

AIB Position paper: GO system improvement pillars

1 INTRODUCTION

This paper, containing AIB's expert insights into the Guarantee of Origin (GO) system, is a response to the consortium, delegated by the European Commission, that currently performs an evaluation of the GO system following article 19 of the Renewable Energy Directive (RED).

Uniqueness, reliability and efficiency are the main pillars for the GO system. It is advisable to use the experiences from this system when building any further energy origin tracking systems. GOs are a unique instrument that is managed, mandated by government, in a database that ensures the uniqueness of the claim backed by the GO. GOs are often traded in a book-and-claim manner separately from the commodity, but it is equally possible to trade the GOs in a mass-balance framework together with the energy they represent. The GO conveys information about renewable energy and can include details like sustainability certification. When a claim is supported by validated GOs, it helps prevent double counting of the associated renewable energy. If additional information is needed beyond what is recorded on the basic GO, it is still important to use the GO to avoid double counting, while also confirming that the energy meets any extra criteria (e.g. sustainability).

2 POSITION

In alignment with our mission to guarantee and transparently track the origin of European energy, we propose the following enhancements to the GO system:

1) Strengthen the Disclosure Framework by Basing All Renewable Energy Consumption Claims on GOs

The requirement placed on member states by RED (article 19.2, 2nd paragraph) to prevent double claiming, together with the requirement to issue GOs that can be freely traded once issued, makes it problematic to use other methods besides GOs to claim the renewable value of a portion of energy. This fact implies that to enhance transparency and consumer trust, all claims regarding renewable energy consumption should be substantiated by GOs. Where no GOs are used, the energy sources of consumption shall be covered with the residual mix (rather than for example a country-specific average production mix). This obligation should not only be put on suppliers but on any party claiming renewable energy consumption.

This approach ensures a standardized and verifiable method for tracking renewable energy usage, aligning with AIB's commitment to reliable energy disclosure.

2) Align Other Energy Origin Tracking Instruments with the GO

Several areas of EU legislation assess climate impact based on the origin of energy consumed. However, not all the EU-driven initiatives track the origin of this energy in the same manner. This leads to inconsistencies and reduces the overall effectiveness of these measures. The tracking purpose of "compliance with policy targets" should not exclude the goal of "informing consumers of the origin of their energy (disclosure)". Nevertheless, when suppliers report for compliance, they still

need to prove the renewable origin of their energy supply with GOs if they market it as energy from renewable sources.

To address this, aligning different energy attribute tracking systems with the provisions of Article 19 of RED will help create a cohesive and efficient framework for energy certification. This would promote consistency across different energy carriers and technologies. The GO system, implemented by 39 government-appointed issuing bodies under the EECS framework, already provides a standardized and reliable model for this alignment.

Stability and efficiency

Implementing these proposals will make the GO system stronger and even more efficient and by that strengthen the European energy transition and consumer confidence in renewable energy markets.

Disclaimer

This document reflects the expert views of the AIB Secretariat, based on its experience in administering the GO system. It does not represent a formal position of the AIB membership. Not all members were involved in drafting the paper, and not all have competence or decision-making authority on the matters addressed. The views expressed should not be attributed to individual members unless explicitly stated.