

# **Energy Efficiency Certificate Trading**

**A Workshop in association with the  
19th meeting of the IEA DSM EXCO**

**Milano, Italy**

**17 April 2002, 8.30-18.00**

**CESI  
Via Rubattino, 54  
20125 Milano - Italy**

**Organised by:**



**CESI**

**The workshop is hold under the aegis of the Italian Regulatory Authority for  
Electricity and Gas, AEEG**

## **Background:**

Certificate trading is one of the ‘new breed’ of policy measures designed to combine the ‘guaranteed results’ of regulation with the economic efficiency of market-based trading mechanisms. Several schemes have been developed for the “greening” of energy supply, and recently also an Italian scheme has been developed for efficient use of energy. This policy approach may become an important market-based approach to DSM and energy service provision. Exchanging experiences about this new instrument will enable a better appreciation of the scope for wider use of this novel approach.

This will be an informal workshop, focusing for the most part on technical policy design issues, with a pragmatic focus of assisting policy designers and administrators in their work.

## **Objectives of the workshop:**

To understand the specific issues, challenges and opportunities associated with the certificate trading as an instrument to promote energy efficiency and DSM and to share learning between practitioners engaged in the development, administration or evaluation of such mechanisms.

Lessons learned during the workshop will be widely disseminated for the benefit of policy designers throughout the IEA and globally. Areas for more intensive work, e.g., as new or reformulated tasks within the Implementing Agreement, will be identified.

- Session A will be a brief overview session, to remind participants of the key design issues associated with tradable certificate instruments in the broad context.
- Session B will then be an opportunity for a number of specific energy-related certificate trading schemes to be presented. Where these schemes are not directly dealing with energy efficiency (since there are not too many examples in place as yet), speakers will be requested to draw out the possible implications and learning from their schemes for application to the field of energy efficiency.
- Session C will move into a panel discussion format, with the panel comprising expert speakers from the morning and will go into key design issues in greater depth, drawing lessons from country experiences that may be relevant for the design of energy efficiency trading schemes.

Session D will provide an opportunity for the day’s learning to be drawn together and tested. Further, it will enable forward-looking questions to be posed such as: Are there questions that require further investigation and analysis? Is there a role or opportunity for IEA DSM?

8.30 Registration	
9.00 Welcome and Introduction; Hans Nilsson	
<b>Session A: Policy Overview (9.10-10.00)</b>	
A1: Certificate trading as a policy instrument – key design and policy issues <ul style="list-style-type: none"> <li>• fundamentals of policy design</li> <li>• how do tradable instruments create value?</li> <li>• advantages and disadvantages relative to other approaches</li> </ul>	Phil Harrington (IEA)
A2: The Kyoto context <ul style="list-style-type: none"> <li>• relationships between different trading schemes/commodities and Kyoto obligations</li> </ul>	Richard Baron (IEA) and Poul Erik Morthorst, Risoe DK
<b>Session B: Country experiences (10.00-12.30)</b>	
B1: Certificate trading for energy efficiency – Italy	Roberto Malaman and Marcella Pavan, Italy
B2: Certificate Trading for UK's Energy Efficiency Commitment	John Costyn, OFGEM, UK
<b>Coffee</b>	
B3: Certificate trading for renewable energy – lessons learned - RECs in Europe	Peter Niermeijer, Ecofys NL (RECs group chair)
B4: Certificate trading for renewable energy – Australia	David Rossiter (Renewable Energy Regulator, Australia)
<b>Lunch</b>	

<b>Session C: Technical design issues – certificate trading for energy efficiency (14.00-16.30)</b>	
C1: Framing the market (Panel discussion) <ul style="list-style-type: none"> <li>• who can sell? who must buy?</li> <li>• target setting</li> <li>• managing price risks</li> </ul>	Facilitator: Marcella Pavan, Italy
C2: Defining the 'currency' (Panel discussion) <ul style="list-style-type: none"> <li>• defining a project – against what baseline?</li> <li>• eligible projects</li> <li>• ensuring additionality</li> <li>• certificate definition – units, tradability</li> <li>• integrity/ security issues</li> </ul>	Facilitator: Peter Niermeijer
<b>Coffee</b>	

C3: Trading mechanisms (Panel discussion) <ul style="list-style-type: none"> <li>• registry structure</li> <li>• who can trade?</li> <li>• access for smaller players</li> <li>• national vs international schemes</li> </ul>	Facilitator: TBD, European Commission
<b>Session D: Gathering the Threads (16.30-18.00)</b>	
D1: Lessons learned (Open discussion) <ul style="list-style-type: none"> <li>• best practice policy design features</li> <li>• assessment</li> <li>• mechanisms for monitoring outcomes</li> <li>• issues for further investigation</li> </ul>	Facilitator: Phil Harrington (IEA)
D2: Implications/Opportunities for IEA DSM (Open discussion)	Discussion leader: Hans Nilsson

### **Registration and Communication:**

It is necessary to confirm attendance to CESI by 15/3/02 by e-mail/ fax

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Interested who are not able to participate and who register with before April 12 with their e-mail address will have the material presented at the meeting (Presentations, transparencies etc) sent to them by the end of the Workshop April 17.