AIB Press Release CEPS-ECH Conference "Guarantees of Origin: What EU energy market implications of full disclosure?" on 31 May 2016

AIB association of issuing bodies

The Association of Issuing Bodies strongly believes that the Guarantee of Origin is a valuable instrument for European energy policy and for Europe's electricity consumers.

The Guarantee of Origin (GO) is the instrument defined by the European Renewables Directive to provide proof that a megawatt hour of electricity has been produced from renewable energy sources. It is therefore the only trustworthy instrument to back green electricity contracts.

Thanks to the GO, consumers can make a positive choice for a contract that guarantees them that the electricity supplied to their home or business is from renewable sources. This means that their environmental impact is much lower, compared to a 'normal' electricity contract that is sourced from the 'residual mix'.

The residual mix is made up of all sorts of electricity, but mostly from non-renewable sources, such as coal, natural gas, nuclear... The problem is that information about non-renewable sources is much less reliable than information about renewable sources, because the tracking instruments and methods that are used are not as standardised and well-audited as the GO. Some of this non-renewable tracking is not even audited at all!

This insight led AIB to advocate 'full disclosure': the generalised use of Guarantees of Origin for tracking all electricity, regardless of the source. This would make the disclosure information, the 'fuel mix' that consumers find on their electricity bill, much more reliable! AIB believes that the proposal for full disclosure (for more details, see the AIB's Reflection paper on the forthcoming RES Directive) has many potential benefits, but this raises some questions that need to be answered as soon as possible.

The Centre for European Policy Studies <u>CEPS is organising a conference on 31 May in Brussels</u>, devoted to these questions and this potential. AIB warmly recommends this interesting conference!

The Association of Issuing Bodies is the leading enabler of international energy certificate schemes. The AIB promotes the use of a standardised system, based on harmonised environment, structures and procedures in order to ensure the reliable operation of international energy certificate systems.

The AIB provides a well-tested standard for certificate trade - the **European Energy Certificate System (EECS)** -which is the basis for certificate schemes in 20 European countries and enables international trade. The knowledge of AIB is shared by available documents on Internet and by contacting the organisation.

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