



Energy Regulatory Office

Certificate of Origin

Renewable Energy

Partnership Activity:

***Energy Regulatory Office
&
Illinois Commerce Commission***

National Association of Regulatory Utility Commissioners

Legal and Licencing Department

hysnije.rexhaj@ero-ks.org

November 2009
Prishtina, Republic of Kosovo

Renewable Energy Sources (RES) & Certificate of Origin (CoO)



Defined by Law on Energy:

- **Renewable Energy Resources** - *means renewable non-fossil energy sources (wind, solar, geothermal, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases)”.*

Definition is in accordance with Directives 2003/54/EC and 2001/77/EC



Defined by Law on Electricity:

- **Certificate of Origin** - means a document issued by the Energy Regulatory Office evidencing the usage of renewable energy resources or waste for the generation of electricity or the co-generation of heat and electricity;

CoO are referred to as **Guarantees of Origin** in EU legislation.



Defined by EU Directive:

- **Guarantee of Origin** - shall specify the energy source from which the electricity was produced, specifying the dates and places of production, and in the case of hydroelectric installations, indicate the capacity;



Acquis Communautaire on Renewables – Dir 2009/28



Directive 2009/28 (article 15) -Member States shall ensure that the origin of electricity produced from renewable energy sources can be guaranteed in accordance with objective, transparent and non-discriminatory criteria.



GoO (Guarantee of Origin) is an Electronic Document whose sole function is to provide proof to a final consumer that a given quantity of electricity has been produced by Renewable Energy

- **Standard size 1 MWh**
- **No support when receiving a CoO**
- **Measures for no “double counting”**
- **No function whatsoever with reference to National targets or Statistical Transfers**
- **Usage within 12 months from the time of production**
- **Issuance, Transfer, Cancellation**
- **Independent IB – owns the mechanisms for Registration**
- **Data on the CoO – Investment Support**



Certificate of Origin (CoO)



CoO shall be issued by ERO, pursuant to Article 10.1 of the Law on Electricity no. 2004/10.



Certificates of Origin are issued in respect of electricity produced from RES in the territory of Kosovo, but also with respect to electricity produced:

- **from waste;**
- **in combination with heat in a single generating unit**

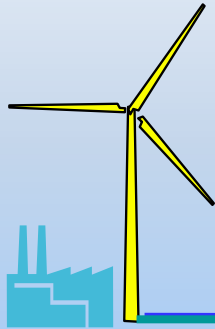


CoOs may assume additional “value” if they can be used in voluntary or institutional schemes outside Kosovo



A System for CoOs

Production



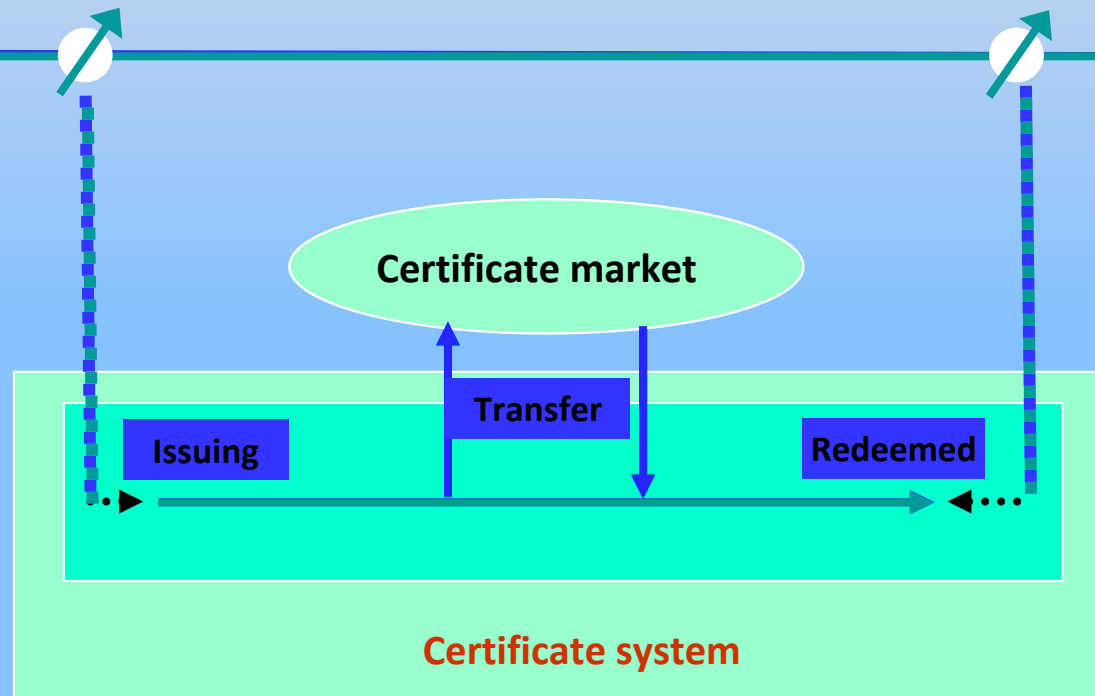
The rules governing the CoO system should define the institutions involved and the processes for each of the CoO's "moments". It is essential that these rules also ensure that CoOs are created/issued, transferred and redeemed/cancelled in an accurate, reliable and fraud-resistant manner.

Consumption










The functioning of a CoO Scheme may be described with respect to the following five moments:

1. Participation and Registration;
2. Request;
3. Issuance;
4. Transfer;
5. Redemption.



Register of Certificate of Origin (1/1)

-  ERO shall establish and maintain the Register of CoO, (Article 18.1 of the Law on the Energy Regulator no. 2004/9).
-  The Register shall be in electronic form and shall include two types of accounts:
 - Transferables Accounts;
 - Redemption Accounts.
-  Each CoO shall be entered into the Register.
-  CoO recorded in a Redemption Account cannot be transferred or redeemed.
-  The Register shall be made public (in ERO's website etc.).
-  The Register shall be conclusive as regards to whether a CoO has been issued and exists, and as to the person who is at the time its registered holder.
-  ERO shall publish an explanation of how any code used in the Register to state information is to be interpreted.



Register of Certificate of Origin (1/2)



Each certificate is uniquely identifiable, containing standard information such as (indicative):

- Unique certificate number
- Name of issuing body
- Generation plant identity
- Time of issue
- Type of technology
- Installed capacity
- Indication of whether public support has been received.



The life cycle of a certificate is as follows:

- **Issue:** A certificate is issued for, and uniquely relates to, a specific instance of the production of a standard quantity - one megawatt hour - of renewable electricity.
- **Transfer:** Each certificate is registered as belonging to a single party at each point during its life, this being adjusted accordingly following each transfer of its ownership.
- **Redemption:** Certificates are redeemed as soon as they are "used".



Issuing of CoO



Certificates are created, transferred and eventually redeemed under a carefully developed and managed control structure.



Issuing:

- One CoO shall be issued in respect of each Megawatt hour(1000 kWh) of electricity .
- [1] month after receiving an Application for issuing of CoO.
- [1] month extended.
- ERO has the right to request the metering records of the System Operator and other data.
- This certificate takes the form of an electronic record.
- This record states what is being certified, e.g. the issuing body, location of the production device, and technology used for the production of the renewable energy.
- A Certificate of Origin shall be regarded as being issued only when its registered in Register.
- When issuing CoO ERO assigns a unique "certificate sequence number" to each CoO issued.
- ERO will produce an *Application for Certificate of Origin*.



Transfer of CoO



Ownership transfer/trade:

- Once a certificate has been issued, it can be transferred or traded.
- The certificate owner who wishes to transfer ownership must inform the Issuing Body.
- IB records the ownership transfer in the Central Registration Database, and confirms to the parties that the transfer has taken place.
- If the registered holder of a CoO requests ERO to transfer CoO to any other person, ERO shall do so by amending the Transferables Accounts (TA) in the Register.
- ERO do it accordingly within [7] days of receiving the request.
- In particular, the registered particulars of the CoO to be transferred are removed from the TA of the person making the transfer and entered into the TA of the person receiving the transfer.
- ERO confirms the transfer to the person submitting the request.



Redeem and Revoke of CoO



Redemption

- A certificate owner can redeem it, for example to advertise its environmental performances, or to fulfil a country or region specific purpose (e.g. renewable obligation, tax exemption, etc).
- The registered holder of a CoO can redeem it, by submitting a written request to ERO.
- ERO transfers the CoO to the Redemption Account, within [7] days of receiving the request.
- ERO issues to the person submitting the request a declaration that the CoO has been redeemed.



ERO shall revoke a Certificate of Origin where:

- it is satisfied that the information provided pursuant to Article 6, paragraphs 2 and 7, and Article 7, on the basis of which that CoO was issued, is incorrect in a material particular or that the CoO was issued on the basis of any fraudulent behaviour, statement or undertaking; or
- it is otherwise satisfied that the CoO should not have been issued, is inaccurate or was issued to the wrong person.



Where ERO revokes a CoO , it shall as soon as practicable give notice of such revocation in writing to the registered holder of the CoO .



Appoint Agents



Production Auditors – (MEM & KOSTT):

- Verify & audit compliance with EECS
- Receive information about issued certificates from the IB
- Tell the IB if issued certificates exceed generation capacity







Central Monitoring Office (CMO) – (ERO):

- Maintains a registry of production devices & issued certificates
- Records ownership of certificates
- Records status of certificates (transferable, redeemed, imported or exported)



Recognition of GoO issued in Member States

-  **CoO** issued in Kosova should be recognised as such by all authorities in Kosova.
-  **GoO** issued in Member States of EU (equivalent to CoO) should be recognised by ERO, pursuant to article 15 of Directive 2009/28 EC.
-  Application for the recognition of GoO should be submitted in writing by the holder of the Guarantees or Certificates to ERO, specifying, with respect of the GoO for which recognition is applied for:
 - the number of Guarantees of Origin [or equivalent Certificates];
 - the Member State [ECSEE Contracting Party] or designated competent body which has issued the Guarantees of Origin.
 - the sequence number or any other reference uniquely identifying the GoO.
-  Except in refusing case ERO recognises the GoO and inform the applicant within [30] days of receiving the application.



Refusing GoO issued in Member States



ERO shall refuse to recognise a GoO (or equivalent Certificates) issued in EU Member State [or another ECSEE Contracting Party] if:

- it has been requested to refuse such recognition by the Member State or designated competent authority which issued or supervised the issue of that GoO [or equivalent Certificate]; or
- it is satisfied that such refusal is necessary for the prevention of fraud or that the GoO was mistakenly issued.



ERO shall notify the holder of the GoO and the European Commission of any refusal and its justification.



Notwithstanding a refusal ERO shall recognise GoO issued (Article 15 of Directive 2009/28/EC), in EU Member States as equivalent to CoO, if so directed by a decision by the European Commission pursuant to article 15(10) of Directive 2009/28/EC.



Where ERO has recognised a GoO it shall withdraw that recognition if:

- it has been requested by the non-Kosovan authority which issued or supervised the issue of that GoO [or equivalent Certificate] to refuse or withdraw such recognition; or
- it is satisfied that such withdrawal of recognition is necessary for the prevention of fraud or that the GoO [or equivalent Certificate] was mistakenly issued.



The provisions contained in this Article impose no obligation on ERO to satisfy itself that a GoO or equivalent Certificate issued in a EU Member State has been properly issued.



AIB-Association for Issuing Bodies



AIB (www.aib-net.org) established in 2002 has as its purpose the development, use and promotion of a standardized system for GoO (equivalent doc.CoO).



Accordingly, AIB promotes systems for exchanging certificates, harmonisation of practices for voluntary and mandatory support schemes within the national and EU law. Its remit comprises the development, improvement and implementation of:

- data definitions;
- protocols for data transfer, including response times and data format;
- data sharing;
- statistical reporting;
- transaction logging;
- standards and practices for registering and auditing production devices; and
- standards and practices for electricity metering.



All issuing bodies are member of the international Association of Issuing Bodies (AIB).



ERO will apply for AIB membership.



Recognition of CoO issued by IB



ERO shall recognise CoO issued by IB accredited with the AIB as equivalent to CoO issued by ERO-s Rule, except for the effects of the provisions contained in Articles 10.3 and 10.4 of the Law on Electricity no. 2004/10.



Application for the recognition of CoO should be submitted in writing by the holder of the GoO Certificates to ERO, specifying, with respect of the CoO or equivalent documents for which recognition is applied for:

- the number of Certificates of Origin or equivalent documents;
- the Issuing Body which has issued the Certificates of Origin or equivalent documents;
- the sequence number or any other reference uniquely identifying the Certificates of Origin or equivalent documents.



ERO recognises the CoO, according to the Rules and Procedures established by the AIB. ERO inform the Applicant within [30] days of receiving the application.



ERO shall refuse to recognise a CoO or equivalent document issued by an AIB accredited Issuing Body if:

- it has been requested to refuse such recognition by the Issuing Body which issued or supervised the issue of that Certificate of Origin or equivalent document; or
- it is satisfied that such refusal is necessary for the prevention of fraud or that the Certificate of Origin or equivalent document was mistakenly issued.



ERO shall notify the holder of the Certificate of Origin or equivalent document of any refusal and its justification.



The provisions contained in this Article impose no obligation on ERO to satisfy itself that a Certificate of Origin or equivalent document issued by an AIB-accredited Issuing Body has been properly issued.



Thank you!

Energy Regulatory Office

Adresa: Rr. Hamdi Mramori nr. 1, 10000 Prishtinë, Kosovë
Tel: 038 247 615 lok. 101, Fax: 038 247 620, E-mail: info@ero-ks.org
web: www.ero-ks.org