

Minutes

3rd E-TRACK Consultation Workshop for Baltic countries

20 December 2006, 10.00-15.00

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

Participants:

1. National Control Commission for Prices and Energy
2. SC Lietuvos Energija (Transmission System Operator)
3. Energy Agency
4. Ekostrategija (consulting company)
5. Kaunas University of Technology
6. Lithuanian Energy Institute

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

1 Overview on the status of the E-TRACK project

Inga Konstantinaviciute gave an overview of the agenda, the main topics of the third workshop, recalled the project objectives and recent developments (File: I-State of project.ppt).

2 Discussion on recent developments of tracking systems in Baltic countries

Issues from the discussion:

- Legislation concerning RES-GO entered into force on 14 October 2005 in Lithuania. These rules state that GO will be issued by TSO. 7 suppliers and 95 producers are registered at present in the data base. TSO is responsible for: maintenance of data base, registry of new market players, issue of GO, preparation of reports on green electricity production, preparation of reports on GO issue, redemption and handling. RE-GO system is fully operational and GO can be issued, but still no request for the issue of GO.
- Unfortunately stakeholders from Latvia and Estonia not showed interest on the third consultation workshops. RE-GO systems implementation processes are going very slowly in Latvia and Estonia.
- There are no provisions for electricity disclosure in Lithuania, Latvia and Estonia.

3 Revision of tracking options and their evaluation

Dalius Tarvydas presented the updated scenarios of tracking system and new Option “0” (Contract based tracking) (file: 3-Revised tracking options.ppt).

Issues from the discussion:

- Flexibility: the option “0” from electricity supplier’s side looks like not very flexible. The trade of attributes cannot be de-linked from physical electricity contracts.
- Information value: the option “0” not guarantees the high information value.
- Frequency of submitted information: the tracking system generates the information to be displayed to consumers at least once a year. Information will be based on the preceding period. Real-time information not required.
- Issue and life cycle of certificates: certificates will not exist on the paper, only electronically. Redemption of certificates is required. The rules for certificates trade and management should be established in the market.

4 Proposal for a European Tracking Standard

Inga Konstantinavičiute presented the proposal for a European Tracking Standard (files: 3-Tracking Standard Part 1.ppt and 4-Tracking Standard Part 2.ppt).

Issues from the discussion:

- Flexibility: the introduction of tracking system should not imply any changes of current national support schemes for RES-E. Another important issue - ability of system to adopt different national framework conditions.
- Contract tracking: electricity contracts should include the agreement on the transfer of attributes between the parties or could be set as the default agreement.
- Production plant attributes: attributes of power plant or generator in the case then different generators (using different types of fuel) are installed at the same power plant.
- Registry infrastructure: the use of different registries requires more resources for accurate transfer of data than central registry. The central hub infrastructure offers more flexibility. In most cases is not needed to build entirely new infrastructure for national registries because registries are implemented in most EU countries for GO handling already.
- Lifetime of disclosure certificates for residual mix calculation: the E-TRACK standard suggested that the total period should not be more than nine months. No contradictions against these nine months, but there was pointed out that this would be comparatively old information for consumers.
- Residual mix: national residual mix should give more accurate information than European residual mix taking into account electricity generation structure in different European countries, for example Lithuanian electricity generation mostly based on nuclear energy at present.
- Governance: more appropriate type of organization for issuing body of tracking systems would be governmental institution. No more suggestions for approach of tracking system governance.

5 Estimated cost of tracking systems

Dalius Tarvydas presented the estimated cost of tracking systems (file: 5-Cost assessment.ppt)

Issues from the discussion:

- Additional cost for consumers: consumers are not ready to pay additional cost for information; they are interesting in cheaper electricity and not yet asking for different types of electricity.
- Additional cost caused by the tracking system: stakeholder pointed that presented additional cost for consumers with an electricity consumption of 5000 kWh/year amount to 2,3 cent/year in the “low scenario” and to 12,8 cent/year in the “upper scenario” is relatively not very high estimate.

6 Outlook on the remaining work in the project

Inga Konstantinaviciute presented the short outlook on the remaining work in the project (file: 6-Project outlook.ppt)

Issues from the discussion:

- Lithuanian stakeholders pointed out that E-TARCK consultation workshops were very useful; they were satisfied with the possibility to be informed about going activities.
- They expressed interest in further activities related with electricity tracking and in E-TRACK-2 workshops.