

Annual
Report

2022

RECS
ENERGY CERTIFICATE
ASSOCIATION

ENTER

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“Our contribution is based on reducing the impacts of climate change through cutting greenhouse gas emissions as quickly and deeply as possible.”

1 Introduction

The past year (2022) was an unprecedented time of turbulence for energy markets and for the global economy as a whole. Following the Russian invasion of Ukraine, fossil fuel supply disruptions drove price spikes that led to inflation and cost of living crises the world over. It became increasingly clear that renewable energy is the best option for our environment as well as for our societies and economies.

In this challenging context, we at RECS are prouder than ever to be working to accelerate the transition to efficient and renewable energy systems. Our contribution is based on reducing the impacts of climate change through cutting greenhouse gas emissions as quickly and deeply as possible. With our members, we continue to foster consumer demand for renewable energy. And this demand provides the market signals and revenues which developers need to invest in renewables.

Prices for Energy Attribute Certificates, in particular European Guarantees of Origin (GOs), increasingly show the value that buyers and sellers put on the attributes of renewable energy. In the second half of 2022, GO prices climbed steadily from around €2/MWh to almost €10, stabilising somewhere between €6 and €9, depending on the product characteristics.

In 2022, we increased our membership, delivered the biggest REC Market Meeting ever, made the case for greater transparency in energy markets, intervened in several key legislative changes, supported our members, hosted and spoke at several other important events, and changed our name from RECS International to the RECS Energy Certificate Association. More details of our work are set out in this annual report, which also has a new format.

Looking forward to 2023, there is still plenty of work to do. Not least, we will actively contribute to the review and possible revision of the Greenhouse Gas Protocol (GHGP). This voluntary international standard informs the rules of key corporate renewable energy reporting initiatives such as RE100, CDP, and the Science Based Targets initiative. We are determined to ensure that the GHGP's authors retain the crucial role of market mechanisms in calculating and reporting Scope 2 emissions. We will also promote our own initiative of encouraging more countries to adopt full consumption disclosure rules. So far, the Netherlands, Austria, and Switzerland have shown that full consumption disclosure, where the origin of every unit of energy consumed must be declared, is straightforward to implement and effective in switching consumer demand to renewable energy.

Join us in 2023 and help us achieve our goal of tackling climate change through an accelerated transition to renewable energy supported by consumer demand for Energy Attribute Certificates.

Full details of the information shared in this annual report can be found at www.recs.org. However, please note that only RECS members have full access to this website.

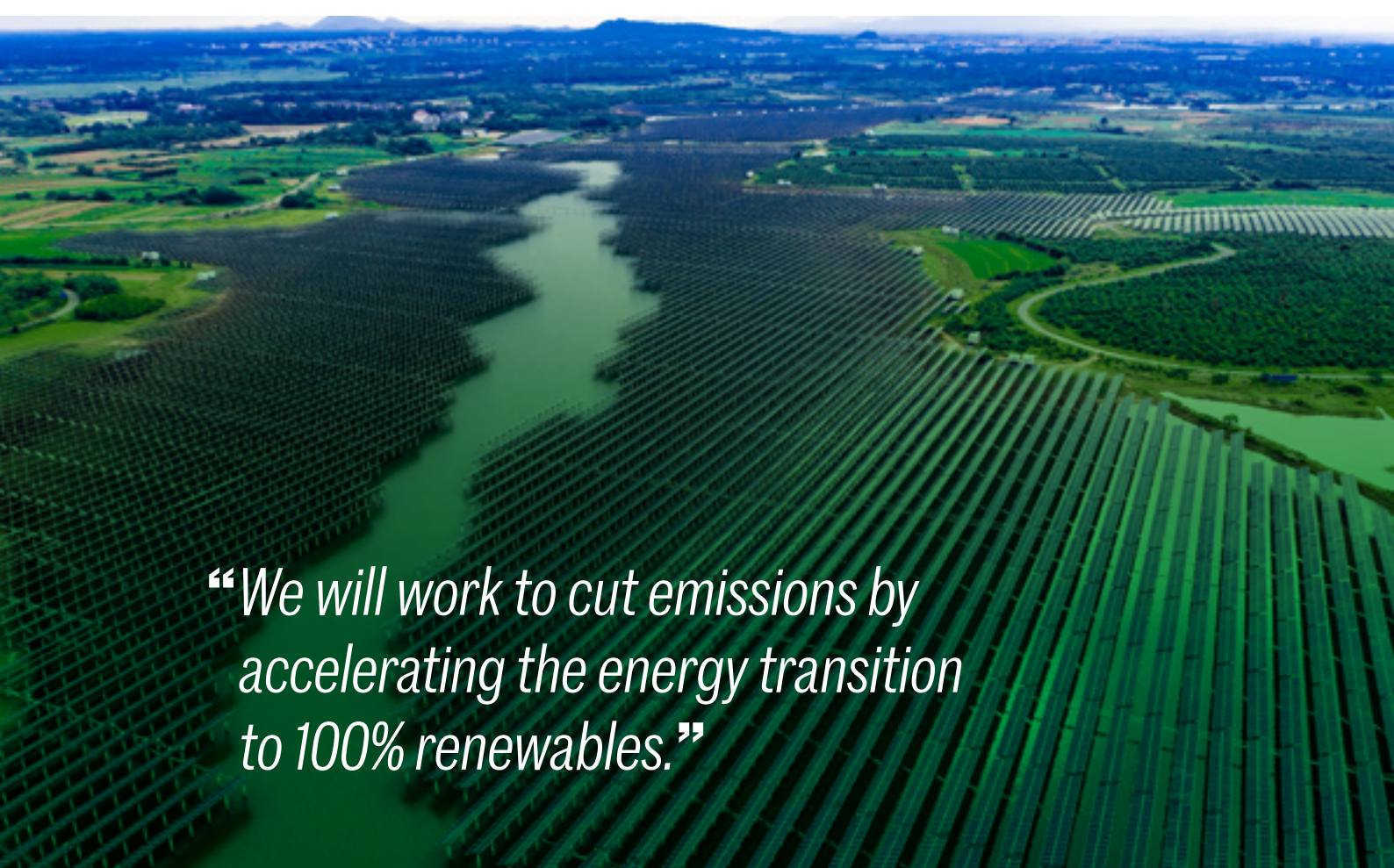


Thomas Eccard
Chair of RECS

2 The RECS Association

At our 2022 annual general meeting in December, in Brussels, we presented our new structure, strategy and work programme. These key documents, which are available to RECS members on request, set out the work that we are going to do, and how we are going to do it. They provide the structure that flows through RECS' Secretariat meetings, Board meetings, annual general meetings, and this annual report.

Our new strategy sets out our objectives. We will combat climate change by cutting emissions in line with science-based targets. We will work to cut emissions by accelerating the energy transition to 100% renewables. We accelerate this transition by facilitating the choice to buy renewables. To inform that choice, we will support and promote total energy transparency in the form of full consumption disclosure. We will seek to ensure total energy transparency through efficient and reliable Energy Attribute Certificate (EAC) systems and markets.



“We will work to cut emissions by accelerating the energy transition to 100% renewables.”

To deliver on these core objectives, we work in two main areas: EAC systems and EAC markets. We strive to promote EACs as the only credible means of offering and buying renewable energy. To this end, we will continue and strengthen our efforts to engage with organisations that support our work of securing the key role of EACs in our energy systems and markets.

Regarding EAC systems, we will seek closer collaboration with other environmental markets and schemes to strengthen links between EACs and GHG reporting. RECS will also engage with key regulatory processes such as EU legislation and its implementation as well as the development of European and international standards related to EACs.

When it comes to EAC markets, we will provide essential information to – and engage with – all market participants. We will also engage with key market initiatives including the review and possible revision of the GHGP Scope 2 guidance and the work of the CDP, RE100, and Science Based Targets initiative. We will examine the potential of closer matching of production and consumption and will engage with energy users to increase their understanding and use of EACs.



“We strive to promote EACs as the only credible means of offering and buying renewable energy.”

2.1 Financial overview

	2022	2021
	in Euros	in Euros
Assets		
Equity	283.674	57.106
Liabilities	178.202	478.406
Total Assets	461.876	535.512
Revenue		
Membership fees	266.041	200.377
Events	518.048	-
Other	1.100	16.000
Total Revenue	785.189	216.377
Expenditure		
Secretariat	281.694	266.000
General expenses	36.616	15.114
PR and communication	11.333	19.735
Events	226.932	46.978
Result	228.614	-131.450
Total Expenditure/Result	785.189	216.377

RECS' 2022 accounts were prepared by an accounting firm engaged for that purpose and will be independently reviewed.

2.2 The RECS Board

The RECS Board meets at least five times a year, twice in person and three times online. The Board appoints its own members as individual experts. RECS Board members are not remunerated for the work they do for the organisation, and the Secretariat takes this opportunity to thank them for their vital contributions. The RECS Board is responsible for the organisation's overall strategy, management, and funding, including approving and adopting the work programme. The Board also decides on applications to become a RECS Member organisation and appoints the Secretariat's leadership.



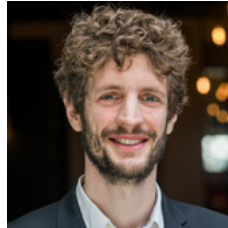
Thomas Eccard (Chair)
Arendals Fosskeompani / Veyt AS,
Germany



Dania Piccioli-Cappell
Nvalue
Switzerland



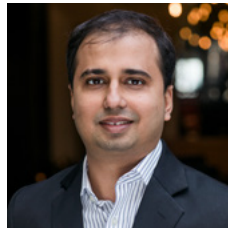
Louis von Moos
Association ECS
Switzerland



Ivan Debay
Origo
France



Tom Lindberg
ECOZH
Norway



Saptarshi Pal
Statkraft Markets B.V.
United Kingdom



Eva Klesse
KlimaInvest
Germany



Marie-Christine Bluett
IncubEx
Netherlands



Oliver Crouch
Climate Asset Management
United Kingdom



Filip Strohwasser
CEZ Group
Czech Republic

2.3 The RECS Secretariat

The RECS Secretary-General and Board have agreed on the following staffing structure:

- Secretary-General
- Operations Manager
- Conference Organiser
- Project Manager
- PR & Communications Manager
- Policy Manager
- Administrative Support Officer
- Bookkeeper

Not all these posts were filled in 2022. Therefore, if and when the organisation's finances allow, RECS will seek to recruit additional staff members. In 2022 the staff of RECS were Adam White, Jared Braslawsky, Sandra Langedijk (freelance), Mirte van Geenen, Katja van Hek (freelance), and Ineke ter Steeg.



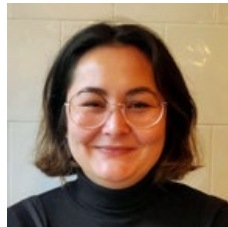
Adam White
Secretary-General



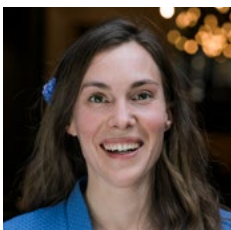
Sandra Langedijk
Conference Organizer



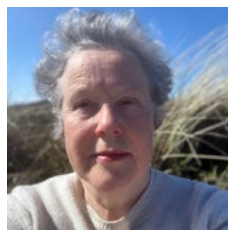
Jared Braslawsky
Operations Manager



Katja van Hek
Administrative Support Officer



Mirte van Geenen
Project Manager



Ineke ter Steeg
Bookkeeper

3 Events

3.1 REC Market Meeting

On 5 & 6 April 2022, the 10th edition of the REC Market Meeting took place at the Krasnapolsky Hotel in Amsterdam. The conference sold out, with over 450 delegates attending from 41 countries. They heard contributions from over 50 expert speakers, who shared their valuable insights with the audience. Delegates were also able to meet, connect and strengthen their networks during a number of successful side events.

The 2022 event was further proof that, over the past 12 years, the REC Market Meeting has grown from a small gathering for EAC professionals to become a successful and recognized global platform for policymakers, markets players, NGOs, and academics in the field of renewable energy markets.

The 2023 REC Market Meeting will take place on 25 & 26 April, again in the Krasnapolsky Hotel. Given the growing interest in our work and the value of renewable energy markets, we expect this event to sell out at least as quickly as the 2022 edition. More information on the RMM can be found at www.recmarket.eu.



3.2 Open Markets Committee (OMC)

On 1 December RECS and the Association of Issuing Bodies (AIB) organised our annual stakeholder event in Brussels to discuss the current state of guarantee of origin (GO) systems and markets at the Open Markets Committee (OMC). This was the first in-person OMC since 2019 and we were delighted to be joined by over 100 delegates. Attendees heard, among other things, about new AIB member countries, the modernisation of national GO registries, the updating of the CEN standard, energy carrier conversion, sector coupling, the latest legislative and regulatory developments, the evolution of GO markets, the importance of full disclosure, and the potential to add information on GOs, such as emissions values and time stamps.

We look forward to hosting another OMC at the end of 2023. Information on this event will be announced in the RECS newsletter and on www.recs.org.

3.3 AGM

On 2 December 2022, the Secretariat and Board hosted RECS members at our annual general meeting. The organisation's revised structure, strategy, and work programme were presented and approved. This meeting is RECS members' main opportunity to influence our work and will continue to take place towards the end of each year.

In addition to the AGM, at each REC Market Meeting, the RECS Chair and Secretary-General host a keynote session at the end of the conference's first day. At this session, our leadership team reviews the organisation's past year and looks ahead to the year to come. This session will be a regular feature of REC Market Meetings in the future, allowing our leaders to engage with delegates on the mega-trends driving renewables markets, those that are developing rapidly, and those that are on the horizon.

3.4 National GO Days

On 8 September 2022, RECS hosted the second edition of the Dutch GO Day in Amsterdam. This one-day event was organised in collaboration with CertiQ – the Dutch issuing body of Guarantees of Origin – and hosted by RECS member ACT Commodities. At the event, which was attended by about 70 people, speakers from RECS, CertiQ, Eneco, VertoGas, the AIB and ACT Commodities talked about recent developments in GO markets in the Netherlands, discussing issues such as gas certification, time granularity, full disclosure, and regulatory issues.

4 RECS members

At RECS we are proud to have a membership community of 96 in 2022 and we're looking forward to securing our hundredth member in 2023.

4.1 Member services

At RECS we are dedicated to tackling climate change by accelerating the transition to 100% renewable energy systems. We do this by supporting the development of new EAC markets and strengthening those already in place.

The RECS Secretariat provides services and support to its members. We:

- coordinate members and cultivate a strong sectoral voice supporting EAC markets
- represent members' interests in many regional and international fora
- advocate for member-endorsed policies at the national and EU level
- host conferences and events (which members can attend at discounted rates)
- develop standard contracts for EAC trading (members have priority access)
- develop position and working papers (members have priority access)
- host issues-based working groups for members
- engage with supportive organisations on behalf of members.

In the past, we have offered some of these services to non-members. As EAC markets mature, and the RECS membership grows, this broader offering is less needed and will be phased out of our activities.

4.2 Member administration

At RECS we always strive to ensure that we offer highly efficient and effective services to our members – putting every cent of income from membership fees to the best use possible. This requires excellent systems and platforms. In 2022 this meant putting in place a new contact management system and updating our IT systems, which will streamline the Secretariat's work. In 2023, this will mean updating the www.recs.org website.

“At RECS we are dedicated to tackling climate change by accelerating the transition to 100% renewable energy systems.”

4.1 RECS members





5 Policy and advocacy

5.1 Full disclosure

At RECS we continue to advocate full consumption disclosure. In 2022 this involved publishing a report highlighting the effective implementation of full consumption disclosure in the Netherlands¹. This report briefly introduces the topic of full disclosure, shows how the Netherlands has implemented such a policy and evaluates how successful the implementation has been, based on market statistics and the experience of the Dutch Issuing Body CertiQ. RECS supports the implementation of full consumption disclosure in advanced EAC systems and has made the case for including full consumption disclosure in EU legislation.

For example, we advocated the adoption of full disclosure in the updated EU Renewable Energy Directive (RED-3) which was still being finalised at the end of 2022. We were particularly successful in securing support in the European Parliament, where many MEPs actively endorsed our position in favour of full consumption disclosure.

We will continue to push for full consumption disclosure in 2023, including through the opportunity of reviewing the Greenhouse Gas Protocol Scope 2 guidance.



“We were particularly successful in securing support in the European Parliament, where many MEPs actively endorsed our position in favour of full consumption disclosure.”

¹ www.recs.org/news/rece-builds-the-case-for-full-consumption-disclosure

5.2 National/regional regulations

At RECS we engaged with several key national and regional regulatory and legislative processes in 2022. At the EU level, we responded to consultations and published positions on three key regulatory workstreams: 1. The updating of the Renewable Energy Directive (RED-3), 2. The development of a delegated act on Renewable Fuels of Non-Biological Origin (RFNBOs, also known as green hydrogen), and 3. The European Commission's adoption of a staff working document on facilitating power purchase agreements. In all cases, we made the case for respecting and enhancing the EU's EAC scheme – Guarantees of Origin.

At the national level in 2022, RECS' biggest engagement was towards members with renewable energy market interests in the UK. Early in the year, the UK Government's Department for Business, Energy and Industrial Strategy proposed changes to the green imported electricity exemption under both contracts for difference & feed in tariffs while ceasing to recognise EU GOs in the UK. At RECS we responded to the related consultation, based on evidence gathered in collaboration with our UK REGO Market User Group, which was set up by us for this purpose. We made the case that the government's proposal to cease recognition of EU GoOs would significantly impact the UK's renewable energy market in general, and UK consumers in particular.



5.3 GHG Protocol and International standards

In addition to the legal and regulatory frameworks for Energy Attribute Certificates (EACs) in different jurisdictions, voluntary standards and norms are crucial to maintaining efficient and effective renewable energy markets. One of the most important of these is the Greenhouse Gas Protocol's Scope 2 guidance document (GHGP Scope 2). In late 2022, the Protocol Secretariat started the process of reviewing this protocol and assessing the need for additional guidance, building on existing corporate standards. At RECS we engaged with this process from the start, including by establishing a members' working group to develop a common position on how the Protocol could be updated to further strengthen the impact of EAC markets. This will be a focus of our work in 2023.

Early in the year, RE100 proposed changes to its technical criteria through a consultation to which we responded. The proposals included an update to the market boundary for Europe and a 15-year limit on commissioning dates for projects supplying electricity to RE100 members. In our response, we broadly supported these proposals².

The International Standards Organisation (ISO) is also starting the process of developing a general standard for book & claim schemes. We started engaging with this important process, which we will continue to work on in 2023.

“In 2023, we will continue to engage with standard setting bodies such as the International Standards Organisation (ISO) which has started the process of developing a general standard for book & claim schemes.”

2. www.recs.org/news/re100-consultation-on-proposed-changes-for-technical-criteria

6 PR & Communications

6.1 The RECS website

As part of our efforts to update our PR and Communications output, the www.recs.org website will be updated. This work started in 2022 and will continue in 2023. This update will modernise the website both visually and practically, ensuring that it strongly reflects our work while also becoming more user-friendly.

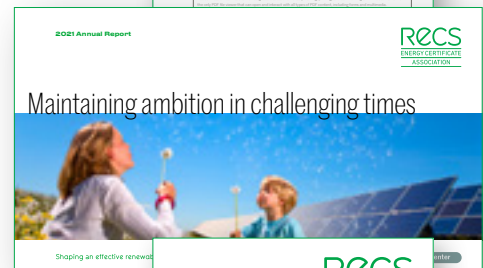
6.2 RECS reports and documents

We published several new reports in 2022. As of the end of 2022, our publications will be available to members only unless there is a clear reason for more public dissemination of information. Key publications include:

- an update of the RECS standard trade agreement for EECS GOs to V2.3
- our standard trade agreement for IRECs – draft for member's review and comments
- our response to the European Commission's draft delegated act on Renewable Fuels of Non-Biological Origin
- a report on the implementation of full disclosure in the Netherlands
- our response to the UK Government's consultation on recognising EU GOs in the UK
- a brochure to attract new members
- the 2021 RECS annual report.

6.3 The RECS newsletter

The RECS newsletter, which is sent to several thousand contacts and stakeholders, is our main means of communicating with those interested in our work. It provides news of new members, events, publications, and initiatives. In line with the modernisation of the www.recs.org website in 2023, we also aim to refresh the format of the newsletter.



“In 2023 we will seek to strengthen our links with the European Council and national permanent representations based in Brussels.”

7 Outreach and relationships

7.1 Supporting organisations

RECS members are a vital source of support for the organisation, both financially through membership fees and in the knowledge and information that they provide to the Secretariat. We thank them again for their contributions.

In 2022, beyond our membership, we continued to work and maintain constructive links with many key organisations. These include the Association of Issuing Bodies, the European Federation of Energy Traders, Eurelectric, the RE-Source platform, EnergyTag, CDP, RE100, and the World Resources Institute. These connections allow our Secretariat to stay up to date with all the latest developments in energy and energy attribute markets. The Secretariat also shares its views with these organisations, which can amplify our key messages.

7.2 EU Institutions

In 2022, RECS maintained good connections with staff in the European Commission who work on Guarantees of Origin. The Secretariat also made new connections in the European Parliament thanks to our advocacy on the Renewable Energy Directive.

In 2023 we will seek to strengthen our links with the European Council and national permanent representations based in Brussels.

7.3 National governments and agencies

Through local members, we were able to have constructive interactions with European national governments and agencies – in particular the UK, France, Switzerland, and the Netherlands.

While maintaining a European focus, we will, in 2023, take up opportunities to connect with national governments and agencies outside of the EU, as required to advance our work.



RECS
ENERGY CERTIFICATE
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