operation Rules approached this by preparing a first draft to stimulate discussion, and then consulting with stakeholders at a meeting in Verona during in March, when stakeholder views were invited. Meetings were then held with major stakeholders and the Commission, in order to fine-tune the text; and approaches to Member States were made by the Commission, AIB and stakeholders, in order to identify potential participants and any remaining barriers. A second consultation meeting was held

during June in Oslo, when the response of the workgroup was discussed.
Members of AIB have also participated in a number of non-AIB meetings at a European level, including the Advisory Committee to the CHP Committee, which met in May; and the CHP Committee itself, which met in June.
A further output of the work on CHPGO has been the development of two deliverables, as shown in the diagram below:

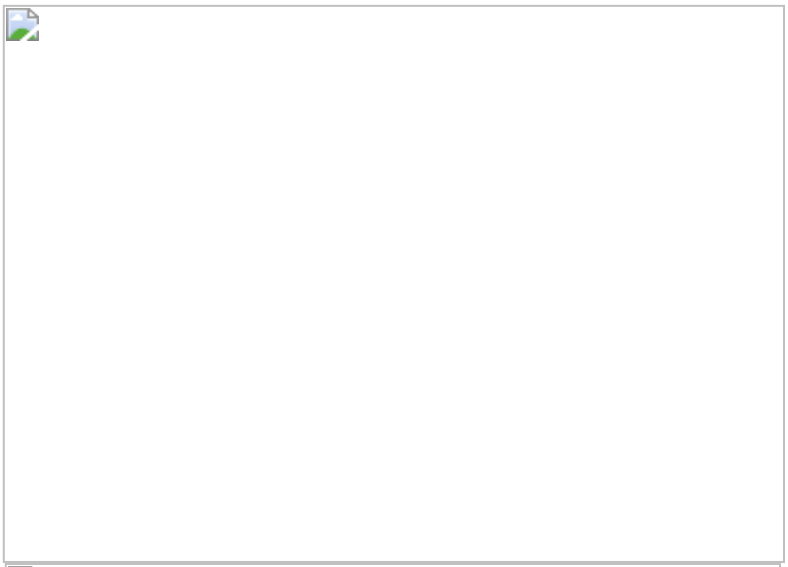
1. An additional chapter to the Guidelines to the Directive by COWI and Ecofys (both of whom are advisors to the CHP Committee), with assistance from the Commission; and
2. A spreadsheet, which uses registration and operational data relating to the CHP unit, along with fixed data from the Directive and sources such as IPCC, to identify the data required on each CHPGO issued to that CHP unit.
This provides a linkage between Directive, and the CHP Chapter of the AIB's Principles and Rules of Operation.

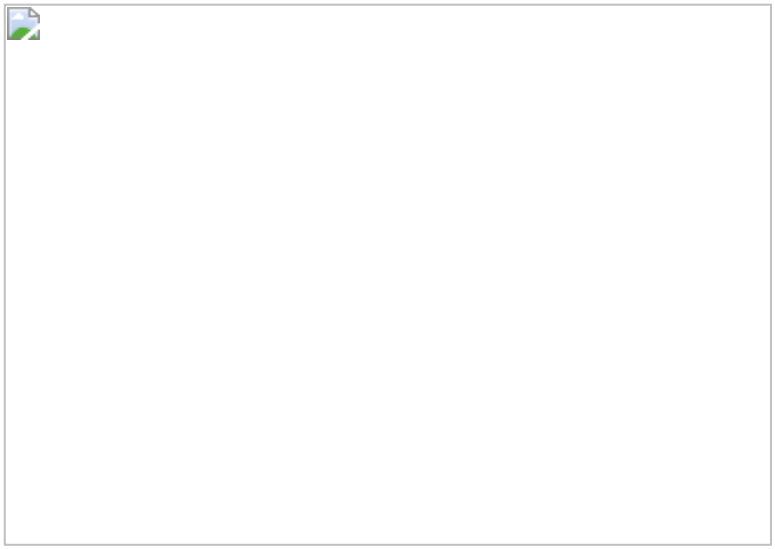
[1] *See Directive 2004/8/EC of the European Parliament and of the Council*

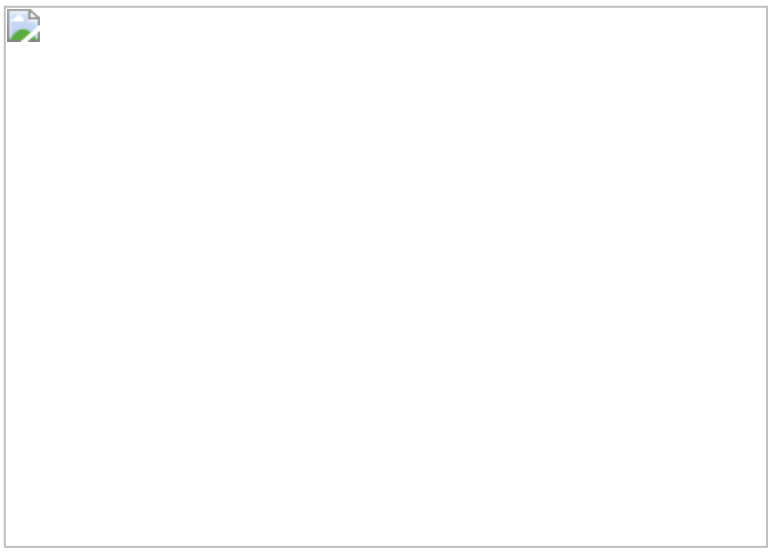
The AIB and the Commission continue to work together closely on the development of the CHP chapter, and look forward to the new scheme being adopted in the forthcoming months.

Statistics

To date, only renewable energy certificates have been issued and transferred. Of the 141 million certificates issued to date, 40 million have been transferred internationally, and 76 million have been redeemed – 25 million having been issued and 22 million redeemed in 2006.
The major certificate issuing countries are now Norway, Finland, Sweden and Netherlands; with Netherlands, Austria, Sweden and Finland the major redeemers. The largest exporters are Finland, Sweden and Norway; while Netherlands and Austria are the major importers. Technologies have remained broadly the same since the start of the year, with hydro having overtaking biomass, and wind and waste increasing substantially.
The proportion of certificates that are redeemed has risen to about 54% overall, and 85% in 2006.







Events

Meeting in Maribor

Next AIB and RECS-International meetings will take place in the hotel Habakuk in Maribor on 20th and 21st of September 2006 (for more information on the location, see: http://www.termemb.si/). These meetings are only for members.

They will be followed by an Open Seminar on 22nd September to which all interested energy stakeholders are welcome to participate. The Programme of the seminar will be focused on current trends in the field of Renewable Energy Sources for Electricity generation (RES-E) and on recent developments regarding disclosure in Slovenia, Austria, Italy and other countries from Southeast and Central Europe.
The program of seminar is available on the following web page:
http://www.recs.org/doctree/Meeting%20documents/2006/Invitations/Slovenia/Program.pdf

Visit our website: http://www.aib-net.org