

Brussels, 23 July 2020 REV2 – replaces the notice (REV1) dated 7 March 2018

NOTICE TO STAKEHOLDERS

WITHDRAWAL OF THE UNITED KINGDOM AND EU RULES IN THE FIELD OF GUARANTEES OF ORIGIN OF ELECTRICITY FROM RENEWABLE ENERGY SOURCES

Since 1 February 2020, the United Kingdom has withdrawn from the European Union and has become a "third country".¹ The Withdrawal Agreement² provides for a transition period ending on 31 December 2020. Until that date, EU law in its entirety applies to and in the United Kingdom.³

During the transition period, the EU and the United Kingdom negotiate an agreement on a new partnership, providing notably for a free trade area. However, it is not certain whether such an agreement will be concluded and will enter into force at the end of the transition period. In any event, such an agreement would create a relationship which in terms of market access conditions will be very different from the United Kingdom's participation in the internal market,⁴ in the EU Customs Union, and in the VAT and excise duty area.

After the end of the transition period, EU law on the promotion of the use of energy from renewable sources⁵ and on energy efficiency⁶ will no longer apply to the United Kingdom.

Advice to stakeholders:

- ⁵ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources, OJ L 140, 5.6.2009, p. 16.
- ⁶ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, OJ L 315, 14.11.2012, p.1.

¹ A third country is a country not member of the EU.

² Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, OJ L 29, 31.1.2020, p. 7 ("Withdrawal Agreement").

³ Subject to certain exceptions provided for in Article 127 of the Withdrawal Agreement, none of which is relevant in the context of this notice.

⁴ In particular, a free trade agreement does not provide for internal market concepts (in the area of goods and services) such as mutual recognition, the "country of origin principle", and harmonisation. Nor does a free trade agreement remove customs formalities and controls, including those concerning the origin of goods and their input, as well as prohibitions and restrictions for imports and exports.

To address the consequences set out in this notice, businesses and Member States administrations are advised to check whether their particular situation falls under one of the below described circumstances and to take the necessary measures considering the legal changes in relation to the United Kingdom after the end of the transition period.

Please note:

This notice does not address

- EU rules in relation to the EU energy market;
- EU rules in relation to EU climate policy.

For these aspects, other notices are in preparation or have been published.⁷

1. GUARANTEES OF ORIGIN

In accordance with Article $15(2)^8$ of Directive 2009/28/EC, Member States must ensure that a guarantee of origin is issued in response to a request from a producer of electricity from renewable energy sources. The guarantees of origin are issued for the purposes of providing information to the final customers on the contribution of energy from renewable and other energy sources in an energy supplier's energy mix pursuant to Article 3(9) of Directive 2009/72/EC.⁹ ¹⁰ In accordance with Article 15(9) of Directive 2009/28/EC, Member States must recognise guarantees of origin issued by other Member States.¹¹

Guarantees of origin that have been issued by designated bodies in the United Kingdom in accordance with Article 15(2) of Directive 2009/28/EC will no longer be recognised by the EU Member States after the end of the transition period.

In accordance with Article 14(10) of Directive 2012/27/EU, Member States must ensure that the origin of electricity produced from high-efficiency cogeneration can

- ⁹ Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity, OJ L 211, 14.8.2009, p. 55.
- ¹⁰ From 1 January 2021 Directive 2009/72/EC will be repealed and replaced by Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU, OJ L 158, 14.6.2019, p. 125. Point 5 of Annex I to the Directive is the equivalent provisions to Article 3(9) of Directive 2009/72/EC.
- ¹¹ Subject to the exception set out in Article 15(9) of Directive 2009/28/EC, whereby a Member State may refuse to recognise a guarantee of origin only if it has well founded doubts about its accuracy, reliability or veracity.

⁷ <u>https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership/future-partnership/preparing-end-transition-period_en</u>

⁸ From 30 June 2021 Directive 2009/28/EC is repealed and replaced by Directive (EU) 2019/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, *OJ L 328, 21.12.2018, p. 82–209.* Article 19(2) and (9) are the equivalent provisions to Article 15(2) and (9) of Directive 2009/28/EC

be guaranteed according to objective, transparent and non-discriminatory criteria and to this end issue electronically guarantees of origin of a standard size of 1MWh which contain at least the information specified in Annex X. Member States shall mutually recognise their guarantees of origin.¹²

Guarantees of origin that have been issued by designated bodies in the United Kingdom in accordance with Article 14(10) of Directive 2012/27/EU will no longer be recognised by the EU Member States after the end of the transition period.

2. CERTIFICATION OF INSTALLERS

In accordance with Article 14(3)¹³ of Directive 2009/28/EC, Member States shall ensure that certification schemes or equivalent qualification schemes are available for installers of small-scale biomass boilers and stoves, solar photovoltaic and solar thermal systems, shallow geothermal systems and heat pumps, which shall be based on criteria established in Annex IV of said Directive. Member States shall recognise certifications awarded by other Member States in accordance with those criteria.

Certifications of installers awarded by the United Kingdom in accordance with Article 14(3) of Directive 2009/28/EC will no longer be recognised by the EU Member States after the end of the transition period.

The website of the Commission on energy policy (<u>https://ec.europa.eu/energy/en/home</u>) provides general information concerning Union legislation applicable to guarantees of origin and certification of installers. These pages will be updated with further information, where necessary.

European Commission Directorate-General Energy

¹² Subject to the exception set out in Article 14(10) of Directive 2012/27/EU.

¹³ Article 18(3) is the equivalent provision of Directive (EU) 2019/2001 to Article 14(3) of Directive 2009/28/EC.