



Concerted Action
c/o Micheal Lenzen
Chairman of WG 10: Guarantees of Origin
P.O. Box 718
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Arnhem, 2 July 2012

Subject: Disclosure and the Guarantee of Origin

Dear Concerted Action Working Group 10 – Guarantees of Origin,

RECS International represents over 220 organizations who work in the tracked electricity industry. These organizations combined were involved with the vast majority of the trades and production of Guarantees of Origin (GO) and have helped developed the European Energy Certificate Standard (EECS) for their standardized use. The voluntary market for tracked electricity canceled more than 270TWh worth of GOs in 2011, all within the standardized EECS system. 270TWh means that roughly 7% of all European electricity was tracked, bought-sold, canceled, and/or claimed on the voluntary market last year.

With the importance of this market apparent policy makers should no longer ignore the link between Guarantees of Origin (Article 15; 2009/28/EC) and supplier fuel-mix disclosure rules (Article 3; 2009/72/EC). While the two are delinked legislatively the real-life interactions are becoming clear and of a larger concern to market players. Policy-makers risk being complacent in the distribution of wrong information, on a large-scale to all electricity consumers, and even slowing the ability to cost-efficiently integrate renewables with the help of market systems. Members of RECS International are concerned about the wide-spread misuse of disclosure deadlines and GO certificate expiry, industry-wide, both of which are a direct result of the inability to regulate between the two directives and standardize among the whole internal market.

Many market players have explored utilizing different national disclosure deadlines and national GO expiry rules for their own benefit. Market players can use the lack of standardization in

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national deadlines and transfer GOs 'out-of-domain' directly before the disclosure/GO expiry deadlines, without the need to cancel. The lack of standardized national disclosure deadlines creates unneeded difficulty in the calculation of residual mix figures (needed for proper fuel-mix disclosure) as well as an undue risk for GO 'attribute' double counting.

RECS International believes that there are five-steps that should be taken to solve these issues:

1. Provide a link in 2009/72/EC Article 3(3) that, "Customers...have the right to be supplied with electricity of a specified quality..." to 2009/28/EC where the Guarantee of Origin is mentioned as the method, "of proving to final customers the share and quantity of energy from renewable sources". This link would provide a basis for both fuel-mix disclosure and electricity products to be disclosed and issued correctly Europe-wide.
2. Provide clear disclosure methodology so that a consumer in Norway receives the same information from their supplier as a consumer in Austria. National legislations vary significantly regarding the methodology used for fuel-mix disclosure, supplier green-electricity products, and the eventual disclosure of carbon/nuclear waste figures.
3. Standardize *all European member-states'* fuel-mix disclosure deadlines and GO expiry deadlines on a single-date somewhere between February 15th and March 31st. By standardizing disclosure/expiry deadlines the commission could prevent the implicit double counting of electricity attributes Europe-wide.
4. Force all member states to universally accept all Guarantees of Origin, including those from fossil and nuclear sources. This would eliminate electricity suppliers declaring ownership over, 'cleaner burning' fossil fuel plants without a regulated method of tracking. These 'declarations' of ownership are used in lieu of tracking mechanisms and hence cannot be taken out of the national residual mixes. Some of the largest electricity suppliers in Europe have already, in 2011, issued GOs for all their fossil and nuclear production to combat this threat and improve personal electricity accounting practices.



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5. Declare that a standardized GO, for all of Europe, is the only reliable tracking system. We request the abolishment of RECS certificates by replacing them with the internationally recognized and highly reliable Guarantee of Origin Certificate standardized by EECS.

It is the fear of some market players that post-2020 targets will be difficult to reach without a reliance on cost-efficient market-based renewable electricity production. Without these changes opposition based on the credibility of the system will persist and limit the ability of the market to help achieve the 2020 renewables goals. Consumer choice and protection will also suffer as a result of the unstandardized GO expiry/Disclosure deadlines. RECS International stresses that this topic must be made clear, and brought to the attention of the European Commission. RECS International and its market player members offer their help and expertise in creating these changes, providing up-to-date information and eventually improving final consumer information.

On behalf of all the members of RECS International we thank the commission, and its technical groups for their hard work, and urge them to consider the above suggestions.

Sincerely,

RECS International - Secretariat

Jared Braslawsky
Deputy Secretary General