

Shaping an effective renewable electricity market

RECS
INTERNATIONAL

2013 ANNUAL REPORT

A year of growth

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1 Introduction

RECS International is an association that was established to achieve growth. Growth in renewables, growth in consumer choice, and growth in the use and standardization of Guarantee of Origin certificates. Over the past year we also worked hard to increase our influence internationally and put consumers at the heart of the electricity market. In Europe we refer to a liberalized electricity market, not without a sense of pride, but a truly liberalized market is one that responds to the wishes and desires of consumers. We feel it is the task of RECS International to increasingly support consumers in the electricity market. Whether they consume large or small volumes, they deserve a voice and accurate information about the electricity products they buy.

Claes Hedenström, President of RECS International

A handwritten signature in black ink, which appears to read 'Claes Hedenström'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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2 Mission and Vision

RECS International is a non-profit organization that strives to achieve an open pan-European renewable energy market, facilitated by commonly accepted and harmonized tracking systems.

Our mission is:

- To stimulate renewable energy demand across Europe by adopting harmonized standards and principles for a transparent transfer of information to end-users, and
- To encourage the further development of emerging renewable energy technologies by increasing competition and cost-efficiency through the expansion of cross-border trade and international cooperation mechanisms.

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3 Growth within a robust, stable system

The European Energy Certificate System (EECS), which was created by the Association of Issuing Bodies, has grown phenomenally in 2013. We are pleased to see that the governments of France, Germany and Italy have decided to adopt the EECS standard.

At RECS International we believe it is vital that more countries join this standardized certificate system and hope that the remaining countries in Europe will follow soon. We believe that a true cross-border electricity market can only be achieved through standardized regulations and clear protocols.

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3 Growth within a robust, stable system

Growing European demand

Currently the standardized European renewables market covers 75% of all European RES production (810 TWh), including electricity produced in Norway, Iceland and Switzerland, but in 2013 less than half of this volume (397 TWh) was available and taken up by consumers.

At RECS International we will continue to support existing demand and stimulate new growth in demand by linking the standardized GO system with correct disclosure regulations. In this way we aim to protect consumers, while ensuring that the information they receive is accurate.

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3 Growth within a robust, stable system

Production and consumption continue to grow

The production of renewable electricity is growing steadily. So, too, is demand for Guarantee of Origin certificates, which increased by +/- 12% from 2012 to 2013. The volume of total production that was not eligible for use in the renewables market is also growing annually by 13%.

At RECS International, we anticipate that the gap between available production and consumer-driven consumption will close by 4% per year.

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3 Growth within a robust, stable system

Market distortions are growing

Continued financial support for the production of renewables in Europe is confusing for consumers. Although national binding targets have been formulated as consumption targets, purchases of renewable electricity proven by the GO do not count towards these targets.

At RECS International we endorse a complete rethinking of the way subsidy systems are designed in Europe. This will help increase cost efficiency and give consumers an active, role in the future electricity market.

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3 Growth within a robust, stable system

The growth of open borders and a truly open European electricity market

Letting consumers freely choose means getting rid of discrimination on the borders. By creating more choice, it becomes possible to stimulate cost-efficient production and this should not be restricted to production within national borders.

At RECS International we feel that the trend towards market-based support systems must include the option for foreign electricity production to count towards national targets. By using electricity attribute tracking mechanisms, which are already part of the GO, this change should not be difficult to achieve, given sufficient political will.

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4 Market development

We see a steady growth of approx. 13% per year. Looking at the results of 2013 we can conclude that the market is getting more and more mature and that demand will meet supply very soon.

Overview

- > Total certificates issued and cancelled (Figure 1)
- > Total certificates imported (Figure 2)
- > Total certificates exported (Figure 3)

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4 Market development

Total certificates issued and cancelled*

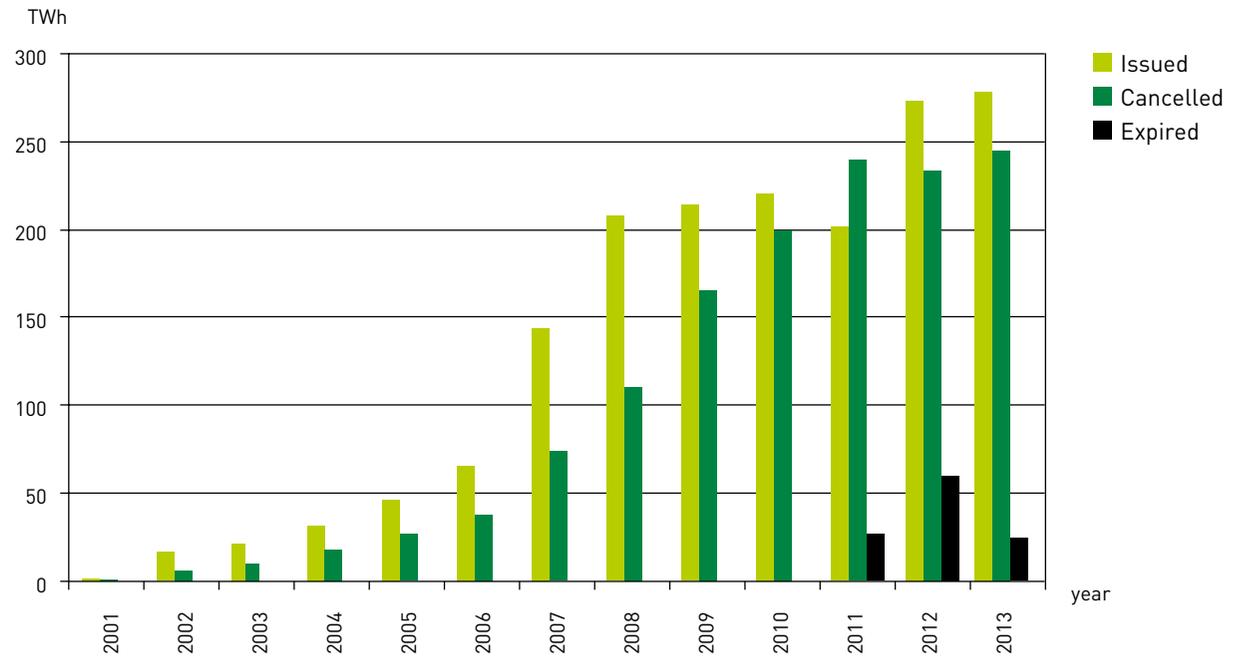


Figure 1 Total annual certificates issued and cancelled (in TWh)

* Source: Association of Issuing Bodies

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4 Market development

Total certificates imported*

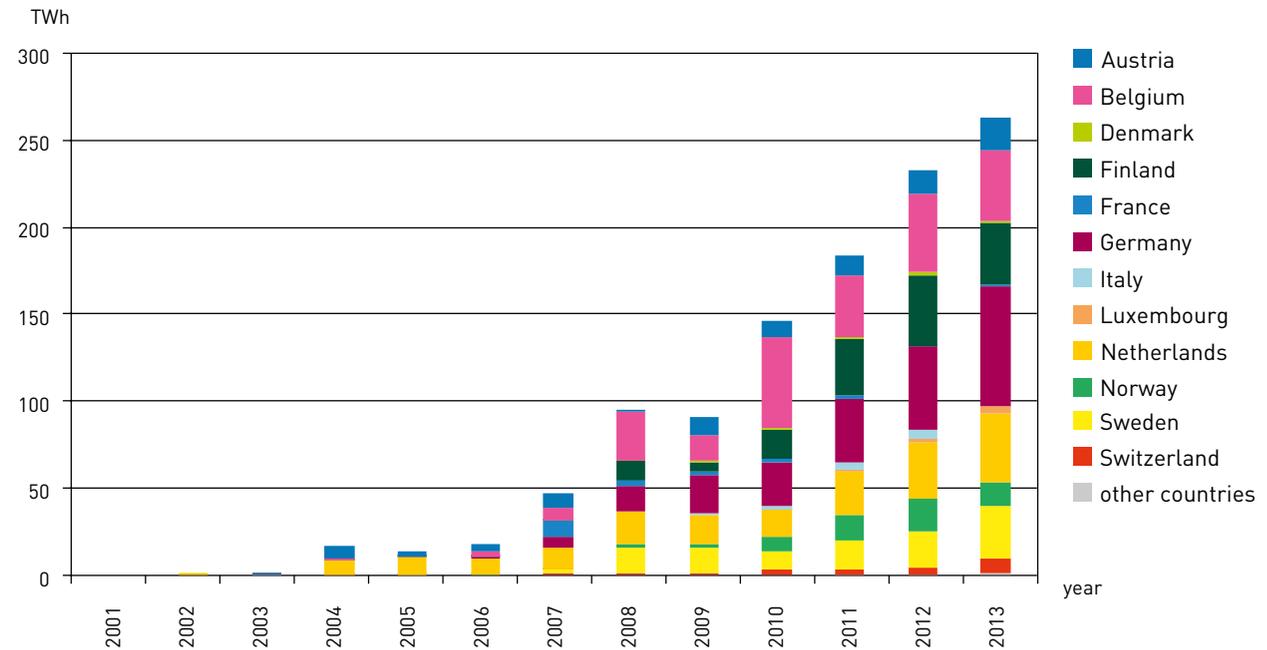


Figure 2 Total certificates imported annually (in TWh)

* Source: Association of Issuing Bodies

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4 Market development

Total certificates exported*

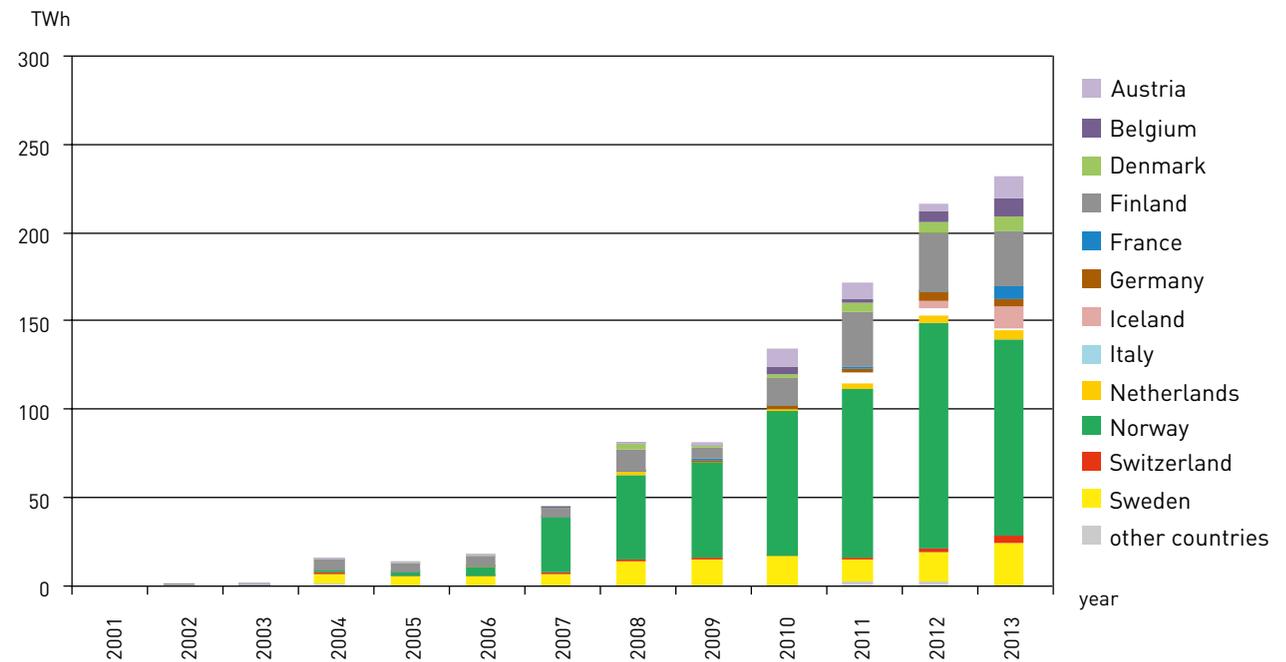


Figure 3 Total certificates exported annually (in TWh)

* Source: Association of Issuing Bodies

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5 Financial overview

RECS International is a financially stable organisation. The income out of memberships can cover the costs of all activities. The balance sheet shows a good position of RECS International for the future.

Overview

- > Balance sheet
- > Profit and Loss sheet

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5 Financial overview*

Balance sheet

Assets

	In Euro	
	2013	2012
Accounts receivable	2,850	4,300
Cash	248,854	229,698
RECS Events receivables	20,000	53,978
Other receivables	697	1,331
Total	272,401	289,307

Liabilities

	In Euro	
	2013	2012
Cumulative results	166,075	277,768
Creditors	4,540	2,535
Other creditors	101,786	9,004
Total	272,401	289,307

* The full compilation report 2013 is available at RECS Secretariat

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5 Financial overview*

Profit and Loss sheet

Revenue

	In Euro	
	2013	2012
Fees		
<i>Large member companies</i>	288,000	384,000
<i>Small member companies</i>	60,300	77,400
<i>Supporting members</i>	6,500	5,000
<i>Other income</i>	1,200	110
RECS Good Practice Standard (RGPS)	3,000	4,000
Interest	4,481	11,279
Total	363,481	481,789

Expenditure

	In Euro	
	2013	2012
Secretariat		
<i>Secretariat</i>	299,892	315,846
<i>Travel & accomodation</i>	10,957	13,283
<i>Legal advice</i>	4,797	5,142
<i>Office costs</i>	17,113	14,675
Meetings	9,386	6,400
PR & communication	19,014	65,490
Special projects	14,015	64,555
Result	11,693-	3,603-
Total	363,481	481,789

* The full compilation report 2013 is available at RECS Secretariat

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6 RECS International organisation

RECS International is an association by Belgian law. Once a year the Secretariat organizes a General meeting and three times a year the Board meets somewhere in Europe.

Overview

- > Board members
- > RECS International members

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6 RECS International organisation

Board members

AGDER ENERGI VANNSKRAFT AS

Robert Palme
Switzerland

AGDER ENERGI VANNSKRAFT AS

Jan-Atle Liodden
Norway

ASSOELETTRICA

Giulio Cicoletti
Italy

EDF LUMINUS

Dinh Nguyen-Phan
Belgium

EDP ENERGIAS de PORTUGAL SA

Pedro Matos
Portugal

GREEN ACCESS

Pierre Picard
France

GREENSTREAM NETWORK LTD

Juha Ruokonen
Finland

HSE D.O.O.

Blanka Povh
Slovenia

IBERDROLA GENERACIÓN S.A.U.

Laura García
Spain

LANDSVIRKJUN

Nicholas O’Keeffe
Iceland

LUXEMBOURG ENERGY OFFICE S.A.

Roger Rütze
Luxembourg

KEEKS Ltd

Fiona Santokie
United Kingdom

STX SERVICES BV

Max van Meer
The Netherlands

VATTENFALL A/ELPRODUKTION NORDEN

Claes Hedenström
Sweden

VERBUND TRADING AG

Claudia Grill
Austria

VEREIN ECS SCHWEIZ

Louis von Moos
Switzerland

VINDENERGI DANMARK AMBA

Niels Dupont
Denmark

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6 RECS International organisation

Members (2013)



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6 RECS International organisation

Members (2013)



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6 RECS International organisation

Members (2013)

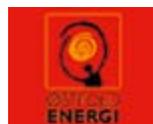


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6 RECS International organisation

Members (2013)



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