Enercoop

What developments for the 100 % green offers market ?
Enercoop

French green power supplier founded in 2005 by:

**Specificities:**
- a network of regional cooperatives strengthening links with consumers, producers, helping energy savings and implementing local energy transition
- 10 cooperatives including all stakeholders in the governance (consumers, producers, cities, employees, founders and partners)
- an agregator developing bilateral contracts with RES producers
Today:

35000 costumers
20000 members
3000 professionals
+ 100 employees
50 Local governments
+ 100 producers

Local governments
Enercoop
Green power market today
Green power market today

Principle of Guarantees of Origin

- European system
- Emitted for each produced renewable MWh
- Only valid proof of the renewable origin of the electricity
- Can be sold separately from the production
- Low value today: around 0.2 €/MWh
Green electricity suppliers

- Situation in France in June 2014*: 
  - 10 green suppliers
  - 200,000 customers
  - 0.5% of the total market

- How it mainly works:
  - Purchase of power, mainly on electricity market
    + Purchase of GoOs for the same amount
    => Green electricity offer
  - No direct link between green electricity producers and consumers

Limits of the guarantees of origins' system

National registers, not organised market places:

- **Transparency:**
  - mainly OTC contracts with unclear pricing
  - uncorrelated to actually sold power

- **Liquidity:**
  - often not available for RES production under support schemes

- **Valuation:**
  - Despite consumers expectations, lack of additionality: low price that doesn't ensure investment in new capacity

Responsibility of issuing and cancelling GOs generally limited only to green power suppliers while others benefit from residual mix
Green power market in France

What is Enercoop specificity?

- Enercoop: aggregator and supplier at the same time

From producer to consumer, a direct link

- Environmental additionality:
  - Benefits are reinvested in new projects
- Long-term fixed prices
  - The producers can get constant prices on multi-year contracts
- From consumers to prosumers
  - The consumers are an integral part of the decision making process
Enercoop
What is about to change?
What is about to change?

Opening of the FIT mechanism

- Feed-in tariffs guaranteed by the state for RE projects
- Today, EDF is the only national aggregator who can benefit from this mechanism:
  - Purchase of energy at a fixed tariff (obligation)
  - Reimbursement of the difference with the market prices by the state through CSPE levy
- Energy Transition Law (2015): enlargement of this mechanism:
  - Tomorrow, many aggregators will be able to buy this electricity
  - Same reimbursement basis for all
What is about to change?

**Market premium mechanism**
- Energy Transition Law also
- Similar to the German mechanism
- Possibility to try it and switch back to FIT for existing projects
Benefits of these changes

• Will help open the aggregation market:
  • Less dominant position of the incumbent operator
  • Multiple competences (prevision, balancing, trading)
  • Should favor the emergence of cooperative offers

Limits of these changes

• Success of the market premium mechanism: depends on the management premium compared to market costs
• Bigger risks for the producers
• No associated GoOs for these mechanisms
Ways to promote and develop green electricity

In Germany, from a fiscal incentive...

The green power privilege was a fiscal incentive where the power suppliers were partly exempt from the EEG levy provided they fulfill a certain green power quota. Until 2014, consumers were exempt from the payment of 0.02 € / kWh of the EEG levy if at least:

-50% of the power comes from RES facilities
-20% of the power comes from wind and PV systems

To be eligible, the power plant must sell directly its electricity to a supplier without any support scheme.

...to a green and local certification

Following the ending of the green power privilege in 2014, Germany is planning to implement in the EEG 2016 a policy allowing RES producers to certify their installations in order for suppliers to sell green and local power to their customers. Only certified installation in the radius of 50 kilometers around the postcode area where the consumers live can provide green and local power.
Ways to promote and develop green electricity

- **In the Netherlands, Postcoderoos**
  
  In 2013 the so-called reduced (energy tax) tariff or postcoderoos (PCR) regulation was introduced for local community projects in some pilot areas. Following the PCR, households, participating in an eligible community installation generating power from a RES can reduce their payable energy tax by 0.10 € /kWh plus 21% VAT for their part in the annual production of the community power generating installation.

- **In Switzerland, full disclosure:**
  
  All electricity production sites are forced to issue a Guarantee of Origin for every MWh of production, regardless of the type of power station that has produced it (coal, nuclear, gas, RES). European Commission may consider promoting this full disclosure option in the next Renewable energy directive for 2020-2030.