

2020 Annual Report

Accelerating Renewable Demand



Shaping an effective renewable electricity market

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1 Introduction by Adam White, Secretary-General of RECS International

The next step on a crucial journey

The last RECS International annual report identified 2019 as ‘the start of a new era for the energy transition’.

Building on that pivotal year, in 2020 detailed work began on updating the European Standard on Guarantees of Origin. This work continues in 2021 and is expected to set important rules on, for example, how to specify the greenhouse gas emissions related to each megawatt-hour of energy and how to run effective certification schemes for non-electricity energy carriers.

Such regulations and standards underpin the kind of political ambition that saw the EU set itself the goal of net-zero emissions in

thirty years (by 2050). Another key player, the USA, also rejoined the Paris Agreement, following the election of President Joe Biden at the end of 2020. China, too, strengthened its targets – aiming for carbon neutrality by 2060, with a peak in emissions before 2030.

EAC markets built on this political impetus and started innovating in earnest in 2020. The EnergyTag initiative began, with the stated aim of facilitating the 24/7 matching of generation and consumption through greater temporal granularity on energy attribute certificates. Another important market, this time the Netherlands, introduced full disclosure as of 1 January 2020 – paving the way for other countries to follow suit.

Overall, renewable energy survived the Covid-19 pandemic-related economic disruption well, with the International Energy Agency finding that renewable sources of electricity grew at the fastest rate in two decades in 2020 and that they are set to expand in the years ahead at a much faster pace than before the pandemic.

As predicted, 2020 saw the energy transition move further into a hopeful, more ambitious era. Now we look to 2021 and beyond to consolidate and expand those gains to the point where the energy system as a whole can help to sustain a healthy planet.

Adam White

Adam White
Secretary General
RECS International

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Our mission

RECS International is a non-profit foundation that represents the users of energy attribute certificates. Working with our membership of 89 organisations from more than 20 countries, we strive to provide the knowledge, motivation, and confidence needed to buy 100% renewable energy.

By engaging with legislators, policymakers, regulators and system operators, RECS International advocates effective renewable-energy markets that can help to accelerate the energy transition and thus make an important contribution to tackling climate change.



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2 Our mission

RECS International work areas

RECS International's work covers four main areas (see Figure 1). The upper quadrants represent the work we do to maintain our connection with our members as well as the wider renewable-energy community through events, member services, communications and coordination with other organisations. The lower quadrants represent the role of RECS International as an authority in the development of renewable energy markets. This aspect of our work is shown in more detail in Figure 2.

To encourage consumers to buy renewable energy, RECS International provides guidance and information on key aspects of the development of renewable energy markets. Figure 2 sets out our vision in eight key areas where we believe we are recognised as an authority. Papers on each of these areas are available on the www.recs.org website, with RECS International members receiving priority access.



Figure 1. RECS International work areas

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2 Our mission

RECS International’s vision and mission

To support the effective and reliable consumption of renewable energy, RECS International provides guidance and information on key aspects of the development of renewable-energy markets. Figure 2 sets out our vision in eight key areas where we believe we are thought leaders. Papers on each of these areas are available on the www.recs.org website, with RECS International members receiving priority access.

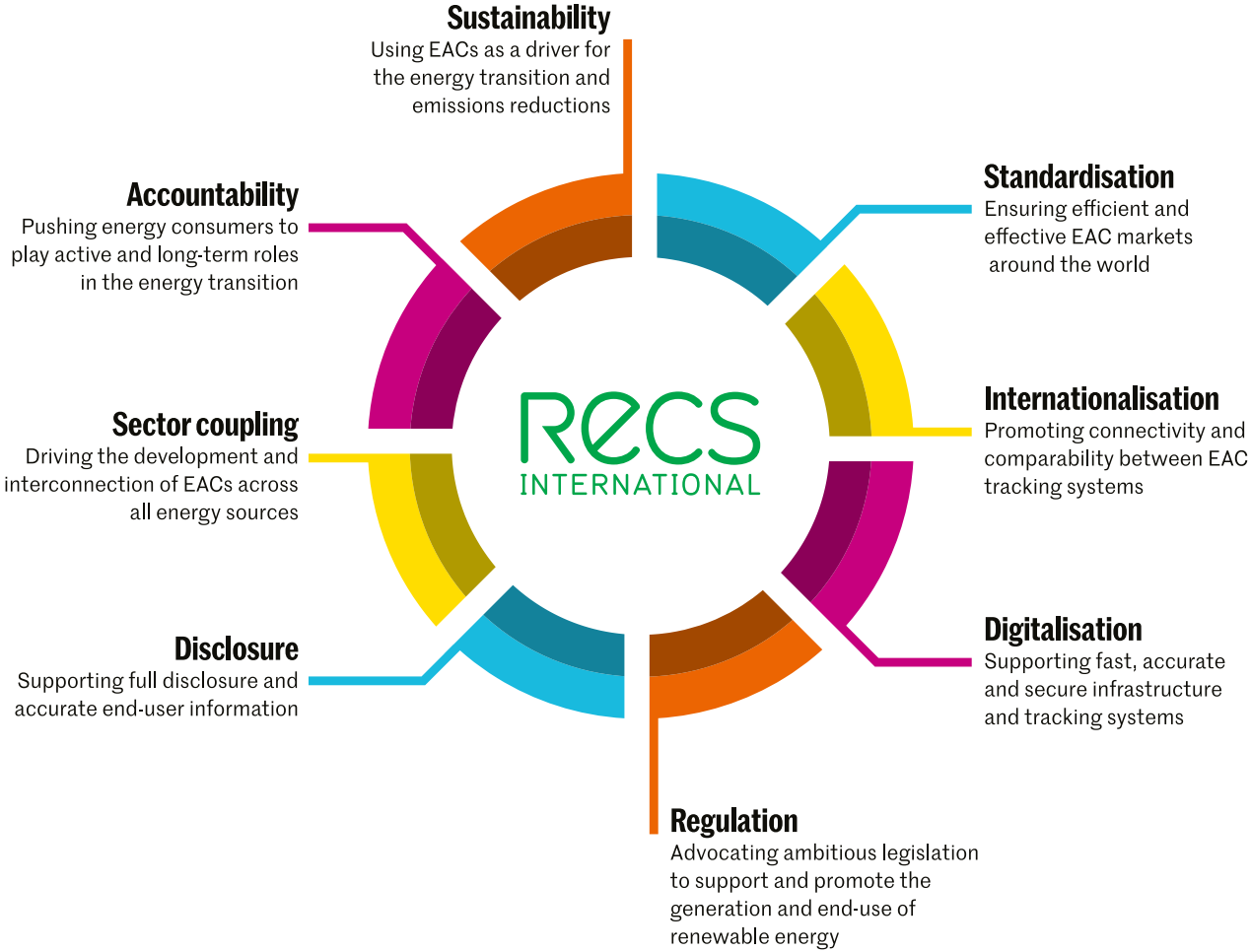


Figure 2. RECS International's areas of focus

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3

Market developments

Overview

Europe

USA

International Renewable Energy Certification



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3 Market developments

Europe

The year 2020 was important, as EU Member States and other EEA countries worked to implement the Renewable Energy Directive (EU2018/2001) before the deadline of 1 July 2021. At the beginning of 2020, the CEN EN-16325 committee began updating the

current European Standard on Guarantees of Origin (GOs) so that it would reflect the changes in the RED II. One of the most significant changes is that the GOs will be expanded to other energy carriers (gaseous carriers, including hydrogen, and heating &

cooling). Regarding the market, more countries are now connected to the AIB hub than ever and more countries are considering implementing full disclosure policies, which is a development that has the full support of RECS International.



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3 Market developments

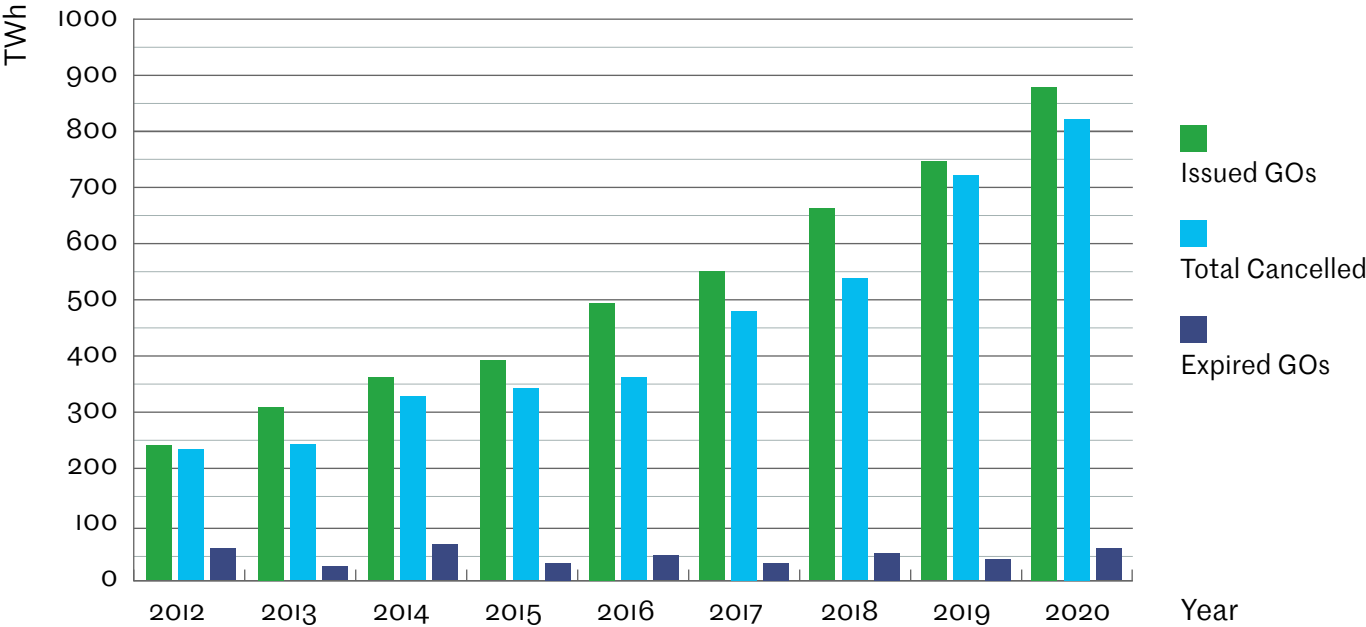
Europe

Figure 3 contains transactional statistics from all European Energy Certification Scheme (EECS) countries. Issuance and cancellation of GOs continue to rise steadily and this is expected to continue due to the growing demand – and supply – of

renewables as well as the increasing use of the GO for non-renewable energy sources. Having an increasing number of countries implementing full disclosure policies shows that the GO scheme is not only focused on renewables but rather an accounting tool

that can be used by final consumers to establish their claim about using energy with specific attributes.

Figure 3. EECS GO market activity*



*Source: The Association of Issuing Bodies

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3 Market developments

USA

The US market is different from the markets in Europe and in the countries in which I-RECs are being used because the US-REC scheme is used for both compliance-related and voluntary purchases. North American states can (and many have done this) set up a Renewable Portfolio Standard (RPS):

renewable sales targets that must be met by retail supplying companies. While RPS policies may differ between states, a 2021 report from the Berkeley lab noted that almost all states have met their RPS targets and multiple states have set a more

ambitious target in the last year¹. According to the same report, the RPS policies have been one of the key drivers of RE generation growth.

¹ <https://emp.lbl.gov/publications/us-renewables-portfolio-standards-3>



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3 Market developments

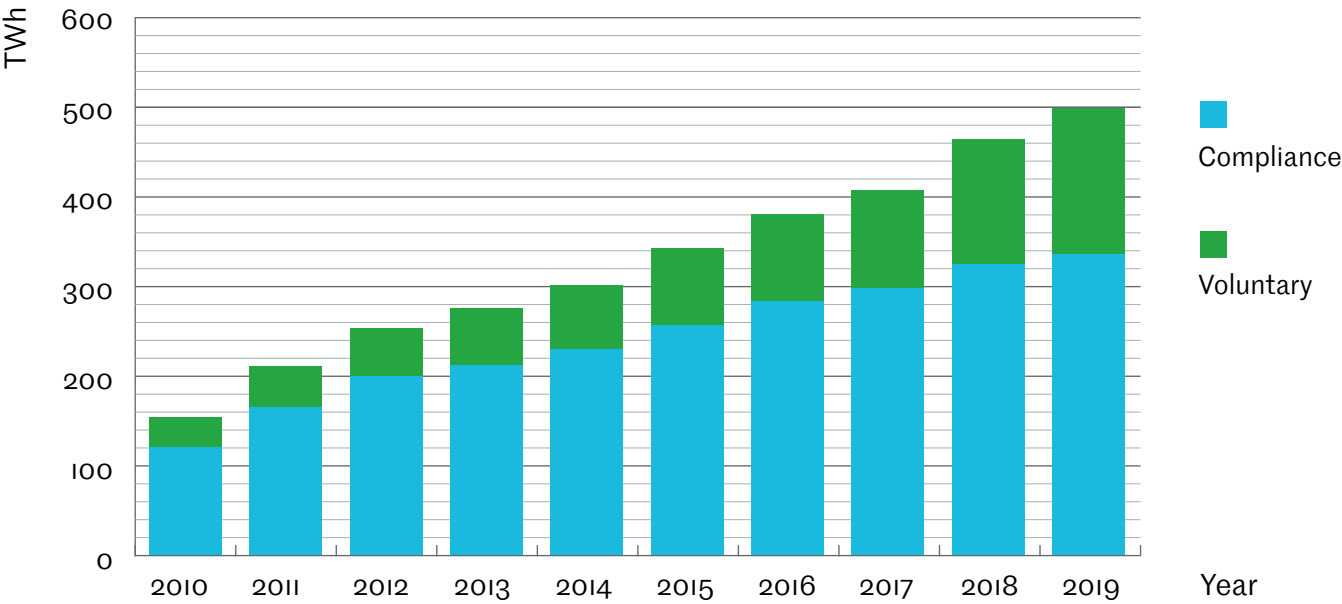
USA

One note on the data is that RPS-related REC sales were not updated by six states in 2019. This has been solved by using the data for the most recently available year for that particular state. The US market, in general, continues to grow at a steady pace and

voluntary REC purchases remain an important driver for demand. While not visible in the above data, another development is the shift in the type of contract being used to voluntarily purchase renewable energy. Whereas power

purchase agreements were responsible for around 15-18% of the voluntary purchases in 2015-2016, this figure increased to 26% of all voluntary purchases in 2019..

Figure 4. US REC sales*



*Source: National Renewable Energy Laboratory (NREL) and Lawrence Berkeley National Lab)

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3 Market developments

International Renewable Energy Certification

One of the main activities of the International REC Standard Foundation (I-REC Standard) in 2020 was to develop the International Attribute Tracking Standard, a general set of rules for attribute tracking schemes that allows the development of various codes, such as a code for electricity,

codes for other energy carriers, and codes for non-energy commodities. An increasing number of national authorities, market players, and other stakeholders recognise the I-REC Standard as a global standard for attribute tracking schemes. This is evident as the number of countries that now have an

electricity REC scheme adhering to the rules and regulations of the I-REC Standard had grown to around 40 at the end of 2020 and by the fact that more national authorities now seem interested in playing a direct or indirect role within the I-REC scheme.



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3 Market developments

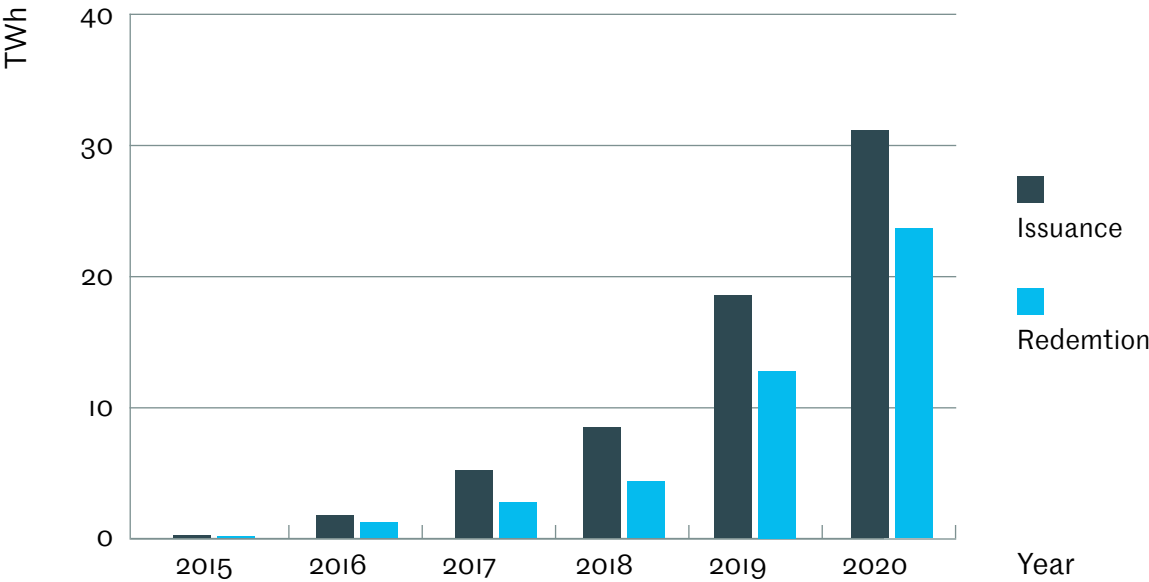
International Renewable Energy Certification

I-REC issuances and redemptions continued to rise in 2020 as they have done for the last five years. The I-REC Standard Foundation does not only see more issuance and redemption as a result of the expansion to new countries but the issuance and

redemption per country also continue to rise due to greater familiarity with – and trust in – the system by all stakeholders. The differences between the issuance and redemption numbers are generally explained by the time that it takes between

a certificate being issued and redeemed. For example, certificates that are issued in Q4 of 2019 count for issuance in 2019 but were most likely redeemed in 2020. This delay explains most of the gap, as very few I-RECs remain unsold.

Figure 5. Global I-REC Issuance and Redemption (TWh)*



*Source: International REC Standard Foundation

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Financial developments

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Profit and Loss statement



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4 Financial developments

Balance sheet

Assets	In Euros	
	2020	2019
Assets	0	399
Accounts receivable	24,516	10,633
Cash	214,498	313,764
Other receivables	20,617	31,357
Total	259,631	356,153

Liabilities	In Euros	
	2020	2019
Cumulative results	188,556	233,443
Creditors	0	3,906
Other creditors	71,075	118,804
Total	259,631	356,153

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4 Financial developments

Profit and Loss statement

Revenue		In Euros
	2020	2019
Member fees	183,858	177,145
Meeting fees	126,867	374,027
Total	310,725	551,172

Expenditure		In Euros
	2020	2019
Internal		
Secretariat	266,000	236,272
Travel & accommodation	637	20,698
Financial & legal	6,547	11,952
Operational costs	7,027	8499
Meetings	61,476	203,635
PR & communication	13,425	7,489
Special projects	500	24,895
Result	-44,887	37,732
Total	310,725	551,172

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Organisation

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5 Organisation

Secretariat

- Adam White**
Secretary-General
- Jared Braslawsky**
Operational Manager
- Mirte van Geenen**
Project manager
- Jos Tuinenburg**
Senior Consultant
- Ineke ter Steeg**
Administrative support

Board members

- Thomas Eccard**
Chair
Agder Energi, Germany
- Marie-Christine Bluett**
IncubEx, United Kingdom
- Oliver Crouch**
Natural Capital Partners, United Kingdom
- Ivan Debay**
Origo, France
- Eva Klesse**
KlimaInvest Green Concepts, Germany
- Tom Lindberg**
Ecohz, Norway
- Louis von Moos**
Association ECS, Switzerland
- Saptarshi Pal**
Statkraft Markets, United Kingdom
- Dania Piccioli**
Nvalue, Switzerland
- Filip Strohwasser**
ČEZ Group, Czech Republic

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5 Organisation

Members in 2020



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Members in 2020



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5 Organisation

Members in 2020



RECS International

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