



# RECS

## Renewable Energy Certificate System

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National or international systems for White Certificates  
Lund

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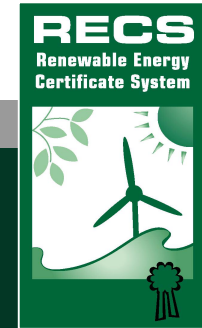
## Different schemes

Schemes	CO2	RES-E	CHP
Production attribute focus	Emission	Re-newables	Efficiency
Relative Climate Change Efficiency	High	Low	Medium
Market drivers	<ul style="list-style-type: none"> <li>•Quota obligation</li> </ul>	<ul style="list-style-type: none"> <li>•Quota obligation               <ul style="list-style-type: none"> <li>– National cert</li> <li>– GoO</li> </ul> </li> <li>•Disclosure               <ul style="list-style-type: none"> <li>– GoO</li> <li>– Labels</li> <li>– Products</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>•Quota obligation</li> </ul>



# Certificate system





## Why certificate system?

- The quality can be transferred from the producer to the customer in a reliable way
  - The quality can be separated from the physical flow
  - Consumption targets can be introduced
- Market principles can be used for the pricing, based on supply (eligible production) and demand (quota)
- Competition can be introduced
- The wished volume can be steered via a quota
- The system can easily be internationalised
- The certificate can easily be standardised and become tradable
- Reliable systems must be implemented (registration, issuing, transfer, redemption)



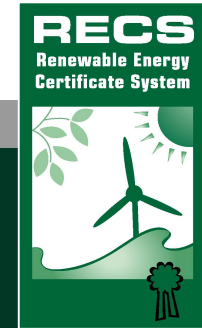
# Requirements on certificate market

- Demand must exist
- Liquidity
  - Big volumes shall be able to be traded easily
  - Many different actors shall be able to take part
  - Enabling low system, information and transaction cost
- Harmonisation in regulations
  - Transparent rules and easy access
  - Guarantee for reliability for avoiding double counting
- Price transparency
  - To be provided by brokers and exchanges
- Simple trading procedures – standardisation of contracts
  - Making the market attractive for many different actors
- Standardisation of products
  - Supports liquidity



# RECS International

- Market actors
- Start up phase 2000
- Test Phase 2001-2002 Testing the systems
- Operational 2003-..... Shaping the market
- RECS International, 118 market actors in 18 countries
- More than 70 TWh
- Promotes energy related certificates
- Focus on renewable energy
- Counter part of the AIB Association of Issuing Bodies
  - Standards:
    - RECS-certificates
    - EECS/Guarantee of Origin



## **Mission statement**

**“RECS International promotes a pan-European renewable electricity market, facilitated by a commonly accepted and harmonised European information system”**



## What is the Association of Issuing Bodies?

***"The Association of Issuing Bodies is the leading enabler of International energy certificate schemes"***





# Association of Issuing bodies today

Standard for:

- RECS
- EECS/GoO

## What comes next?

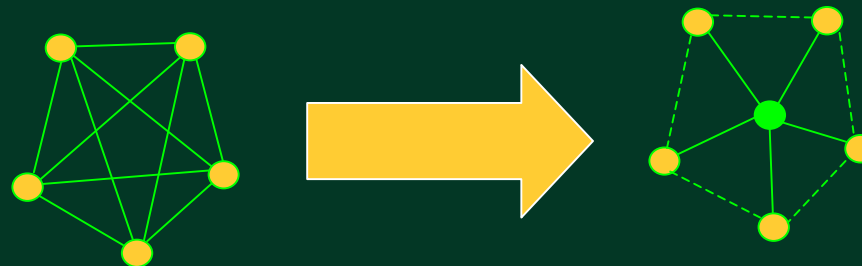
### 1: **New certificate types**

- CHP and disclosure
- Relationship with CDM
- Biofuels, biogas, white certificates....

# AIB: What comes next?

## 2: Inter-systems hub

- Registry network to change
  - From peer-to-peer
  - To hub network



- Benefits:
  - Reporting
  - Management of common data
  - Control
  - Simple dispute procedures
  - Single point of contact for communications & testing

[MISSION](#)[OFFICIALS](#)[ORGANISATION](#)[HISTORY](#)[WORKINGGROUPS](#)[MARKET INFORMATION](#)[EECS](#)[DOCUMENTS](#)

### MISSION STATEMENT

The Association of Issuing Bodies promotes the use of  
a standardised system based on  
harmonised environment, structures, procedures  
in order to ensure  
the reliable operation of  
international energy certificate schemes.

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***<http://www.aib-net.org>***

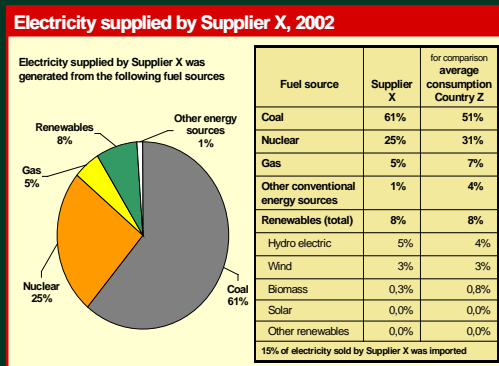


# Starting point

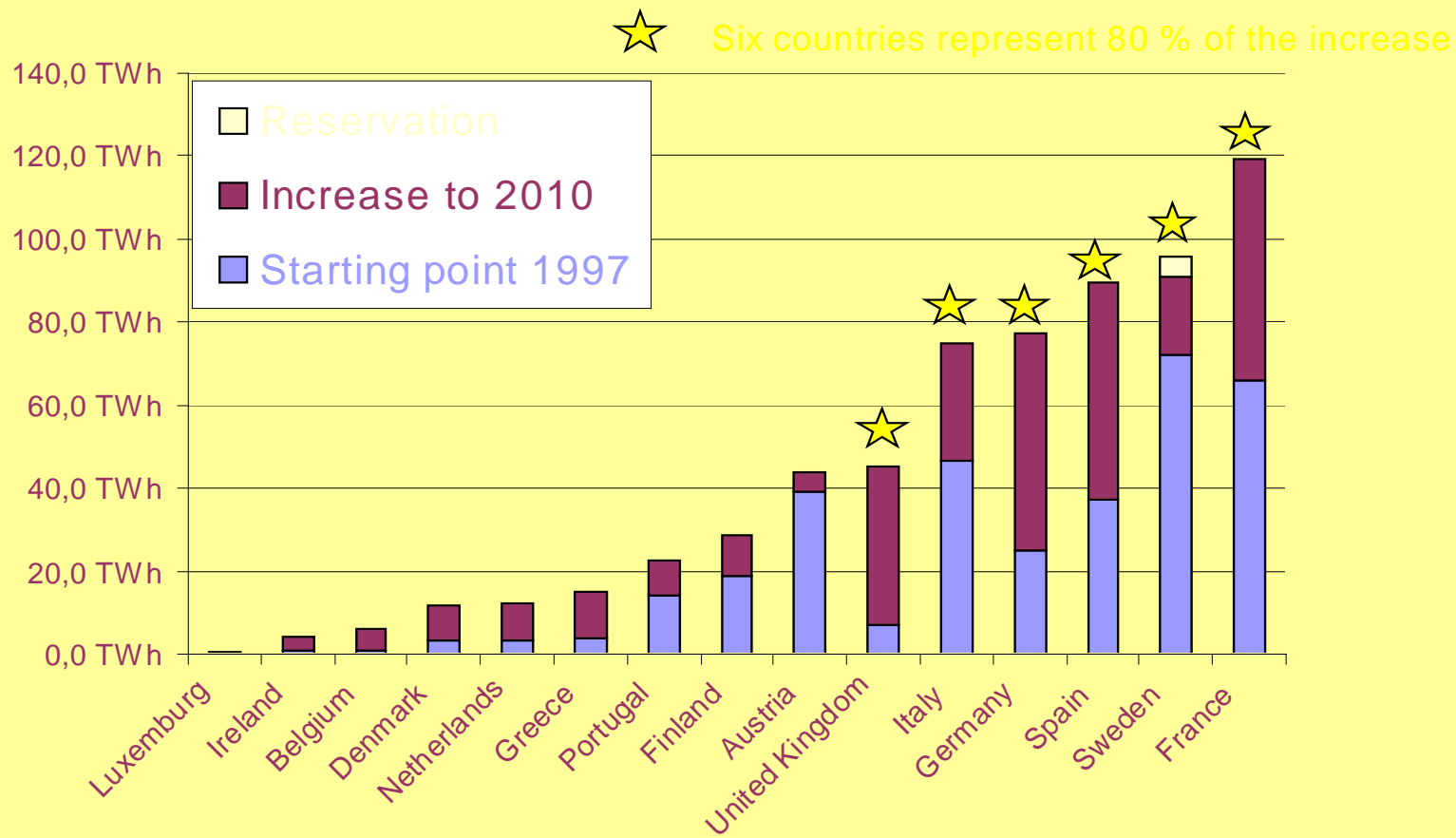
- RES-E directive 2001/77/EC
  - EU-target 12% => 22% (2010) increase of ca **310 TWh**
  - **Guarantee of Origin (GoO)**

- Electricity directive/electricity disclosure 2003/54/EC

- Information to end-consumers about the suppliers **fuel mix** and environmental impact (**CO2 and radioactive waste**)
- Possibility for customers to choose supplier based on fuel mix

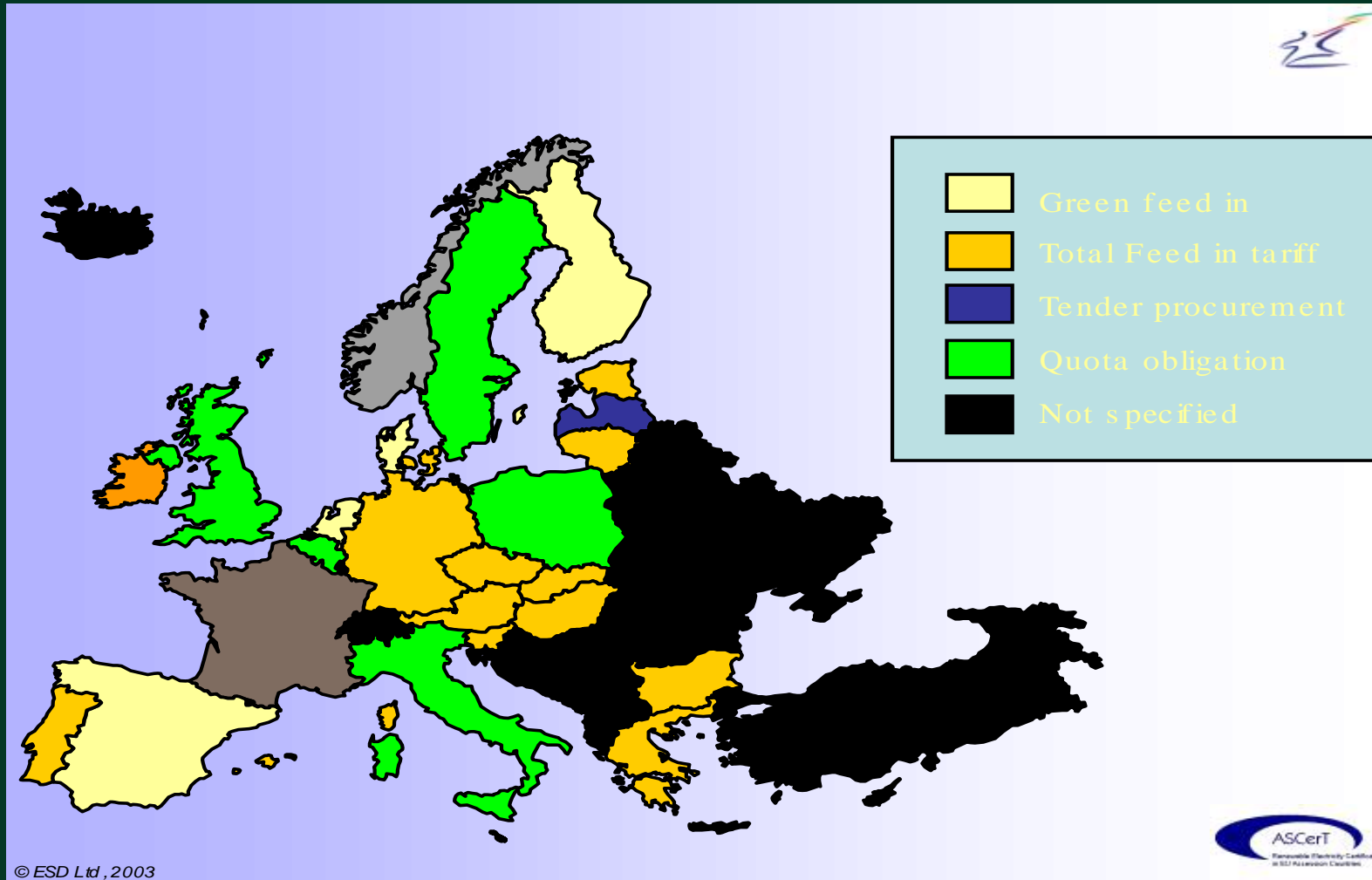


# RES-E 1997 and targets 2010





# RES-E support schemes





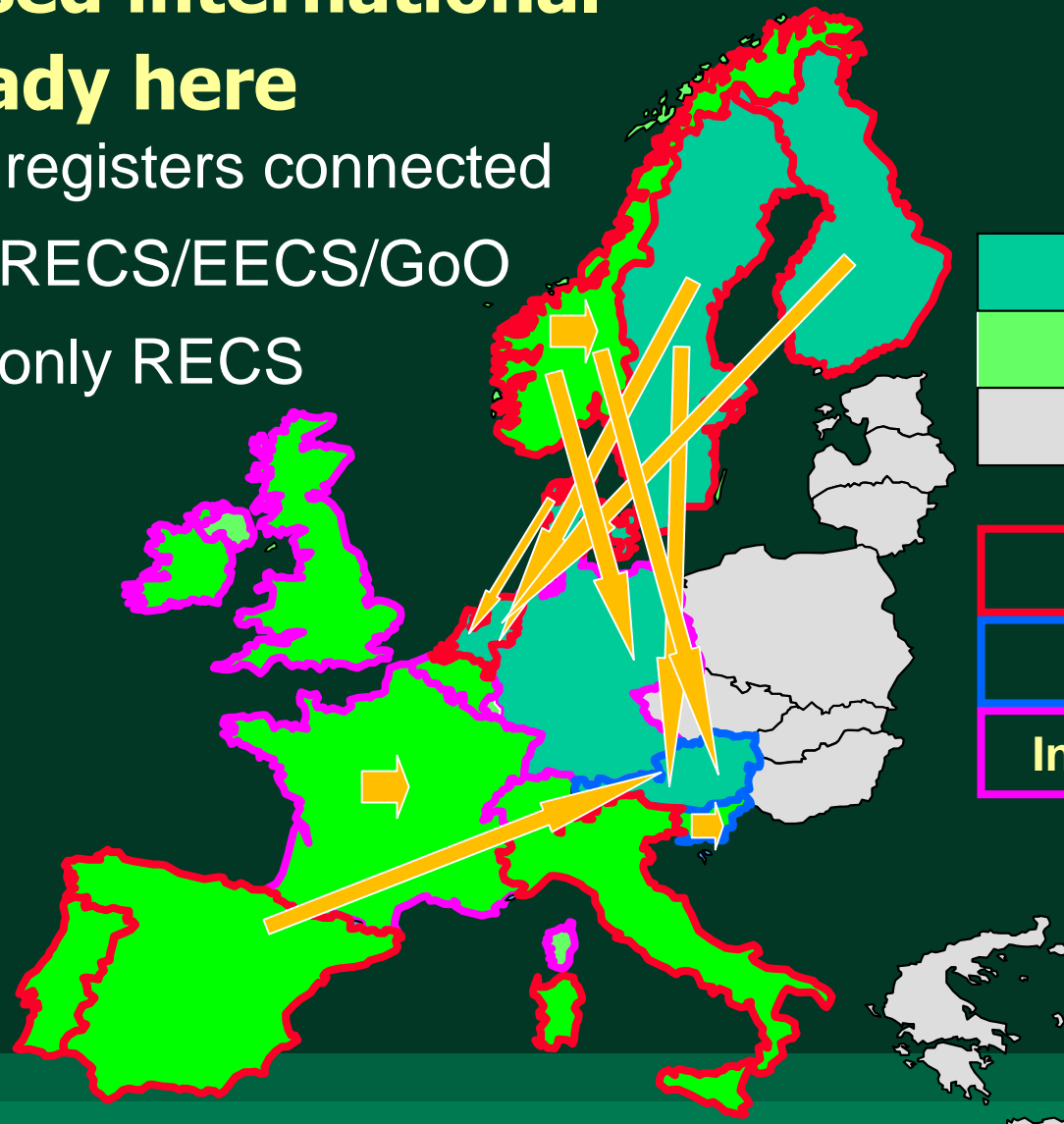
# Trade Possibilities

- Certificates in national **support schemes**
  - Sweden, UK, Belgium, Italy, (Poland, Rumania)
    - 20-50 Euro/MWh
- RECS/GoO certificates for **disclosure and profiling**
  - Netherlands, Austria open for export and import
    - 0,2-0,5 Euro/MWh
- Local quality labels
- Targets – not as a stand alone product
  - A topic for governments
  - Linked to other products GoO and national green certificates



## Standardised international trade already here

- 5 Electronic registers connected
- 7 Countries: RECS/EECS/GoO
- 9 Countries: only RECS



**GO & RECS**

**RECS**

**Neither**

**TSO (9)**

**Regulator (2)**

**Independent (5)**





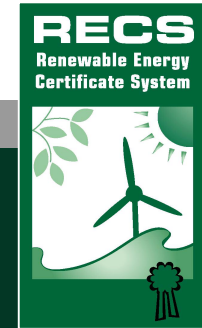
# A standardised currency needed=the GoO Recommendations by RECS

- Clarify that GoO is the basic instrument “building stone” for green trading
- Standardise GoO
  - According to the EECs standard
- GoO to be redeemed when used
- All green supply must be documented by redemption of GoO
- GoO traded separated from physical flows
- GoO a single good



## What about cross border trade?

- Is it possible to trade cross border to benefit from other support schemes?
- Most likely, the national barriers today are in violence with the EC-treaty
  - Consequence of the so called Preussen Elektra case
  - => If correct means support schemes are open for cross border trade



# Legislation

- EC Treaty
  - Free movement of goods
- RES-E Directive
  - Indicative national targets
  - Guarantee of Origin, instrument for facilitating transfer
- National legislation
  - Support schemes for increasing the RES-E production to reach the targets
  - Disclosure



## Our concerns today

- Standardisation needed for increasing the liquidity
- Cross border trade possibilities must be explored
- Clarifications needed in the evaluation report from the EU-Commission in October 2005