



EECS Rules

Subsidiary Document

AIB-EECS-SD02 Voting Rights

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AIB-EECS-SD02: Voting Rights

Release xx

Status of this document

This document, AIB-EECS-SD02 Voting Rights, is a subsidiary document to the Principles and Rules of Operation (the EECS Rules) of the Association of Issuing Bodies (AIB) for The European Energy Certification System.

In the event of conflict between the text of the EECS Rules and the text of this document, the EECS Rules shall always take precedence.

This EECS Rules subsidiary document was formally approved by the General Meeting of AIB members held on 19th June 2020.

The effective date of this EECS Rules subsidiary document is 22nd June 2020.

Signed by the General Secretary:

Phil Moody
22nd June 2020

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Document History

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A INTRODUCTION AND PURPOSE

A1 Introduction

A1.1 This document is a subsidiary document to the EECS Rules of the AIB as defined in EECS Rules-Section B1.1.1.

A1.2 Specific reference is made to the EECS Rules Sections:

- (a) F – Admission and Expulsion Procedures
- (b) L – Change Procedures.

A2 Definitions and Abbreviations

A2.1 The definitions of the EECS Rules also apply to this document. In the event of conflict between the text of the EECS Rules and the text of this document, the EECS Rules shall always take precedence. To facilitate reading this document the abbreviations used are listed below:

- AoA: Articles of Association (AoA);
- AIB: Association of Issuing Bodies;
- IB: Issuing Body;
- EECS Rules: The Principles and Rules of Operation of the European Energy Certificate System (EECS); and
- VR: Voting Rights.

A3 Purpose

A3.1 The purpose of this EECS Rules subsidiary document is to set out the:

- Core principles for the voting scheme; and
- Detailed regulation of voting procedures in connection with admission and expulsion.

A3.2 This document is also intended to provide further explanation of the regulations in connection with voting rights set out in the EECS Rules.

B Core principles for the design of the voting scheme

B1 Existing regulations regarding voting rights

B1.1 The Articles of Association (AoA) determine in Article 6.6 that the General Meeting may delegate certain decisions to the Board, or to a Task Force, Unit or Scheme Group.

On behalf of the General Meeting and the Board, a Delegation Matrix is maintained by the Secretary General, which sets out the duties and competences of the General Meeting, the Units, the Scheme Groups, Task Forces and individuals appointed under the Articles of Association and/or the EECS Rules.

B1.2 The Articles of Association determine an explicit regulation on the design of voting rights of the General Meeting, the Scheme Groups and the Units.

B1.3 According to Article 7.1 of AoA, Members receive a number of votes for each Scheme Group they are active in, based on the membership categories in each Scheme Group.

Article 7.2 of the AoA determines that the number of votes exercised by a Member in a Scheme Group they are active in can be 0, 10, 20 or 30 depending on the volume of the certificate transactions of that energy carrier over the AIB Hub.

B1.4 According to Article 7.1 of AoA, the total number of votes from each Scheme Group in the General Meeting and Units is calculated by a Relative Activity Key (RAK)

In Article 4.5, the AoA determine that the RAK shall be calculated by the Secretary General every year before 20 February. The RAK will determine the share of votes of each Scheme Group in the General Meetings and in the Units.

B1.5 Voting rights are referred in different sections of the EECS Rules. The relevant sections are:

- F1.3 General Meetings (Section: Admission and Expulsion Procedures)
- F5 Rectification Orders (Section: Admission and Expulsion Procedures)
- F6 Suspension of Scheme Members (Section: Admission and Expulsion Procedures)
- F7 Expulsions (Section: Admission and Expulsion Procedures)
- L1.2 The General Meeting (Section: Change Procedures)
- L3.2 Implementation of Changes (Section: Change Procedures)

Especially the regulations in section F1.3 and L1.2 require the implementation of a voting right scheme that reflects scheme membership, since only scheme members are allowed to vote on the admission of a new scheme member (except under the conditions of Section F1.3.2 and L1.2.2)

Disclaimer

B2 General Principles

B2.1 The design of the scheme for voting rights must fulfil the following general criteria:

- It must be according to the rules set out in the EECS Rules there are decisions to be made at scheme level, and at AIB level. The voting rights must reflect these possibilities (the voting rights must reflect scheme membership).
- It must be a fair system:
 - Reflecting the activity of a member; and
 - Avoiding the dominance of one player or one country within the AIB;
- It must be as simple as possible; and
- It must reflect the fact that members have to take their national legislation into account.

B2.2 Besides these general rules, the changes to existing documents should be as small as possible in order to guarantee continuity.

B3 The voting rights model

B3.1 The voting rights model is characterised by the following elements:

- Every AIB Member can participate in one or more Scheme Groups;
- The voting structure is a two-tier model where each member has a number of votes in each Scheme Group in which they are active, and a number of votes in the General Meeting and the Units;
- The number of votes allocated to each Member in each of the Scheme Groups in which they are active, depends on the membership category to which the Member belongs in this particular Scheme Group;
- The membership categories are inactive/observer, small, medium and large; and the votes allocated to a Member that falls into each of them are 0, 10, 20 and 30 respectively; each Scheme Group being responsible for determining the activity levels that qualify for different membership categories;
- For decisions at the General Meeting and the Units, Members may exercise the number of votes allocated to them based on the Scheme Groups in which they are active and the Relative Activity Key calculated for each of these Scheme Groups;
- The Relative Activity Key is calculated by the Secretary General every year before 20th February and reflects the number of GOs transferred through the AIB Hub during the previous year relating to the Scheme associated with each Scheme Group.

	Scheme 1	Scheme 2	General Meeting		
	RAK= 60%	RAK= 40%	(SG 1)	(SG 2)	Total
Member 1	IB=1 VR= 20	IB=1 VR= 10	VR= 19,5	+ 10,4	= 29,9
Member 2	IB=1 VR= 10		VR= 9,75	+ 0	= 9,75
Member 3	IB=1 VR= 30		VR= 29,25	+ 0	= 29,25
Member 4	IB=1 VR= 10	IB=1 VR= 10	VR= 9,75	+ 10,4	= 20,15
Member 5	IB=1 VR= 10	IB=1 VR= 30	VR= 9,75	+ 31,2	= 40,95
Total votes	80	50	78	52	130
Factor	0,98	1,04	60%	40%	

VR: Voting Right, IB: Issuing Body

Figure 1: The "Reflect Scheme Membership" approach

C Admission and Expulsion

- C1.1 As the area of admission and expulsion is especially mentioned in Section F of the EECS Rules, the related regulations are shown in this chapter. In general, the admission and expulsion of Scheme Members can only be decided by Scheme Members with a qualified majority, except when there are less than five Scheme Members. In that case the decision is made by the (AIB) Members.
- C1.2 The Admission and Expulsion of (AIB) Members can only be decided by Members and with qualified majority.
- C1.3 The following clauses within the EECS Rules (release 7.0) contain regulations with regard to scheme membership:
- *F1.3 General Meetings*
 - *F1.3.1*
 - *F1.3.2*
 - *F1.3.3*
 - *F1.3.4*