

## The value of the [AIB](#) – “Why does Europe need GOs and the AIB?”

The three main European policy goals in the “Clean Energy for all Europeans” Package are:

- ✓ *putting energy efficiency first;*
- ✓ *achieving global leadership in renewable energies; and*
- ✓ *providing a fair deal for consumers.*

Consumers are active and central players on the energy markets of the future. Consumers across the EU will have a better basis for the choice of supply, access to reliable energy price comparison tools and the possibility to produce and sell their own renewable electricity. Increased transparency and better regulation give more opportunities for civil society to become more involved in the energy system. The package also contains a number of measures aimed at protecting the most vulnerable consumers.

### **Why do we need Guarantees of Origin?**

The Guarantee of Origin (GO) provides consumers with *choice*. Thanks to GOs both households and corporate electricity consumers have their say in where their electricity comes from. In the absence of GOs they would simply have no other choice than to pick a contract and accept the electricity mix that was decided by the electricity supplier.

GOs are a transparent mechanism for differentiating the source of electricity. Without GOs, electricity suppliers could make any claim about how environmentally friendly their electricity is, and their customers (or policy-makers) would be unable to verify these claims in any way. A supplier would be able to allege ‘*I am a green electricity supplier*’, and consumers could claim ‘*my electricity consumption is less harmful to the climate*’, without any means of proving or verifying these claims...

GOs help producers of renewable electricity compete with fossil and nuclear electricity production, as they allow them to demonstrate their unique selling proposition. Without them, it would be difficult for producers to prove their contribution to the energy transition in a reliable way.

Furthermore, an electricity supplier with no production capacity based on renewable sources would not be able to offer a green electricity contract to its customers.

Thanks to GOs, electricity from all sources can be tracked reliably and cost-efficiently. The information on electricity bills about the percentage of electricity supplied from renewable sources becomes reliable. Informed consumers are more able to play a role in a liberalised energy market, thereby improving its functioning.

### **What if consumers did not get information on the sources of electricity?**

Without GOs, there would be no - or very unreliable - electricity source information on the bills of consumers, both households and corporates.

Without GOs, consumers would not know whether the electricity they are supplied with comes from a fossil, nuclear or renewable source. This would make consumers less involved and less empowered to make informed choices.

Without GOs, consumers would not feel responsible for the environmental impact of their choice of electricity contract, as there would be no reliable way to opt for a contract which guarantees electricity from renewable sources, with less impact on the environment.

Hence, without GOs, consumers could not join the transition to a more sustainable European electricity market.



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## Why does Europe need an organisation like the Association of Issuing Bodies (AIB)?

Imagine the situation if each national issuing body of GOs had to connect its registry individually to each and every other foreign issuing body, in order to exchange GOs. This would be far more costly than connecting it once to the AIB's [Hub](#).

Before the AIB developed the European Energy Certificate System ([EECS®](#)) rules, a lot more work was done in verifying and checking when transferring GOs between national registries. The existence and functioning of the AIB and the Hub saves time and money for its members, by reducing the workload of registries, as well as market players!

The alternative would be to restrict the use of GOs to national markets, which goes against the ambition of building a European internal energy market, or spend a lot more on the human and other resources in setting up a European system.

Imagine implementing on a national scale such complex legislation as the European Directives which deal with issuing GOs and disclosure information... The fact that an issuing body and/or a regulator in charge of disclosure information can utilise best practices and analysis at a European level is an important advantage of being a member of the AIB.

Having the EECS® rules providing accuracy, reliability and veracity in GOs and disclosure systems, makes it easier and more cost efficient to pursue a strategy of sourcing 100% renewable electricity. It is much easier if a GO which is bought in country A is fully compatible with the disclosure scheme in country B. Imagine the complexity of having to manage a Europe-wide strategy without the EECS® GO rules to set the international framework and protocols for exchange of GOs!

Since 2016, the AIB also provides the [Residual Mix calculations](#) for use in disclosure methodologies by regulators in charge of enforcing the European requirements for reliable and high-quality information on consumer bills.

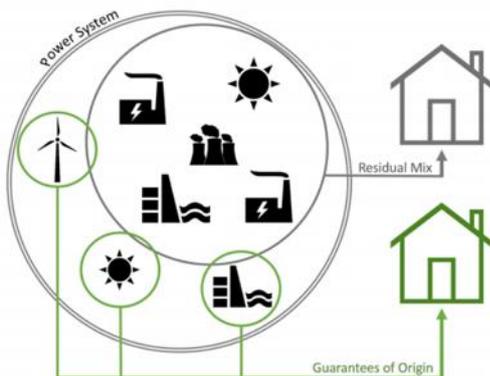
To find out more about the AIB, the EECS® rules and the AIB Hub, please visit our [website](#) or [contact us](#) directly. If you are already familiar with the AIB, and would like more information on our analysis of the 'Clean Energy for all Europeans' package, take a look [here](#).



## The facts about the Guarantee of Origin

### What is the added value of the Guarantee of Origin?

The basic goal of the GO system is to provide proof that a given electricity consumption was produced by a specific technology, and/or energy source. To ensure the reliable and secure operation of an international GO system, the AIB developed a set of common principles and rules of operation, the [European Energy Certificate System \(EECS®\)](#).



Any remaining electricity that is not certified is available on the electricity market as “the residual mix”.

The paradox is that even electricity that is produced from renewable energy sources, but is not certified by the EECS® rules, can be included in the calculation of the residual mix, and suppliers can sell it without communicating its added value to consumers.

This is precisely why every consumer should be aware of the possibilities in the electricity market, whether they really intend to invest in the development of renewable energy projects, or to consciously reduce their personal greenhouse gas footprint.

Suppliers use GOs to guarantee the source of electricity, and consumers can make an active and informed choice when selecting their supplier e.g. to reduce their greenhouse gas footprint, or better still, choose to invest in the development of renewable energy projects.

Suppliers inform customers (current and potential) of all the options they provide either via their website or by other media.

If you would like more detail about Guarantees of Origin, take a look at this [short video](#).

## Do you know what information is detailed on a GO?

GOs are uniquely identifiable, tradable and relate to a standard unit of energy – 1 megawatt hour (1MWh). Each GO contains standard information relating to how and when the associated energy was generated and of its environmental impact:

- The “energy medium” – electricity, fuel or heat
- A unique certificate number
- The date on which the installation became operational
- The first and last days on which the associated energy was produced
- The type of installation – its environment (e.g. land, sea ...), energy source (e.g. fossil, renewable ...), type (e.g. solar, wind ...) and fuel (e.g. geothermal, natural gas ...)
- The identity of the installation
- The country of issue
- The location of the installation
- The capacity of the installation
- The face value of the certificate (e.g. 1 megawatt hour)
- The issuer of the certificate
- The date of issue
- The identity of any label schemes under which it is eligible
- The identity of any EU Directives under which it is eligible
- The purpose of the certificate (either disclosure or support)
- An indication of whether other certificates have been (or can be) issued, associated with the same unit of energy, for other purposes
- An indication of whether or not public support has been received, and the form of such support.

In addition, Combined Heat & Power (CHP)-GO certificates contain:

- Use of heat (category)
- Lower Calorific value (MJ/kg)
- CO2 emitted
- Primary Energy savings (%)
- Actual amount of primary energy savings (MJ)
- CO2 savings (%).

Now that you understand the basic goal of the GO and disclosure system, perhaps you would like to contact your [local issuing body](#), or regulatory authority for more information?