

Energy Analysis Department
Policy Implementation Unit

Questions and answers on guarantees of origin, transferrable to other EU-member states, so called EECS guarantees of origin

Background

The government (of Sweden) has proposed changes in *the act (2010:601) on guarantees of origin for electricity, and the ordinance (2010:853) on guarantees of origin for electricity*¹. The changes are made primarily to allow the Swedish Energy Agency to issue guarantees of origin that are adapted to being transferrable between EU-member states.

Association of Issuing Bodies (AIB) is an association of the European authorities and companies with the function of administrating the registry for guarantees of origin for electricity. It is a non-profit organisation, registered in Belgium. The purpose of the association is to ensure that the demands stipulated in article 15 of the Renewable Energy Sources Directive 2009/28/EU can be met, especially the possibility to transfer guarantees of origin between different member states. This is made possible by a central data hub run by the association. The association also decides on the demands for the European Energy Certificate System (EECS), which is the standard for guarantees of origin that makes them tradable via the hub of the association. This is the only large-scale cross-border trade there is with guarantees of origin, which practically makes an adaption to EECS a requirement for export and import of guarantees of origin. Guarantees of origin that are adapted for transferring between EU-member states are in this text called EECS guarantees of origin from now on.

Svenska Kraftnät was a member of the AIB until 2006 when the role of issuing body for Swedish guarantees of origin was deputed to the Finnish company Grexel Systems Ltd (Grexel). Since then, Grexel has represented the Swedish domain in the AIB. Grexel has also, as member of the AIB, provided a service to verify Swedish electricity production devices' congruity with EECS, so that the issued guarantees of origin from these production devices also could be exported. Grexel has also handled the cancellation of imported EECS guarantees of origin.

¹ *Promemoria med förslag till ändring i lagen om ursprungsgarantier för el M2016/02366/R and Prop. 2016/17:124 Fortsatt gränsöverskridande handel med ursprungsgarantier för el*

The Swedish Energy Agency is preparing to take over the role as issuing body for EECS guarantees of origin from June 1st 2017, provided that the AIB approves the Swedish Energy Agency as member on June 9th 2017. EECS guarantees of origin will thereafter be issued in the Swedish Energy Agency's registry Cesar.

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Today, my production device is approved by Grexel for EECS guarantees of origin, and the guarantees of origin are issued as EECS eligible in Cesar, which are transferrable to CMO.grexel. What do I need to do to receive EECS guarantees of origin for the production after June 1st 2017?

The Swedish Energy Agency needs you, as proprietor to the production device, to confirm that you continuously want to have EECS guarantees of origin issued for your production device's production. This is required because the fees for issuing of guarantees of origin will be altered, and an account fee will be added for the special EECS account in the registry Cesar. Furthermore, the Swedish Energy Agency needs the confirmation for Grexel to provide the agency with the specific information about the production device, obtained from your application for EECS guarantees of origin. For your production device/devices to continue being approved for EECS guarantees of origin after June 1st 2017, the Swedish Energy Agency needs to receive your reply to the request at the latest May 1st 2017.

In case you reply that you wish your production device/devices to remain approved for EECS guarantees, the approval period remains the same until the expiration of the five-year period decided by Grexel. After that, you are required to re-apply for an extended period.

At the end of March, such an aimed request has been sent to proprietors of production devices, today approved for EECS guarantees of origin. Should you have not received such a request, please contact cesar@energimyndigheten.se.

New fees for guarantees of origin accounts from June 1st 2017

The proposed fees are available in *the ordinance of change in the ordinance (2010-853) of guarantees of origin* and are displayed below.

Type of fee	Fee
Issuing fee guarantees of origin	0,035 SEK/pp
Issuing fee EECS guarantees of origin	0,090 SEK/pp
Import fee EECS guarantees of origin	0,030 SEK/pp
Export fee EECS guarantees of origin	0,000 SEK/pp
Special EECS account for account holders of production devices	500 SEK/year

Special EECS account for electricity suppliers and others	5 000 SEK/year
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What are the differences between the Swedish Energy Agency as AIB-member and issuing body of guarantees of origin compared to Grexel?

Foremost, the fees will be different. Today, when a production device is approved for EECS guarantees of origin, they are issued in the Cesar registry as so called "EECS eligible". These are issued at the same cost as regular guarantees of origin, which is 0,05 SEK/pp. If you then find a buyer in another domain than Sweden, you can choose to export the "EECS eligible" guarantees of origin to CMO.grexel. When you export EECS eligible guarantees of origin to CMO.grexel, these are issued as EECS guarantees of origin and you receive an additional fee of 0,017 EUR/pp. This conversion will not be possible for guarantees of origin issued for production after June 1st.

If you choose to keep your production device/devices approved for EECS guarantees of origin, EECS guarantees of origin will be issued monthly for all your electricity production that is metered and reported to Cesar. This means that you cannot in retrospect choose if the guarantees of origin issued, should be guarantees of origin or EECS guarantees of origin. The fees for EECS guarantees of origin will, as proposition to ordinance, amount to 0,09 SEK per issued EECS guarantee of origin. If you choose not to have your production device/devices approved for EECS, regular guarantees of origin will be issued, whose fee is proposed to be reduced to 0,035 SEK/pp.

The application fee per production device paid to Grexel today will no longer exist.

It does however require that the proprietor of a production device that wishes to receive EECS guarantees of origin, must apply for a special EECS account in the registry, Cesar. This special account has accompanying conditions and a fee of 500 SEK/year for electricity producers. Other account holders, such as electricity suppliers or traders, pay 5 000 SEK/year for the special account.

Another difference is that Grexel has used so called registrants, that are special proxies. This can for example have been your electricity supplier. Registrants, as a function, will cease when the Swedish Energy Agency takes over the issuing of EECS guarantees of origin, see also the reply to the question regarding proxys.

Who needs to apply for a so called special account for EECS guarantees of origin?

All proprietors of production devices that wish for EECS guarantees of origin to be issued, or other account holders such as electricity suppliers, that wish to have EECS guarantees of origin in Cesar, need to apply for a special account for EECS guarantees of origin (EECS account). If you do not have an EECS account, EECS guarantees of origin neither can be issued nor transferred to or from your account. The EECS account is accompanied by special conditions concerning the account

holder's handling of the account and connected production devices, to be coherent with the rules that the Swedish Energy Agency and the AIB has agreed upon.

Can I still use a proxy to administrate my EECS guarantees of origin?

Grexel has used so called registrants, that are special proxies. This can for example have been your electricity supplier. Registrants, as a function, will cease when the Swedish Energy Agency takes over the issuing of EECS guarantees of origin. This implies that all proprietors of production devices must sign the attached confirmation, and all proprietors must for apply for a special EECS account in the registry for a production device to remain registered for EECS guarantees of origin. If a production device is owned by several proprietors, *all* proprietors must sign the application for EECS guarantees of origin (unless you have / or are going to, provide the Swedish Energy Agency with a power of attorney for guarantees of origin), and all proprietors must apply for a special EECS account with accompanying conditions and fees. All EECS guarantees of origin issued in Cesar will be issued to the proprietors based on the ownership. EECS guarantees of origin can never be issued to anyone else than the proprietor in Cesar.

My production device is approved for EECS guarantees of origin today, but after the take-over by the Swedish Energy Agency, I do no longer wish for EECS guarantees of origin to be issued, what do I do?

At the end of March, an aimed request has been sent to proprietors of production devices, today approved for EECS guarantees of origin. Should you have not received such a request, please contact cesar@energimyndigheten.se. The Swedish Energy Agency needs information in writing, that you no longer wish for your production device to be approved for EECS guarantees of origin. If the approval for EECS guarantees of origin ceases, you will continuously be issued regular guarantees of origin for the production of your production devices, but these guarantees of origin are not transferrable to other EU-member states.

My production device is not approved for EECS guarantees of origin today, but I want to be able to transfer guarantees of origin to other member states, what do I have to do?

Proprietors of production devices that are not approved today for EECS guarantees of origin by Grexel, no matter which source of energy, will need to apply to be issued guarantees of origin transferrable to other EU-member states, so called EECS guarantees of origin. The proprietor will also need to apply for a special account in Cesar for EECS. The reason for these special applications is that the demands that the AIB and the regulation for EECS requires from the proprietors and production devices are a bit higher. There are demands that the metering is based on net production of electricity and that the approval period for EECS guarantees of origin for the production device is valid only for a five-year period. After that, the proprietor must re-apply to continuously be issued EECS guarantees of origin. The fees will also be a bit higher for EECS accounts. The fees for EECS guarantees of origin will, as proposition to ordinance, amount to

0,09 SEK per issued EECS guarantee of origin and an annual fee of 500 SEK/year for producers. For details, see the section above on fees.

My production device is approved for guarantees of origin, will these guarantees of origin be transferrable to other member states?

No, regular guarantees of origin will not be transferrable to other EU-member states. To be able to transfer guarantees of origin to other EU-member states, it is required that you apply for the production device to be approved for EECS guarantees of origin, and that you apply for a special EECS account. The Swedish Energy Agency estimates to approve production devices for EECS guarantees of origin from June 10th, provided that the applications are complete. This also presumes that the AIB approves the Swedish Energy Agency as member on June 9th.

What other demands are there for production devices to be able to receive EECS guarantees of origin?

For a production device to be approved for EECS guarantees, it requires that the metering of the production is the net production. If the meter is placed so that the metering of production is the gross production, a deduction by percentage will be made (a factor for correction). More information on where the meter needs to be situated and possibly a protocol for verification that needs to be appended to the application, will be part of the Swedish Energy Agency's regulation that will be sent on remittance during April.

An approval of issuing EECS guarantees (transferrable to other EU-member states) for a production device is valid for a five-year period. A producer that wishes a prolonged period after that five-year period needs to re-apply for this from the Swedish Energy Agency.

There are further requirements for the account holders, for example to apply for a special account with accompanying conditions.

Schedule and activities for the implementation of guarantees of origin transferrable to other EU-member states

Activity	Date	Who
Change in the act on guarantees of origin	April 19 th	Parliament
Change in the ordinance of guarantees of origin	April	Government
The Swedish Energy Agency's remittance of the regulation of guarantees of origin	May	Swedish Energy Agency

Regulation of guarantees of origin	May	Swedish Energy Agency
AIB approves the Swedish Energy Agency as member	June 9 th	AIB
Proprietors of existing EECS production devices need to reply and confirm that they continuously want EECS guarantees of origin	April	Proprietors
Proprietors need to apply for a special EECS account in Cesar	May	Proprietors
Proprietors that wish for their production device to be approved for EECS guarantees need to start applying	May	Proprietors
Electricity suppliers and others that want a special EECS account in Cesar for trade can apply for such an account	May	Electricity suppliers and others wishing to have a special EECS account
The Swedish Energy Agency can make the first decisions of approval for production devices regarding so called EECS guarantees of origin	June 12 th	Swedish Energy Agency
EECS guarantees of origin can be issued for the first time in Cesar	July 17 th (for production in June)	Swedish Energy Agency

If I have further questions?

Information on the implementation of EECS will be updated continuously on Swedish Energy Agency's web site: www.energimyndigheten.se/ug and on www.cesar.energimyndigheten.se.

If you have more questions on EECS guarantees of origin, please contact:

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