

IEA-DSM TASK XIV MARKET MECHANISMS FOR WHITE CERTIFICATES TRADING

MINUTES OF EXPERTS' MEETING 15 APRIL 2005, PARIS, FRANCE

Participants:

France	Paul Baudry	EdF
	Stéphanie Monjon	ADEME
	Magali Tarbé	EdF
Italy	Walter Grattieri,	CESI
Netherlands	Vlasis Oikonomou	Utrecht University
Norway	Andreas K. Enge	Enova
Sweden	Monika Adsten	ELFORSK
	Luis Mundaca	IIIEE Lund University
	Therése Karlsson	STEM
United Kingdom	Tina Dallman	DEFRA
Operating Agent	Antonio Capozza	CESI
Observer	Javier Revuelta Alonso	RED ELÉCTRICA Internacional (Spain)

A. Introduction and Administrative Matters

1 Start of the meeting and welcome address

The Operating Agent, Antonio Capozza, welcomed all the Experts to the Experts' meeting in Paris. He also thanked ADEME, the Organisation hosting this meeting, and Stéphanie Monjon in particular for the efforts devoted to organisation.

2 Presentation of Experts/Observers

A revised list of affiliation, address and communication data of the Task Experts is given in [Appendix 1 - List of experts](#).

The presence at this meeting was welcome for Mr J. Revuelta (RED ELÉCTRICA Internacional), who also attended the workshop held the previous day at IEA headquarters on behalf of the IEA-DSM Spanish ExCo member. All the participants agreed on the fact that, despite of the nature of the meeting restricted only to the participating Countries, this could be a good chance for Spain to get a deeper insight of the Task works. He was then unanimously accepted as observer during the meeting.

3 Decisions about agenda

The Agenda of the meeting (see [Appendix 2 - Agenda](#)) was submitted to the Experts. It was accepted without substantial modifications.

4 Purpose of the meeting

The purpose of the present meeting is summarised as it follows:

- Defining administrative matters
- New contacts and synergies
- Discussion on the continuation of the task
- Updated information on national policies on Energy Efficiency and White Certificates
- Summary of decisions and next events

5 Administrative

5.1 *New participation of Netherlands*

The Dutch Ministry of Economic Affairs came to a decision of Netherlands participation to task 14. The Dutch ExCo member sent a Notice of Participation. The Participating organisation is Senternovem and the appointed expert is Mr Vlasis Oikonomou, belonging to Utrecht University; he confirmed a strong involvement of Netherlands in the sectors of energy savings and of market mechanisms capable of fostering these processes. He also announced that a Dutch National Energy Convention will take place in Groningen from October 26th to 28th 2005, jointly organised by Universities of Amsterdam and Groningen, Dutch Utilities, suppliers and local Industry. There are expected 500-700 participants, among which people from the World Energy Council. Organisers are definitely oriented to arrange specialist workshops on selected topics: subjects relevant to market mechanisms to foster Energy policies (Green and White Certificates, ETS) are strongly addressed. See:

<http://www.rug.nl/energyconvention/index>

A workshop on the style of those that have already been organised in Task 14 would be strongly appreciated and could give greater visibility to the activities of the Task.

5.2 *Further contacts*

Belgium, Australia and EC showed interest in joining the Task, but decisions on this matter are still pending.

5.3 *Invoices to participating Organisations*

All the Participants at the date of 31/12/04 were invoiced for the total amount of the cost-sharing subdivided over five Participants (France, Italy, Norway, Sweden and UK).

As for Netherlands share, decision will be taken by the IEA-DSM Executive Committee in next April 2005 meeting in Saariselkä (see also par. 13)

5.4 *Task XIV website*

The Task website enriched with a list of about 65 contacts among experts and guests from EU, US and Australia.

The libraries were enriched with documents relevant to:

- National energy saving policies
- Schemes involving market mechanisms for energy savings
- Presentations at meetings and workshops relevant to the task or to other related projects
- Task deliverables and official documents

Intensive use of experts and guests forums was suggested for improving:

- diffusion of general information on events and Organisations
- exchange of draft documents and comments on them

Proposal is made to add to the guests library the documents of the EU SAVE White&Green and EIE EuroWhiteCert projects as soon as they are publicly available and to restructure this library accordingly (e.g. under “general results” and “quantitative results” categories). Request is also made of a .pdf format for all the downloadable documents.

Each Country is free to diffuse domestically the restricted documents, as well as to suggest OA further “guests” or “experts” contacts and to ask OA for upgrading *guests* to *experts* and vice-versa. The Swedish national reference group on White Certificates will be granted as a whole a new guests’ userid and passwords. The e-mail address of this group will be dwelled c/o Monika Adsten.

5.5 Issued deliverables

The first Critical Synthesis Report:

- A. Capozza: “**IEA-DSM Task XIV – MARKET MECHANISMS FOR WHITE CERTIFICATES TRADING. Critical Synthesis Report 1: London Workshop (8/11/04)**”, CESIA5005393, 31/01/05

was prepared. Drafts were commented by the experts and submitted to the ExCo members of the involved Countries for approval. The report was issued as the first task deliverable. This deliverable, styled as proceedings of the workshop, contains the copies of the presentations and an accurate and agreed report of comments and remarks of the attending people, which generally represents one of the most valuable outcomes of such events. This kind of interim deliverables, though sometimes not completely “self-consistent”, facilitates the process of issuing of the final synthesis report

B. New contacts and synergies

6 Contacts

About 65 new contacts were established and listed from the start-up of the Task: 20 contacts qualified as Task *experts* (entitled to attend the experts meeting and to access the restricted documents) and about 45 contacts as *guests* (to be kept informed of all the non-restricted initiatives of the Task), coming from Academia, institutional Bodies, industry, electric utilities.

7 Interactions with EC concluded or running projects

An EC SAVE project, called “White and Green”, has been completed, based on scenario simulations of White Certificates diffusion through Europe by the use of MARKAL programme. The project was concluded and the deliverables relevant to the phases I and II of the project were also made available to all the task contacts through the task 14 library. The documents relative to phase III of this project, which are related to the quantitative assessment of the White Certificates and other policy instruments, will be made available soon.

An open international workshop on White Certificates took place on April 5th 2005 in Milan in connection to the EC EuroWhiteCert kick-off meeting. The relevant presentations were also made available to all the task contacts through the task 14 library. Complementarity with Task XIV was assessed, since the EC project mainly addresses interaction/integration of White Certificates with other market-based mechanisms (REC, ET) and studies on pilot cases, whereas Task 14 focuses operational details and exchange of running experiences. Osmosis between the two project is facilitated by the presence of common academic, French and Swedish experts.

C. Updating of National EE and White Certificates policies

8 Comments on Paris workshop and general remarks

8.1 General comments

Some comments followed-up the presentations and the discussions relevant to the open workshop held the previous at IEA headquarters.

1. Policies on energy efficiency in relation to White Certificates are adopted in France also at a regional level, in the sense that an fixed amount of saved energy can be translated into a variable quantity of White Certificates, depending on the energy situation of the geographic zone of attained savings. This is considered a way to overcome local critical conditions of the grid by encouraging energy efficiency at a local scale.
2. Another critical matter in the French scheme is the choice of the EE measures eligible to gain White Certificates. A wide list of measures is going to be set up in France. More in general, all the experts agreed on a list of items relevant to eligible measures, which still deserve to be further examined in their national schemes:
 - the classes of the measures (whether and how to include measures on the transport, measures on promotion),
 - additionality of a measure
 - expected savings of a measure
 - cost sharing of a measure between obliged actor and end-user:
 - generally only the implementation costs are estimated;
 - avoided costs on energy bills are not sufficiently considered, despite that this elements definitely influence the convenience of an EE measure for the end-user
 - costs for promotional campaigns¹ to foster awareness for the end-user are not systematically considered either; knowledge is lacking on the relevant benefits. This issue deserves to be in-depth analysed; some indicative studies for the effectiveness of information campaigns were performed by the Dutch experts and will be made available soon.
3. Shared opinion exists that *standard* procedures for the evaluation of energy savings of eligible EE measures may facilitate the implementation of a White Certificates scheme and they represent a suitable and acceptable alternative to M&V operations. Such an approach is adopted at present in UK and Italy, even if with different features, and it is likely to be considered in France.

8.2 Comparison among national standard procedures for the evaluation of energy savings

With reference to the last point 3, a decision was taken to carry on a review of existing standard procedures, in order to improve the understanding of the national peculiarities and to favour common approaches and criteria in view of international exchange of White Certificates.

The experts are asked to point out three procedures used at their national level to evaluate the energy savings (toe or TWh or other) resulting from Energy efficiency measures. To have a

¹These actions are considered eligible measures in the Italian scheme, even though no evaluation procedure has been set up yet

common platform, all the experts were suggested to adopt the same classes of measures. The Italian expert proposed:

- Use of high efficiency electrical appliances (refrigerators, freezers, dishwashers, washing machines)
- Use of compact fluorescent light bulbs
- Wall insulation

For each measure, the criteria for quantitative savings evaluations should be evidenced, together with the evaluation of investment and information costs for implementing the measure and avoided operation costs due to the greater efficiency

All the experts are invited to contribute: UK and Italy according to their present experiences, other Countries on the base of future plans (if available) or expectations (if sufficiently finalised).

A first benchmark on this subject will take place during next experts meeting in Lund

8.3 Comparison among national schemes on White Certificates

Need was also evidenced once more of a more systematic comparison among already running or planned national schemes involving White Certificates. An issue like that would make up a high added-value product of the Task and a very remarkable enrichment of the Final Synthesis Report. As an extension of the approach considered in 8.2 and in view of establishing as soon as possible some processed information for the Final Synthesis Report, a decision was taken to set up a synthetic table to review the existing or planned schemes in the Participating Countries. This table, once it is filled by the experts, will also act as an “extended summary” of a part of the Final Synthesis Report relevant to the “Comparison among schemes”; to this purpose, the content of the table will be used as “hypertextual links” to the sections of the Report addressing details.

Each row of the table is relevant to an attribute (e.g. the obliged actors, the metric, the penalties, etc) and each column to a Country. A suggested starting point was the group of tables 4, 5 and 6 of the already issued first deliverable (par.5.5); a preliminary table, where further attributes have been added, is reported in [Appendix 3 – Comparison table](#).

Suggestion was made to include also New South Wales scheme, possibly involving David Crossley, the Australian reference person who presented this scheme in the day before workshop.

The experts of the involved Countries (UK, I, F and hopefully Australia) are asked to complete the table. It was suggested to point out, for each attribute, the "what" (e.g. what the approach is, who the eligible or obliged agents are, which the eligible measures are, quantitative info on the national targets, etc) and the "why" (motivations and background of the above national choices for the schemes). The attached table involves at present some kick-off info on "what".

The experts of Countries not involved for the moment in White Certificates schemes (Sweden, Norway, etc) are invited to review and comment. These experts could also enrich this table with supplementary columns, relevant to what they would propose as alternative solutions or what they would possibly call for in their Countries. All the experts are free to add attributes if they think something is missing.

9 Swedish EE and White Certificates policies

The Swedish national reference group on White Certificates, involving at present about 30 participants, held his 2nd national workshop on “Principle and policy issues”. Some highlights of it are given in [Appendix 4 - Presentation Mundaca](#). Sweden is involved in schemes of Green Certificates; at present, they are aimed at extrapolating the relevant mechanisms and experiences to White Certificates. Being Sweden not involved for the moment in White Certificate schemes, they mainly intend to contribute to the Task 14 with the results of these interesting studies.

10 AEIT meeting in Italy

Italy announced that a national meeting on White Certificates: “I TITOLI DI EFFICIENZA ENERGETICA: A CHE PUNTO SIAMO? (The White Certificates: where are we now?)” was organised by AEIT (the Italian Federation for Electricity, Electronics, Automation, Information Technologies and Telecommunications) . It will take place in Pisa on April 21st 2005. The agenda is given in [Appendix 5- AEIT meeting](#). Some results will be considered for contributions at next Task workshop.

11 Ideas for new sub-tasks

Ideas for new sub-tasks have recently been encouraged by IEA-DSM Executive Committee. Subtasks only based on the present approach (supplementary workshops as platform for state of the art and discussions) seemed to be limiting and not so finalised, since existing EU projects (EuroWhiteCert, etc), involving practically all the Task 14 participating Countries, are already holding this role.

The OA proposal is to focus new subtasks on specific monographic/specialist topics:

- related to WhC market
- which are bound to gather an international interest
- which are worth being in-depth analysed by the assistance of a consultant/specialist in the Economy or in the Legislative field, expressly committed to it within the Task
- which are complementary to the ongoing EIE project EuroWhiteCert.

Possible subjects were considered preliminarily:

- processes to “build” the costs (actually, already considered in EuroWhiteCert)
- ESCO/manufacturers role in WhiteCertificates market,
- Certification and ways of calculating the energy savings from projects

D. Next Events and Summary of Decisions

12 Next workshops and experts meetings

12.1 *Third workshop / Fourth experts’ meeting*

Sweden offered to host this event. Venue will be Lund University on June 15th-17th 2005. The University can be easily reached from Copenhagen via bridge connection. Chance will be for the Swedish reference group to attend the open workshop and to deal directly with the Task Experts

12.1.1 Third workshop

The Workshop will take place on June 16th. The tentative Agenda is available in [Appendix 6 – Lund workshop agenda](#). The introductory part of the workshop will consider a presentation of the White Certificates schemes adopted or planned in UK, Italy and France; each presentation will take about 30 minutes. French, Italian and UK speakers will emphasise background on development of their national policies relevant to White Certificates, to allow for a in-depth understanding about why and how this policy instrument was finally selected, and also why the specific design was chosen. Further Swedish contribution will focus the Swedish Green Certificates scheme and how the learned lessons could be extrapolated to White Certificates schemes (see par 9).

12.1.2 Fourth experts’ meeting

Organisation of the experts’ meeting into two half-days will be carried on to comply with needs of some experts deriving from travel problems

The former part will take place in the afternoon of June 15th and will deal with the subjects considered in par. 8.2 and 8.3. The latter part will take place in the morning of June 17th and will deal with administrative, comments on the third workshop and preparation of next workshop.

13 Suggestion for next Executive Committee meeting

The recent joining of Netherlands gave the chance of a further funding, which could be used for either a redistribution of the cost-sharing against an unchanged workprogramme and budget, or for supplementary activities against an increase of the total task budget and a longer duration. Decisions on the matter pertain to the IEA-DSM Executive Committee, but suggestions were given by the experts on possible new subjects for supplementary activities:

- A further open workshop, to be held in Groningen in fulfilling Netherlands' requests and new opportunities deriving from his participation. The workshop would be followed by a meeting restricted to the Task Experts. A supplementary interim deliverable, the Critical Synthesis Report relevant to presentations and discussions of the workshop, would be issued.
- Participation of OA to the Steering Committee of the EU EIE EuroWhiteCert project. In fact OA was requested by the Project Manager to attend this Committee also to assure synergy and complementarity between EU and IEA projects. Remarks were made on the fact that task 14 is already well represented in EuroWhiteCert through the French and Swedish experts themselves.
- Further subjects to be better focused and finalised (e.g. driven by the EU Directive on Energy End-uses and Energy Services, due within March 2006). At the moment, no definite ideas were expressed on that.

The OA will write down a proposal for a task extension using the supplementary cost-sharing from Netherlands, to be submitted to next April 2005 ExCo meeting in Saariselkä.

14 Summary of decisions

The following decisions must be kept into account for the short term:

- **OA:**
 - Write down the Critical Synthesis Report containing presentations, remarks and comments relevant to the workshop held at Paris on April 14th. Draft is planned within 1 month after receiving the recording of the workshop from ADEME.
 - Write down and propose a task extension during next ExCo meeting (Saariselkä – April 19th – 21st 2005) according to par. 13
 - Prepare a scheme for the table for comparisons among national schemes (see par. 8.3) and send it to the experts
 - Assist Swedish experts to organise Lund workshop
- **All Countries:**
 - Revise, comment and integrate the draft Critical Synthesis Report on Paris workshop, once it is prepared by OA
 - French, Italian and UK Participants: arrange presentations for Lund workshop relevant to developments in their national policies involving White Certificates.
 - Compile the table for comparisons among national schemes (see par. 8.3)
 - Identify standard procedures used at national level to evaluate the energy savings resulting from Energy efficiency measures (see par. 8.2). All the experts are invited to contribute: UK and Italy according to their present experiences, other Countries on the base of future plans or expectations.

The OA Antonio Capozza thanked ADEME for the availability to host the workshop and the experts meeting, as well as Stéphanie Monjon for the efforts devoted to the organisation. OA also



thanked all the Experts for their participation and for the valuable contributions they gave for the successful outcome of the events. The Experts meeting was then adjourned.

Appendixes

Appendix 1 – List of experts and ExCo members

Appendix 2 – Agenda of the meeting

Appendix 3 – Comparison table

Appendix 4 - Presentation Mundaca

Appendix 5 – AEIT meeting

Appendix 6 – Lund workshop Agenda