

**IEA Implementing Agreement
On Demand Side Management
Technologies and Programmes**

Task XIV

**MARKET MECHANISMS FOR WHITE
CERTIFICATES TRADING**

Task Status Report
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1. PROJECT DELIVERABLES AND PROGRESS

1.1. Summary

Objectives

This Task aims to address:

whether – and how – a scheme involving the issuing and the trading of White Certificates (WhC) provides an effective means of attaining targets of reduction of:

- primary energy consumption (main concern)
- CO₂ emissions (secondarily)
- what is the most suitable design for such a scheme
- what implementation problems are involved, at national and extra-national levels
- how it can interact with other schemes (e.g., tradable green certificates, EU emission trading scheme).

Development

Principle (policy) issues - such as: who are the obligation-bound actors, target setting, who can buy and who can sell, interactions with other trading schemes - and **practical (operational) issues** - such as: criteria for design and development of projects for energy efficiency in end-use, monitoring and verification issues - will be considered.

Approach

The starting date of the task is 1/6/04 and the end date is 31/12/05. It will be based on 4 **regular events** (plus a kick-off meeting), at approximately four months' intervals, made up of:

- one day open thematic discussion/workshop with national practitioners and national experts;
- one day restricted meeting of IEA-DSM Task experts.

Deliverables

The content of the contributions and of the discussions relevant to each of the four events will be processed and synthesised in 4 corresponding **Critical Synthesis (CS) Reports**. After approval, each of the four CS reports will become an official task deliverable. A **Final Synthesis Report (FR)**, issued by the OA on completion of the Task's work, will be the fifth and last deliverable; it will contain a summary and a review of all the activities undertaken and experience gained during the progress of the Task.

1.2. Objectives for the last six months (Period April – October 2004)

- **Hold a kick-off meeting for start-up of activities**
- **Task organisation**
- **Preparation of the first open workshop**

1.3. Progress against objectives

- The task activities began on 1/6/04.
A **kick-off meeting** was organised in CESI - Milan on June 7th and 8th, 2004.
All the participating Countries sent at least one expert.
Presence of Central European University as observer was accepted for the future, provided a MOU is signed with IEA-DSM.
Synergies with EC running (SAVE “White and Green” project) or planned project was considered.

Contracting parties were solicited about NPP issuing.

Present operation of Green Certificates Market handled by the Italian Market Operator (GME) was described in detail.

- The **task organisation** was better defined, tuned and finalised in the kick-off meeting and by means of further discussions. The calendar of the task events and their content was agreed (see the below table):

Event	Workshop	Workshop Subject	Task Expert Meeting Subject	Date	Place
1	No		- Kick-off - Task organisation - Preparation of following workshop	June 04	CESI, Milan, Italy
2	Yes	Gained experiences and expectations at national level	- Discussion on the past workshop - Preparation of following workshop	Nov 04 (1-10)	DEFRA UK
3	Yes	Policy/principle issues	- Discussion on the past workshop - Preparation of following workshop	Apr 05 (I Week)	ADEME France
4	Yes	Organisation / practical issues	- Discussion on the past workshop - Preparation of following workshop	June 05	Lund Univ. Sweden
5	Yes	Interaction with other schemes/EE policies	- Closing meeting - Discussion on the past workshop - Discussions on the organisation and structure of Final Synthesis Report	Oct 05	ENOVA Norway

Tab. 1 – Calendar of the events

A Memorandum of Understanding between IEA-DSM and Central European University about the presence of their observer during all the events, with access to the produced documents, was fostered and signed.

The task website was successfully set up in collaboration with the IEA-DSM Webmaster.

Contacts for possible further participations to the task were undertaken with Australia, Denmark, EC and Holland. Official commitments will be expected in Atlanta ExCo meeting

- **Preliminary activities** on organisation of the first workshop of the task, to be held in UK in Nov. 2004, were undertaken in collaboration with the UK national expert.

1.4. List of produced products

No products are forecast in this phase of the activities

1.5. Finance

- The Task-Shared Work Plan was arranged as a set of contracts directly with CESI on a fixed cost basis. The total Task budget is 90,000 Euros.
- At present, with a participation of five Countries, each Country is charged at the same rate of 18,000 Euro.
- Italy attends the Task through an expert belonging to the same Organisation who manages the task; then, CESI charges himself for the Italian share of cost-sharing.
- An advance invoice of 9,000 Euro was issued on 19/8/04 to France, Norway, Sweden and UK.
- A balance invoice will be sent within January 2005, based on the actual number of participants.
- The project expenditure (to the end of September 04) is 13,406 Euro.

- At present (20/9/04) only Norway sent his NPP. Missing NPP are expected from the other Countries.

2. WORKPLAN FOR THE NEXT SIX MONTHS (PERIOD OCTOBER 2004 – APRIL 2005)

The activities relevant to the next period (Oct 2004 – Apr 2005) is relevant to the organisation and accomplishment of the events n. 2 and 3 (see above [Tab. 1](#)~~Tab. 4~~)

2.1. Event 2: First workshop

UK offered to host this Task event, which will take place in November 2004 and it will take two days. The first day will be devoted to a workshop open to all the local stakeholders and interested people; it will consider in particular:

- the experiences gained in UK in introducing a trading oriented scheme of their Energy Efficiency targets, in the frame of UK Energy Efficiency Commitment,
- their present expectations on the matter.

The presence of:

- DEFRA - Department for Environment Food and Rural Affairs
- Ofgem - Office of Gas and Electricity Markets
- UKBCSE – UK Business Council for Sustainable Energy
- Local electric utilities
- Local ESCOs
- EC (DG TREN, JRC)

should be planned to assure a meaningful audience.

The workshop will last the whole day and will also involve the Task Experts. It will be followed by a one day's task experts meeting.

2.2. Event 3 : Second workshop

France offered to host the second workshop. The first week of April 2005 was proposed, in order to allow for the widest audience of the Task Experts. The French Expert will preliminarily check this chance. It was also proposed to use the morning of the first day for the workshop with the local stakeholder, devoted to the French EE policy and their plans about White Certificates scheme. The afternoon of the first day and the whole second day will dwell the Task Expert meeting, which will be focused on Expert contributions on their national EE policies involving White Certificates schemes or any other market-based policy.

3. MATTERS FOR THE EXECUTIVE COMMITTEE

- Approval of this Task Status Report
- Accomplishment of the formal procedures relevant to delivery of NPP
- Decision for further Country support and participations to the Task