

Subject Policy: recognition of UK REGOs subject to conditions

Background

On 20 November 2018, a decision was made by the provisional relief court of the Trade and Industry Appeals Tribunal in response to Eneco's request for an interim injunction to recognise a batch of 5,753 REGOs issued by Ofgem, i.e. Guarantees of Origin (GOs) from Great Britain. The provisional relief court has ruled that CertiQ must recognise these 5,753 GOs for use in the Netherlands. This ruling specifically applies to the request of Eneco only, but so as to prevent the need for a new judicial process for future requests and to provide conditions that allow for the categorical recognition of GOs from Great Britain, CertiQ publishes the policy rules below on the basis of which recognition of British GOs becomes possible.

Legal bases

CertiQ is the designated authority for issuing and managing GOs in the Netherlands. This makes CertiQ the administrator of the Regulation on Guarantees of Origin for energy from renewable energy sources and electricity from high-efficient cogeneration (GO regulation). CertiQ acts in compliance with:

- Directive 2009/28/EC;
- Directive 2009/72/EC;
- Electricity Act 1998;
- GO Regulation;
- Consumers and Monitoring Regulation, Electricity Act 1998 and the Gas Act.

Import of Guarantees of Origin

CertiQ is member of the Association of Issuing Bodies (AIB). GOs issued in countries who are a member of AIB are accepted by CertiQ because such membership provides assurance that they comply with Dutch laws and legislation and (therefore) are sufficiently accurate, reliable and veracious.

In the case of GOs issued in countries that are not a member of the AIB, such certainty is not a given. That is why CertiQ will check every individual batch of non-AIB GOs offered to find out if the nature and purport of the certificates in question are equal to those issued in the Netherlands, as is required by law. This check takes effort and (therefore) time. GOs from AIB countries, however, can be imported and used directly.

UK regulations on GOs (REGOs) show differences with the Dutch regulations regarding the period of validity of GOs, the point of measurement, the moment of processing of GOs in the national trade mix and auxiliary use of the production installations. Furthermore, the rules applicable in Great Britain differ from those applicable in Northern Ireland. Finally, it should be pointed out that in the event of a 'hard' Brexit, regulation allowing for the exchange of GOs with Great Britain will no longer be in force. Therefore, recognition of British GOs will no longer be possible with effect from Brexit day (29 March 2019 as it stands).

Guarantees of Origin from the United Kingdom

GOs from the United Kingdom (REGOs) have been assessed by CertiQ and it has been concluded that they can be recognised, provided they meet the following conditions:

1. The GOs must not originate from a production installation in Northern Ireland, only from Great Britain.
2. The GOs may not be older than 12 months after the end of the production month.
3. If the GOs are offered on or after 1 July of any one year, the GOs may not be older than the production month of April of that year.
4. In order to ensure that the auxiliary use of the relevant production installation is sustainable, a percentage will be deducted from the quantity of GOs offered. The standard reduction percentage for solar and wind GOs is 0.5%. This percentage is based on the plausible auxiliary use of solar and wind farms in Great Britain and serves to ensure that in the absence of grid measurements in Great Britain, double counting is prevented. If a provider of British GOs can demonstrate that the auxiliary use of the relevant installation is less than half a percent or can demonstrate that the auxiliary use has been covered through guarantees of origin that are not offered for recognition in the Netherlands, CertiQ will work from that presumption. The percentage of auxiliary use of the relevant production system must be submitted to CertiQ to this end.
5. The auxiliary use must, in any case, be demonstrated in case other energy sources were used. In those instances, CertiQ will assess separately what percentage of GOs presented qualify for recognition.

Practical implementation

- GOs from Great Britain can be imported by means of an ex-domain cancellation, based on the above conditions. Provided these conditions are met, an ex-domain cancellation complies with Dutch law and legislation.
- In order to use GOs from Great Britain for supply in the Netherlands, including their use for fuel mix disclosure, an ex-domain cancellation must be carried out in the Ofgem system, with the GOs being assigned the status of retired.
- Retired GOs that have been cancelled in Great Britain for use in the Netherlands cannot be traded on or cancelled afterwards.
- Ex-domain cancellations are subject to the same conditions with regard to cancellation, as set out in Article 25 of the GO regulation.
- Ofgem must submit an officially signed document to the trader for retired GOs (REGOs), stating that a number of REGOs have been retired for the relevant trader. This must include at least the following information:
 - o The identification number for each GO, resulting in certificate series with start and end numbers;
 - o The identity, location, capacity and technology type of the relevant production installation;
 - o The date on which the installation was commissioned;
 - o The number of REGOs per certificate series;
 - o The start and end dates of the production of the REGOs;
 - o The date and country of issue of the REGOs;
 - o The status of the REGOs: retired;
 - o The date of the most recent status change;
 - o The owner (trader) of the REGOs;

- The country for which the REGOs are retired: the Netherlands.
- Further, the trader must submit to CertiQ a digital copy (in Excel format) of the appendix to the document signed by Ofgem, either obtained directly from Ofgem, or from Ofgem's website.
- The trader must submit both the officially signed document and the digital copy of the appendix to CertiQ and state for which supply period the retired GOs are used. The REGOs must meet all the conditions set out in this policy rule in the month following the stated supply period.
- In line with the RE-DISS methodology as applied by the Authority for Consumers and Markets (regulator), CertiQ will treat an ex-domain cancellation as import and cancellation and charge the trader in accordance with the corresponding rates for import and cancellation as set out in Article 29 of the GO regulation.
- CertiQ will verify the submitted ex-domain cancellations with Ofgem at least once every 3 months. If it turns out that the number of verified GOs differs from the number of GOs submitted through an ex-domain cancellation, the number of verified GOs shall be leading.
- Verified GOs imported from Great Britain may be used for the supply of renewable electricity to end users as reported via the fuel mix disclosure (Dutch: 'stroometiket').
- A batch so submitted shall at all times be treated as a single unit, shall only be used for one period of supply, and can therefore not be used in parts.
- Retirement must have taken place before Brexit day.