

CEER

**Council of European
Energy Regulators**



Fostering energy markets, empowering **consumers**.

**CEER Public Consultation on
Green Electricity**

Evaluation of responses

**Ref: C14-CEM-70-08a
4 March 2015**



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EXECUTIVE SUMMARY

Purpose of Executive Summary

In December 2013, CEER launched a Public Consultation on the “CEER Advice on Green Electricity”. The purpose of the consultation was to present European energy regulators’ emerging views on issues related to the disclosure of electricity from a customer’s perspective. This evaluation of responses document provides an overview of the comments received and CEER’s developed initial thinking.

A total of 69 stakeholders submitted comments reflecting their views on the “CEER Draft Advice on Green Electricity” (13 were marked as confidential). There was a broad consensus on the importance of this topic expressed throughout the stakeholders’ responses.

Following an extensive assessment of the responses received and the subsequent work carried out by regulatory experts at CEER, it was decided to change the title of the final CEER advice to “Advice on customer information regarding the sources of electricity” Ref. C14-CEM-70-08.



1. Introduction

In December 2013, CEER launched a Public Consultation document on “CEER Draft Advice on Green Electricity”. The purpose of the consultation was to ask stakeholders questions on issues related to the disclosure of electricity from a customer’s perspective.

A workshop was held in April 2013, where stakeholders were given the opportunity to bring forward their perspective on disclosure systems and on how to present information to customers about the origin of their electricity.

The call for consultation responses closed on 6 February 2014. A total of 69 stakeholders submitted comments reflecting their views on the CEER consultation paper on green electricity (13 were marked as confidential). Three of these responses were submitted by stakeholders from outside of Europe. CEER welcomes the high level of participation by stakeholders in the public consultation process. The number of comments received clearly shows that stakeholders were keen on taking part in the draft process of the advice.

CEER received general remarks on the advice as well as specific responses to the questions raised. Stakeholders’ responses showed a broad consensus on the importance of this topic.

This document summarises the comments of the respondents, addresses the main issues and presents CEER’s position on stakeholders’ responses.

1.1 Responses

The table below shows the different types of respondents:

Respondent type	Number of respondents
Energy Suppliers	27
Research and consultancy firms	9
Non-for-profit or labelling organisations	6
Official organisations and issuing bodies	5
Energy industry, energy traders, etc.	17
Others	5

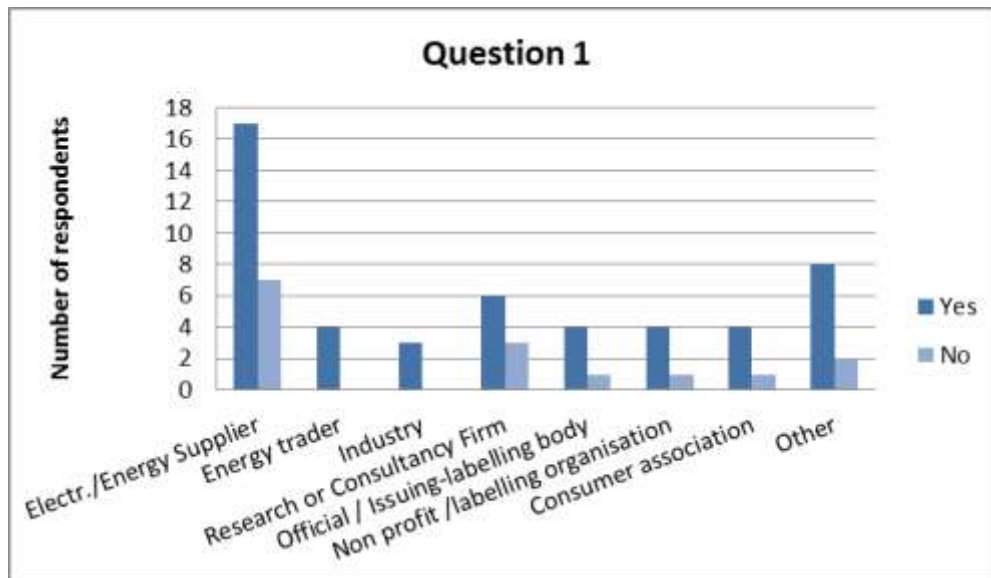
Three of these responses were submitted by stakeholders from outside of Europe.

[Annex 2](#) lists all respondents by category and country of origin.



2. Responses per Question

2.1. Question 1



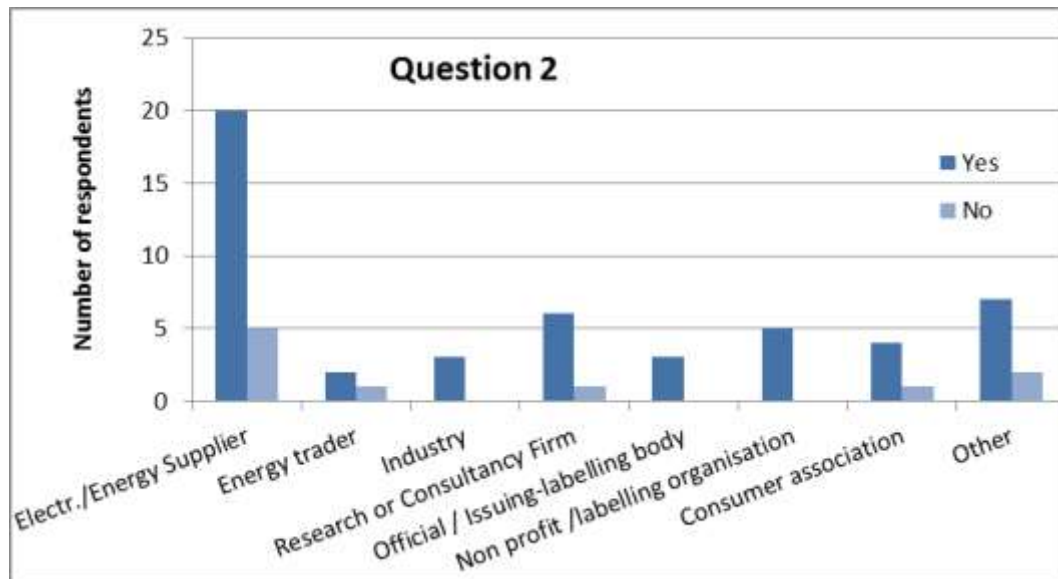
Question/issue	Respondent's feedback	CEER's position
<p>Question 1: Do you agree that further improvement is needed concerning the terminology that is used to inform the customer on electricity offers based on renewables and to promote these offers in marketing?</p> <p>Overview: The vast majority of respondents (50 stakeholders) agree that there is a need for further harmonisation of terminology and support the idea of using already defined terms such as “electricity generated from renewable sources” or “electricity based on renewables sources”, instead of subjective terms such as ‘green’, ‘low carbon’ or ‘sustainable’. Such harmonisation would not only enhance transparency, but would also avoid confusion among consumers and have beneficial effects on competition. GOs are mentioned as a good example of standardised means to provide information to customers on electricity offers based on renewable sources. The absence of such a harmonisation process would harm consumers’ trust in GOs and the electricity market in general. At the same time, several stakeholders underline that such harmonisation still has to guarantee companies’ freedom to determine their product names and to develop their own market strategies.</p> <p>15 stakeholders (mostly from the utility industry side) do not agree with this question. Most of them consider existing EU Directives and national legislation as sufficient. Furthermore, they fear limitations for developing market strategies by companies due to the harmonisation of terminology.</p>		
<p>Guidelines of good practice vs. regulation</p>	<p>Several stakeholders would welcome guidelines of good practice or standard guidance developed by the EU Institutions, National Regulatory Authorities (NRAs), CEER or other institutions, rather than implementing new regulations at the EU level. On the contrary, few stakeholders prefer a strict regulation of marketing and/or of what is considered as “green”. Furthermore, existing projects (CEN/CENELEC, EECS) opting for such standardisation, are highlighted as good examples.</p> <p>While 2 stakeholders would welcome the ban/avoidance of attributes such as “green”, “sustainable” and “low carbon”, few others are seeking this solution. Only one stakeholder would support a legal definition of “green”.</p>	<p>Agree. Further harmonisation concerning terminology is needed. This could be done through guidelines of good practice or standard guidance.</p>



	In contrast to the majority of respondents who endorse harmonisation at the EU level, one stakeholder favours harmonisation only on a national level.	
Characteristics of harmonisation	According to stakeholders, such harmonisation should be based on facts rather than on “opinions”. Furthermore, it was highlighted that information must be clear and simple.	Agree.
Responsibility of market	Other stakeholders consider harmonisation as unreasonable and see customer information and marketing as the responsibility of market players. The risk of blocking the market and the limitations imposed on marketing strategies should be avoided according to these respondents, as marketing strategies enable suppliers to offer tailor-made products for the various needs of end customers.	Disagree. Although the importance of marketing strategies for companies is recognised, the provision of information should follow certain minimum common standards to foster consumer empowerment, trust and market transparency.
Existing legislation and Directives	Few respondents consider existing legislation in their countries and/or EU Directives as sufficient and, therefore identify no need for further harmonisation.	Disagree. With regard to customer empowerment, improvements are still possible. Harmonisation would not only enhance transparency, but would also avoid confusion amongst consumers and have beneficial effects on competition.
Others	<p>Furthermore, some respondents expressed the need for awareness campaigns and monitoring. Stakeholders highlight that customers need to understand the functioning of energy markets and of GOs - “RES-GO” ‘only’ guarantee that the same amount of electricity offered to the customer as “electricity coming from renewable resources” is actually generated somewhere in the European power system.</p> <p>In addition, harmonisation should not lead to costly administrative procedures.</p>	<p>Agree.</p> <p>Agree. Harmonisation of the terminology regarding green electricity offers should be done in a cost-efficient manner.</p>



2.2. Question 2

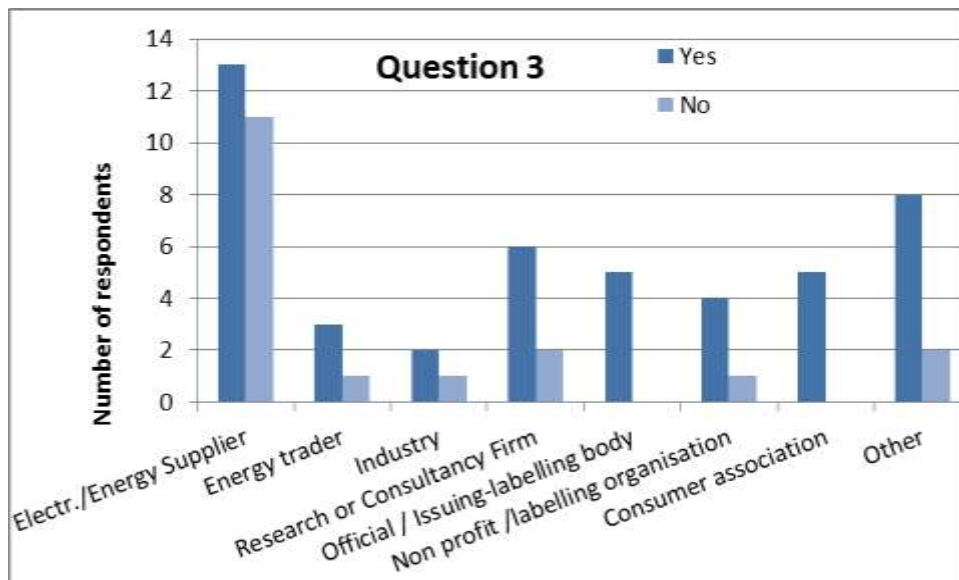


Question/issue	Respondent's feedback	CEER's position
<p>Question 2: Do you agree that all price comparison tools (PCTs) should provide customers with an overview of electricity products, including specific information on the origin of electricity that will be supplied?</p> <p>Overview: 50 stakeholders agree, while 10 stakeholders express their disagreement. Several of the remaining 9 stakeholders provide comments without making an explicit decision.</p>		
<p>PCTs as an instrument to empower customers</p>	<p>In general, it can be observed that most stakeholders (including consumer organisations) emphasise the important role PCTs play for the provision of information to consumers. PCTs are identified as instruments not only to empower customers, but also to raise competition amongst energy utilities.</p>	<p>Agree. PCTs are a meaningful tool, not only to enhance consumers' empowerment, but also to raise competition.</p>
<p>Level of information</p>	<p>Several stakeholders would welcome more available, detailed information on PCTs (such as greenhouse gas emissions, nuclear waste, product mix, purchasing practices and commercial quality). Other respondents state that too much detailed information may cause confusion amongst consumers.</p> <p>Only one response objects to PCTs as such. Another respondent disagrees with the inclusion of additional information regarding the origin of electricity. According to the responses, PCTs should rather place the emphasis on the comparison of price. Furthermore, concerns have been expressed that such information might not be available and trustworthy. In addition, the "origin" of electricity could be misleading and may not be in the interest of customers.</p>	<p>Disagree. Although too much or too detailed information may cause confusion amongst customers, additional information, if displayed in a comprehensive manner, is in the interest of customers who want to make a decision about electricity products - not only based on the price.</p>
<p>Characteristics and standardisation</p>	<p>Several responses highlight that PCTs should be neutral and should allow flexibility, so that electricity companies are not forced to limit their offers to standard products. Overall consensus has been expressed that PCTs should be implemented through standardised and harmonised</p>	<p>Agree. PCTs should remain neutral and should allow a certain level of flexibility in order to allow the inclusion of all existing electricity products.</p>



	rules in order to ensure comparability. Several respondents would welcome NRAs to act as providers of such PCTs.	This does not contradict the idea of including information on the origin of the electricity supplied.
Other comments	One stakeholder expresses the concern that the term “origin” may cause confusion.	Noted. By “including specific information on the origin of electricity” CEER means a clear indication, whether the electricity contract guarantees that the source of electricity that is supplied is from renewable resources. This information should be provided through the publication of the fuel mix, tracked by GOs.

2.3. Question 3

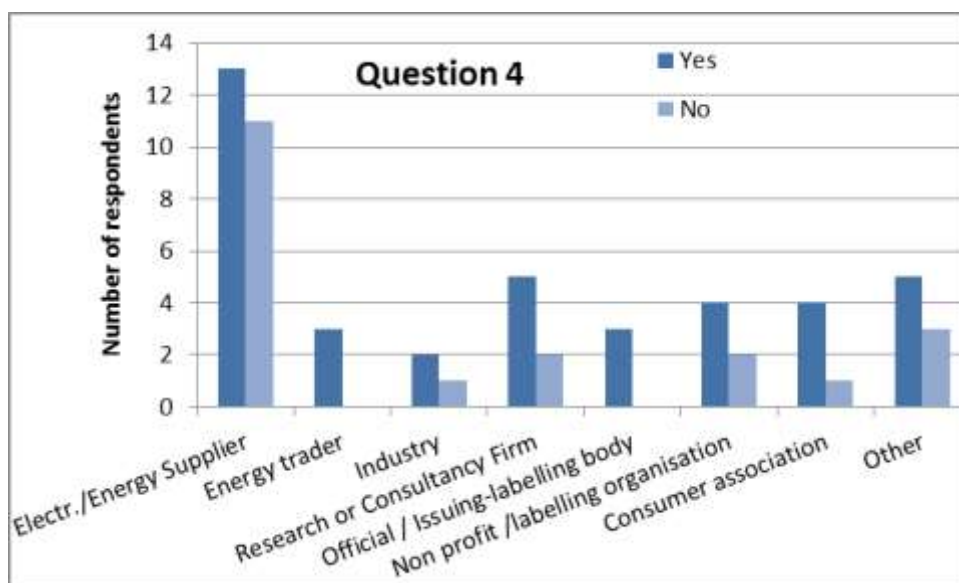


Question/issue	Respondent's feedback	CEER's position
Question 3: Do you agree that the national regulatory authority (NRA, or other competent body) should develop a harmonised format on how information concerning the origin of electricity is displayed and should specify the level of detail required on electricity bills for this information?		
	Overview: 46 stakeholders are in favour of a harmonised format for displaying the source of electricity on the energy bill. 18 respondents disagree with the idea. 5 stakeholders did not provide an answer. It is worth mentioning that particularly consumer bodies and policy associations participating in the public consultation agree with the question raised. Overall, it is stressed that the bill should contain clear and transparent information to increase consumers' understanding about their electricity consumption.	
Harmonisation of display format vs. minimum common standards	In reviewing the submissions, it appears that a harmonised display format either on a national or European level would be welcomed by a high number of stakeholders. With regard to the level of information, several stakeholders would prefer that the product mix is	Agree. The majority of stakeholders have identified the need for a certain degree of harmonisation for displaying the source of electricity on the bill.



	displayed, while others would opt for the supplier mix. Other stakeholders would prefer a set of minimum standards with regard to the level of detail that should be displayed. According to the majority of stakeholders favouring this option, NRAs should develop such minimum standards. These minimum standards should be flexible enough to allow the voluntarily provision of additional information. Several stakeholders, in particular energy utilities, object to a full, harmonised format of the bill.	The development of minimum common standards on how this information is displayed should be done by NRAs or other competent bodies.
Bill as a key commercial tool	Both stakeholders who prefer the development of minimum standards or those who object to any further development, consider the bill as a key commercial and communication tool that allows suppliers to differentiate between each other's offers. Therefore, the development of the format should remain the responsibility of companies. The majority of stakeholders responding on this issue are electricity suppliers.	Noted. However, the bill is, in addition to a commercial tool, also a very important communication tool for providing information to customers. Therefore, relevant information must be displayed to customers in an adequate and non-misleading format. Developing minimum standards on how certain information is displayed by a competent body still allows companies to create their own overall invoice format.
EU Directives	Three stakeholders consider existing EU legislations as sufficient and detailed enough.	Disagree. With regard to consumers' empowerment, and disclosure in particular, improvements of the existing EU directives are still possible.
Costs	Few stakeholders express concerns regarding increasing costs that may arise through such a harmonisation or argue for minimising mandatory information.	Noted. Cost efficiency is an issue when developing new initiatives.

2.4. Question 4



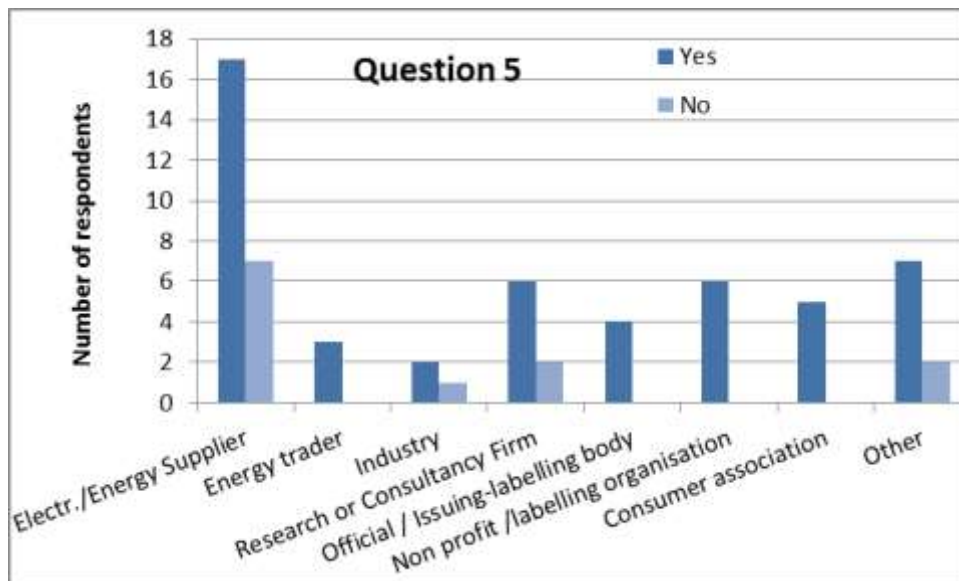


Question/issue	Respondent's feedback	CEER's position
<p>Question 4: Do you agree that two levels of information should be provided to customers? Complementing the bill, additional information such as the geographic origin, the technology and the product mix could be made available on the website of the supplier. In that case, a reference on the bill should draw customers' attention to this additional information.</p> <p>Overview: 39 respondents welcome the idea of complementing the energy bill with additional information. 20 stakeholders disagree with the idea of introducing two levels of information for customers. Several stakeholders provide input without expressing an opinion for or against this idea. In general, the idea of two levels of information is appreciated by the majority of stakeholders. However, different views with regard to characteristics and the level of detail of these two levels of information are expressed.</p>		
<p>Mandatory vs. voluntary</p>	<p>While several stakeholders would welcome the two levels of information to be mandatory, others would prefer the second level to be voluntary. Furthermore, it is stated that first level information should already be available for customers before purchase. Other respondents consider that the regulation of different levels and channels of information is not necessary as long as customers receive the information they are entitled to. These stakeholders highlight that the scope and type of (additional) information should remain part of suppliers' commercial practices.</p>	<p>Agree. The first level should be mandatory, but more detailed information can be left to voluntary initiatives for those electricity suppliers that focus on marketing electricity from renewable sources.</p>
<p>Bill vs. website</p>	<p>In general, different views on the level of information and on the use of information channels through which information should be provided can be observed. Some stakeholders point out that suppliers should have the opportunity to decide how additional information (which goes beyond EU and national minimum standards) should be provided to customers. Others argue that all information should be displayed on the bill, as information provided on websites is hard to verify. In contrast, several stakeholders would endorse the provision of all information on both the bill and the website.</p> <p>Several stakeholders consider additional information as useful to enhance transparency and consumer empowerment, but also highlight the importance of providing a simple and comprehensive bill.</p>	<p>Noted. Stakeholders expressed different views with regard to the level of information and possible information channels. The bill is an important instrument, but it presents some limitations.</p> <p>Agree. Additional information, which is displayed in a comprehensive manner, can enhance consumer empowerment and understanding.</p>
<p>Level of information on the bill</p>	<p>Simplicity and comprehensibility are identified as key characteristics of bills by several stakeholders. While some consider that the provision of information as defined by EU Directives does not go far enough, other stakeholders see existing EU Directives as sufficient.</p> <p>Few stakeholders state that additional information would not be in the interest of consumers, and therefore, useless.</p>	<p>Agree. Comprehensibility should be a key characteristic of bills. Furthermore, a balance with regard to the level of detailed information has to be found to ensure simplicity and comprehensibility.</p>
<p>Further information included</p>	<p>The provision of further information (about suppliers' investment behaviour, "additionality" or energy efficiency issues) would be welcomed by a few respondents.</p> <p>Furthermore, the need to better inform customers about the GO system is expressed by one stakeholder.</p>	<p>Noted. This information can be relevant to certain groups of customers, but should not be part of the information provided on a mandatory basis to all customers.</p>
<p>Harmonisation</p>	<p>Several stakeholders emphasise the importance of harmonising both terminology and methodology when providing information to customers. In the light of this,</p>	<p>Agree. Harmonisation of terminology and methodology through the development of</p>



	NRAs are explicitly identified by several stakeholders as responsible bodies to develop such minimum information standards.	minimum common standards would be desirable.
Others	Two stakeholders further raise concerns regarding increasing costs due to the provision of additional information.	Noted. The provision of additional information should be implemented in a cost-effective manner.

2.5. Question 5

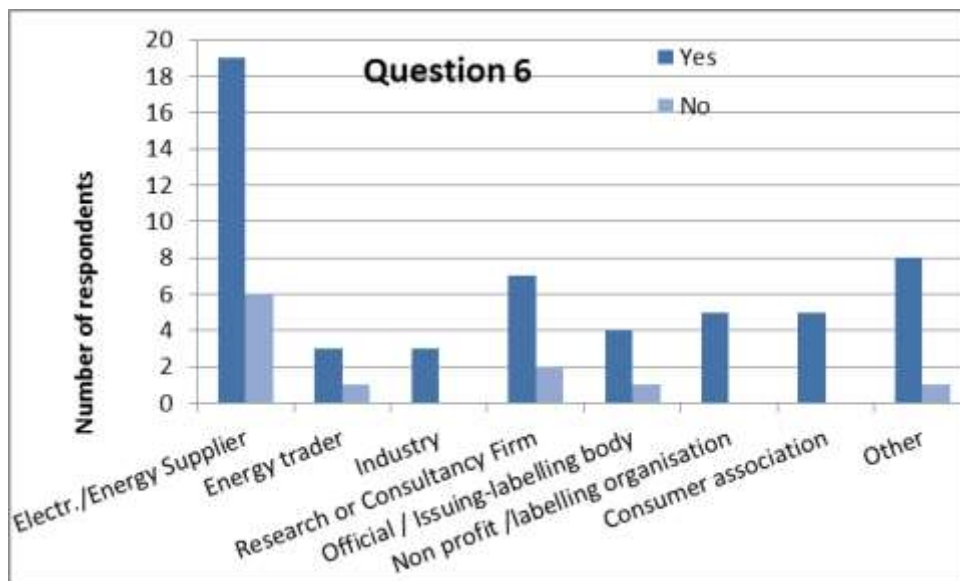


Question/issue	Respondent's feedback	CEER's position
Question 5: Do you support the idea that if a supplier also publishes the product mix on the bill for some customers, the publication of the product mix should be done consistently for all of its customers in order to minimise the risk of “double counting” within one company?		
	Overview: 50 stakeholders agree with the idea. 12 stakeholders express their disagreement. 1 of the remaining 7 stakeholders provides a statement without expressing an opinion. In general, broad consensus has been expressed on the importance of avoiding (the perception of) double counting. The majority of respondents consider consistent publication of the product mix as a useful approach to doing so. However, different views exist in relation to the level of regulated information that should be provided on the bill.	
Transparency	Several stakeholders emphasise that the idea proposed would enhance transparency and reliability.	Agree. Such an approach would enhance transparency and avoid (the perception of) double counting.
Product mix vs. fuel mix (supplier mix)	Analysing the comments received, it becomes obvious that stakeholders have different opinions with regard to the publication of the product mix and the overall fuel mix. Several stakeholders consider the publication of the product mix as more relevant for customers and argue for an obligatory publication of it on the bill (either together with the overall supplier mix of the company or without). Some of them would prefer the publication of the supplier-specific residual mix for customers not purchasing a specific product, for which GOs have been	Noted.



	cancelled (next to the fuel mix). Other respondents suggest simply the publication of the overall fuel mix to all consumers.	
Communication channel	Different views also exist with regard to the way the product mix or the supplier mix should be displayed. While several stakeholders would prefer the publication of the product mix on the bill, others recommend publication on the website and through other communication channels (information upon request, etc.)	Noted. Stakeholders have expressed different views with regard to possible communication channels. Since the Directive excludes the supplier mix on the bill, the provision of the product mix online seems as a short-term solution for informing the customer about the individual contract mix.
Monitoring	One stakeholder emphasises the need for further controls by competent bodies to guarantee reliability.	Agree. Monitoring by competent bodies enhances reliability and promotes trust.
Clear definitions	Some stakeholders express the need for clear definitions of “supplier mix” and “product mix” to guarantee consistency and transparency.	Agree.

2.6. Question 6



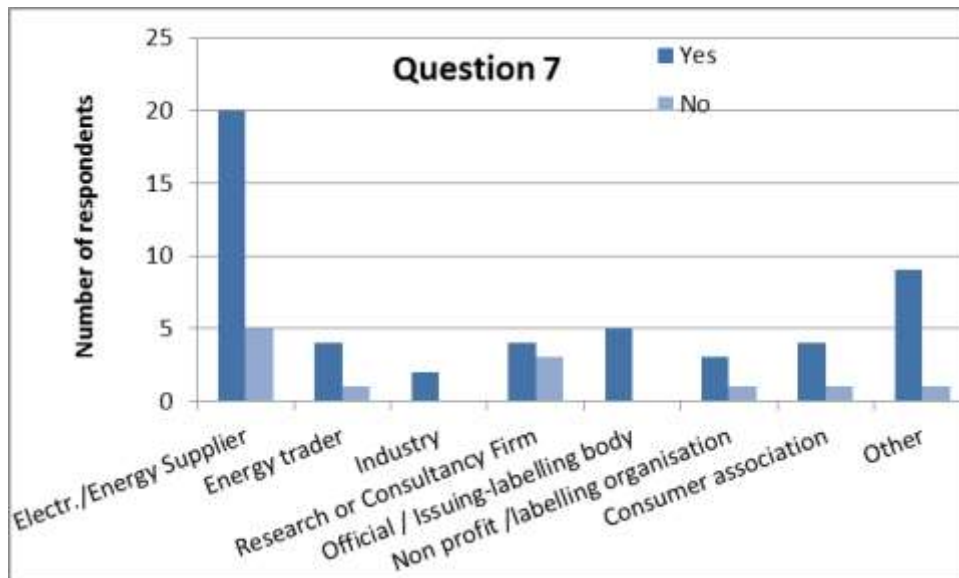
Question/issue	Respondent’s feedback	CEER’s position
Question 6: Do you agree that the publication of an annual disclosure report by NRAs (or other competent bodies) is a good practice?	<p>Overview: 54 stakeholders support the idea of an annual disclosure report while 10 stakeholders express their disagreement. The remaining 5 stakeholders do not express any statement. Given the overall feedback, there is strong support for this idea. Such reports have been identified by the majority of the respondents as a valuable tool to increase transparency of disclosure of suppliers’ fuel mix.</p>	



Harmonisation	Several stakeholders highlight that standardised rules (on a national and/or European level) for the development of the annual disclosure report are needed in order to guarantee a reliable comparison.	Agree. Minimum standard requirements at EU level for the development of such a report would enhance comparability.
Transparency, comparability and usefulness	<p>The majority of stakeholders agree that such reports increase transparency and comparability of disclosure, and as such, enhance consumer awareness and empowerment. It has been stressed that such reports are in the interest of both market participants and other stakeholders (such as NGOs, consumer bodies and research projects).</p> <p>Few stakeholders disagree, considering such reports as useless. One stakeholder states that such reports cause confusion amongst consumers and journalists.</p>	<p>Agree. Such reports increase transparency and comparability of disclosure.</p> <p>Disagree. The provision of reliable and comprehensive information on disclosure not only supports the empowerment of customers and consumer organisations, but would also put additional pressure on companies to fulfil disclosure requirements.</p>
Monitoring and auditing	<p>Several respondents consider such reports as valuable monitoring tools for NRAs.</p> <p>For one stakeholder, the reporting of supplied volumes and respective disclosure information is considered as a prerequisite for competent bodies to enhance monitoring and to enforce national regulation.</p> <p>One stakeholder would welcome independent auditors to publish reports, as they can adapt better to specific requirements of each supplier.</p>	<p>Agree. Such reports can serve as a valuable monitoring tool for NRAs.</p> <p>Noted. Audits can be valuable, but are not a prerequisite for reliable information.</p>
Costs	Two respondents express concerns with regard to the costs that may arise, stating that costs of such reports may exceed the benefits.	Disagree. As NRAs are already obliged by the EU Directives to monitor disclosure activities of companies, the development of such reports can be done with only little additional effort and costs; whereas their value as source of reference data for interested customers and stakeholders is high.
Other comments	Furthermore, it is mentioned that such reports should not just be an aggregation over all suppliers, but should identify each supplier individually. Another stakeholder would welcome NRAs being given the possibility to invoke sanctions for suppliers in case of non-compliance.	Agree.



2.7. Question 7

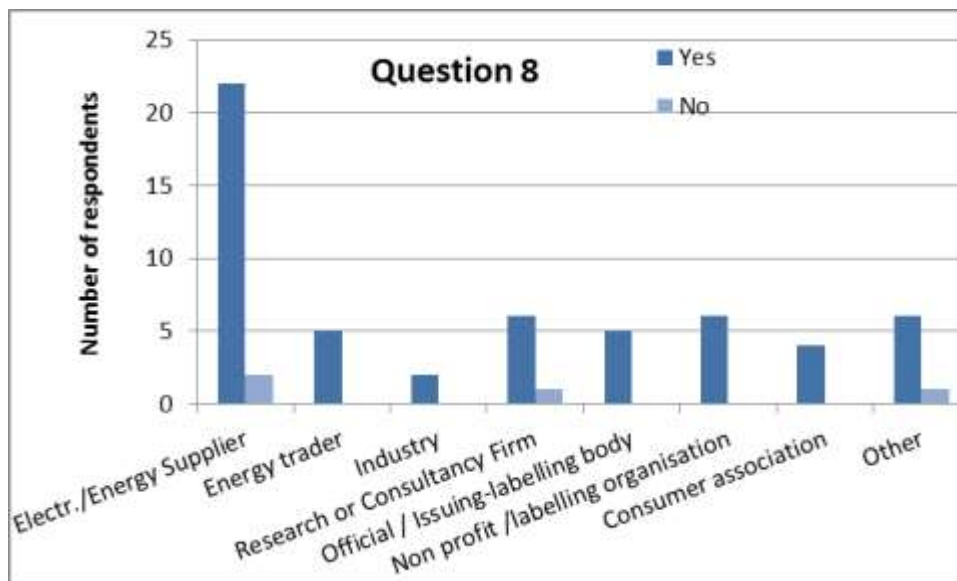


Question/issue	Respondent's feedback	CEER's position
Question 7: Do you agree that further harmonisation of the existing disclosure systems on a European level is necessary	<p>Overview: 53 stakeholders would welcome further harmonisation of the existing disclosure system. 10 stakeholders disagree. Several of the remaining 6 stakeholders provide comments without making an explicit decision.</p> <p>The vast majority of respondents place an emphasis on the need for further harmonisation of the existing disclosure systems on a European level. Few stakeholders state that the existing EU legislation guarantees sufficient harmonisation. One stakeholder does not see the need for harmonisation as MSs and their markets would have different expectations and needs. One stakeholder considers the provision of minimum disclosure requirements at the EU level as important, but does not express the need for a harmonisation of national disclosure systems as such.</p>	
Level of harmonization	While the vast majority of respondents would welcome a harmonisation of the whole disclosure system (database, publically available information, terminology, residual mix calculations, timing, GOs, etc.), some stakeholders only see the need for further harmonisation with regard to RES-GOs. Several stakeholders endorse the work of AIB and RE-DISS. Furthermore, the EECS system is identified by several stakeholders as an adequate basis for harmonisation.	Agree. Further harmonisation of the existing disclosure system on a European level is necessary.
Transparency	Many stakeholders state that the existence of different disclosure systems across Europe would lead to confusion and, therefore they are in favour of further harmonisation. Contract-based tracking is considered as a mechanism prone to error. Harmonisation endeavours would increase transparency and reliability. One stakeholder further mentions that harmonisation would increase liquidity of the GO market, and therefore, would make a significant contribution to the transparency of the origin of electricity.	Agree. Harmonisation efforts are needed to increase transparency and reliability in a cost-efficient way.
Internal energy	The harmonisation of disclosure systems has also been	Agree. Due to increasing



market	identified by several stakeholders as a prerequisite to establishing an internal energy market and promoting/enhancing competition at national and EU-level. One respondent highlights that, due to increasing cross-border transactions, disclosure systems can no longer be considered as solely a national issue. Harmonisation would not only benefit consumers, but also market players.	cross-border electricity transactions, disclosure has to be considered as a European-wide issue that will contribute to achieving the internal energy market.
Existing EU legislation	A few stakeholders consider the existing EU legislation as sufficient, yet see the need for comprehensive and improved implementation across Europe. Two stakeholders, however, observe a lack of guidance on electricity disclosure from the EU Institutions and would welcome more detailed minimum requirements in EU Directives. One stakeholder calls for a revision of the Directives.	Noted. With regard to consumer empowerment, improvement of the existing EU Directives is still possible and necessary.
Costs	Although stakeholders are in general in favour of further harmonisation, three stakeholders argue that the costs of such harmonisation processes should not exceed the benefits.	Agree. Further harmonisation should be implemented in a cost-effective way.

2.8. Question 8



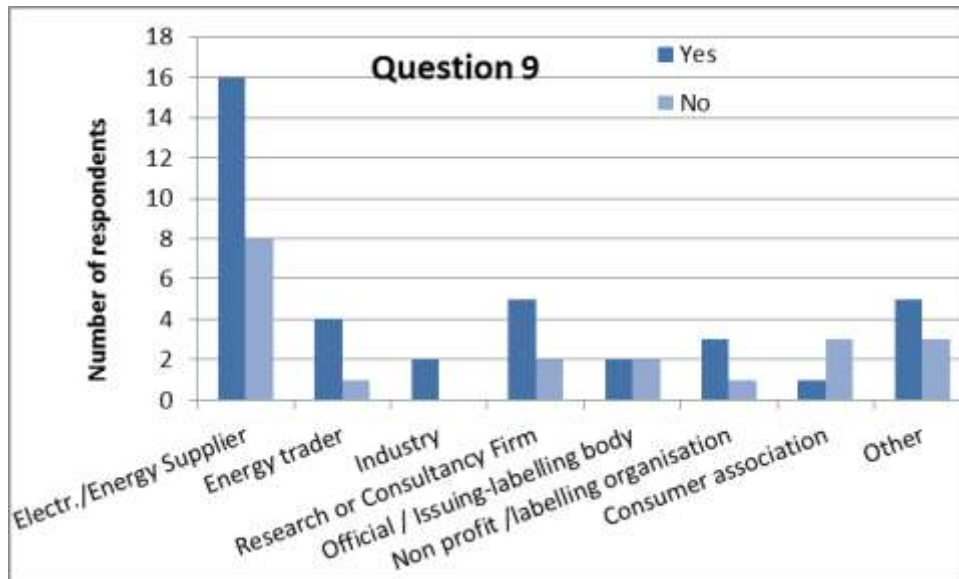
Question/issue	Respondent's feedback	CEER's position
Question 8: Do you agree that GOs should be used as a common and reliable basis for all disclosure systems?	<p>Overview: The vast majority of stakeholders (56 respondents) respond positively, while 4 stakeholders express their disagreement. The 2 remaining stakeholders provide comments without making an explicit statement. Almost all stakeholders consider GOs as a common and reliable basis for all disclosure systems and identify them as an efficient instrument to minimise double counting and to enhance market liquidity. The majority of stakeholders points out that GOs should be the only instrument to track electricity. The coexistence of parallel or different certification systems should be avoided. One stakeholder expresses concerns that GOs would potentially water down customer information and empowerment, as – according to this stakeholder's opinion - GOs do not reflect the reality of consumers and/or suppliers.</p>	



<p>Characteristics of GOs</p>	<p>While several stakeholders consider GOs as the only tracking instrument for RES (renewable energy sources) and CHP (combined heat and power), other stakeholders would endorse GOs as a disclosure tool for all types of electricity. In general, GOs should be independent from support mechanisms and/or should not replace them. In order to guarantee the well-functioning trading of GOs, standardisation is welcomed. A few stakeholders consider GOs as reliable tools, but only on a voluntarily basis.</p> <p>Although stakeholders agree in principle with GOs the criteria proposed in the public consultation document (GOs only for net generation, implemented as internationally transferable certificates, harmonisation of timing), for some stakeholders these recommendations do not go far enough. More detailed criteria for harmonisation (such as the EECs standard) would be welcomed by these stakeholders. While some respondents agree with the proposal for harmonisation of the disclosure deadline, one stakeholder would prefer a later deadline, in July.</p>	<p>Agree. GOs should be used as a common and reliable basis for all disclosure systems and should be independent from support mechanisms.</p>
<p>Customers' understanding of GOs</p>	<p>Several stakeholders express the need to explain the functioning of GOs to customers, clarifying that GOs in a supplier's portfolio do not necessarily represent the physical origin of the produced electricity by the supplier, if this is a company with electricity generation units.</p>	<p>Agree. The provision of comprehensive information on the functioning of GOs can enhance consumers' understanding and trust.</p>
<p>Residual mix</p>	<p>Several stakeholders stress the strong link between GOs and the residual mix, and suggest placing more emphasis on the residual mix in the advice. Furthermore, it has been highlighted that the residual mix should be used as a disclosure instrument for electricity which is not tracked by GOs (as long as GOs are limited to electricity generated from renewable sources).</p>	<p>Agree. The residual mix should be used as a disclosure instrument for electricity which is not tracked by GOs.</p>
<p>Other comments</p>	<p>Furthermore, it has been mentioned that problems arise from existing legislation (2009/28/EC and 2009/72/EC) which regulate the GO system and the European disclosure system as two separate instruments without any coherence. Several stakeholders further state that contract-based tracking should be avoided where possible.</p>	<p>Agree. The current inconsistencies between the different Directives should be dealt with in the interest of the electricity customer. Contract-based tracking is less cost-efficient and it is much harder to ensure reliability on the basis of this type of tracking.</p>



2.9. Question 9

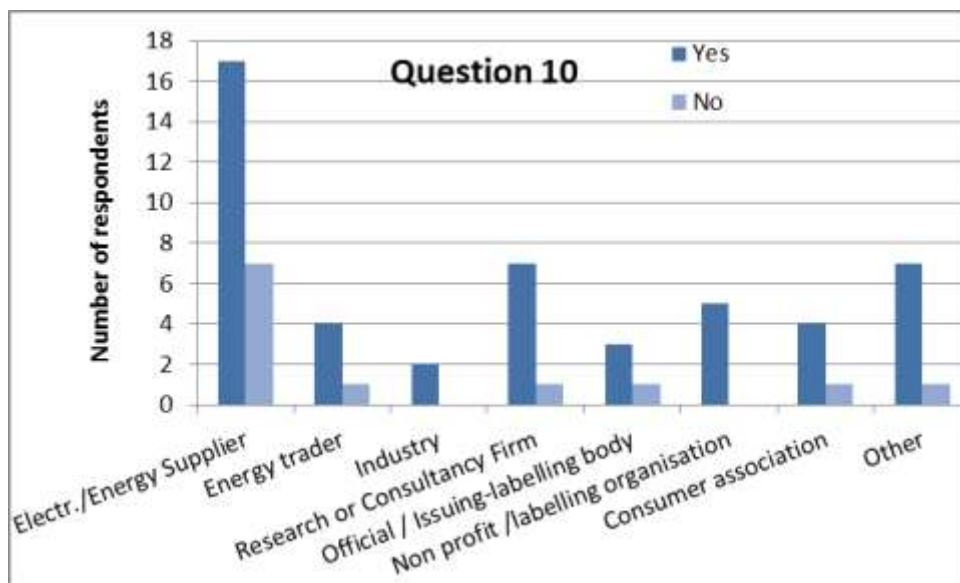


Question/issue	Respondent's feedback	CEER's position
Question 9: Do you agree that the issuing of RES-GOs should be mandatory for all electricity produced from renewable sources?		
	<p>Overview: 38 responses are in favour of issuing RES-GO for all RES electricity in a mandatory way, while 20 stakeholders disagree with the proposal. The reasons for both positions are very different. Some stakeholders think issuing should be mandatory for all sources (not only for that from renewable sources), as they consider this the best way to track electricity. Other comments propose to make this mandatory only for suppliers (the demand side), not for generators (the supply side). Another concern is related to transactional and administrative costs, especially for small producers. Several answers underline the relevance to keep the GO system decoupled from any support scheme system.</p>	
Transparency	Four stakeholders believe that a GO system which is mandatory for all RES electricity sources would increase the transparency and reliability of the tracking system and avoid double counting. Some comments would prefer, as a first step, advancing the GO system through a voluntary approach.	Agree. However, this should be a long term goal and progress towards it should be gradual.
Costs	Several comments highlight the risk of increasing administrative costs (bureaucracy, transactional cost, paperwork) for generators if all plants were to participate in the GO system. One comment expressed the idea that all electricity generated should be automatically issued with GO.	Noted. Cost efficiency is an important concern. However, as the GO system is recognised as being the most cost-effective way of tracking electricity, this is not an absolute argument against the mandatory issuing of GOs.
Support schemes	Some answers point out that the GO system should be used only for disclosure purposes, independent from support scheme targets. Another comment emphasises that revenues generated by marketing GOs can be used to reduce the levy paid by electricity customers to support the production of energy	Agreed. RES-support schemes and disclosure should be considered as two different concepts. The instruments have different goals. Noted.



	from RES.	
National decision	Few comments stress that the decision to issue GOs for all RES electricity must be considered in a national context (Member States or NRAs).	Disagree. This step should ideally be made by all EU MSs, therefore should be decided at EU level.
Other comments	According to some answers, putting requirements on the use of GOs on the suppliers is more important than placing these requirements on the producers. Other comments are in favour of issuing of RES-GO optionally for off-grid producers and mandatorily for all grid-connected electricity producers.	Agree. Higher demand for GOs is good as it will drive up GO prices and market activity, without automatically imposing a burden and costs to producers who are not interested in receiving GOs.

2.10. Question 10



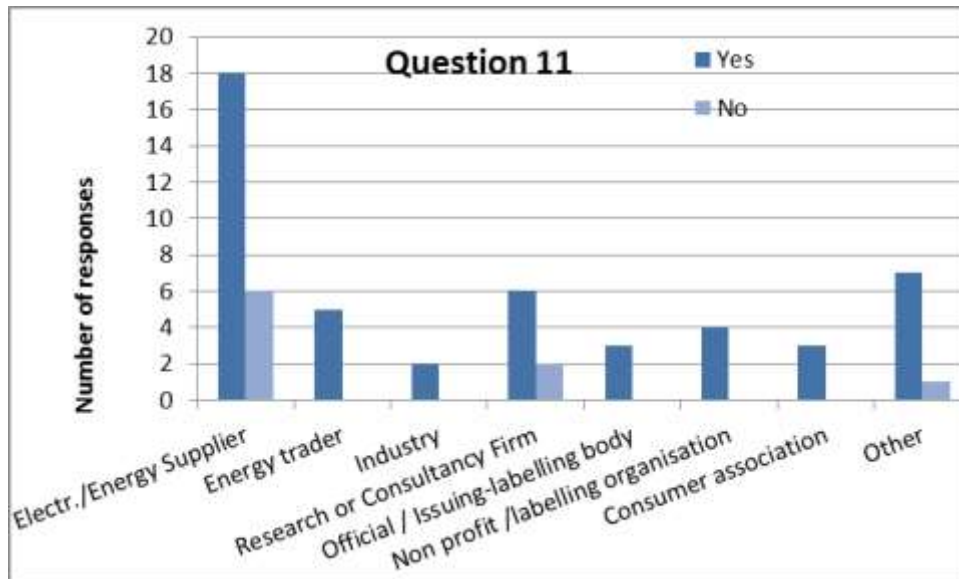
Question/issue	Respondent's feedback	CEER's position
Question 10: Do you agree that issuing of GOs should be extended to all sources of electricity to make the basis for the disclosure system more consistent and reliable, but also to provide opportunities for market offers for electricity based upon specific non-renewable sources in a trustworthy manner? Should this be mandatory or voluntary?		
	Overview: 49 stakeholders agree with the idea of extending the GO system to all sources of electricity, while 12 answers oppose it. 29 comments are in favour of extending this system on a mandatory level, while 17 prefer a voluntary approach. For many stakeholders the main advantage of extending GOs to other sources is the enhancement of reliability of the final information to customers. Furthermore, 5 stakeholders stress that the high costs of this proposal could exceed the possible added value for customers.	
Disclosure	Several stakeholders highlight that issuing GOs for all sources of electricity would make the basis for fuel mix disclosure system (CO2 emissions, radioactive waste, etc.) more consistent and transparent, and would simplify the disclosure and residual mix calculation.	Agree. This would make the disclosure system and the customer information based on it, much more transparent and reliable.



Pollution reduction	Our comment underlines that extending the issuing of GOs to all sources on a mandatory level, will create an incentive for generation plants to pollute less.	Disagree. Even though the GO system impacts on sustainability and promotion of renewables, extending GO to all sources would not have an effect on pollution control.
Costs-benefits	Several respondents express concerns with regard to possible high implementation costs and increasing bureaucracy (the heavy administrative burden of requesting GOs for all sources). They respond positively to such a conceptual or theoretical approach, but there are doubts about the limited expected benefits for consumers, especially if the issuing is on a mandatory basis.	Noted. The extension of GOs to all sources should be implemented in a cost-efficient manner. Disproportionate, additional bureaucratic burden should be avoided.
Supplier offers	<p>For other stakeholders, the extension of issuing of GOs to all technologies would open up the possibility for suppliers to create not only explicitly “green” offers, but e.g. also nuclear or gas contracts.</p> <p>Some stakeholders state that currently, customers’ interest in these offers does not seem very high.</p>	Agree. There are few EU Member States where specific contracts that are not based on renewables are marketed, but the need for transparency in Corporate Social Responsibility (CSR) and carbon footprints might enhance customer (especially industrial/professional) interest in the future.
National decision	According to one stakeholder, this question should be left to the Member States.	Noted.
Other comments	Furthermore, it is mentioned that a reliable system has to be defined if GOs are extended to other sources. Other problems such as distribution losses, identification of competent bodies, harmonisation, terminology, etc. should also be tackled.	Agree. The issuing of GOs for non-RES and non-CHP GOs needs to be standardised, as has been the case with existing GOs.



2.11. Question 11



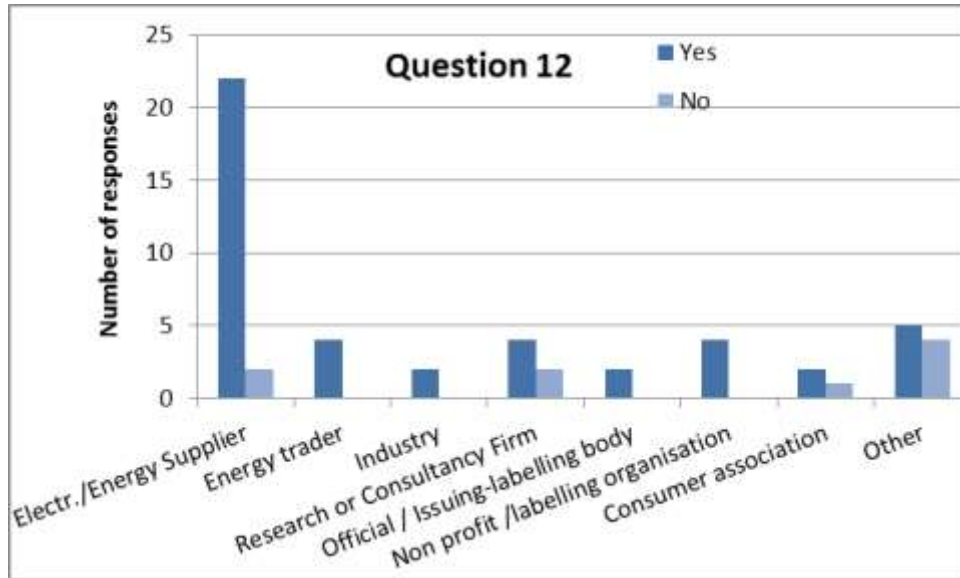
Question/issue	Respondent's feedback	CEER's position
Question 11: Do you agree that the integration of electricity markets at European level should ideally be accompanied by actively developing a European RES-GO market?	<p>Overview: The vast majority (48 stakeholders) agrees with the concept of a harmonised European RES-GO market, while 9 respondents speak out against this idea. Many comments welcome the concept of a European RES-GO market supported by harmonisation of the GO system and the possibility of international electronic transfers of GO between national registries, based on a common platform, such as the AIB hub.</p> <p>While several stakeholders stress that the electricity market and the GO market should be considered as different, some other respondents even think that the GO market does not reflect the reality of the consumer and/or the supplier.</p>	
Desirable trend	An EU-wide GO market is desirable for many stakeholders as they consider it positive support for the integration of EU energy markets and to give customers the ability to signal interest in supporting EU targets. In order to develop this market, more European grid interconnections need to be established and GO market rules and GO registries must be harmonised at European level.	Agree.
Process	Several comments state that it is important to develop RES-GO in different stages. For some respondents, the first step would be the integration of electricity markets. As a second step, the RES-GO market should be integrated. Other statements stress that such international GO trade should still allow the distinction of GOs according to criteria which are considered relevant by consumers, including age of plants, received support, technology or geographic origin.	Agree. The integration of the GO market at EU level cannot be done to the detriment of the information that customers receive.



Physical connection	Other stakeholders express the need to consider the extent to which the boundaries of the market for GO should mirror the physical limits of electricity trading. (For instance, Iceland is issuing GOs that can be bought by suppliers or consumers in Europe, but there is no physical connection between Iceland and Europe. This issue could cause the market to become more abstract and could result in a loss of credibility in the eyes of the public, according to these stakeholders.)	Disagree. The Directive does not provide for a link between the GO and the physical electricity trading.
Uncertainty in benefits	<p>According to few stakeholders, a European GO market could lead to volatility in pricing and uncertainty. Cost savings might be taken as profits by traders and would ultimately not benefit end users or the RES industry.</p> <p>Other stakeholders express the concern that a RES-GO market will only develop if there is a demand for it, which is – according to these stakeholders - currently not the case.</p>	<p>Disagree. Markets inherently are creating uncertainty and risk, but they also provide the basis for innovation, transparency and – in the right conditions – allocate resources optimally and promote competition, which should lead to better market functioning.</p> <p>The importance of the ‘green electricity market’ cannot be denied, as in 2103 GOs were issued for 300 TWh of RES electricity production.</p>
GOs Recognition	Other comments highlight that specific barriers to the creation of an international GO market should be removed. Currently, the only explicit non-recognition of a foreign GO by a Member State must be according to the criteria laid out by Article 15.9 of the RES Directive.	Agree. Barriers to the development of international GO markets should be removed.
Others	Some comments express concerns with regard to price transparency. Stakeholders would welcome more price transparency, by making information on GO prices available on more trading platforms.	Agree. More price transparency would be welcome.



2.12. Question 12

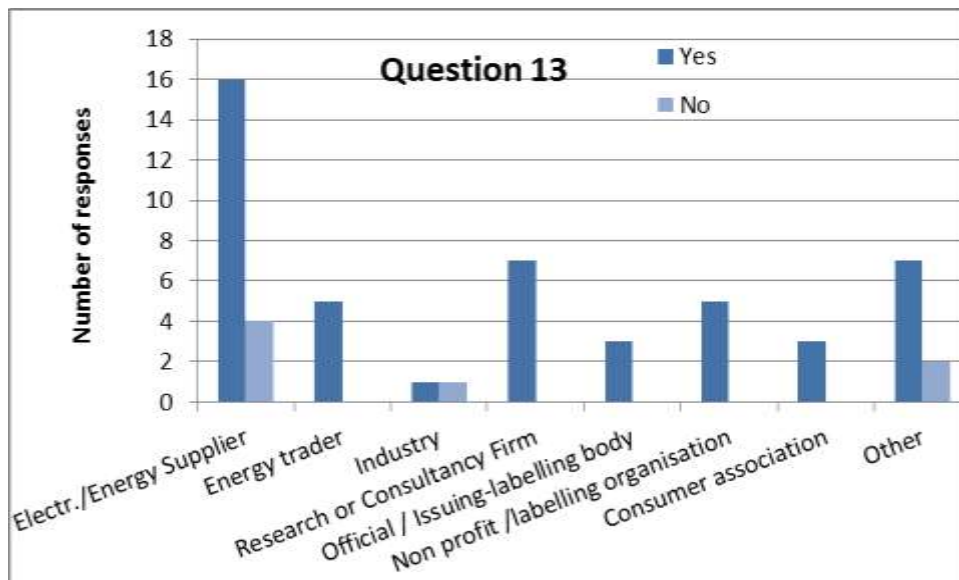


Question/issue	Respondent's feedback	CEER's position
<p>Question 12: Do you agree that when informing customers about their energy, RES-support schemes and disclosure should be seen as separate issues with their own instruments?</p> <p>Overview: 45 stakeholders agree with the separation between support schemes and disclosure. 9 stakeholders express their disagreement with this idea. Some comments stress that the Directive clearly defines GOs as an instrument for disclosure, not as a support instrument. Other stakeholders consider this decision as a national issue, stating that NRAs should be responsible for determining the level and type of disclosure to ensure consumer confidence.</p>		
<p>Separation of disclosure and RES-support schemes</p>	<p>Some stakeholders consider RES-support schemes and disclosure as different concepts, with different instruments and purposes, which is why stakeholders call for separate information. It is highlighted, that the Directive does not consider GO as a support instrument, but as an instrument for disclosure. Furthermore, it is mentioned that customer's willingness to pay more for green offers should not be mistaken with the real cost of support schemes.</p> <p>Several comments give the example of "green certificates" as a support scheme system, which must be seen as a different issue from GOs.</p> <p>Furthermore, too much information could lead to confusion.</p>	<p>Agree. RES-support schemes and disclosure have to be considered as two separate concepts, with their own instruments and objectives. RES support is a policy issue decided at national level; disclosure is an EU-wide requirement and should therefore be harmonised at European level.</p>



Additional information on RES-support schemes	With regard to RES-support schemes, stakeholders expressed the need to better inform customers about support schemes.	Agree. Customers should be provided with clear and reliable information on RES-support schemes.
Other comments	Some comments support the idea of considering disclosure and RES-support schemes as one issue. According to these stakeholders, support schemes are best tracked within the GO system. Some stakeholders suggest combining the administrative processes for disclosure and support schemes in order to reduce administrative costs.	Disagree. This would lead to confusion among customers. RES-support schemes and disclosure should be considered as two separate concepts.

2.13. Question 13

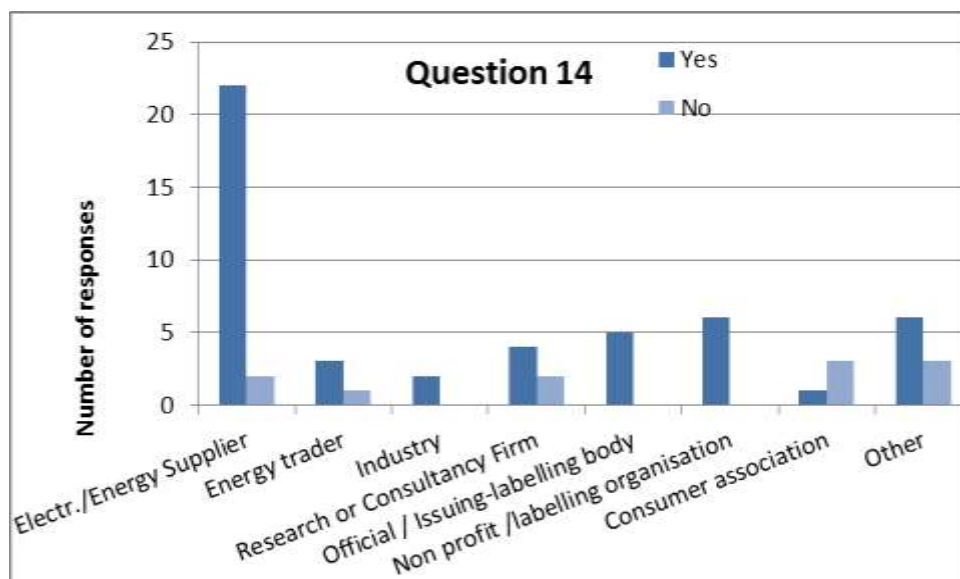


Question/issue	Respondent's feedback	CEER's position
Question 13: Do you feel that it is necessary to recognise all GOs for disclosure purposes, irrespective of whether GOs come from supported or not-supported electricity?	<p>Overview: The majority of stakeholders (47) are in favour of the recognition of all GOs; only 7 respondents think that GOs from supported schemes should not be included for disclosure purposes.</p>	
Inclusion of all GOs in disclosure	<p>Stakeholders consider transparency as one of the main objectives of disclosure. In order to be able to provide reliable and consistent information to customers, disclosure information should be provided for all energy produced by renewable sources, regardless of whether support was received for the production of electricity.</p> <p>Few respondents believe that, for electricity produced by renewable sources receiving RES-support, no GO should be issued. Only this approach could increase the share of</p>	<p>Agree. All GOs should be recognised for disclosure purposes. RES-support schemes and disclosure should be considered as separate concepts.</p> <p>Disagree. The goal of the</p>



	energy from renewable sources in the energy mix.	disclosure system is only to provide reliable information about the source of electricity, irrespective of whether RES-support was given or not.
Support schemes information	Several stakeholders see the need to provide information about RES support schemes to end consumers to ensure a better understanding of support schemes	Agree. The provision of reliable information to consumers about RES-support schemes is welcome, provided it clarifies the different goals and nature of the disclosure and the support system.
Decision of Member States	For some stakeholders, this question should be a prerogative of Member States. It should be a policy decision of the Member States that implements the support mechanism. Member States are free to decide if they support RES energy, for which a GO is issued.	Disagree. Although the Directive 2009/28/EC gives Member States the power to decide on this issue, an inclusion of all GOs in disclosure is welcomed. This approach enhances transparency of disclosure.
Double support	Some comments state that the risk of double support seems at present to be quite limited. A few stakeholders, point out that RES support is much higher than GO incomes (pursuant to some answers, average price for a GO is around 0.1/0.2 €/MWh). Furthermore, Member States should decide how to deal with overcompensation.	Noted.

2.14. Question 14

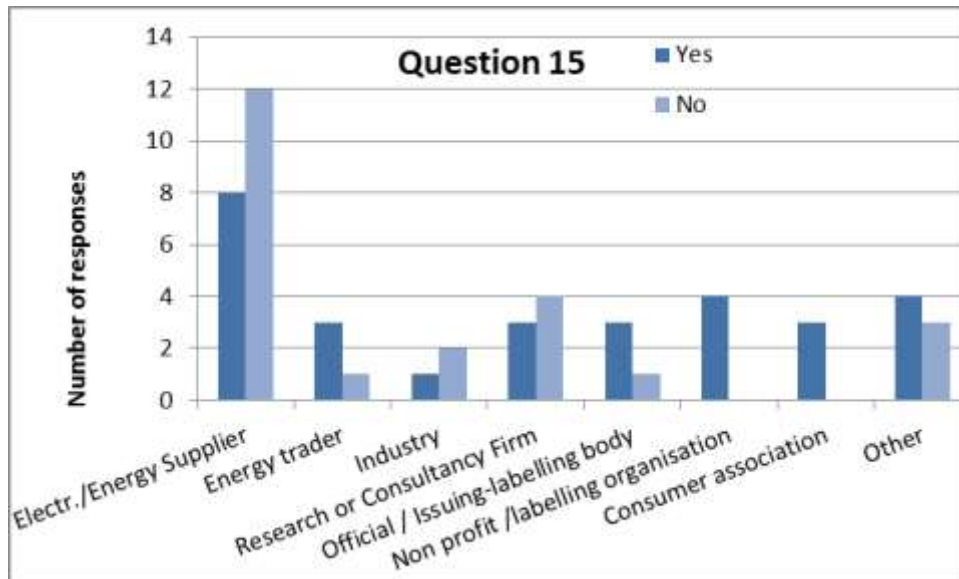




Question/issue	Respondent's feedback	CEER's position
<p>Question 14: Do you agree that “green” power quality labels should mandatorily be using GOs as their unique tracking mechanism</p> <p>Overview: 49 respondents welcome the use of the GO system as the only and mandatory tracking mechanism for “green” power quality labels. 11 stakeholders disagree with this idea. One comment stresses that up to now, no legal definition of “green” exists at EU-level.</p>		
<p>Labelling based on GO system</p>	<p>Many comments agree that labels should only use the GO system as a unique tracking mechanism to certify green electricity offers. Furthermore, the GO is considered as the only reliable tracking mechanism to avoid effectively double counting and green washing. Some comments stress that, as a prerequisite, further harmonisation of GO systems at European level should be achieved.</p> <p>Few stakeholders do not consider GOs as the only tracking mechanism, as long as other mechanisms may be employed for information purposes. They also express the concerns related to the risk of market distortion and market restrictions.</p>	<p>Agree. GOs should be used as the unique tracking mechanism, also for “green” power labels.</p> <p>Disagree. The possibility of using different mechanisms for information and labelling increases the risk of double counting and “green washing” and increases costs for market players and customers.</p>
<p>Additional information</p>	<p>Several stakeholders point out that even while they agree that the GO must be the tracking mechanism (and therefore electricity labels should be based on them), some additional aspects can be verified so that labelling systems can include additional information useful for customers.</p>	<p>Agree. Labels that are based on the GO, but add value by guaranteeing that additional criteria are being met, can cater for the more demanding electricity customer.</p>
<p>Bilateral contracts</p>	<p>Few stakeholders state that another tracking instrument should be used to certify “physical delivery”, for example through electricity bilateral contracts.</p>	<p>Disagree. GOs are considered as the only reliable tracking mechanism. Labels can include additional elements, but should be based on GOs, not on other tracking mechanisms.</p>
<p>National decision</p>	<p>According to one stakeholder, this question should be left to Member States.</p>	<p>Noted.</p>



2.15. Question 15



Question/issue	Respondent's feedback	CEER's position
Question 15: Do you feel that it would benefit customers if a labelling model would be implemented alongside the GO, so that label(s) can provide "additionality" for those customers that demand it?		
	<p>Overview: 29 stakeholders agreed that a labelling model implemented alongside the GO would provide "additionality" for those customers that demand it, while 23 comments express disagreement. When analysing answers in detail, a broad consensus has been found on the concept of harmonised guidance for labelling, but the term "additionality" is usually defined as misleading and too subjective. Another comment proposes that the answer to this question should be left to the NRAs, supported if necessary by EU-level guidance</p>	
Harmonisation	Some stakeholders express the importance of labelling for communication and remark that it would be helpful if minimum rules for labels were set and labelling schemes were required to present information in a common format.	Noted.
Concept of "Additionality"	Many respondents state that the concept of "additionality" is potentially a misleading term and currently there is no common accepted definition for it. Each organisation has its own opinion about the term "additionality" so in the short term there is no possible consensus.	Agree. That is why the definition of "additionality" is best left to energy labels on a voluntary basis, providing for customer choice.
"Additionality" and support schemes	Some of the opinions expressed suggest that "additionality" as a voluntary system cannot and should not replace RES-support schemes. This concept must be seen as another criterion in the decision whether to build a new renewable plant or not.	Agree. Additionality seems important to a certain number of electricity customers, but should not be shedding doubt on disclosure information and the GO system, nor on national support schemes.
Steps	One respondent remarks that a labelling model should not be developed until the GO system is fully developed. It should be harmonised at European level and fully understood for all consumers.	Disagree. We see that added value can be created by labels, even before they are harmonised at EU level.



Labelling vs. GO system	Some stakeholders answer “no” to this question, highlighting that they prefer using the GO system instead of a label system.	Disagree. Labelling as a concept is not an antagonist to the GO system. On the contrary, labelling schemes must be based upon the GO system to be trustworthy and reliable and can provide added value to customers and market actors.



Annex 1 – CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. CEER's members and observers (from 33 European countries) are the statutory bodies responsible for energy regulation at national level.

One of CEER's key objectives is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest. CEER actively promotes an investment-friendly and harmonised regulatory environment, and consistent application of existing EU legislation. Moreover, CEER champions consumer issues in our belief that a competitive and secure EU single energy market is not a goal in itself, but should deliver benefits for energy consumers.

CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers; distribution networks; smart grids; flexibility; sustainability; and international cooperation. European energy regulators are committed to a holistic approach to energy regulation in Europe. Through CEER, NRAs cooperate and develop common position papers, advice and forward-thinking recommendations to improve the electricity and gas markets for the benefit of consumers and businesses.

The work of CEER is structured according to a number of working groups and task forces, composed of staff members of the national energy regulatory authorities, and supported by the CEER Secretariat. This report was prepared by the Retail Market Functioning Task Force of CEER's Customer and Retail Markets Working Group.

CEER wishes to thank in particular the following regulatory experts for their work in preparing this report: Ms Vera Gusenbauer and Mr José Miguel Unsión.

More information at www.ceer.eu.



Annex 2 – List of respondents

Table 1 – List of respondents

#	Stakeholder (corrected)	Type	Country
1	Agder Energi	Electr./Energy Supplier	Norway
2	AGFW e. V.	Other	Germany
3	Anode Energy	Electr./Energy Supplier	Belgium
4	ASGECO Confederación	Consumer association	Spain
5	ASSOCIATION ECS SWITZERLAND	Other	Switzerland
6	Association of Issuing Bodies	Non-profit /labelling organisation	Belgium
7	Bergen Energi AS	Electr./Energy Supplier	Norway
8	bne - Bundesverband neuer Energieanbieter e.V.	Electr./Energy Supplier	Germany
9	British Gas	Electr./Energy Supplier	UK
10	Bund der Energieverbraucher e.V.	Consumer association	Germany
11	CDP	Research or Consultancy Firm	UK
12	CEDEC	Electr./Energy Supplier	Europe-wide
13	Center for Resource Solutions	Non-profit /labelling organisation	USA
14	CEWEP	Industry	Belgium
15	Consumentenbond	Consumer association	The Netherlands
16	Danish Consumer Council	Consumer association	Denmark
17	Det Norske Veritas Italia s.r.l.	Research or Consultancy Firm	Italy
18	E.ON SE	Electr./Energy Supplier	Germany
19	EDF	Electr./Energy Supplier	France
20	Edison S. p. A.	Electr./Energy Supplier	Italy
21	EKOenergy	Non-profit /labelling organisation	Finland
22	Electrica Furnizare SA	Electr./Energy Supplier	Romania
23	Energieallianz Austria GmbH	Electr./Energy Supplier	Austria
24	EnergieVision e.V.	Non-profit /labelling organisation	Germany
25	Energy Intensive Users Group	Industry	UK
26	EURELECTRIC	Electr./Energy Supplier	Europe-wide
27	European Energy Exchange AG	Energy trader	Germany
28	European Federation of Energy Traders (EFET)	Energy trader	Europe-wide
29	EUROPEX (Association of European Power Exchanges)	Energy trader	Europe-wide
30	Federal Environment Agency of Germany	Official / Issuing-labelling body	Germany
31	Federal Ministry of Labour, Social Affairs and Consumer Protection	Official / Issuing-labelling body	Austria
32	Finnish Energy Industries (EC Register ID 68861821910-84)	Electr./Energy Supplier	Finland
33	Fortum Oyj	Electr./Energy Supplier	Finland
34	GDF SUEZ	Electr./Energy Supplier	France
35	Greenhub Ltd	Research or Consultancy Firm	Belgium
36	Grüner Strom Label e.V.	Non-profit /labelling organisation	Germany



37	Hayland Ltd	Other	
38	Holding Slovenske elektrarne d.o.o.	Electr./Energy Supplier	Slovenia
39	IBERDROLA	Electr./Energy Supplier	Spain
40	IKEA Services BV	Industry	Sweden
41	Vernet Pierre / Independent	Research or Consultancy Firm	
42	mpc management project coaching	Research or Consultancy Firm	Germany
43	National Energy Foundation	Research or Consultancy Firm	UK
44	Nvalue SA	Other	Switzerland
45	Oesterreichs Energie	Electr./Energy Supplier	Austria
46	PWR Consultants Limited	Research or Consultancy Firm	UK
47	RECS International	Other	The Netherlands
48	RE-DISS Project Team	Research or Consultancy Firm	Germany
49	Repower AG	Electr./Energy Supplier	Switzerland
50	RWE Gas Storage	Other	Czech Republic
51	Single Electricity Market Operator (SEMO)	Official / Issuing-labelling body	Republic of Ireland
52	Sussex Energy Group, SPRU, University of Sussex	Other	UK
53	Vattenfall	Electr./Energy Supplier	Sweden
54	VERBUND AG	Electr./Energy Supplier	Austria
55	WindMade	Non-profit /labelling organisation	Belgium
56	WISE	Consumer association	The Netherlands

In addition, 13 confidential responses were received.