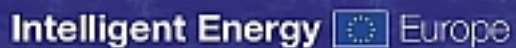


E-Track - A European Tracking System for Electricity



Sub-project Switzerland

with financial support by the Swiss Federal Office of Energy

2nd national consultation workshop

Berne, May 19, 2006

Organised by:

J. Markard, Cirus / Eawag
C. Timpe, Öko-Institut

Participants:

A. Clerc, Fédération Romande des Consommateurs
D. Grossenbacher, Industrielle Werke Basel
S. Bühler, Etrans
R. Salerno, Swiss Federal Office of Energy
L. von Moos, RECS / ECS Schweiz

excused:

R. Baumann, Avenir / Energie Ouest Suisse
P. Grossholz, Konsumentenforum
U. Lazurka, Etrans
U. Riesen, Swisspower
U. Stocker, VUE / naturemade
A. Tsimitselis, Elektrizitäts-Gesellschaft Laufenburg AG
L. Vetterli, Pro Natura
A. Vonbank, Elektrizitätswerk der Stadt Zürich EWZ / Verband Schweizerischer Elektrizitäts
unternehmen VSE

Agenda

08:30 - 08:45	Introduction, J. Markard
08:45 - 09:15	E-Track: Project status, C. Timpe
09:15 - 09:45	Tracking & Disclosure: State of implementation in Switzerland, L. von Moos
09:45 - 10:15	Tracking options: determinants and evaluation criteria, J. Markard
10:15 - 10:45	Break
10:45 - 12:15	Draft recommendation, C. Timpe
12:15 - 12:30	Summary and outlook, J. Markard

The workshop had the aim

- to present the draft recommendation in the context of possible variations and to discuss it,
- to develop common understanding of key issues, major tracking determinants and evaluation criteria
- to support information exchange among national stakeholders and experts

Summary of the discussion

Discussion in the workshop concentrated on some major topics, including a) the relationship between explicit and implicit tracking, b) the use of a residual mix vs. "unknown origin", c) how to improve information quality, d) the handling of imports and exports and e) the draft recommendation. In the following, highlights of the discussion are summarized with major recommendations and statements displayed in italics.

During the workshop participants also discussed the potential effects of electricity disclosure on consumer awareness and choice. Here and there, doubts were expressed about whether disclosure will really make a difference. This discussion is not reported in detail here.

The workshop atmosphere was highly productive and very much focused on the major topics. At the end of the meeting, all participants said that discussions were very fruitful and that they have learned a lot.

Due to the small number of participants this time, representatives who were not able to attend were asked to come up with some written comments. These inputs are summarized below in a separate section.

a) Relationship between explicit and implicit tracking

Workshop participants were interested in numbers on the potential share of explicit tracking and experiences throughout Europe in this context. The project team reported that use of certificates currently covers about one third of the electricity market in Scandinavia. In Austria, 80 to 90% of hydropower production (which covers most of the country's consumption) is tracked by GOs. *There was a common agreement that implicit tracking should be kept small in order to have a valuable informational basis for disclosure. The project team was asked to further support*

sketching a realistic picture on the feasible share of explicit tracking, taking into account that this might well depend on national power generation portfolios.

There was a discussion whether power electricity companies will show an interest to provide rather accurate information about their supply mix. Some assumed this will be the case and a utility representative said that they indeed pursue this strategy. Other participants, however, reported that utilities with a high share of nuclear intend to disguise this fact by using the (freely available) category “unknown origin”.

b) Use of a residual mix vs. “unknown origin”

So far Switzerland does not use any statistical data for electricity disclosure. Suppliers may either refer to own generation units, attributes stated in bilateral contracts or use guarantees of origin or certificates respectively. If none of these options applies the (remaining) electricity has to be labelled as of “unknown origin”. *Workshop participants said that this category should be kept to a necessary minimum. A consumer representative asked to replace the category by a residual mix and to display explicitly and implicit mixes separately (cf. Austrian model).*

In general, participants expressed their interest in the residual mix concept, asked many questions about how it could be calculated, what the appropriate frame of reference might be (e.g. national borders) etc.

c) How to improve information quality

Currently tracking in Switzerland is designed in a way that for disclosure, utility companies may or may not use GOs or certificates, which they have available. In other words, electricity suppliers may decide not to disclose all information they have but to use the category “unknown origin” instead. In the workshop, advantages and disadvantages of this approach were both discussed. *Participants agreed that this represents a potential leakage of information and two options were discussed in order to avoid this: i) introducing an obligation to disclose information that is available (cf. “best available information approach”) or ii) introducing a residual mix and integrate all GOs and certificates, which have not been used by the end of the year (or whenever), into calculating the residual mix (New England model).*

In order to further support information quality, *two participants also expressed the need to automatically generate GOs or certificates for all medium to large scale power generation.* It was also agreed upon, however, that this data has to be kept highly confidential (except in an aggregated form) and that the operator of a central registry needs to be independent and to have a good reputation in terms of reliability and trust.

d) Handling of imports and exports

The issue to keep the balance of imported and exported attributes was mentioned and discussed several times. *Workshop participants agreed upon its vital importance. One proposal made, e.g. for exports of hydropower certificates from Switzerland was to assign the utility mix of the foreign partner to a corresponding import of certificates. It was also proposed to keep the exported attributes in the central registry (in Switzerland) and to mark them as exported.*

e) Draft recommendation

In the workshop there was explicit support for the draft recommendation, especially the proposal to make the use of certificates mandatory for electricity products that make quality claims. No

major objections were raised. There was a common agreement that a central (e.g. national) registry is needed. One participant expressed the wish to use the word GOs instead of certificates in future. It was also mentioned that the use of certificates for a broader share of electricity (exceeding RES-E) does not seem to be likely in near future.