

**E-Track Project –3<sup>rd</sup> Workshop**  
 Rome, 10<sup>th</sup> January 2007  
**Minutes**

**Participants:**✓ For Italy

*Producers:* ACEA Electrabel Trading; AEM; AGSM Verona; AEM Trading; ASM Brescia; CVA; Dynameeting, Edison Trading; Electra Italia; Enel Trade; Edison; Federpern; Green Network

*Distributors:* ENEL Distribuzione

*Institutions:* Ministry of Economic Development

**Excused:**✓ For Italy: Endesa Italia; EniPower; APER✓ For Greece: RAE (Energy Regulator Authority)✓ For Malta: Malta Resources Authority

<b>Agenda</b>
1. Presentation of the project aim 2. Description of the key element of E-Track and results concerning costs of the system 3. General discussion about the interaction of tracking scheme and the national RES-E policies 4. Conclusion

1. Because of the presence of some company representatives participating for the first time to the E-Track initiative, GSE started the workshop introducing the scope of the project: the definition of a European standard for tracking relevant information related to electricity production (attributes are: sources of energy, production technologies; environment indicators: CO2 emissions, nuclear waste, et). In particular was explained that the standard are intended for:
  - a) increasing market transparency, reducing transaction costs and risks of multiple counting of attributes;
  - b) supporting electricity information to final users (art. 3.6 Directive 2003/54/CE) or facilitating the introduction of new “energy policies”, such as:
    - disclosure;
    - incentives for specific energy sources;
    - reaching national target in renewable energy use.
2. After the general introduction, an overview of the key elements of the project was made. First was stressed the fact that E-Track defines a set of basic requisites and a minimum quality level, delegating each single country to develop and implement a national detailed tracking system, compliant with the standard itself. The standard

should be based on two basic mechanisms: explicit tracking and implicit tracking, managed by one or more national independent bodies.

- ✓ Explicit tracking: is based on Registries (Data Bases) which track attributes related to certificates and/or contracts. Information delivery among registries (domains) is performed through a centralised hub. GO (issued in case of electricity from renewable sources or in case of CHP production) *must be integrated* in the tracking mechanism. Only one register is in place for each E-Track domain.
- ✓ Implicit mechanism: is based on Residual Mix which, as a first approach, can be regarded as a proper correction of attributes reported in Statistics about electricity production (correction made with reference to attributes already tracked).

After a brief outline of the EU energy policy, GSE pointed out the fact that at the moment, only “disclosure policy” requires to track the whole energy on the market. In such a context, implicit tracking is useful for reducing the impact of a wide use of explicit tracking mechanism.

The remaining part of the presentation was devoted to show the outcomes of the project concerning the cost of the system. Those are identified within a range that includes different values in consideration of the level of complexity and the actual availability of any national tracking system. This part was concluded giving the value of the cost for final customer (€/kWh).

Participants were informed that the intermediate results of the project are available at the website <http://www.e-track-project.org>.

3. Operators had a good feed back in terms of utility of the project especially having regards to the distributors and their duty to disclose information about the sources used for the production supplied. At the moment, in fact, this EU disposition is not in operation in Italy. Furthermore the tracking system represent also a means for correctly take into account energy and attributes imported in Italy (avoiding double counting of attributes, in the exporting and in the importing country)

The discussion was later focused on the role of Guarantee of Origin (GO) in Italy and the interaction with existing forms of certification and how to integrate CV, GO and RECS.

All agreed on the fact that it is likely that GO will have a fundamental role, especially in tracking energy imported in Italy.

4. Conclusion. Operators underlined that market is increasingly oriented towards green products for electricity. In this context it is quite necessary to have an implicit mechanism to track attributes, since explicit mechanism would be unacceptable for non renewable sources. Even though E-Track provides only a standard, it would be appreciated to have more practical examples and descriptions (simulations) of the mechanism of the single tracking options (O-A-B-C) taken into consideration. Examples are necessary because the Italian market is complex and tracking standard could be seen as another element of complexity without creating any evident benefit for suppliers and final customers.

In general the participants expressed a good impression for the relatively low impact of a tracking system for final users in term of costs. However, the extreme variability of cost range probably is felt somewhat as a sign of not high accuracy. More details would be necessary (distribution of development and implementation

costs over the years?). Considering the current national situation, it is likely that Italy is placed between minimum and advanced scenario (some infrastructures and procedures are already in place). Last but not least all agreed on the fact that tracking system can actually work just in case of binding decision about its implementation taken at national/European level.