

ANNUAL REPORT 2007

RECS INTERNATIONAL



FROM THE PRESIDENT

RECS International is one of the largest associations in the energy sector actively participating in the development of renewable energy markets. Collaboration with other organisations such as EURELECTRIC, EFET and the Association of Issuing Bodies (AIB), NGOs and the EU Commission has been successful, which has further helped RECS International to become the major actor in its field.

The year 2007 was quite successful for RECS International. In 2007 we welcomed 37 new members which brings us to a total number of 206 members in 2007.

The collaboration with the AIB remains important. The standardisation of green certificates within the European Energy Certificate System (EECS) and the development of the infrastructure enabling cross border trade within Europe, which the AIB is working on together with RECS International, are still pillars for the functioning of the market for renewable energy and certificates.

Apart from the developments within RECS International as an association, we also witnessed some major changes in the market. The volume of certificates doubles every year and the percentage of redeemed certificates is still increasing. Some governments have recognised the importance of the use of the Guarantee of Origin and this is reflected in new legislations regulating the use of the Guarantee of Origin.

On the demand side we saw that electricity suppliers and public authorities found their way to the green certificates market and that they voluntarily purchase certificates directly on the market to make their electricity consumption green. To validate the claim of green supply and/or green consumption, the Quality Standard was introduced successfully.

With the new EU renewables Directive to be expected in January 2008 a new interesting period will start. Activities at the end of 2007 and in 2008 will be dominated by the discussions about the new Directive. For RECS International the focus will be on the tradability of the Guarantee of Origin.

*Claes Hedenström
President RECS International*



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INTRODUCTION

RECS International promotes a pan-European renewable electricity market, facilitated by a commonly accepted and harmonised European information system.

In 2007 RECS International worked on this pan-European market on several levels linked to different topics. In 2007 the two most important were:

- (1) Policy issues and lobby activities
- (2) Quality Standard

In this annual report we first present the activities concerning policy issues and lobby activities, as well as for the Quality Standard. The new renewables Directive asked for a lot of attention from RECS International.

In the second part of this annual report we inform you about RECS International as an association, the people involved in the Board and Working Groups, and we provide the financial overview 2007 of RECS International.

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POLICY ISSUES



OUR MAIN MESSAGE

The renewables Directive will fix the main elements in national legislation for the coming ten years. It is the interest of RECS International to have the Guarantee of Origin ready for target counting and for disclosure purposes. To enable a pan-European market for renewable energy the Guarantee of Origin needs to be defined as a clear instrument to facilitate trade.

WHAT WERE THE MAIN ACTIVITIES IN 2007?

To spread our message, RECS International published various papers and press releases:

- 9 February 2007: “The Commission fails to establish a market for Renewable Energy”.
A reaction on the Renewable Road Map COM(2006)848 and the Green Paper follow-up action, Progress in renewable electricity, COM(2006)849 final.
- 3 July 2007: “Market Green Certificates becomes mature”.
To facilitate the growing market of certificate trading, RECS International developed standard contracts for multiple and single delivery certificate trade.
- 19 July 2007: “New market rules to make European renewable energy cheaper”.
At the European seminar “Renewables 2020” in Lisbon on 13 July 2007, RECS International presented the internal market concept, which allows Member States to import limited volumes of renewable energy, and assists them in complying with the national targets, without the need for harmonising support systems.
- 26 October 2007: “Trade barriers to renewable energy in conflict with EU market laws”.
A follow up on a workshop held in London about the legal issues of international renewable energy trade, with the main message: “The option to limit imports will protect the existing successful markets for renewable energy. Moreover, this option can be legally justified”.
- 7 November 2007: “Incentives for renewable energy must fit within the European market framework.”
A joint call from RECS International, EURELECTRIC and EFET on the European Commission that “it is of vital importance not to close off over one third of the European electricity market through the creation or continuation of non-market based incentive mechanisms.”
- 28 November 2007: “Characteristics of a future European internal market for RES-E, based upon the Guarantee of Origin”.
A report by Ecofys on the characteristics of a “future European internal market for electricity generation from renewable energy sources (RES-E), based upon a standardised Guarantee of Origin.”





- 19 December 2007: “Tradability of renewable energy will lead to cost efficiency”.
As a follow up on the Ecofys report, RECS International recommends a stepwise introduction of a trade system, which “if properly designed, will decrease the support costs for power from renewable energy, while enabling the as yet untapped cheap European potential of green power to be developed.”

In addition, RECS International organised several visits to DG TREN and DG ENV representatives and we were present at the European seminar “Renewables 2020” in July, as well as at the Amsterdam Forum in October. For an overview of all meetings, see chapter “Meetings”.

Overall, RECS International cooperates with interest groups like EURELECTRIC, EUGENE, WWF and others to strengthen our messages. On the national level the RECS teams try to stimulate the public debate and to promote the use of the standardised Guarantee of Origin.

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QUALITY STANDARD



In 2007 RECS International rolled out the Quality Standard for electricity suppliers and consumers who want to prove that they indeed supply and consume electricity from renewable energy sources. In both cases, the Quality Standard gives proof of the origin of the green electricity. The Quality Standard has three main target audiences: corporate end-users, public authorities and electricity suppliers. For each separate group motivation for the use of the label was formulated. For corporate end-users and public authorities, one of the main reasons to apply for the Quality Standard is that it fits well into their Corporate Social Responsibility Strategy. Furthermore, public authorities, when using the Quality Standard, are a good model for RES-E. For electricity suppliers, the use of the Quality Standard can enhance their customers' trust.

WHAT IS OUR MAIN MESSAGE?

In the electricity market the physical flows cannot be followed. However, the Quality Standard logo can be linked to the claim of supplied and consumed green electricity based on the redemption of EECs certificates.

WHAT WERE THE MAIN ACTIVITIES?

In order to effectively attract Quality Standard users, several activities were undertaken and realised in 2007 within the Working Group Demand Side of RECS International:

- For the Quality Standard and for RECS International, the website was restructured.
- A separate logo was designed for the Quality Standard, alongside the formulation of regulations for the use of the logo.
- The background paper for the Quality Standard was finalised and approved.
- Audit statements for the green bookkeeping of the Quality Standard were drafted.
- The annual fee for the Quality Standard was set: € 100 for RECS members, € 300 for non RECS members. At the moment there are a total of 7 registered users.

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RECS INTERNATIONAL MEMBERS

NEW MEMBERS

In 2007, 37 members were newly registered. The largest part of these new members come from Germany, Italy and France. Also, there are now three South African (associate) members. With the membership of DLA Piper (United Kingdom), a new working group (Legal Working Group) was set up.

EXISTING MEMBERS

RECS International kept all members informed in 2007 about both the benefits of participating in the market for the Guarantee of Origin, as well as the association and its activities. Several tools were used for this:

- Access to specific and protected information (amongst others by means of our (members) website)
- Access to interesting seminars, workshops and RECS/AIB regular meetings
- Discount on participation fee of such seminars, workshops and RECS/AIB meetings
- Close interaction with the AIB
- Influence in decision making processes (internal and external) of RECS International
- Alerts to the members about press releases (see also chapter “Policy issues”)

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MARKET STATISTICS¹

Figure 1
Total issued and redeemed
per year (in TWh)

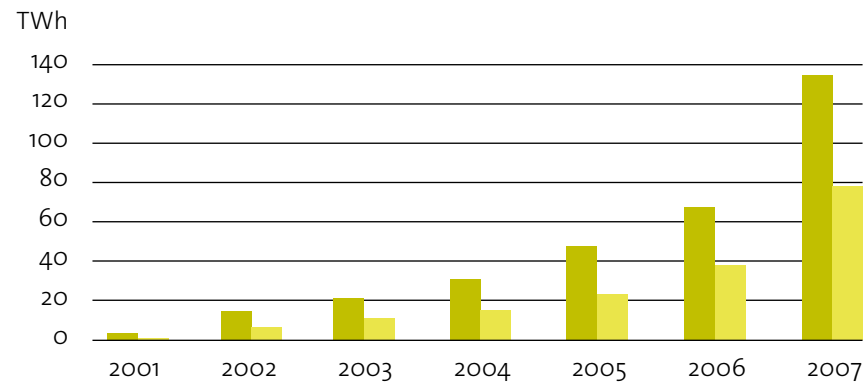
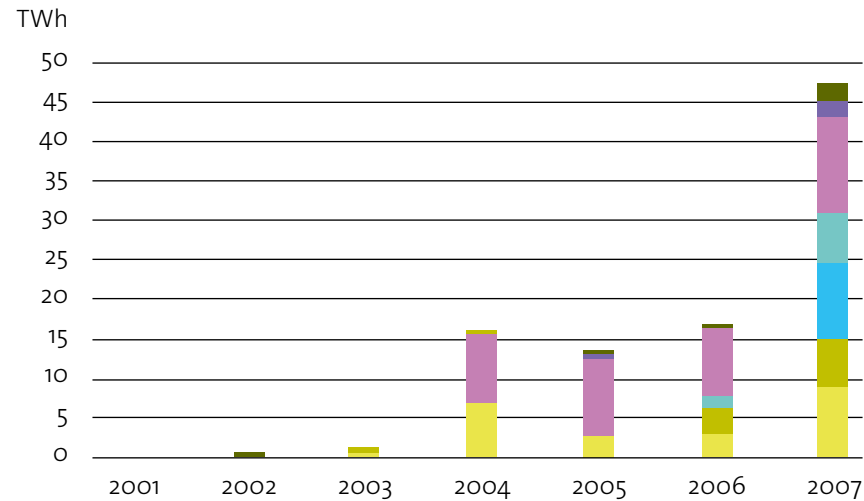


Figure 2
Imported per year (TWh)



¹AIB

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Figure 3
Exported per country (TWh)

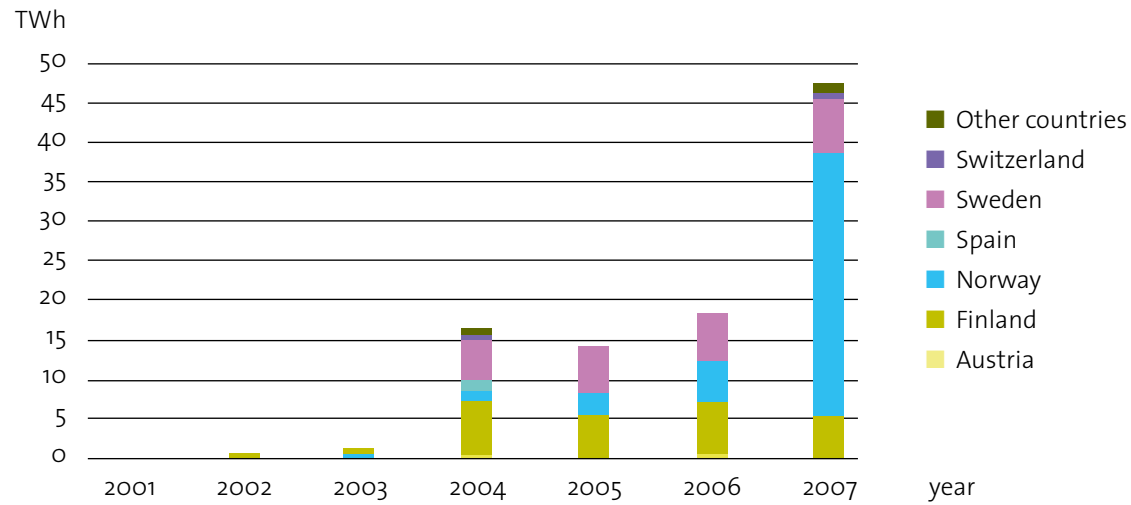
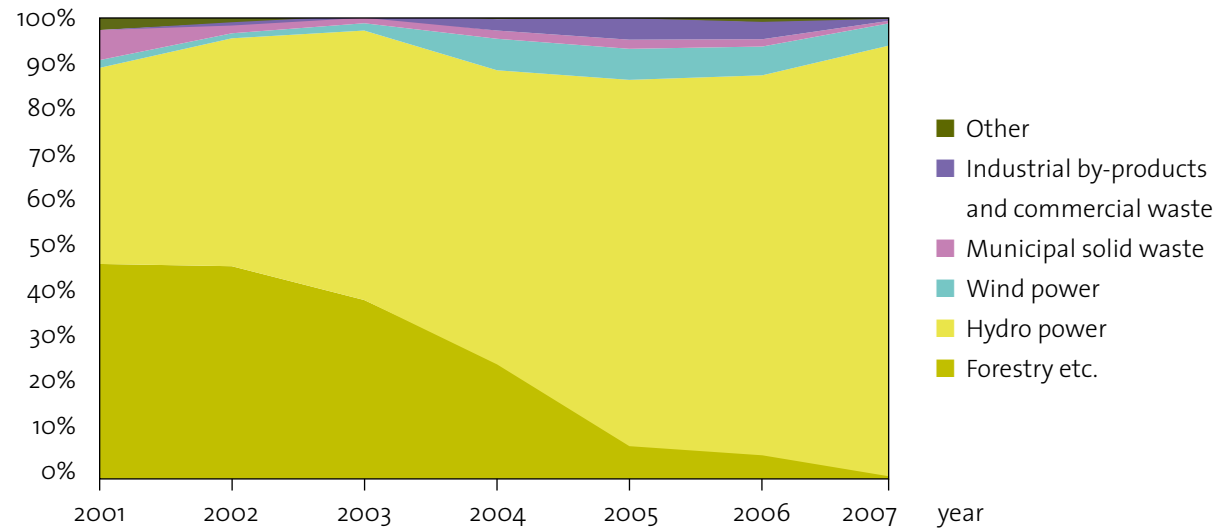


Figure 4
Issued per technology (in percentage of total)



ORGANISATION

RECS INTERNATIONAL

In March 2007, the General Meeting was held in Brussels. The Core Group proved to be a useful body for daily matters. It prepares the issues for the Board, which in turn takes the final decisions.

The chapter “Board & WG members” gives an overview of Board members (including substitutes), Core Group members and Working Group members as listed at the end of 2007.

The RECS International group of officials remained unchanged in 2007. Claes Hedenström was President of RECS International for the years 2004, 2005, 2006 and was reelected for another year. Pierre-Guy Therond (France) was reelected as Vice-President and Stefan Zisler was reelected as Treasurer.

In 2007 both the Working Group Demand Side as the Users Group were very active. A new Legal Working Group was set up with Andreas Gunst (DLA Piper) as chairman.

COOPERATION WITH AIB

With regard to cooperation with AIB, the most important topics of 2007 were:

- Creation of a Combined Heat and Power (CHP) certificate system: RECS International acted as a sort of users group to set up the GO-system for CHP.
- Standardization of redemption statements: the discussions are still going on.
- Price information: the discussions are still going on.
- Standard contracts: they have been finished and are available on the website.



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STATISTICS MEMBERSHIP RECS INTERNATIONAL

	Test phase	2003	2004	2005	2006	2007
Big members	38	51	55	56	54	59
Small members	18	32	47	47	40	54
Supporting members						3
Associate members	5	15	13	32	75	90
Total	61	98	117	135	169	206

Overview members per country

	Associate	Big	Small	Supporting	Total
Austria	1	2	3		6
Belgium	2	2	1		5
Canada	1	0	0		1
Denmark	3	3	1		7
Estonia	0	0	1	1	2
Finland	3	6	3		12
France	13	5	10	1	29
Germany	3	8	10		21
Ireland	0	1	0		1
Italy	22	10	7		39
Luxembourg	2	0	0		2
Netherlands	9	3	7		19
Norway	1	6	4	1	12
Poland	2	0	0		2
Portugal	1	1	1		3
Romania	1	0	0		1
Slovenia	0	1	0		1
South Africa	3	0	0		1
Spain	1	4	0		5
Sweden	2	2	1		5
Switzerland	6	4	3		13
Turkey	6	0	0		6
United Kingdom	6	1	2		9
United States	2	0	0		2
Total	90	59	54	3	206

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FINANCIALS

From a financial viewpoint, 2007 was a successful year.

FINANCIAL OVERVIEW RECS INTERNATIONAL 12/31/2007

INCOMES	Budget # 2007	Real # 2007	Budget 2007	Result 2007	EXPENSES	Budget 2007	Result 2007
Big members	55	59	220,000	207,600.00	7.10 Secretariat	214,200	214,200.00
Small members	43	54	38,700	45,400.00			
Supporting members	5	3	2,500				
Associate members	75	90	0				
		9.000	9.000,00		7.20 Travel & Accomodation	8,000	9,299.65
					7.30 PR & Communication	15,000	11,033.68
					7.40 Legal advice	2.000	4,829.78
					7.50 Meetings		
					7.51 Meeting Brussels		-2,315.62
					7.52 Meeting Stockholm		-736.33
					7.53 Meeting Lausanne		0.00
					7.54 Meeting Budapest		-250.00
					7.70 Contingency	1,000	943.43
					7.90 Uncollectable		
					7.91 Uncollectable 2006		900.00
					7.92 Uncollectable 2007		1,800.00
					Result	21,000	13,295.41
	178	206	261,200	253,000.00		261,200	253,000.00

BALANCE 31/12/2007				
Trade debtors		18,669.55	Invoices to be received	30,768.00
Other receivables		4,320.00	Other creditors	4,100.00
Rabobank		183,293.69	Stichting RECS	158,670.09
New members		11,600.00	Result 2004	24,835.24
			Result 2005	-52,119.55
			Result 2006	38,334.05
			Result 2007	13,295.41
		217,883.24		217,883.24

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MEETINGS

MEETINGS 2007

Date	Location	Subject
7-9 March	Brussels	Regular RECS / AIB Meeting E-Track
23 April	Brussels	DG Tren and DG Env
7-8 June	Stockholm	Regular RECS / AIB Meeting Expert meeting
4 July	Brussels	DG Env
5 July	Brussels	DG Tren
11-12 July	Lisbon	Renewables 2020
8 August	Brussels	EURELECTRIC
12-14 September	Lausanne	Regular RECS / AIB Meeting Green Power Marketing Conference
2 October	Amsterdam	Amsterdam Forum
17 October	London	Workshop DLA Piper
23 October	Conference call	EFET/ EURELECTRIC
21-22 November	Amsterdam	E-mart
28 November	Brussels	European Chamber of Commerce
13-14 December	Budapest	Regular RECS / AIB Meeting

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BOARD & WG MEMBERS (20-12-2007)

BOARD MEMBERS AND SUBSTITUTES RECS INTERNATIONAL

Organisation

Avenis Trading S.A.
 Assoelettrica
 DLA Piper UK LLP
 E&T Energie Handelsgesellschaft m.B.H.
 E.On Energie AG
 Ecohz ASA/Enviro Energi ASA
 EDF Branche Développement
 EDP Energias de Portugal S.A.
 Electrabel n.v.
 Fortum Corporation
 Fortum Markets Norway
 Green-Access
 GreenStream Network Ltd.
 HSE d.o.o.
 Iberdrola Generación S.A.U.
 N.V. NUON
 Natsource
 NOK
 REN - Rede Eléctrica Nacional S.A.
 SPE NV
 Vattenfall AB
 Vattenfall Europe Hamburg AG
 Vattenfall Europe Hamburg AG
 Verbund (Österreichische Elektrizitätswirtschafts) AG / APT
 Vindenergi Danmark amba

Surname

Baumann
 Cicoletti
 Gunst
 Kulischek
 Ulreich
 Ravlo
 Therond
 Matos
 Claerbout
 Backström
 Kildal
 Picard
 Nykänen
 Konovsek
 La Casta Muñoa
 Fahrenkrog
 Santokie
 Diwok
 Tavares
 Langie
 Hedenström
 Galjee
 Zisler
 Heiller
 Dupont

Given name

Ralph
 Giulio
 Andreas
 Wilhelm
 Stefan
 John
 Pierre-Guy
 Pedro
 Marie
 Hans
 Hans Petter
 Pierre
 Jussi
 Damjan
 Leyre
 Daniela
 Fiona
 Felix
 Maria Natália
 Mieke
 Claes
 Marcel
 Stefan
 Bernhard
 Niels

MEMBERS WG LEGAL WORKING GROUP

Organisation

DLA Piper

Surname

Gunst

Given name

Andreas

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MEMBERS WG DEMAND SIDE

Organisation

Agder Energi Produksjon AS
Agder Energi Produksjon AS
APT-Austrian Power Trading Deutschland GmbH
Association of Danish Energy Companies
Avenis Trading SA
Dong Energy
E&T Energie Handelsgesellschaft m.B.H.
Elementerra GmbH
Fortum Corporation
Fortum Markets Norway
Green-Access
GreenStream Network Ltd.
Iberdrola Generación S.A.U.
NValue
Statkraft Markets GmbH
Swisshydro/Rätia Energie
Union Fenosa Generacion
Vattenfall Europe Hamburg AG
Vindenergi Danmark amba

Surname

Liodden
Johannessen
Schwidden
Bang
Thalmann
Breum
Raith
Kiefer
Backström
Kildal
Picard
Müller
Scheib
Faccoli
van der Linden
Lattner
García Uguina
Galjee
Dupont

Given name

Jan Atle
Arvid
Mark
Ulrich
Stephan
Lars
Birgit
Bernd
Hans
Hans Petter
Pierre
Thomas
Ina
Alessandro
Niels
Ralf
Gonzalo
Marcel
Niels

MEMBERS WG USERS GROUP

Organisation

Agder Energi Produksjon AS
E.On Energie AG
Ecohz ASA
Elektrizitaetswerk der Stadt Zurich (EWZ)
GreenStream Network Ltd.
GreenStream Network Ltd.
GreenStream Network Ltd.
Iberdrola Generación S.A.U.
N.V. NUON
N.V. NUON
N.V. NUON
Natsource
Secretariat RECS International
Vattenfall AB
Verbund (Österreichische Elektrizitätswirtschafts) AG / APT

Surname

Palme
Garg
Ravlo
Vonbank
Nykänen
Müller
Roto
Scheib
Ates
Fahrenkrog
Ros Riu
Santokie
Niermeijer
Stawström
Grill

Given name

Robert
Ankur
John
Arnold
Jussi
Thomas
Harri
Ina
Pinar
Daniela
Diana
Fiona
Peter
Gunilla
Claudia

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