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AN EFFECTIVE
RENEWABLE
ELECTRICITY
MARKET

**Implementing Article 19,
Recast Renewable Energy
Directive**

Introduction – implementation of RED-2 Art.19

Article 19 of the recast EU Renewable Energy Directive, which entered into force at the end of 2018, both expands the use of Guarantees of Origin in the EU and strengthens the systems that support their use. In this detailed analysis of the Article, RECS International sets out its headline priorities for the article's implementation by EU Member States, and provides detailed guidance on how these priorities can be achieved. The document also provides a comparison, with line by line commentary, between the new Article 19 and its predecessor, Article 15 of the first Renewable Energy Directive (2009/28/EC).

Principles for the implementation of RED-2 Art.19

1. The translation of the RED-2 Article 19 from the Official Journal's English text into other EU languages must be accurate, especially on the crucial difference between 'shall' and 'may'.
2. The use of GOs in different EU Member States should be harmonised and standardised. An important step to achieving this will be ensuring that every EU Member State has a nationally mandated body as a full AIB member.
3. GOs should be issued for all RES electricity production, whether subsidised or not, so that every consumer can know about the power they are using.
4. In implementing Article 19 of the RED-2, Member States should move beyond basic implementation and towards the development of 'full disclosure' systems where every megawatt hour of electricity production is certified by a GO.

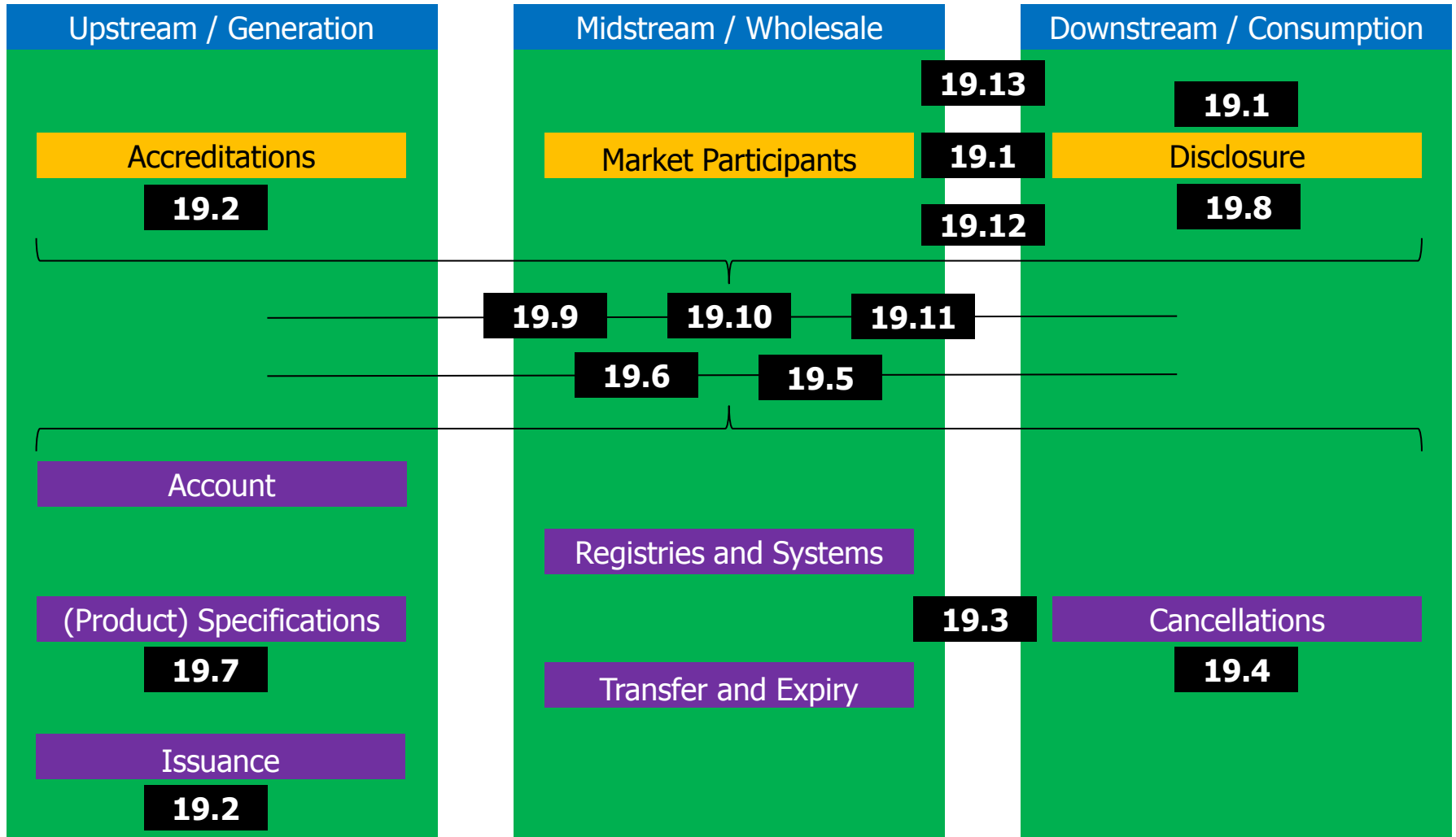
Overview of RED-2 Article 19 – Guarantees of Origin

Article paragraph	Key aspects
Recital 55	Broad description of the appropriate use of GOs
Recital 56	Suppliers must use GOs to prove claims on RES power
Recital 57	Interaction between use of GOs and RES support schemes
Recital 58	Can use GOs to disclose power from high-eff. cogeneration
Recital 59	Extend GOs to cover renewable gas
Para 19.1	MS must be able to guarantee the origin of RES energy
Para 19.2	MS must issue a requested GO – criteria
Para 19.3	GOs valid for 12 months and expire after 18 months
Para 19.4	GOs must be cancelled at least 6 months after validity ends

Overview of RED-2 Article 19 – Guarantees of Origin

Article paragraph	Key aspects
Para 19.5	MS/designated bodies must independently supervise GO use
Para 19.6	GO system & mechanisms must meet CEN – EN 16325
Para 19.7	GO must specify listed details except if less than 50kW
Para 19.8	Suppliers must use GOs for RES energy except in 2 cases
Para 19.9	MS to recognise other MS's GOs unless they are not trusted
Para 19.10	Commission to rule on trustworthiness of MS GOs if needed
Para 19.11	Mutual recognition of GOs between EU and 3 rd countries
Para 19.12	MS can set criteria for use of GOs
Para 19.13	Commission shall adopt report on EU green label

Elements of RED-2 Art. 19 in the electricity market



Implementing RED-2, Article 19

Art. 19.1 text

For the purposes of proving to final customers the share or quantity of energy from renewable sources in an energy supplier's energy mix and in the energy supplied to consumers under contracts marketed with reference to the consumption of energy from renewable sources, Member States shall ensure that the origin of energy produced from renewable sources can be guaranteed as such within the meaning of this Directive, in accordance with objective, transparent and non-discriminatory criteria.

Basic implementation

All Member States **should** have a nationally mandated organisation as a full member of the Association of Issuing Bodies and, through that membership and implementation of this article, should ensure that their GO system adheres fully to the EECS standard, which will automatically ensure adherence to Article 19.6.

The goal of membership in the AIB and adherence to these standards should be the harmonisation and standardisation of the GO system across EU Member States and with regards to GOs to and from third countries. The principle aim of the GO system should be the provision of clear information on the origin of power being supplied to consumers.

Advanced implementation

Market actors and end-users/consumers of all types should be able to open GO trading accounts and/or cancellation accounts in all domains. This action will support renewable energy cooperatives, engaged homeowners and corporate end-users. In addition this would allow national energy authorities to directly receive all relevant and correct information about the electricity consumed in their borders for more precise fuel-mix disclosures and residual mix calculations.

Customer specific cancellations should be possible in all registries, independent of whether the electricity supplier, agent or any other account holder do the cancellation.

Implementing RED-2, Article 19

Art. 19.2 text (1)

To that end, Member States shall ensure that a guarantee of origin is issued in response to a request from a producer of energy from renewable sources, unless for the purposes of accounting for the market value of the guarantee of origin Member States decide not to issue one to a producer that receives financial support from a support scheme. Member States may arrange for guarantees of origin to be issued for non-renewable energy sources. Issuance of guarantees of origin may be made subject to a minimum capacity limit. A guarantee of origin shall be of the standard size of 1 MWh. No more than one guarantee of origin shall be issued in respect of each unit of energy produced.

Basic implementation

As noted under the implementation of 19.1 (see above), adherence to the AIB's EECS rules will ensure that Member States meet the basic requirements for running GO systems.

All renewable energy, whether benefiting from a support scheme or not, should receive a GO.

All Member States **should provide** for producers of non-renewable energy to request the issuance of a GO per MWh of power.

Member States **should** work together and with the European Commission and other stakeholders to define a pan-EU minimum capacity limit for the issuance of GOs.

Advanced implementation

All Member States **must** have a nationally mandated organisation as a full member of the Association of Issuing Bodies and **must** ensure that their GO system adheres fully to the EECS standard.

All renewable energy, whether benefiting from a support scheme or not, **must** receive a GO.

All Member States should **require that producers of all energy are issued with GOs for each MWh of power they produce.**

Member States **must** work together and with the European Commission and other stakeholders to define a pan-EU minimum capacity limit for the issuance of GOs.

Implementing RED-2, Article 19

Art. 19.2 text (2)

Member States shall ensure that the same unit of energy from renewable sources is taken into account only once.

Member States shall ensure that when a producer receives financial support from a support scheme for the production of energy from renewable sources, the market value of the guarantee of origin for the same production is appropriately taken into account in the relevant support scheme.

Basic implementation

Basic implementation should be achieved through adherence to the EECS standard.

All renewable energy, whether benefiting from a support scheme or not, **should** receive a GO.

Advanced implementation

Advanced implementation will be achieved through adherence to the EECS standard and AIB membership.

All renewable energy, whether benefiting from a support scheme or not, **must** receive a GO.

Implementing RED-2, Article 19

Art. 19.2 text (3)

It shall be presumed that this is the case when:

- a. the financial support is granted by way of a tendering or a tradable green certificate system;
- b. the market value of the guarantees of origin is administratively taken into account in the level of financial support; or
- c. the guarantees of origin are not issued directly to the producer but to a supplier or consumer who buys the renewable energy either in a competitive setting or in a long-term corporate renewables power purchase agreement.

Basic implementation

Basic implementation should be achieved through adherence to the EECS standard.

All renewable energy, whether benefiting from a support scheme or not, **should** receive a GO.

Advanced implementation

Advanced implementation will be achieved through adherence to the EECS standard and AIB membership.

All renewable energy, whether benefiting from a support scheme or not, **must** receive a GO.

Implementing RED-2, Article 19

Art. 19.2 text (4)

To take into account the market value of the guarantee of origin Member States may, inter alia, decide to issue a guarantee of origin to the producer and cancel it immediately.

The guarantee of origin shall have no function in terms of a Member State's compliance with Article 3. Transfers of guarantees of origin, separately or together with the physical transfer of energy, shall have no effect on the decision of Member States to use statistical transfers, joint projects or joint support schemes for target compliance or on the calculation of the gross final consumption of energy from renewable sources in accordance with Article 7.

Basic implementation

Basic implementation should be achieved through adherence to the EECS standard.

All renewable energy, whether benefiting from a support scheme or not, **should** receive a GO.

GOs **shall not** be used for target compliance or for the calculation of the gross final consumption of energy from renewable sources in accordance with Article 7. This shall be respected by any GO (power, heating and cooling, gas).

Advanced implementation

Advanced implementation will be achieved through adherence to the EECS standard and AIB membership.

All renewable energy, whether benefiting from a support scheme or not, **must** receive a GO. A 2-tiered support system could be used - allowing less support to generators who retain their GOs. This could be voluntarily requested. GOs from generation technologies in high demand will benefit most from this scenario.

GOs **shall not** be used for target compliance or for the calculation of the gross final consumption of energy from renewable sources in accordance with Article 7. This shall be respected by any GO (power, heating and cooling, gas).

Implementing RED-2, Article 19

Art. 19.3 text

For the purposes of paragraph 1, guarantees of origin shall be valid for twelve months after the production of the relevant energy unit. Member States shall ensure that all guarantees of origin that have not been cancelled shall expire at the latest 18 months after the production of the energy unit. Expired guarantees of origin shall be included by Member States in the calculation of the residual energy mix.

Basic implementation

Member States **should** work together and with the European Commission and other stakeholders to determine the status of a GO in the 6 month period in which it may no longer be valid nor be expired.

EU Member States **should** follow the same process and timing for the cancellation and expiry of GOs, in this way end-users and their suppliers can operate with clarity and confidence throughout the internal electricity market. The preference **should** be that a GO produced in a given month is valid until the end of the same month the following year. GOs should be deleted a maximum of 18 months after the production month. Thereafter all unused GOs will lose their validity.

Advanced implementation

Member States **must** work together and with the European Commission and other stakeholders to determine the status of a GO in the 6 month period in which it may no longer be valid nor be expired.

Member States **must** improve the harmonization of GO issuance, cancellation and expiry through the AIB by agreeing an “issuing timestamp” mechanism to ensure common practice as regards the timing of issuance of GOs could allow for more granularity on issuance, cancellation and expiry – making it possible for GOs to be issued on a higher frequency, for example on a daily basis.

Implementing RED-2, Article 19

Art. 19.4 text

For the purposes of disclosure referred to in paragraphs 8 and 13, Member States shall ensure that guarantees of origin are cancelled by energy companies at the latest 6 months after the end of the validity of the guarantee of origin.

Basic implementation

Member States should ensure that fuel-mix disclosure (FMD) is conducted at least once a year.

Communication of fuel-mixes should be auditable by an independent organisation and communicable in such way that all fuel-mixes can be easily understood and compared by end users.

Advanced implementation

Member States should ensure that the FMD is simple and easily accomplished. FMD should be conducted on an automated basis as much as possible, in order to provide a most contemporary FMD.

Communication of fuel-mixes should be auditable by an independent organisation and communicable in such way that all fuel-mixes can be easily understood and compared by end users.

Implementing RED-2, Article 19

Art. 19.5 text

Member States or designated competent bodies shall supervise the issuance, transfer and cancellation of guarantees of origin. The designated competent bodies shall have non-overlapping geographical responsibilities, and be independent of production, trade and supply activities.

Basic implementation

Basic implementation should be achieved through adherence to the EECS standard.

Advanced implementation

Advanced implementation will be achieved through adherence to the EECS standard and membership of the AIB.

Implementing RED-2, Article 19

Art. 19.6 text

Member States or the designated competent bodies shall put in place appropriate mechanisms to ensure that guarantees of origin shall be issued, transferred and cancelled electronically and are accurate, reliable and fraud-resistant. Member States and designated competent bodies shall ensure that the requirements they impose are compliant with the standard CEN - EN 16325.

Basic implementation

Basic implementation should be achieved through adherence to the EECs standard as this will ensure adherence with the CEN-EN 16325 standard

Advanced implementation

Advanced implementation will be achieved through adherence to the EECs standard and membership of the AIB.

Implementing RED-2, Article 19

Art. 19.7 text (1)

A guarantee of origin shall specify at least:

- a. the energy source from which the energy was produced and the start and end dates of production
- b. whether it relates to: electricity; or gas, including hydrogen; or heating or cooling
- c. the identity, location, type and capacity of the installation where the energy was produced;
- d. whether the installation has benefited from investment support and whether the unit of energy has benefited in any other way from a national support scheme, and the type of support scheme;

Basic implementation

Basic implementation should be achieved through adherence to the EECs standard as this will ensure adherence with the details required for GOs in this paragraph.

Advanced implementation

Advanced implementation should be achieved through adherence to the EECs standard and Membership of the AIB as this will ensure adherence with the details required for GOs in this paragraph.

Implementing RED-2, Article 19

Art. 19.7 text (2)

- e. the date on which the installation became operational; and
- f. the date and country of issue and a unique identification number.

Simplified information may be specified on guarantees of origin from installations of less than 50 kW.

Basic implementation

The definition of “simplified information of GOs from less than 50kW” should be implemented with care. It should be avoided that the simplified information results in a second-tier quality GO with less information and less reliability. The GO needs to remain a fact-based instrument and seen as an undisputed representation of the actual MWhs produced by a production device, regardless of size.

Member States **should** work together and with the European Commission and other stakeholders to define the information required in GOs from smaller installations.

Advanced implementation

Member States **must** work together and with the European Commission and other stakeholders to define the information required in GOs from smaller installations.

Implementing RED-2, Article 19

Art. 19.8 text (1)

Where an electricity supplier is required to demonstrate the share or quantity of energy from renewable sources in its energy mix for the purposes of point (a) of Article 3(9) of Directive 2009/72/EC, it shall do so by using guarantees of origin except:

(a) as regards the share of its energy mix corresponding to non-tracked commercial offers, if any, for which the supplier may use the residual mix; or

(b) where a Member State decides not to issue guarantees of origin to a producer that receives financial support from a support scheme.

Basic implementation

Member States must ensure a clear differentiation between electricity that is tracked using a GO and that which is part of the residual mix. Suppliers and regulatory authorities must ensure that products sold to end-consumers are only based upon GOs or the residual mix. No longer should a supplier provide an electricity product, RES or Non-RES, that is not based upon GOs. Any product that is not tracked with GOs can only be based upon the residual mix calculation.

It is essential that the translation of this article maintains the firm requirement, not only the possibility, on the use of GOs to prove the share or quantity in a suppliers energy mix.

Advanced implementation

EU Member States must work together and with the European Commission and other stakeholders to ensure that across the Union there is a firm requirement, not only the possibility, on the use of GOs to prove the share or quantity in a suppliers energy mix.

Implementing RED-2, Article 19

Art. 19.8 text (2)

Where Member States have arranged to have guarantees of origin for other types of energy, suppliers shall always use for disclosure the same type of guarantees of origin as the energy supplied. Likewise, guarantees of origin created pursuant to Article 14(10) of Directive 2012/27/EC may be used to substantiate any requirement to prove the quantity of electricity produced from high-efficiency cogeneration. For the purposes of paragraph 2, where electricity is generated from high efficiency cogeneration using renewable sources only one guarantee of origin may be issued specifying both characteristics.

Basic implementation

Member States should implement Art. 19.8 so as to allow for and encourage suppliers to request guarantees of origin for other types of energy.

The implementation of this article should encourage and support the adoption of full disclosure for the consumption of energy in the EU.

Advanced implementation

Member States should implement Art. 19.8 so as to allow for and require suppliers to request guarantees of origin for other types of energy.

The implementation of this article must lead to the adoption of full disclosure for the consumption of energy in the EU.

Implementing RED-2, Article 19

Art. 19.9 text

Member States shall recognise guarantees of origin issued by other Member States in accordance with this Directive exclusively as proof of the elements referred to in paragraph 1 and paragraph 7 (a) to (f). A Member State may refuse to recognise a guarantee of origin only when it has well-founded doubts about its accuracy, reliability or veracity. The Member State shall notify the Commission of such a refusal and its justification.

Basic implementation

The European Commission **should** ensure openness and transparency in this area by publicising any notifications of refusal it receives in a timely manner, followed by its final ruling as to whether it upholds a Member State's reasons for refusal.

Advanced implementation

The European Commission **must** ensure openness and transparency in this area by publicising any notifications of refusal it receives in a timely manner, followed by its final ruling as to whether it upholds a Member State's reasons for refusal.

Implementing RED-2, Article 19

Art. 19.10 text

If the Commission finds that a refusal to recognise a guarantee of origin is unfounded, the Commission may adopt a decision requiring the Member State in question to recognise it.

Basic implementation

The European Commission **should** ensure openness and transparency in this area by publicising any notifications of refusal it receives in a timely manner, followed by its final ruling as to whether it upholds a Member State's reasons for refusal.

Advanced implementation

The European Commission **must** ensure openness and transparency in this area by publicising any notifications of refusal it receives in a timely manner, followed by its final ruling as to whether it upholds a Member State's reasons for refusal.

Implementing RED-2, Article 19

Art. 19.11 text

Member States shall not recognise guarantees of origins issued by a third country except where the Union has concluded an agreement with that third country on mutual recognition of guarantees of origin issued in the Union and compatible guarantees of origin systems established in that country, and only where there is direct import or export of energy.

Basic implementation

All EU Member states are members of the EEA, as well as the EEA only countries Iceland, Norway and Liechtenstein. All other European countries are 3rd countries in the sense of the RED-2. Within the European Single Market (formed by EU Member States, EEA countries and EFTA countries) GOs from all countries shall be accepted, that have passed the GO assessment procedure performed by the Association of Issuing Bodies AIB. That is the most valuable mechanism to ensure the protection of the European electricity consumers. GO-systems that passed the AIB-assessment fulfil the criteria to guarantee the accuracy, reliability and veracity as stated in Art.19.9 of the RED-2

Advanced implementation

Member States should work with the European Commission and other stakeholders to open dialogues with countries that are not yet members of the single market to support the development of national regulations which ensure future compliance with all aspects of the RED-2 Art. 19.

Implementing RED-2, Article 19

Art. 19.12 text

A Member State may introduce, in conformity with Union law, objective, transparent and non-discriminatory criteria for the use of guarantees of origin in complying with the obligations laid down in Article 3(9) of Directive 2009/72/EC.

Basic implementation

This paragraph was part of the original Renewable Energy Directive and no further action is required under the recast Renewable Energy Directive to achieve its implementation.

Advanced implementation

Member States **must** harmonise their different respective deadlines for issuance, cancellation, expiry, etc. to allow market players to have clarity, predictability and the ability to work across the EU in a uniform manner.

Implementing RED-2, Article 19

Art. 19.13 text

The Commission shall present a report assessing options to establish an EU-wide green label with a view to promote the use of renewable energy coming from new installations. Suppliers shall use the information contained in guarantees of origin to prove compliance with the requirements of such a label.

Basic implementation

The European Commission should initiate a project working group on this matter, drawing from the experience of a range of stakeholders, including those who can bring experience from outside of the EU as significant work has been done here by both EU and non-EU NGOs and non-profit stakeholders. The core principle of this project is the development of a label that is reliable and easily recognised and understood by all consumers.

Advanced implementation

EU Member States, along with the European Commission and other stakeholders should work together to evaluate and implement the findings of this report in as effective a way as possible.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.1

For the purposes of proving to final customers the share or quantity of energy from renewable sources in an energy supplier's energy mix in accordance with Article 3(6) of Directive 2003/54/EC, Member States shall ensure that the origin of electricity produced from renewable energy sources can be guaranteed as such within the meaning of this Directive, in accordance with objective, transparent and non-discriminatory criteria.

Article 19.1

For the purposes of proving to final customers the share or quantity of energy from renewable sources in an energy supplier's energy mix and in the energy supplied to consumers under contracts marketed with reference to the consumption of energy from renewable sources, Member States shall ensure that the origin of energy produced from renewable sources can be guaranteed as such within the meaning of this Directive, in accordance with objective, transparent and non-discriminatory criteria.

Comparison

GOs will now cover all renewable energy and not only renewable electricity.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.2 (1)

To that end, Member States shall ensure that a guarantee of origin is issued in response to a request from a producer of electricity from renewable energy sources. Member States may arrange for guarantees of origin to be issued in response to a request from producers of heating and cooling from renewable energy sources. Such an arrangement may be made subject to a minimum capacity limit. A guarantee of origin shall be of the standard size of 1 MWh. No more than one guarantee of origin shall be issued in respect of each unit of energy produced.

Article 19.2 (1)

To that end, Member States shall ensure that a guarantee of origin is issued in response to a request from a producer of energy from renewable sources, unless for the purposes of accounting for the market value of the guarantee of origin Member States decide not to issue one to a producer that receives financial support from a support scheme. Member States may arrange for guarantees of origin to be issued for non-renewable energy sources. Issuance of guarantees of origin may be made subject to a minimum capacity limit. A guarantee of origin shall be of the standard size of 1 MWh. No more than one guarantee of origin shall be issued in respect of each unit of energy produced.

Comparison (1)

The use of guarantees of origin is further expanded in this paragraph, while also being qualified.

Under RED-2, Member States can decide not to issue a GO to a producer that receives financial support.

RED-2 **explicitly allows Member States to issue a GO for energy that is not renewable** – a move towards full disclosure schemes.

A rule is retained stating that installations under a certain size, **which is not defined**, do not have to be issued with a GO.

The principle of 1 GO only per MWh is retained.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.2 (2)

Member States shall ensure that the same unit of energy from renewable sources is taken into account only once.

Member States may provide that no support be granted to a producer when that producer receives a guarantee of origin for the same production of energy from renewable sources.

Article 19.2 (2)

Member States shall ensure that the same unit of energy from renewable sources is taken into account only once.

Member States shall ensure that when a producer receives financial support from a support scheme for the production of energy from renewable sources, the market value of the guarantee of origin for the same production is appropriately taken into account in the relevant support scheme.

Comparison (2)

The stipulation that the attributes from a given MWh of power are only claimed once is retained.

The interactions between GOs and national financial support schemes is updated. **Under the RED-2 Member States must ensure that when an electricity producer receives financial support, that support takes into account the value of a GO which is attributed to that MWh of power.**

The paragraph is potentially problematic as a GOs are products which do not have a clear 'market value'. If Member States try to determine the value of GOs administratively, producers could end up being over, or under, compensated.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.2 (3)



Article 19.2 (3)

It shall be presumed that this is the case when:

- a. the financial support is granted by way of a tendering or a tradable green certificate system;
- b. the market value of the guarantees of origin is administratively taken into account in the level of financial support; or
- c. the guarantees of origin are not issued directly to the producer but to a supplier or consumer who buys the renewable energy either in a competitive setting or in a long-term corporate renewables power purchase agreement.

Comparison (3)

New elements introduced in RED-2 define the examples of support that should take into account the market value of a GO.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.2 (4)

The guarantee of origin shall have no function in terms of a Member State's compliance with Article 3. Transfers of guarantees of origin, separately or together with the physical transfer of energy, shall have no effect on the decision of Member States to use statistical transfers, joint projects or joint support schemes for target compliance or on the calculation of the gross final consumption of energy from renewable sources in accordance with Article 5.

Article 19.2 (4)

To take into account the market value of the guarantee of origin Member States may, inter alia, decide to issue a guarantee of origin to the producer and cancel it immediately.

The guarantee of origin shall have no function in terms of a Member State's compliance with Article 3. Transfers of guarantees of origin, separately or together with the physical transfer of energy, shall have no effect on the decision of Member States to use statistical transfers, joint projects or joint support schemes for target compliance or on the calculation of the gross final consumption of energy from renewable sources in accordance with Article 7.

Comparison (4)

The possible practice of Member States issuing a GO to a producer who benefits from a support scheme and then immediately cancelling it is preferred because it means that all consumers have access to the information included in a GO.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.3

Any use of a guarantee of origin shall take place within 12 months of production of the corresponding energy unit. A guarantee of origin shall be cancelled once it has been used.

Article 19.3

For the purposes of paragraph 1, guarantees of origin shall be valid for twelve months after the production of the relevant energy unit. Member States shall ensure that all guarantees of origin that have not been cancelled shall expire at the latest 18 months after the production of the energy unit. Expired guarantees of origin shall be included by Member States in the calculation of the residual energy mix.

Comparison

A potentially problematic change gives clearer definition of the timeframes for validity, cancellation and expiry of GOs but **leaves an undefined 'limbo' period between validity that runs out after 12 months and expiry of non-cancelled GOs after 18 months.**

What is the status of a GO which is not cancelled before the 12 month validity period but will not automatically expire before the 18 month deadline?

The clarity, standardisation and harmonisation of these timelines is crucial to the good functioning of a pan-EU GO market.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15

No text – new to Article 19.

Article 19.4

For the purposes of disclosure referred to in paragraphs 8 and 13, Member States shall ensure that guarantees of origin are cancelled by energy companies at the latest 6 months after the end of the validity of the guarantee of origin.

Comparison

As with paragraph 19.3, it is not clear why there is a cancellation deadline that coincides with the expiry deadline.

The clarity, standardisation and harmonisation of these timelines is crucial to the good functioning of a pan-EU GO market.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.4

Member States or designated competent bodies shall supervise the issuance, transfer and cancellation of guarantees of origin. The designated competent bodies shall have non-overlapping geographical responsibilities, and be independent of production, trade and supply activities.

Article 19.5

Member States or designated competent bodies shall supervise the issuance, transfer and cancellation of guarantees of origin. The designated competent bodies shall have non-overlapping geographical responsibilities, and be independent of production, trade and supply activities.

Comparison

Carried over from RED-1 to RED-2

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.5

Member States or the designated competent bodies shall put in place appropriate mechanisms to ensure that guarantees of origin shall be issued, transferred and cancelled electronically and are accurate, reliable and fraud-resistant.

Article 19.6

Member States or the designated competent bodies shall put in place appropriate mechanisms to ensure that guarantees of origin shall be issued, transferred and cancelled electronically and are accurate, reliable and fraud-resistant. Member States and designated competent bodies shall ensure that the requirements they impose are compliant with the standard CEN - EN 16325.

Comparison

The RED-2 requires that GO systems meet a de jure standard – CEN-EN 16325.

A de facto 'standard' has been in place for a number of years already – that of the European Energy Certificate System set by the Association of Issuing bodies and its members.

The CEN standard is a pared down version of the EECS 'standard'. Meeting the EECS 'standard' would ensure compliance with the CEN-EN 16325 standard.

The CEN standard should be flexible enough to reflect the changing aspect of EU GO systems.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.6 (1)

A guarantee of origin shall specify at least:

- a. the energy source from which the energy was produced and the start and end dates of production;
- b. whether it relates to: i. electricity; or ii. heating or cooling;
- c. the identity, location, type and capacity of the installation where the energy was produced;
- d. whether and to what extent the installation has benefited from investment support, whether and to what extent the unit of energy has benefited in any other way from a national support scheme, and the type of support scheme;

Article 19.7 (1)

A guarantee of origin shall specify at least:

- a. the energy source from which the energy was produced and the start and end dates of production;
- b. whether it relates to: electricity; or gas, including hydrogen; or heating or cooling;
- c. the identity, location, type and capacity of the installation where the energy was produced;
- d. whether the installation has benefited from investment support and whether the unit of energy has benefited in any other way from a national support scheme, and the type of support scheme;

Comparison

The RED-2 paragraph 19.7 is a simple update of the equivalent paragraph from RED-1 to reflect the extended use of GOs to cover all renewable energy under the new law.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.6 (2)

- e. the date on which the installation became operational; and
- f. the date and country of issue and a unique identification number.

Article 19.7 (2)

- e. the date on which the installation became operational; and
- f. the date and country of issue and a unique identification number.

Simplified information may be specified on guarantees of origin from installations of less than 50 kW.

Comparison

The RED-2 paragraph 19.7 introduces a size of installation (50kWh) below which GOs can give less detailed information.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.7

Where an electricity supplier is required to prove the share or quantity of energy from renewable sources in its energy mix for the purposes of Article 3(6) of Directive 2003/54/EC, it may do so by using its guarantees of origin.

Article 19.8 (1)

Where an electricity supplier is required to demonstrate the share or quantity of energy from renewable sources in its energy mix for the purposes of point (a) of Article 3(9) of Directive 2009/72/EC, it shall do so by using guarantees of origin except:

(a) as regards the share of its energy mix corresponding to non-tracked commercial offers, if any, for which the supplier may use the residual mix; or

(b) where a Member State decides not to issue guarantees of origin to a producer that receives financial support from a support scheme.

Comparison

RED-1 allows electricity suppliers prove how much renewable electricity was in its mix by using GOs. RED-2 requires suppliers to use GOs to prove the share or quantity of renewables in their energy mix. This will further expand the use of GOs.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.7

Where an electricity supplier is required to prove the share or quantity of energy from renewable sources in its energy mix for the purposes of Article 3(6) of Directive 2003/54/EC, it may do so by using its guarantees of origin.

Article 19.8 (2)

Where Member States have arranged to have guarantees of origin for other types of energy, suppliers shall always use for disclosure the same type of guarantees of origin as the energy supplied. Likewise, guarantees of origin created pursuant to Article 14(10) of Directive 2012/27/EC may be used to substantiate any requirement to prove the quantity of electricity produced from high-efficiency cogeneration. For the purposes of paragraph 2, where electricity is generated from high efficiency cogeneration using renewable sources only one guarantee of origin specifying both characteristics may be issued.

Comparison

This new legal element clarifies that the same type of GO is used as the energy supplied.

It also requires that where a unit of energy may have two attributes – e.g. electricity from high efficiency cogeneration using renewable sources – only one guarantee of origin may be issued specifying both characteristics.

Both aspects of this new paragraph should lead to more robust and reliable use of GOs.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.8

The amount of energy from renewable sources corresponding to guarantees of origin transferred by an electricity supplier to a third party shall be deducted from the share of energy from renewable sources in its energy mix for the purposes of Article 3(6) of Directive 2003/54/EC.

Article 19

Deleted

Comparison

This aspect of RED-1 is no longer required in the recast RED-2

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.9

Member States shall recognise guarantees of origin issued by other Member States in accordance with this Directive exclusively as proof of the elements referred to in paragraph 1 and paragraph 6(a) to (f). A Member State may refuse to recognise a guarantee of origin only when it has well-founded doubts about its accuracy, reliability or veracity. The Member State shall notify the Commission of such a refusal and its justification.

Article 19.9

Member States shall recognise guarantees of origin issued by other Member States in accordance with this Directive exclusively as proof of the elements referred to in paragraph 1 and paragraph 7 (a) to (f). A Member State may refuse to recognise a guarantee of origin only when it has well-founded doubts about its accuracy, reliability or veracity. The Member State shall notify the Commission of such a refusal and its justification.

Comparison

RED-2 19.9 is a simple update of its equivalent in RED-1 (15.9). It maintains the rule that Member States may only refuse to recognise a GO from another Member State if it has clear and well-founded grounds to do so.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.10

If the Commission finds that a refusal to recognise a guarantee of origin is unfounded, the Commission may adopt a decision requiring the Member State in question to recognise it.

Article 19.10

If the Commission finds that a refusal to recognise a guarantee of origin is unfounded, the Commission may adopt a decision requiring the Member State in question to recognise it.

Comparison

RED-2 19.10 maintains the requirement of RED-1 (15.10) That the Commission can rule on whether a Member State must recognise a GO from another Member State.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15

A new paragraph to Article 19

Article 19.11

Member States shall not recognise guarantees of origins issued by a third country except where the Union has concluded an agreement with that third country on mutual recognition of guarantees of origin issued in the Union and compatible guarantees of origin systems established in that country, and only where there is direct import or export of energy.

Comparison

New paragraph blocking Member States from recognising GOs from third countries unless there is an agreement of mutual recognition of GOs with that country and there is direct import or export of energy.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.11

A Member State may introduce, in conformity with Community law, objective, transparent and non-discriminatory criteria for the use of guarantees of origin in complying with the obligations laid down in Article 3(6) of Directive 2003/54/EC.

Article 19.12

A Member State may introduce, in conformity with Union law, objective, transparent and non-discriminatory criteria for the use of guarantees of origin in complying with the obligations laid down in Article 3(9) of Directive 2009/72/EC.

Comparison

RED-2 19.12 is a simple update of RED-1 15.11

Comparing RED-1 (2009) and RED-2 (2018)

Article 15

A new paragraph to Article 19

Article 19.13

The Commission shall present a report assessing options to establish an EU-wide green label with a view to promote the use of renewable energy coming from new installations. Suppliers shall use the information contained in guarantees of origin to prove compliance with the requirements of such a label.

Comparison

This new paragraph in RED-2 should lead to a Commission report on how GOs could be used to support the development of new renewable energy installations.

Comparing RED-1 (2009) and RED-2 (2018)

Article 15.12

Where energy suppliers market energy from renewable sources to consumers with a reference to environmental or other benefits of energy from renewable sources, Member States may require those energy suppliers to make available, in summary form, information on the amount or share of energy from renewable sources that comes from installations or increased capacity that became operational after 25 June 2009.

Article 19

Deleted

Comparison

No longer required under RED-2 given updates made elsewhere.

Comparing RED-1 (2009) and RED-2 (2018)

Proposed 19.14

The Commission is empowered to adopt delegated acts in accordance with Article 32 establishing the rules to monitor the functioning of the system set out in this Article.

Article 19

Not adopted

Comparison

It could be concerning that the European Commission is not able to adopt delegated acts related to this article, as it proposed, because it could limit efforts to support the effective implementation of the article.