

Date: 11 May 2016

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Norway is placing the consumer-driven market for renewable electricity under threat

In recent days the Norwegian Minister of Petroleum and Energy has questioned the role of a consumer-driven electricity market in Norway based on the EU system of Guarantees of Origin. Seen in light of official signals in a review of energy policies to be discussed in the Norwegian Parliament in June, this raises concerns.

The Norwegian authorities are investigating abandoning the consumer-driven system for renewables in favour of a production-based system. RECS International calls on all stakeholders in Norway to protect consumer choice and begin a dialogue over these issues, which affect consumers in Norway and around the EU.

Guarantees of Origin (GOs) offer the only reliable and transparent way to prove the consumption of electricity products in modern electricity markets such as Norway's. Removing Norway from the European market for GOs will mean that Norwegian consumers will no longer have a choice when it comes to electricity products. If consumers continue to claim the consumption of a specific type of electricity – such as renewable electricity – this same right must be granted to other consumers within the rest of the European Economic Area (EEA). In restricting the right of non-Norwegian consumers to purchase commodities in Norway, Norway will have decided to close the border for goods and services, which contradicts its commitments as a member of the EEA.

There is strong regulation in the EU that protects consumers when purchasing renewable electricity. The GO, which is standardized in Norway, as well as in the rest of the EU, allows for the robust and reliable delivery of electricity products within and between member states. This system, which has been in place for more than a decade, has strong support from national authorities, stakeholders, consumers and producers.

Furthermore, recent support of international standards for consumer claims is increasing the use and acceptance of these systems around the globe. Many large companies made clear statements during the COP21 in Paris that they will purchase all their electricity from renewable sources. In order to prove such purchases in Europe, GOs are critical. They are the basis of electricity emissions calculations for the Greenhouse Gas Protocol, CDP, RE100 and nearly every other leading initiative promoting transparency about the use of electricity and responsibility for emissions.

Norway agreed to follow EU regulations when it comes to the design and implementation of their electricity and energy industry, including the GO. It does not make sense to take Norway out of the European system for electricity product choice. It is clearly unwise to ignore international developments and try to claim renewables consumption based upon the proximity of production. Consumption of all electricity products, regardless of their origin, needs to be tracked through internationally standardized and harmonized mechanisms such as the GO.

To discuss these issues or if you need more information, please contact Jared Braslawsky at the RECS International secretariat by email: secretariat@reecs.org or by phone: +31(0)26 820 0396.