

**32nd MEETING OF THE EUROPEAN GAS REGULATORY
FORUM**

5-6 June 2019, Madrid

***“Market perspective on designing a Guarantees of Origin
system for gases – EFET/Eurogas presentation ”***

by

Peter Bilotft-Jensen (EFET) and Giusi Squicciarini (Eurogas)

Key points



-
- 1. The GO system should support consumers in making “clean choices”**
 - 2. Consumers are increasingly looking for GOs. There is urgency in delivering a good trading regime**
 - 3. The current system is fragmented and national.**
 - 4. RED II provided a significant first step in structuring the gas GO market. However new legislation is needed to extend the GO market to low carbon and decarbonised gases to support clean energy choices.**
 - 5. To achieve a GO trading regime that supports consumers choice, we must develop a system that;**
 - 1. Is robust and credible**
 - 2. Works on EU level**
 - 3. Ensures that GOs are made available to the market – and can be tailored according to consumer preference**
 - 4. Build liquidity: Provide price discovery and a clear reference price**
-

Key Challenges 1&2



1. Is robust and credible

- **The GO trading regime is build on consumer confidence in the underlying system**
- **We need a highly trustworthy national foundation with credible national issuing body with adequate oversight**

2. Works on EU level

- **Consumers recognise that GOs are part of the possible solutions to tackle climate change and EU legislation should provide the framework for the market**
- **The underlying practical exchange of GOs should be seamless and that requires a common standardised system for administration and transaction**

Key Challenges, 3



-
- 3. Ensures that GOs are made available to the market – and can be tailored according to consumer preference**
- **All MS should be required to issue GOs also for low carbon and decarbonised gas.**
 - **MS should opt for issuing GOs to producers taking into account the value of possible support schemes**
 - **It should be easily identifiable if GOs are renewable or low carbon or decarbonised**
 - **GO can form the basis for more elaborate certificates**

Key Challenges, 4



4. Build liquidity: provide price discovery and enable the market to express clear reference price(s)

- Important to “isolate” the clean value – all GOs must be delinked from physical gas transport and trading (as for power)
- The reference price(s) should be based on a mutually understood and accepted framework. Based on RED II there is already a widely accepted framework for power GOs. A similar framework should be developed for all gas GOs as soon as possible – the CEN standardisation work is key to achieve this.

THANK YOU FOR YOUR ATTENTION