

## **Answers to CEER public consultation on "green" electricity**

3 February 2014

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## Questions and Answers

**Q1)** Do you agree that further improvement is needed concerning the terminology that is used to inform the customer on electricity offers based on renewables and to promote these offers in marketing?

**EUROPEX answer: Yes. Guarantees of Origin (GOs) are best suited to provide a clearly defined, standardized means of providing information to customers on electricity offers based on renewables. We see the necessity to strengthen customers' trust in GOs as the most reliable and transparent system for tracking the origin of electric energy. Due to non-harmonisation in this field the confidence of consumers is undermined and allegations of so called "green washing" have come up.**

It is important that electricity customers are provided with adequate, reliable and comprehensive information on the origins of their electricity. By having access to such information, customers can be empowered to choose their electricity supplier and electricity contract not only based on issues related to price. Empowerment of customers can be pursued in different ways:

**Q2)** Do you agree that all price Comparison tools should provide customers with an overview of electricity products, including specific information on the origin of the electricity that will be supplied?

**EUROPEX answer: Yes. Although such a system would require a leap forward regarding standardization, issuing and disclosure systems in general, particularly regarding residual mix calculations in practice.**

**Q3)** Do you agree that the NRA (or other competent body) should develop a harmonised format on how information concerning the origin of electricity is displayed and should specify the level of detail required on electricity bills for this information?

**EUROPEX answer: No. The NRA should develop minimum requirements and common terminology, but suppliers should be free to provide additional info and to compete also in this field. The level of information given should be aligned with the development of the GO market. This means that at its current stage, it is sufficient to supply information on the amount of renewable energy consumed. Further information can be included later in the process, when for instance GOs for specific energy sources are more widely traded. This approach also supports the aim of CEER stated in this consultation document to standardise GOs as providing too many details potentially contradicts this aim.**

**Q4)** Do you agree that two levels of information should be provided to customers? Complementing the bill, additional information such as the geographic origin, the technology and the product mix could be made available on the website of the supplier. In that case, a reference on the bill should draw customers' attention to this additional information.

**EUROPEX answer: Yes. Still, this is less an issue than the prerequisites for making this happen. The first priority should be to inform end consumers thoroughly about the assets and merits of GOs. Any additional details and information provided should be critically evaluated as to whether it provides additional value to the consumer. Already today, it is difficult to communicate to end consumers that GOs need to be distinguished from renewable energy produced under national support schemes.**

**Q5)** Do you support the idea that if a supplier also publishes the product mix on the bill for some customers, the publication of the product mix should be done consistently for all of its customers in order to minimise the risk of “double counting” within one company?

**EUROPEX answer: Yes. They should list the company mix as well as a particular product mix. This would mean that customers with “standard products” are also informed they are using less “green” energy than the supplier’s average.**

**Q6)** Do you agree that the publication of an annual disclosure report by NRAs (or other competent bodies) is a good practice?

**EUROPEX answer: Yes. Particularly if these reports are also used as a tool to find out, what needs to be improved and how to do it. Such a report can improve transparency and represent a further step towards harmonization of disclosure. We do not have any preference if such a report should be prepared by NRAs or another competent body.**

In addition to providing adequate information to customers, further development, improvement and integration of existing disclosure systems are necessary, if customer trust is to be strengthened and the EU’s internal energy market further developed. CEER would welcome stakeholders’ views on a more harmonised approach regarding:

**Q7)** Do you agree that further harmonisation of the existing disclosure systems on a European level necessary?

**EUROPEX answer: Yes. And also further harmonisation regarding GO use and its use beyond “green” electricity. GOs as the only tool with clear and reliable standards should be the basis for all disclosure systems and should be used Europe-wide. This approach also increases the liquidity of the GO market, thereby making a significant contribution to the transparency of the origin of electricity throughout Europe.**

**Q8)** Do you agree that GOs should be used as a common and reliable basis for all disclosure systems?

**EUROPEX answer: Yes. When its use increases it will become even more reliable (extension to other production sources, GO as sole basis for disclosure, common procedures regarding residual mix ...)**

**Q9)** Do you agree that the issuing of RES-GOs should be mandatory for all electricity produced with renewable sources?

**EUROPEX answer: Yes. If you have a tool that is already required and systems in place, then it is logical to use them to their full potential. Issuing GOs should be mandatory for all power production in the European Union, thus including all renewable energy sources, regardless of whether they are covered by renewables support schemes.**

GOs play a crucial role in providing electricity customers with reliable information on their electricity: GO is the only tracking mechanism with a clear legal basis. GOs contain a variety of valuable information (such as geographic origin, technology) that can stimulate customer interest:

**Q10)** Do you agree that issuing of GOs should be extended to all sources of electricity to make the basis for the disclosure system more consistent and reliable, but also to provide opportunities for market offers for electricity based upon specific non-renewable sources in a trustworthy manner? Should this be mandatory or voluntary?

**EUROPEX answer: Yes. It should be mandatory as this would really push the system forward in terms of reliability (i.e. less need for residual mix where errors are most common). The system itself is already required by EU law, so – as already stated – it is sensible to use it to the fullest. We support the extended use of GOs for all energy sources as the only tracking tool for power. Reliability and comprehensibility of the system would be strengthened by such a step as the residual mix would no longer have to be calculated. Such a system should be mandatory in order to maximize its efficiency through avoiding the emergence of parallel systems.**

**Q11)** Do you agree that the integration of electricity markets at European level should ideally be accompanied by actively developing a European RES-GO market?

**EUROPEX answer: Yes. This market could first be developed for RES-GOs and later extended to other kinds of GOs. And GO cross border transactions are already rising and will be rising further, thanks for example to the AIB HUB that connects national registries.**

Recent developments in the renewables sector have led to a controversial debate about support schemes for renewables that also influence discussions on disclosure to a certain degree. In the light of this:

**Q12)** Do you agree that when informing customers about their energy, RES-support schemes and disclosure should be seen as separate issues with their own instruments?

**EUROPEX answer: Customers should be informed both about the source / technology structure of the energy they consume as well as the costs incurred for support. But supported RES electricity should also be accounted for in the disclosure process. Ultimately, GOs should be issued for energy produced with and without the support of RES support schemes.**

**Q13)** Do you feel that it is necessary to recognise all GOs for disclosure purposes, irrespective of whether GOs come from supported or not-supported electricity?

**EUROPEX answer:** Yes. Current standards – e.g. EECS – already provide for a “tag” regarding support. It is important that all production – irrespective of whether it is supported or not – is issued GOs. The fact that it was supported may be reflected in who gets the benefit of the GO. For example, these GOs could be cancelled pro rata to suppliers active on the FIT system territory. This would transfer the “greenness” to the final customers who ultimately pay for support. On the other hand, GO could themselves be a tool for support.

Finally, the document covers issues related to “green” electricity labels, which are increasingly introduced in the market due to growing customer interest in electricity originating from renewable sources. Nonetheless, GOs are the necessary instrument for providing information to customers. Therefore, labels should not undermine the importance and reliability of disclosure systems.

**Q14)** Do you agree that “green” power quality labels should mandatorily be using GOs as their unique tracking mechanism?

**EUROPEX answer:** If GOs are extended to all sources and become the sole, mandatory instrument, then this question is not relevant. Otherwise, current GO standards provide for including particular “schemes” – AIB’s ICS and NGC. It is preferable that each MWh is issued one certificate and that this certificate is a GO, with maybe additional “tags” containing supplementary info.

**Q15)** Do you feel that it would benefit customers if a labelling model would be implemented alongside the GO, so that label(s) can provide “additionality” for those customers that demand it?

**EUROPEX answer:** No. It can be established inside the GO system. However, today an almost hardly comprehensible and understandable variety of labels exists. Therefore, a minimum harmonization of labelling standards in order to provide consumers with clearer and more easily understandable information on additionality and benefit of labelling is needed.