

E-Track Project –1st Workshop**Rome, 13th May 2005****Minutes****Countries attending: Italy, Greece and Malta****Companies represented:** producers, traders, distributor, regulator, ministries

The agenda of the Workshop
<ol style="list-style-type: none"> 1. Introduction / Project objectives and schedule 2. General background 3. Interaction of Tracking scheme and RES-E policies 4. Discussion 5. First draft of WP1 and analysis of Italy, Greece, Cyprus and Malta 6. General Discussion 7. Feedback

With reference to the first point of the agenda, all participants showed great interest for the project and for the analysis of the existing schemes for the allocation of electricity generation attributes, since they expressed some difficulty in understanding the different certificate system implemented in all over Europe.

After the general presentation of the project, participants were asked to express their opinion about a possible general scheme for tracking at least green energy and in particular what was the best solution: (a) energy based scheme, as it is currently understood the GO for RES, (b) certificate based scheme, for example RECS certificates that allow the producer to sell energy separately from certificates.

Different inputs were received in that respect. In particular some participants underlined the problem concerning if it is necessary or not the selling of certification jointly together with the energy produced, focusing the attention on the difference between GO (provided by directive 2001/77/CE) and other systems like, for example RECS.

Some company, in fact, pointed out that, in order to choose a possible scheme for tracking energy, it is fundamental to make clear the terms of the problem from a practical point of view. In fact, GO and RECS are quite different in practice, since RECS does not follow the physical flow of energy and so the exchange of certificates is not influenced by physical constraints of electric grids (both inside the countries and at their borders). Thus, it is largely better to keep distinct the physical flows of energy and certificates, since in this case operators have much more flexibility, even though this could create some difficulties in designing and managing the system of tracking the energy. At the same time, it would be necessary for the GO system to introduce a redemption mechanism in order to avoid double counting of the benefit of that energy.

Participants introduced also another important point on the use of certificates where those are sold independently from the energy in order to check and certify the balance between the energy consumed and the quantity of RECS redeemed, for example.

The discussion were later concentrated on the two different tracking systems: the explicit or the implicit one. In that respect, GRTN also shortly presented the two documents one from Eurelectric and the other from EFET dealing with the matter. The comments gathered from the participants can be summarised as follows:

- ✓ Some of them presents expressed the opinion that an explicit mechanism for tracking energy is certainly better, at least for small producers.
- ✓ Others said that in this case it is important to limit administrative costs: it would be interesting to propose a single certificate which can be enriched with generation attributes on request or in any case to have a system based on multicertificates issued according to a common data base and including the different legislative requests (different attributes / different scopes).

With reference to the presentation “Interaction of Tracking scheme and RES-E policies” the participants were really interested in knowing the situation in other countries and the possibility to use information contained within GO. GRTN showed the different alternatives: (a) disclosing information for the final customer; (b) supporting RES; (c) reaching the final target defined by EU directive 2001/77.

GRTN presented the analysis of Italy and Cyprus, contemporarily asking to the representatives from Malta and Greece to give some details about the current situation about certificate system in their countries.

With reference to the Italian system, a presentation concerning green certificates, RES GO, RECS, CHP describing the procedures implemented by GRTN was made. The operator asked question about the operational aspects of the different certificates.

Malta and Greece confirmed that there is not a certificate system for power plants formally running in their countries. For Malta, a system of RES GO is foreseen (MRA is the Issuing Body) by law, but at the moment no RES plants (the production from RES is nearly 0%) asked for it. The implementation of a certificate system should ensure that the system is not too bureaucratic particularly in cases where a minimum compliance approach is adopted. Furthermore, the representative said that currently a provisional feed-in-tariff system for electricity generated from photovoltaics is under operation.

The situation concerning RES in Greece is slightly ahead. In fact, even though the law implementing Directive 2001/77 has not been formally approved (Desmie will be the Issuing Body for GO), some action to foster the building of new RES power plants has been taken.

All countries expressed the feeling that will be difficult to reach the RES target by 2010 (11% of production for Greece - which has a 7% of big hydroelectric generation - and 5% for Malta).

General Discussion:

- ✓ General agreement on the fact that GO may be a point of departure for tracking energy, even though this scheme is still not widely adopted (France, for example, does not have GO). The use of GO, for those countries that have already implemented the Directive 2001/77/CE, is different. In some of them, GO is used for having a data base for renewable and on the basis of this title, the generation plants can receive a feed-in tariff.
- ✓ The operators consider that the information contained with GO is sufficient, but at the same time think that some clarification about the use of RECS and GO is needed in order to give a clear information to the final market about green products.
- ✓ Some participants said that tracking energy could help for disclosure and for educating consumers, especially final users, who should develop a more conscious “green culture”.