Shaping an effective renewable electricity market

A year of growth
1 Introduction

RECS International is an association that was established to achieve growth. Growth in renewables, growth in consumer choice, and growth in the use and standardization of Guarantee of Origin certificates. Over the past year we also worked hard to increase our influence internationally and put consumers at the heart of the electricity market. In Europe we refer to a liberalized electricity market, not without a sense of pride, but a truly liberalized market is one that responds to the wishes and desires of consumers. We feel it is the task of RECS International to increasingly support consumers in the electricity market. Whether they consume large or small volumes, they deserve a voice and accurate information about the electricity products they buy.

Claes Hedenström, President of RECS International
2 Mission and Vision

RECS International is a non-profit organization that strives to achieve an open pan-European renewable energy market, facilitated by commonly accepted and harmonized tracking systems.

Our mission is:

• To stimulate renewable energy demand across Europe by adopting harmonized standards and principles for a transparent transfer of information to end-users, and
• To encourage the further development of emerging renewable energy technologies by increasing competition and cost-efficiency through the expansion of cross-border trade and international cooperation mechanisms.
The European Energy Certificate System (EECS), which was created by the Association of Issuing Bodies, has grown phenomenally in 2013. We are pleased to see that the governments of France, Germany and Italy have decided to adopt the EECS standard.

At RECS International we believe it is vital that more countries join this standardized certificate system and hope that the remaining countries in Europe will follow soon. We believe that a true cross-border electricity market can only be achieved through standardized regulations and clear protocols.
Growing European demand

Currently the standardized European renewables market covers 75% of all European RES production (810 TWh), including electricity produced in Norway, Iceland and Switzerland, but in 2013 less than half of this volume (397 TWh) was available and taken up by consumers.

At RECS International we will continue to support existing demand and stimulate new growth in demand by linking the standardized GO system with correct disclosure regulations. In this way we aim to protect consumers, while ensuring that the information they receive is accurate.
Production and consumption continue to grow

The production of renewable electricity is growing steadily. So, too, is demand for Guarantee of Origin certificates, which increased by +/- 12% from 2012 to 2013. The volume of total production that was not eligible for use in the renewables market is also growing annually by 13%.

At RECS International, we anticipate that the gap between available production and consumer-driven consumption will close by 4% per year.
Market distortions are growing

Continued financial support for the production of renewables in Europe is confusing for consumers. Although national binding targets have been formulated as consumption targets, purchases of renewable electricity proven by the GO do not count towards these targets.

At RECS International we endorse a complete rethinking of the way subsidy systems are designed in Europe. This will help increase cost efficiency and give consumers an active role in the future electricity market.
The growth of open borders and a truly open European electricity market

Letting consumers freely choose means getting rid of discrimination on the borders. By creating more choice, it becomes possible to stimulate cost-efficient production and this should not be restricted to production within national borders.

At RECS International we feel that the trend towards market-based support systems must include the option for foreign electricity production to count towards national targets. By using electricity attribute tracking mechanisms, which are already part of the GO, this change should not be difficult to achieve, given sufficient political will.
We see a steady growth of approx. 13% per year. Looking at the results of 2013 we can conclude that the market is getting more and more mature and that demand will meet supply very soon.

Overview

- Total certificates issued and cancelled (Figure 1)
- Total certificates imported (Figure 2)
- Total certificates exported (Figure 3)
Figure 1  Total annual certificates issued and cancelled (in TWh)

* Source: Association of Issuing Bodies
4 Market development

Total certificates imported*

Figure 2  Total certificates imported annually (in TWh)

* Source: Association of Issuing Bodies
Figure 3  Total certificates exported annually (in TWh)

* Source: Association of Issuing Bodies
5 Financial overview

RECS International is a financially stable organisation. The income out of memberships can cover the costs of all activities. The balance sheet shows a good position of RECS International for the future.

Overview

› Balance sheet
› Profit and Loss sheet
## 5 Financial overview*

### Balance sheet

#### Assets

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>2,850</td>
<td>4,300</td>
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<tr>
<td>Cash</td>
<td>248,854</td>
<td>229,698</td>
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<td>RECS Events receivables</td>
<td>20,000</td>
<td>53,978</td>
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<tr>
<td>Other receivables</td>
<td>697</td>
<td>1,331</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>272,401</strong></td>
<td><strong>289,307</strong></td>
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</table>

#### Liabilities

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<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Cumulative results</td>
<td>166,075</td>
<td>277,768</td>
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<tr>
<td>Creditors</td>
<td>4,540</td>
<td>2,535</td>
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<tr>
<td>Other creditors</td>
<td>101,786</td>
<td>9,004</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>272,401</strong></td>
<td><strong>289,307</strong></td>
</tr>
</tbody>
</table>

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*The full compilation report 2013 is available at RECS Secretariat*
### 5 Financial overview*

#### Profit and Loss sheet

<table>
<thead>
<tr>
<th>Revenue</th>
<th>In Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td><strong>2012</strong></td>
</tr>
<tr>
<td>Fees</td>
<td></td>
</tr>
<tr>
<td>Large member companies</td>
<td>288,000</td>
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<tr>
<td>Small member companies</td>
<td>60,300</td>
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<td>Supporting members</td>
<td>6,500</td>
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<td>Other income</td>
<td>1,200</td>
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<tr>
<td>RECS Good Practice Standard (RGPS)</td>
<td>3,000</td>
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<tr>
<td>Interest</td>
<td>4,481</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>363,481</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>In Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td><strong>2012</strong></td>
</tr>
<tr>
<td>Secretariat</td>
<td></td>
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<tr>
<td>Secretariat</td>
<td>299,892</td>
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<tr>
<td>Travel &amp; accomodation</td>
<td>10,957</td>
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<td>Legal advice</td>
<td>4,797</td>
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<td>Office costs</td>
<td>17,113</td>
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<td>Meetings</td>
<td>9,386</td>
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<td>PR &amp; communication</td>
<td>19,014</td>
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<td>Special projects</td>
<td>14,015</td>
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<tr>
<td>Result</td>
<td>11,693-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>363,481</strong></td>
</tr>
</tbody>
</table>

* The full compilation report 2013 is available at RECS Secretariat
RECS International is an association by Belgian law. Once a year the Secretariat organizes a General meeting and three times a year the Board meets somewhere in Europe.

## Overview

- Board members
- RECS International members
6 RECS International organisation

Board members

AGDER ENERGI VANNSKRAFT AS
Robert Palme
Switzerland

LANDSVIRKJUN
Nicholas O’Keefe
Iceland

AGDER ENERGI VANNSKRAFT AS
Jan-Atle Liodden
Norway

LUXEMBOURG ENERGY OFFICE S.A.
Roger Rütze
Luxembourg

ASSOELETTRICA
Giulio Cicoletti
Italy

KEEKS Ltd
Fiona Santokie
United Kingdom

EDF LUMINUS
Dinh Nguyen-Phan
Belgium

STX SERVICES BV
Max van Meer
The Netherlands

EDP ENERGIAS de PORTUGAL SA
Pedro Matos
Portugal

VATTENFALL A/ELPRODUKTION NORDEN
Claes Hedenström
Sweden

GREEN ACCESS
Pierre Picard
France

VERBUND TRADING AG
Claudia Grill
Austria

GREENSTREAM NETWORK LTD
Juha Ruokonen
Finland

VEREIN ECS SCHWEIZ
Louis von Moos
Switzerland

HSE D.O.O.
Blanka Povh
Slovenia

VINDENERGI DANMARK AMBA
Niels Dupont
Denmark

IBERDROLA GENERACIÓN S.A.U.
Laura García
Spain
Members (2013)
Members (2013)

- edelweiss energia
- Edipower
- Eidsiva
- Electrabel

- EnBW
- Energetic Source spa
- META ENERGIA
- energie-nederland

- energit
- EnerGrid
- envia
- essent
- Energie
d gradually

- Green Energy Systems
- Gaz de France
- Green Network
- Green Stream

- Helsingin Energia
- lekker
- LINEA PIU
- Landsvirkjun
- Idraelettrica Lombarda Srl

- luxembourg energy office
- LEO
- Multiutility
- naturemade!
- Vindenergy
Members (2013)