

Minutes from the second E-TRACK Consultation Workshop for Ireland and UK

24th July 2006, 11.30-16.30

Venue: Sustainable Energy Ireland, Glasnevin, Dublin

Participants:

1. IRELAND

- Department of Communications, Marine and Natural Resources - Eugene Dillon
- CER – Aoife Crowe
- Eirgrid – Niamh Delaney and Nezar Kalamuddin
- Airtricity – Kim Scullion
- Bord Gais Energy Supply – Lynsey Moir

Excused:

- Department of Communications, Marine and Natural Resources - Martin Finucane
- CER - Kieran McNamara

2. UK

- EDF – Derek Scally
- Natsource – Fiona Santokie

Excused:

- Ofgem – John Costyn
- DTI - Carolyn Potts
- Utilities Exchange – Nick Barrance
- AEP – Gwen Dolben

3. Organised by:

- IT Power – Mark Draeck and Christiaan Vrolijk
- Pure Energi – Chris Pooley and Mike Sandford

For details on what was presented see the PowerPoint presentations in the annex of these minutes. In the following minutes only the national status for the concerned countries and comments on different topics are highlighted.

PART I: INTRODUCTION

Status of the E-TRACK project – Results of WP1-WP2:

- ⇒ Absolutely necessary in order to avoid double counting:
 - a registry on electricity generation attributes
 - redemption whenever these attributes are used
- ⇒ Preferred tracking schemes? Explicit tracking seems to show the best option to track electricity attributes – something like certificates / GoO + a residual mix might be the most suitable way of explicit tracking (without specifying whether these certificates are tradable or not / are a support scheme or not)

Status in IRELAND

- ⇒ Currently a system is in place that is able to comply with the disclosure directive requirements, but it is not a detailed registry and at this stage there is no real system of Guarantees of Origin (GoO). This is partly due to the upcoming forming of the Single Electricity Market (SEM) with Northern-Ireland, and partly because the relevance for Ireland being an island – being at the end of the European electricity grid – transferring relatively small amounts of electricity, is perceived as rather limited.
- ⇒ It is indicated that the disclosure directive is confusing on electricity attributes whenever electricity is imported / exported.
- ⇒ On the other hand the evolution towards SEM raises issues and questions (for instance what happens with the electricity attributes when transfers take place between Ireland and Northern Ireland?)
- ⇒ E-Track is able address these issues, wherever wanted.
- ⇒ It is noted that there is in principle an open mind for changes and recommendations if E-TRACK can prove the necessity, the efficiency and the reasonable cost of a tracking system
- ⇒ The Irish regulator (CER) produced a document explaining its approach to disclosure, and that basically is the current status and point of view.
- ⇒ What the influence might be of the evolution towards SEM, is not clear at this stage, as negotiations with Northern Ireland (between both governments and regulators) will take place in the coming months.
- ⇒ Issues on disclosure, and tracking in general, are likely to be important within this process.

Status in UK

- ⇒ A disclosure system is in place, based on GoO (RE-GO), and using generator's declarations. Stakeholders seem (for the time being) relatively happy with it.
- ⇒ An important weakness is the fact that double counting is likely to take place when the disclosed electricity is imported. At this stage it is not checked to which extent the same electricity is sold, including the attributes, in the country of origin. Linked registries are capable of addressing this issue.

Comments

- ⇒ Is there effective evidence that double counting takes place? If so, what is the order of magnitude of this double counting? It is questioned whether the effort to avoid double counting is justified by the small amount of double counting actually taking place.
- ⇒ On the other hand, it is argued that the double counting of every bit of green electricity, already being a small percentage in the electricity mix, should be avoided. Moreover, any properly designed and self respecting tracking instrument should aim at ruling out the possibilities for double counting.

PART II: E-TRACK: FOCUS ON NEW RESULTS*Evaluation criteria*

Comments:

- ⇒ Considering the criteria, naturally the system should be accurate and robust, and it should comply with the minimum requirements following the directive,

but do not forget to look at what the customer actually wants and mainly focus on this information.

- ⇒ Accordingly, when it is known what the customer wants, it is important to know what he wants to pay for this information and compare this figure to the outcome of the cost analysis being done in WP5.
- ⇒ There is a clear need of raising customer's awareness on electricity attributes, customers currently mainly being interested in the price of the electricity. E-TRACK primarily aims at providing the correct information on electricity attributes. It will be up to governments (via information campaigns), NGO's (via labels) and market players (via marketing) to actually use this information.
- ⇒ To make the Guarantee of Origin (GoO) more visible and understandable as a disclosure instrument, it is suggested to present the lifetime of a GoO as it is for a the lifetime of a human being:
 - A birth certificate (at the moment the respective amount of green electricity is produced)
 - A marriage certificate (at the moment the GoO is sold to party x)
 - A death certificate (at the moment the GoO is redeemed)

Different tracking options A-B-C

Comments:

- ⇒ It might be difficult / not desirable to have one tracking system all over EU, because of the varying stages in different EU countries
- ⇒ Therefore a standard / set of requirements for different systems to comply with might actually be better

Cost benefit analysis

Comments:

- ⇒ It is crystal clear that the outcome of the cost benefit analysis will be the crucial factor to have different stakeholders actually supporting the implementation of a tracking system (governments / market players / consumers)
- ⇒ It is questioned whether the tracking system actually needs to cover the whole electricity mix. There might be no added value (or no benefit that justifies the effort) in tracking the electricity other than the green electricity.
- ⇒ It is on the other hand argued that E-TRACK primarily aims at providing the information/attributes of electricity, without indicating what this information will be used for (see higher).
- ⇒ In any way, the cost benefit analysis should be able to demonstrate what the effective tracking cost is, per type of electricity. It is expected that the cost per GWh is higher for renewables (as the green proportion in the electricity mix is relatively low, but this can be justified by the added value that green electricity gets by being tracked) than it is for the larger volumes of non-renewable electricity.