

Minutes from the first E-TRACK Consultation Workshop for Baltic countries

6 May 2005, 10.00-16.00

Venue: Lithuanian Energy Institute, Breslaujos str. 3, Kaunas, Lithuania

Participants:

1. National Control Commission for Prices and Energy
2. SC Lietuvos Energija (TSO)
3. Energy Agency
4. Kaunas CHP, Energijos sistemų servisas
5. Ekostrategija
6. Vytautas Magnus University
7. Kaunas Univeristy of Technology
8. Lithuanian Energy Institute

For all agenda items, see the PowerPoint presentations in the annex of these minutes.

1 Welcome

Vaclovas Miskinis (head of Laboratory of Energy Systems Research) said welcoming speech for the participants of first E-TRACK Consultation Workshop.

2 Introduction

Inga Konstantinaviciute gave an overview of the agenda and explained why the participants have been selected, what is their role in the project, clarified advantages of active participation (file: I_Introduction.ppt).

3 General background on tracking issues

Presentation by Inga Konstantinaviciute “General background on tracking issues” (file: II_General background.ppt). Inga provided a coherent background on tracking issues.

Issues from the discussion:

5 - Questioned what benefits of electricity disclosure to generators.

Inga Konstantinaviciute (IK) – Stated that the concept of electricity disclosure is to provide the information about the attributes of the electricity to consumers. The benefits of electricity disclosure are far-reaching. Electricity suppliers and traders are provided with new marketing opportunity. Generators benefit from increased diversity of generation types and products.

1 – Understood the interest in some tracking. But doubted what could be the benefit of producers certification, for example for hydro power plants. After all, suppliers are making contracts with particular producers, why tracking system can't be based on contracts.

IK – Explained that one of the electricity tracking ways is contract based tracking, but due to the complexity of the electricity market, contract tracking can be very complex and costly and certificates based tracking is one the most effective alternative. Besides that such system can create new market opportunities.

1 – How the certificates will be issued, will be based on amount of sold electricity. The rules for certificates trade and control should be established in the market.

8 – The control of certificates trade shouldn't be complicated. It can be based on amount of sold electricity.

1 – It is not clear what will be certificated: power plant or generator. The problem may occur if different generators (using different types of fuel) are installed at the same power plant.

8 - Initiative for electricity disclosure arisen not from consumer side but from top to bottom.

Dalius Tarvydas (DT) – Initiative is bilateral, the two different sides are seeking for the best solution.

1 – Questioned what the cost will be of such electricity tracking system.

IK – Stated that cost assessment will be made in the E-TRACK project.

2 – Questioned why the GO in the case of electricity generated from hydropower, should also indicate the capacity of the generating station.

IK – Explained differences between large and small hydro power plants and differences of support mechanisms.

2 – Expressed understanding of the importance of active participation in the project consultations workshops, as a way to ensure that the needs of different market players should be taken into account.

4 E-TRACK project objectives and schedule

Presentation by Inga Konstantinaviciute “E-TRACK project objectives and schedule” (file: III_Objectives and work plan.ppt)

Issues from the discussion:

2 – Questioned whether project team will start from analysis of experience, from analysis of existing schemes and lessons learned. This analysis could be very helpful for establishment of new system.

IK – Assured that the project started from analysis of existing schemes for the allocation electricity attributes in all EU countries as well as in other parts of the world.

2 - Asked whether the goal of the project is to reach “harmonized standard” or the recommendations for harmonized tracking.

IK – Stated that the goal is to reach single recommendation for all EU-25 countries.

8 – Questioned whether tracking system will cover all generators or only renewables generators.

IK – Explained that tracking system will cover all generators.

8 – Noted that the results of the project should be presented to the decision makers at the national level.

5 – Noted that the company Ekostrategija is responsible for preparation of legislation on GO in Lithuania and that at the present stage project is submitted to TSO and DSO for evaluation.

5 Framework conditions for tracking and existing schemes

Presentation by Dalius Tarvydas “Framework conditions for tracking and existing schemes” (file: IV_ Framework conditions.ppt)

Issues from the discussion:

1 – Questioned how often the electricity disclosure information should be submitted to consumer.

DT – Stated that information should be submitted to final consumer at least once a year. Information should be based on the preceding period.

5 – Questioned whether the Austrians did the cost assessment of such system.

DT – Noted that as far as he knows the cost assessment of Austrian system wasn't performed.

1 – Noted that the implementation procedures of such system should be very clear stated.

2 – Noted that when the first results of the project will be available and when the explicit analysis of existing schemes will be done, more detailed discussions would be possible.

1 – Noted that it is very important to present the project results to all electricity market players, to give them possibility to familiarize with these documents.

6 The potential design of tracking schemes with regard to RES-E policies

Presentation by Dalius Tarvydas “The potential design of tracking schemes with regard to RES-E policies” (file: V_Potential design.ppt)

Issues from the discussion:

1 – Questioned how the initial amount of certificates will be evaluated. Evaluation based on electricity generation of last year will not fit the electricity production of current year.

DT – The certificates issue should be based on electricity production of preceding year and the accounting of certificates should be based on preceding year.

1 – Noted that it is very important the compatibility of the new system with green certificates system, tracking scheme should be integrated with RES-E policies. The project team should analyze the multi-certificates system.

4 – Asked what electricity (produced or supplied to the grid) will be certificated.

DT – Explained that all electricity supplied to the grid should be certificated. The own power plant consumption and industry self generation may not be taken into account.

5 – Questioned how GO will be coordinated with electricity tracking system.

DT – Noted that GO can be easily implemented in the electricity tracking system. If electricity tracking system would be based on certificate system then the new marketing opportunity would be provided as well.

2 – Noted that for proposal of particular views concerning the design of a tracking scheme with regard to RES-E policies are needed more detailed familiarization and analysis.

7 Planning for further consultation workshops

Inga Konstantinaviciute informed about the next steps of work in the project and explained how the second and third consultation workshops will fit into the project schedule and what will be presented and discussed there.