

Summary of the assessment of national guarantees of origin for electricity produced from renewable sources (GO) and disclosure systems for the purpose of decisions about the recognition of imported GO

On behalf of the German Federal Ministry for Economic Affairs and Energy

Croatia



Introduction

The German Federal Ministry for Economic Affairs and Energy (BMWi) and the German Federal Environment Agency (UBA) are currently assessing general questions on whether guarantees of origin for electricity produced from renewable sources (GO) from other Member States

of the European Union and further states can be recognized in the course of Article 15 of the Directive 2009/28/EC. The evaluation of the legal and practical set-up of the national systems for GO and electricity disclosure is performed by a consortium of external lawyers (Becker Büttner Held Rechtsanwälte (BBH)) and consultants (Öko-Institut e. V.).



General

As of 29.07.2014, assessment of available information regarding system-related issues does not result in well-founded doubts about accuracy, reliability or veracity of GO issued in and imported from Croatia, so that in accordance with Article 15 Directive 2009/28/EC, there seems to be no reason at present for non-recognition of such GO. **This conclusion is subject to final implementation of the forthcoming Disclosure Regulation as it has been announced by the Croatian Competent Bodies HROTE (market operator, responsible for GO) and HERA (regulator, responsible for disclosure).**

Specifics

Provided the secondary legislation as it has been announced is finally implemented, Croatian GO meet all the **criteria mentioned in Article 15 Directive 2009/28/EC**. Croatian GO are issued for the standard size of **1 MWh** and in practice will be **used for electricity disclosure only**.

The expected fuel categorisation clearly distinguishes renewable energy sources in the categories solar, wind, hydro, geothermal, biomass and unspecified and other renewables from further fuels. The **residual mix as it is planned seems to be robust** and will be calculated based on the RE-DISS recommendations, particularly taking into account the usage of GO. If a supplier actively chooses to disclose renewable electricity he has to use RES-E GO, which have to be properly cancelled. The two additional methods for allocation of RES attributes are the residual mix, and also a pro-rata allocation of supported RES volumes to customers. All producers which receive financial support under the Croatian renewable energy support scheme cannot receive a GO. Both the support system and the GO system are supervised by the Croatia market operator HROTE, which is helpful to exclude double counting of the respective RES volumes. In case of RES CHP production, no parallel issuing of GO is possible, but potentially one GO can be issued combining the attributes of RES and CHP. Relevant **legal provisions explicitly exclude that GO could be used to meet the binding renewable energy targets** as imposed by Article 3 Directive 2009/28/EC, or to have an impact on the calculation of the gross

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energy consumption.

GO expire **12 months** after the end of the production period of the corresponding energy. According to the EECS Rules, the draft EECS Domain Protocol for Croatia defines the production period to be one month. Croatian legal regulations as well as the EECS Rules (currently in draft version) which are applied by HROTE safeguard that a GO in Croatia can be **used only once**. The Croatia market operator HROTE is the **only competent body** in Croatia for the issuance of GO. The electronic register for handling GO is designed and administered by Grexel, a private company. The system rules already in place or forthcoming in Croatia, particularly as defined by the **draft Domain Protocol according to the EECS Rules**, are supposed to be approved by AIB and applied before first transactions via the AIB Hub can take place. These system rules in combination with existing legal regulation will **safeguard accurate, reliable and fraud-resistant issuance, transfer and cancellation of GO and the application of an electronic register**. There is no indication that HROTE or Grexel are acting in violation of those rules. **TSOs and DSOs are in charge of submitting meter readings** as basis for issuing GO, which is done only for net production. Production devices are **audited based on document checks when being registered, with a re-audit every five years**. On-site audits are possible on an ad-hoc basis. As regards production from biomass plants, GO can be issued based on self-declarations of plant operators which specify the exact fuel input. Croatian regulations include **provisions both for correction of erroneous GO and of erroneous or outdated registered data for production devices**. Croatian regulations provide for sanctions in case of violation, besides general Croatian Criminal Law.

Croatian GO include **all the information required by Article 15 (6) Directive 2009/28/EC**. Therefore, provided the approval and entry into force of secondary disclosure regulations as described by HROTE and HERA and the rules regarding system-related issues, there are **no well-founded doubts as regards the accuracy, reliability or veracity of Croatian GO**, so that it is expected that they can generally be recognized.

Critical issues

The status quo analysis as described above assumes approval of secondary legislation for electricity disclosure as such legislation has been described by HROTE and HERA in the provided CA-RES questionnaire, the draft EECS Domain Protocol for Croatia and in further bilateral communication. Actual relevance of a recognition of Croatian GO will only apply after approval of the EECS Domain Protocol by AIB and the connection of the Croatian registry to the AIB Hub as only from then on transfers will be possible.

By this time, consistency of final regulation has to be verified compared to preliminary information as considered in this analysis.

Reasons for non-recognition

None.

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Please note

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