

# EKOenergy - Network and label

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## **1. INTRODUCTION**

This text gives an outline of the EKOenergy network and the EKOenergy label. It deals with the objectives and the management structure of the network, as well as with the criteria of the EKOenergy label.

EKOenergy is the result of an intensive consultation of European environmental NGOs, electricity suppliers, electricity producers, consumers, consumer organizations and authorities. This consultation happened in line with the *ISEAL Code of Good Practice for Setting Social and Environmental Standards*, [www.isealliance.org](http://www.isealliance.org). EKOenergy has also been inspired by the approach of the American Green-e label, [www.green-e.org](http://www.green-e.org).

See [www.ekoenergy.org](http://www.ekoenergy.org)

## **2. EKOenergy NETWORK AND LABEL**

EKOenergy is a network of European environmental NGOs committed to

- Stimulate the development of the renewable electricity sector and to promote climate friendly solutions.
- Contribute to the protection of biodiversity, habitats and ecosystem services.
- Inform all electricity consumers about the product they are buying and about the meaning and impact of their purchase.
- Mobilize the positive energy of 1000's of individuals, groups and companies sharing our ambition, and to give them the opportunity to get involved.
- Foster the dialogue between and join forces with the electricity sector, the environmental NGOs and other stakeholders (e.g. consumer organizations and authorities).

The most visible tool to reach these goals is the EKOenergy label, the first and only pan-European label for electricity.

The purpose of this label is to help electricity suppliers to sell an easily recognizable and widely accepted electricity product. Also, the label wants to assist consumers in navigating the complex European electricity market. Consumers of EKOenergy receive correct information about the origin of their electricity and about the attributes of their purchase. Furthermore, EKOenergy fulfills the sustainability requirements set by the EKOenergy network.

The EKOenergy label is the only electricity label which has resulted from a pan-European consultation process, which works on the whole European market and which is recognized by stakeholders in all European countries.

## **3. STRUCTURE OF THE EKOenergy NETWORK**

### **3.1. NETWORK**

The EKOenergy network is a coalition environmental NGOs. Its structure will develop over time, and will be adapted to the needs and abilities of its members.

During the start-up, the relation between the EKOenergy partners are governed by the *Interim agreement between the partners of the EKOenergy network*. This agreement gives all members 1 vote in the EKOenergy Board. Decisions are taken with a 3/4 majority (at least 3 times more yes than no).

The members have agreed to re-evaluate the EKOenergy structure as soon as EKOenergy is sold in 6 countries (minimum volume of 100 GWh per country). The most likely evolution is that the members will set up an EKOenergy organization (a legal entity), headed by a Board which is elected by the members.

## **3.2. THE EKOENERGY BOARD**

The EKOenergy Board is the highest governing authority within the management structure. The Board endorses the organization's strategy, decides about the criteria, decides about the acceptability of production devices (in the cases listed in this text), decides about the use of the EKOenergy Environmental Fund and the EKOenergy Climate Fund and appoints the head of the EKOenergy Secretariat. All decisions will be based on an intensive consultation of relevant stakeholders and forums.

The current *Interim agreement between the partners of the EKOenergy network* gives all members 1 vote in the EKOenergy Board. In the future, an other composition can be agreed.

## **3.3. Supporting structure**

### Advisory Group

The Advisory Group is appointed by the EKOenergy Board and is approximately 3 times the size of the Board. The appointment is valid for 2 years and can be renewed.

In the Advisory Group there are reserved seats for the following stakeholder groups:

- Environmental NGOs: both environmental umbrella organizations at European level and national/regional NGOs.
- The electricity industry (producers, traders and suppliers).
- Consumers of EKOenergy, their branch organizations and consumers' organizations.

Others possible members are e.g. authorities involved in the implementation of the Guarantees of Origin system.

The Advisory Group can give input on any issue related to EKOenergy. The Advisory Group is actively informed about the Board's agenda. The Board has to respond within 2 months to comments and questions of the members of the Advisory Group.

The Advisory Group nominates the members of the EKOenergy Arbitration Panel with a 3/4 majority.

### Working Groups

The EKOenergy Board or the EKOenergy Secretariat can decide to set up working groups. All members of the EKOenergy Network can suggest experts. The members of working groups are appointed by the Board or the Secretariat, after consultation of the Advisory Group.

Whenever possible, EKOenergy will make use of (or collaborate with) existing forums and networks, rather than setting up new structures.

### **3.4. Secretariat**

The daily management of EKOenergy is in the hands of a Secretariat. The tasks of the Secretariat include:

- Ensuring the management and operation of EKOenergy.
- Representing EKOenergy in its external relations and establish contacts.
- Providing services to stakeholders and stakeholder groups.
- Organizing, preparing and keeping track of all meetings of the EKOenergy structure.
- Preparing documents to assist decision making on budgets and action plans.
- Preparing internal and external reports.
- Supporting the publication and dissemination of information.
- Taking on the financial administration of the association.

### **3.5. Complaint mechanism and arbitration panel**

Anybody can file a complaint against a decision (or absence of a decision) of the EKOenergy Board, or against the way the EKOenergy rules are being implemented. The complaint has to be directed to the EKOenergy Board and will be brought to the attention of the EKOenergy Advisory Group.

The EKOenergy Board has to react within 3 months to complaints coming from

- Members of the EKOenergy network.
- Companies selling EKOenergy.
- Electricity producers (or their representatives) in the case of decisions about the eligibility of their production device.

If parties responsible for the complaint don't agree with the Board's reaction, and if they belong to one of the 3 above mentioned categories, they can bring the case to the EKOenergy Arbitration Panel.

The EKOenergy Arbitration Panel consists of minimum 3 experts nominated by the Advisory Group and appointed by the EKOenergy Board. An appointment is valid for 5 years. In the Arbitration Panel, there is one reserved seat for an expert on environmental issues and one for an expert on renewable electricity. The relevant stakeholder groups will get the opportunity to suggest candidates. At least one member of the Arbitration Panel has to be a jurist (Master's degree in Law).

The EKOenergy arbitration procedure will be based on existing arbitration rules, such as the rules of the European Court of Arbitration. The Arbitration Panel comes to a final decision within 6 months after a case has been referred to it. A complaint does not suspend the validity of the disputed decision.

The EKOenergy Arbitration Panel will also settle disputes about the EKOenergy Licence Agreement, if -and to the extent that- EKOenergy and the Licence holder have agreed this in the Licence Agreement.

The EKOenergy Arbitration Panel will become operational no later than 2 years after the first sales of EKOenergy.

## **4. LANGUAGE**

The working language of the EKOenergy network is English, but the Secretariat will do everything possible to help as many stakeholders as possible in their own language, e.g. by setting up a network of volunteer translators.

In case of discrepancies between several language versions, the English version prevails.

## **5. THE EKOenergy LABEL AS A MAIN TOOL**

The EKOenergy network wants to promote the use of renewable electricity (as listed in chapter 7). The actions of the EKOenergy network will focus in particular on EKOenergy labeled electricity.

The EKOenergy label is the network's main tool to create an added value; i.e. to make sure that the electricity market supports and strengthens the environmental and climate policy choices. As such, the EKOenergy label guarantees that:

- A part of the price of the green electricity goes to environmental actions and measures that would not have taken place without the purchase.
- A part of the green premium is invested in the promotion of renewable electricity, and in sharing knowledge and experience.
- Extra criteria are set about which electricity can be sold as EKOenergy, and how this electricity has to be sold. In general, the EKOenergy criteria are based on best practices of implementation of European environmental, energy and consumer protection legislation. EKOenergy is a 'stick' and a 'carrot' to encourage all actors to go for a proper implementation of the European rules, both in EU members states and in other countries.
- Consumers receive more detailed and more reliable information about their electricity purchase. This allows them to choose the electricity that best suits their needs and preferences.

For these reasons, electricity can only be sold as EKOenergy if the product fulfills the criteria set by the EKOenergy network. This relates to the following aspects:

- Consumer information (chapter 6).
- Renewability, sustainability and climate (chapters 7, 8 & 9).
- Tracking and avoidance of double counting (chapter 10).
- Auditing and verification (chapter 11).

## **6. CONSUMER INFORMATION**

### **6.1 Information about the EKOenergy product**

Suppliers have to inform consumers and potential consumers about the origin of the EKOenergy product they supply. This information has to include minimally:

- The country of origin.
- The way of production. This information has to be based on the list of renewable energy sources of chapter 7 of this text. For wind energy, it is recommended to distinguish between off shore, near shore and on shore. If more specific information is given, the general

categories can be omitted. When the electricity product consists of a mix of several types of renewable electricity, the percentage of each type must be mentioned.

The EKOenergy Secretariat will develop a code of conduct, which will specify how and when this information has to be provided. It will strive to be consistent with best practice requirements of other certifications programs, such as Green-e Energy, and it will be based on an intensive consultation with the European suppliers and other stakeholders.

This code of conduct will be annexed to the contract between the electricity supplier and EKOenergy (the Licence Agreement).

The Code of Conduct will minimally take into account the following elements and considerations:

- Consumers have to be able to base their choice on information about the country of origin and the way of production.
- This information also has to be provided on the individual supply contract.
- Changes in the composition of the supplied electricity products, or the loss of the EKOenergy status, have to be notified to each of the concerned consumers individually, as well as to the EKOenergy Secretariat.
- Suppliers refrain from making their own claims about the attributes linked to the purchase of EKOenergy (e.g. carbon claims and additionality claims). Instead they copy the wordings suggested by the EKOenergy network or they link to the relevant pages on the EKOenergy website. The EKOenergy texts about carbon claims will be consistent with international best practice.

## **6.2. Other information**

The EKOenergy network will actively support proper electricity disclosure in line with the Electricity Market Directive (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), and promote the use of residual mix<sup>1</sup> figures that are in line with the RE-DISS/EPED<sup>2</sup> recommendations (see chapter 10 for further information).

## **6.3. Financing EKOenergy's work**

For each Megawatt-hour (MWh) sold as EKOenergy, the supplier pays minimum 0,08 euro (eight eurocent) to the EKOenergy network, to finance the network's activities and to support its actions to increase the demand for renewable electricity.

If during a calendar year, more than 250 GWh of EKOenergy is sold to the same end-consumer, this contribution doesn't have to be paid for the part exceeding 250 GWh.

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<sup>1</sup> The residual mix is the electricity mix delivered to consumers that don't have a contract to get a particular form of electricity. In practice it's usually the electricity on the grid minus the green contracts.

<sup>2</sup> EPED is a platform for entities assigned by governments to calculate and publish the residual mix for disclosure purposes (see [www.eped.org](http://www.eped.org)). EPED is supported in its work by RE-DISS ([www.reliable-disclosure.org](http://www.reliable-disclosure.org)), a project aiming to significantly improve the reliability and accuracy of the information given to consumers of electricity in Europe regarding the origin of the electricity they are consuming.

## 7. ELIGIBLE TYPES OF ELECTRICITY

EKOenergy is a label for renewable electricity. Renewable electricity is electricity which comes from natural sources that are not depleted by use or from natural resources that are used in such a way that they can relatively easily be regenerated by natural processes.

Currently EKOenergy accepts renewable electricity from the following sources:

- a) Wind
- b) Solar
- c) Hydropower<sup>3</sup>
- d) Ocean and marine energy (tidal energy, wave energy, ocean current energy,..)
- e) Geothermal
- f) Bioenergy (solid, liquid and gas)
- g) Landfill gas
- h) Sewage treatment plant gas

Following sources are excluded:

- a) Coal and oil shale
- b) Petroleum, including unconventional oil like shale oil and oil from tar sands
- c) Natural gas, including shale gas
- d) Peat
- e) Nuclear
- f) Incineration of waste other than biomass

This list of unaccepted sources is not exhaustive.

## 8. SUSTAINABILITY

### 8.1 EKOenergy and sustainability

To guarantee the stable growth of the European renewable electricity sector, it is important that different promoters of renewable electricity understand and strengthen each other, even if they have different concerns and starting points: the producers, the suppliers, the traders, the climate policy specialists, the nature conservationists, the consumer organizations.

The EKOenergy label and the EKOenergy network want to play a role in bringing stakeholders together by:

- Adopting a pragmatic approach focusing on stakeholder involvement.
- Creating an environmental fund, whose money will be used for concrete biodiversity protection measure, agreed upon by relevant stakeholders.
- Allowing ourselves to exclude the most controversial types of renewable electricity production devices from EKOenergy's scope.

The EKOenergy network and the other stakeholders will regularly evaluate the results and will - if necessary- suggest criteria changes in line with chapter 15 of this text.

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<sup>3</sup> Electricity generated by water that has been pumped (as grid energy storage) is excluded.

## 8.2 General requirement: fulfill all legal requirements

In order to be able to be sold as EKOenergy, the production devices where the electricity originates from, have to fulfill

- All legal requirements in force at the place of production.
- All the requirements imposed by their permits.

In the following paragraphs we list additional requirements. For each type of energy source, the additional requirements have been listed separately.

## 8.3 Specific requirements

### A. Wind

Installations located in the following areas are only acceptable if the EKOenergy Board approves them, after consultation of relevant stakeholders:

- a) Nature reserves designated by the authorities
- b) Natura 2000 areas (<http://natura2000.eea.europa.eu/>)
- c) Important Bird Areas (<http://www.birdlife.org/datazone/site/search> > view maps)
- d) UNESCO World Heritage Sites (see <http://whc.unesco.org/en/254/>)

The areas listed above only apply in as far as they are shown on the map at [www.ekoenergy.org](http://www.ekoenergy.org).

Decisions must be reasoned, respect the legislation in force at the place of production and take into account the conservation objectives of these areas. Decisions will be public.

The EKOenergy Board can delegate this approval right to other entities, in particular national or regional environmental NGOs, for a well determined time and area. These entities will be bound by the same obligations as the EKOenergy Board, in particular the obligation to consult other stakeholders.

### B. Solar

On-ground installations located in the following areas are only acceptable if the EKOenergy Board approves them, after consultation of relevant stakeholders:

- a) Nature reserves designated by the authorities
- b) Natura 2000 areas (<http://natura2000.eea.europa.eu/>)
- c) Important Bird Areas (<http://www.birdlife.org/datazone/site/search> > view maps)
- d) UNESCO World Heritage Sites (see <http://whc.unesco.org/en/254/>)

The areas listed above only apply in as far as they are shown on the map at [www.ekoenergy.org](http://www.ekoenergy.org).

This approval can be made dependent on the existence and implementation of a management plan, including elements such as:

- a) Fencing (avoiding habitat fragmentation and maximizing access for animals).
- b) Pesticide free management
- c) Measures to avoid land sealing (e.g. by the use of ‘soil-screws’ to avoid use of concrete).
- d) Habitat management on the area between the panels and on the unbuilt parts of the site.
- e) Water management.

Decisions must be reasoned, respect the legislation in force at the place of production and take into account the conservation objectives of these areas. Decisions will be public.

The EKOenergy Board can delegate this approval right to other entities, in particular national or regional environmental NGOs, for a well determined time and area. These entities will be bound by the same obligations as the EKOenergy Board, in particular the obligation to consult other stakeholders.

### C. Hydroelectric power

1. For each Megawatt-hour sold as EKOenergy hydropower, a contribution of minimum 0,10 euro (ten eurocents) is paid into the EKOenergy Environmental Fund.

That EKOenergy Environmental Fund is managed by the EKOenergy Board, in close collaboration with the suppliers from whose sales the money has originated. Costs related to the management of the Fund must not exceed 5% of the amount contributed to the Fund.

The money of the EKOenergy Environmental Fund is used to finance the implementation of

- The measures mentioned in paragraph C.2.i.
- (other) measures listed in the River basin management plans drafted in line with art. 13 of the European Water Framework Directive (Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy), and in particular these measures that improve the ecological state of rivers and riparian zones.

Important elements in the selection of the projects to be financed are the cost-efficiency, the ecological and social impact, the opportunities for co-financing, the country of origin of the electricity and the country where the electricity has been sold.

The financed projects will not be managed by EKOenergy. EKOenergy wants to support existing dynamics and join existing initiatives. The money of the Environmental Fund can e.g. be used to co-finance projects supported by the authorities.

2. Electricity from hydropower installations can only be sold as EKOenergy if the hydropower plant is mentioned on a list approved by the EKOenergy Board. The procedure to get approved is as follows:

i. Anybody can provide the EKOenergy Secretariat with a list of hydropower plants he/she wants to include in the EKOenergy scheme, combined with a list of measures to restore aquatic ecosystems and to improve the natural habitats of species affected by hydropower plants.

There are two ways to calculate the minimal number of measures on the list. These are listed hereafter. The calculation method leading to the highest number of measures has to be used.

- The list contains at least 1 measure if the number of power plants is 5 or less, at least two measures if the number of power plants is between 6 and 10, etc.
- The list contains at least 1 measure if the combined capacity of power plants on the list is 50 MW or less, at least 2 measures if the capacity is between 50 MW and 100 MW, etc.

Power plants located in different countries cannot be submitted on the same list.

A measure can only be listed if the involved stakeholders (note that this is not necessarily the owner of the hydropower installation) agree to:

- Implement the measure as soon as funding is available for its realization.

- Look for co-funding for the implementation of the measure.
- Do everything possible to optimize the ecological benefits of the measure.
- Allow monitoring of the effect of the measure.

It is recommended to discuss this list beforehand with others, in particular with national or regional environmental NGOs and river basin management cooperation groups, as they will be asked to make comments before the EKOenergy Board takes a decision.

ii The EKOenergy Board can approve that list after consultation of relevant stakeholders, in particular national and regional environmental NGOs and river basin management cooperation groups.

Elements to take into consideration in the decision process are e.g.

- The balance between the proposed measures and the environmental impact of the listed hydropower plants. It is recommended to focus on measures that mitigate the adverse environmental effects of hydropower installations, in particular by restoring aquatic ecosystems and improving the natural habitats of species affected by hydropower plants.
- The qualification of the river in the River basin management plans (art. 13 of the European Water Framework Directive, 2000/60/EC) and the measures listed in these plans.
- Local sensitivities and the concerns of local stakeholders. This means for example that in most countries it will be difficult to accept impoundments, embankments and channels created after 2012.

The EKOenergy Board can delegate this approval right to other entities, in particular national or regional environmental NGOs, for a well determined time and area. These entities will be bound by the same obligations as the EKOenergy Board, in particular the obligation to consult other stakeholders.

The approval of a combined list of power plants and measures is valid for 5 years, but the power plant operator can always submit an updated version.

The lists of participating hydropower plants and the suggested measures will be available on [www.ekoenergy.org](http://www.ekoenergy.org).

iii. A hydropower plant will be removed from the list if

- It does not fulfill all legal requirements in force at the place of production and/or doesn't fulfill all the requirements imposed by its permits (see also paragraph 8.2).
- If it doesn't guarantee a minimum ecological flow of 5% of the annual mean flow. A smaller percentage is allowed if the 5% cannot be reached because of drought or a force majeure, or in any other case accepted by the EKOenergy Board after consultation of the relevant stakeholders in particular the national and regional environmental NGOs and the river basin management cooperation groups (e.g. if a minimum volume of 5% would cause significant harm to the power generation without resulting in notable environmental benefits).

3. Hydropower plants that have been certified under European labeling schemes for sustainable hydropower do not have to submit a list of measures. And for EKOenergy originating from such hydropower installations, no contribution has to be paid to the Environmental Fund. For this purpose, European labeling schemes for sustainable hydropower are defined as labeling systems setting strict environmental conditions with regard to the flow of the water, the hydro peaking, the reservoir management, the bed load management and the power plant design.

Currently these include CH2OICE ([www.ch2oice.eu](http://www.ch2oice.eu)) and NatureMade Star ([www.naturemade.org](http://www.naturemade.org)). If other certification schemes are developed to guarantee the compliance with the same strict sustainability criteria, the EKOenergy Board will accept and review applications for such certification schemes to be granted the same status.

#### D. Ocean and marine energy

Ocean and marine installations (i.e. excluding installations on tidal rivers and in estuaries) located in the following areas are only acceptable if the EKOenergy Board approves them, after consultation of relevant stakeholders:

- a) Nature reserves designated by the authorities
- b) Natura 2000 areas (<http://natura2000.eea.europa.eu/>)
- c) UNESCO World Heritage Sites (see <http://whc.unesco.org/en/254/>)

The areas listed above only apply in as far as they are shown on the map on [www.ekoenergy.org](http://www.ekoenergy.org).

Decisions must be reasoned, respect the legislation in force at the place of production and take into account the conservation objectives of these areas. Decisions will be public.

The EKOenergy Board can delegate this approval right to other entities, in particular national or regional environmental NGOs, for a well determined time and area. These entities will be bound by the same obligations as the EKOenergy Board, in particular the obligation to consult other stakeholders.

Note: For installations on tidal rivers and in estuaries, exactly the same rules apply as for (other) hydropower (See 8.3.C).

#### E. Geothermal energy

Installations located in the following areas are only acceptable if the EKOenergy Board approves them, after consultation of relevant stakeholders:

- a) Nature reserves designated by the authorities
- b) Natura 2000 areas (<http://natura2000.eea.europa.eu/>)
- c) Important Bird Areas (<http://www.birdlife.org/datazone/site/search> > view maps)
- d) UNESCO World Heritage Sites (see <http://whc.unesco.org/en/254/>)

The areas listed above only apply in as far as they are shown on the map on [www.ekoenergy.org](http://www.ekoenergy.org).

Decisions must be reasoned, respect the legislation in force at the place of production and take into account the conservation objectives of these areas. Decisions will be public.

The EKOenergy Board can delegate this approval right to other entities, in particular national or regional environmental NGOs, for a well determined time and area. These entities will be bound by the same obligations as the EKOenergy Board, in particular the obligation to consult other stakeholders.

#### F. Bioenergy (solid, gas and liquid)

Electricity produced in production devices fueled with biomass, biogas and bioliquids qualifies for EKOenergy if:

1. The electricity is electricity from cogeneration, as defined in the Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market. The volumes of the electricity produced in cogeneration are calculated as described in Annex II of that Directive.

AND

2. The efficiency (average on yearly basis) of the cogeneration process is minimum 75%. The efficiency is the sum of the electricity and mechanical energy production and useful heat output divided by the fuel input used for heat produced in a cogeneration process and gross electricity and mechanical energy production. All words of the formula are interpreted in accordance with the Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market<sup>4</sup>.

AND

3. The bioenergy comes from the following sources:

- a) Woody biomass harvested in the European Economic Area (EEA), but excluding:
  - Stumps and roots.
  - Woody biomass harvested from protected areas: nature reserves designated by the authorities, Natura 2000 areas and UNESCO World Heritage sites, unless it has been harvested according to a nature management plan approved by a national or regional nature protection agency.
  - Logs with a diameter breast height (DBH) of more than 20 cm. However, such logs can be used if they are not suited for any other industrial use because of root rot (*Heterobasidion*) or other pathogens. Other exceptions can be accepted by the EKOenergy Board.
  - Forestry products from countries where fellings in forests available for wood supply exceed 80 % of the annual forest increment, unless it can be proven they come from a region where the fellings make up less than 70 % of the annual forest increment. The felling rate to take into account is the average of the available figures for the last 5 years.
- b) Gases originating from anaerobic fermentation of municipal organic waste coming from the EEA
- c) Gases originating from anaerobic fermentation of manure coming from the EEA
- d) Organic residues of production processes taking place in the EEA. E.g. residues from the food industry or forest industry by-products and waste products like sawdust, bark and wood chips as well as black liquor and other concentrated liquors
- e) Non-forestry biomass originating from nature management in accordance with a nature management plan approved by a national or regional nature protection agency

The same categories of biomass coming from neighboring European zones can be allowed by the EKOenergy board, after consultation of relevant stakeholders. The decision will be public. The use of existing forestry and biomass certification schemes may help the approval process be conducted more efficiently.

For this paragraph, the overseas territories are not considered as a part of the EEA and Switzerland is put on equal footing with EEA countries. Electricity originating from bio-energy

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<sup>4</sup> Useful heat is heat produced to satisfy an economically justifiable demand for heat or cooling. It does not exceed the needs for heat or cooling which would otherwise be satisfied at market conditions by energy generation processes other than cogeneration. It includes e.g. the need for heat in industrial processes.

and produced in other non-EEA countries cannot be sold as EKOenergy until the EKOenergy Board has decided about the conditions.

#### *Special rule in the case of co-firing*

If a production device uses both eligible forms of biomass and other combustibles, it can only produce electricity that qualifies for EKOenergy if the eligible biomass constitutes at least 50% of the total yearly fuel input of the production device.

If that requirement is fulfilled, the amount of electricity that qualifies for EKOenergy is the following:

$$\text{Electricity from cogeneration} \quad \times \quad \frac{\text{used eligible biomass during the calendar year}}{\text{total fuel input during the calendar year}}$$

In the case of production devices fueled by a mix of eligible biomass and non-eligible biomass, special rules apply with regard to the sales. See 8.4.

#### *Auditing of production devices fueled with bioenergy*

The fulfillment of the criteria will be checked at least once a year by

- The same entities checking the biomass installations on behalf of the authorities in the frame of the guarantee of origin legislation, emission trade legislation and/or support scheme legislation.
- Or by any other qualified external auditor accredited by a (full) member organization of the European Co-operation for Accreditation.

The audit report must be sent to the EKOenergy Secretariat. See also part 11.4 of this text.

## **8.4. How to know if electricity from a certain production device qualifies?**

Suppliers need information about whether a particular production (proven by a Guarantee of Origin) fulfills the EKOenergy eligibility and sustainability criteria. To that end, they will use the information available on the Guarantee of Origin and/or on the EKOenergy website.

#### *On the Guarantee of Origin*

In many countries, and in particular in those using the EECS-system (see chapter 10), the Guarantee of Origin can also include additional information by means of an ICS tag (Independent Certification Scheme).

EKOenergy intends to enter into an agreement with the Association of Issuing Bodies (see chapter 10) as well as with each of the entities issuing Guarantees of Origin, regarding the operation of EKOenergy as an ICS Scheme. Because the EKOenergy criteria are formulated in such a way that the proof of compliance can be shown by the producer as a fact (e.g. a decision of the EKOenergy Board), the procedure for getting ICS tag can be simple.

Even if the Guarantee of Origin does not have an EKOenergy ICS tag, it still contains useful information, such as the name and the location of the production device. This information can be

combined with information available on the EKOenergy website to determine whether the Guarantee of Origin qualifies for EKOenergy.

*On the EKOenergy website*

The EKOenergy Secretariat will, in collaboration with the stakeholders, develop online tools to facilitate the screening process:

- Maps with protected areas (as listed under 8.3).
- A regularly updated online list with approved installations (especially for these cases where other criteria have been set apart from territorial criteria).
- Non-exhaustive lists of installations that are automatically eligible (such as wind turbines outside protected areas).
- Non-exhaustive lists of ineligible installations.

*Special rule for biomass fueled production devices*

The possibility of having an EKOenergy ICS-tag is particularly important in the case of installations using both eligible bio-energy sources and non-eligible bio-energy sources (see 8.3.F).

As long as this is not possible, suppliers can only sell EKOenergy labeled electricity from production devices using bioenergy if the EKOenergy Licence Agreement allows them to do so. The Licence Agreement also specifies from which installations such electricity can originate.

*Date*

The relevant date for determining whether electricity qualifies for EKOenergy, is the date of production of that electricity (date of production as mentioned on the Guarantee of Origin, see also Chapter 10).

## **9. CLIMATE**

### **9.1. Climate fund**

Per MWh of EKOenergy sold, a contribution of minimum 0,10 euro (ten eurocent) has to be made to the EKOenergy Climate Fund. The Fund money will be used to stimulate further investments in renewable energy and to increase the share of renewable energy in the world's electricity production.

In order to be as efficient as possible, EKOenergy will not set up own initiatives, but make use of existing mechanisms and instruments.

The EKOenergy Board decides about the use of the money of the EKOenergy Climate Fund, taking into account the recommendations of the stakeholders, and in particular the recommendations of the EKOenergy supplying companies, the environmental NGOs and the EKOenergy Advisory Group.

Possible measures are (non-exhaustive list):

- Investment in renewable electricity projects in developing countries. If the supported projects would lead to carbon allowances, these will be canceled (proportionally) in order to avoid double counting.
- Investment in renewable electricity projects in European countries having a significant potential for the development of renewable energy, but lacking resources.
- Small scale renewable energy projects with a high environmental and social value added.
- The cancellation of European ETS allowances, as soon as there are signs that there are shortages on the market.

Suppliers can, in collaboration with national and regional NGOs, ask the EKOenergy Board to set-aside the contributions to the Climate Fund resulting from their sales in a particular country, and to earmark it for additional energy projects. These projects have to be located in the country of sale, and the applicant has to prove that the project has a high environmental and social value added. Such projects can also include investments in energy saving, as long as the benefits are quantifiable.

## **9.2. EKOenergy full power**

In the context of green electricity, specialists refer to additionality when talking about extra renewable production capacity or extra carbon reduction, compared to a baseline which would have occurred under the current market conditions and the existing legal framework (including public support).

One of EKOenergy's answers to those willing to stimulate 'additionality', is EKOenergy Full Power. EKOenergy Full Power is EKOenergy with a higher contribution to the Climate fund. The contribution per MWh has to be sufficient to provide the own capital for an investment in a renewable production capacity (preferably solar or wind) able to produce 1 MWh of renewable electricity over its expected lifetime. The exact amount of the contribution will depend on the selected projects and will likely decrease over time.

## **10. ORIGIN, TRACKING AND DOUBLE COUNTING**

### **10.1. Tracking mechanism**

EKOenergy uses the following tracking mechanisms:

- Guarantee of Origin system as set up in implementation of article 15 of the Renewable Energy Directive (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).
- Other book and claim systems may qualify for EKOenergy, if:
  - o The entity running the book and claim system is the only one doing so in a given area. If the entity is not appointed by the authorities it has to be approved by the EKOenergy Board.
  - o Certificates are canceled as a proof of supply/consumption.
  - o Double counting is avoided, e.g. by taking into account cancellations in the country's residual mix.
- This is for example the case with non-EU countries that have adopted the EECS system (European Energy Certificate System)<sup>5</sup>, such as Norway, Iceland and Switzerland.

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<sup>5</sup> The EECS system has been developed by AIB (Association of Issuing Bodies, [www.aib-net.org](http://www.aib-net.org)) and is in use in 15 European countries (2013).

- In principle, Guarantees of Origin<sup>6</sup> shall be cancelled in the domain<sup>7</sup> of consumption, and the use of the Guarantees of Origin shall be in line with national legislation on electricity tracking and electricity disclosure. All cancellations have to be reported to RE-DISS/EPED (For domains linked to the AIB hub<sup>8</sup>, this is fulfilled).

In some cases, EKOenergy also accepts cancellations in the domain of production, on behalf of consumption in an other domain. See 10.3.

## 10.2. Import and export

Import and export are only possible if the following conditions are fulfilled,

- The exported Guarantees of Origin are removed from the exporting domain's residual mix
- In both domains the residual mix is calculated by an officially appointed body and in line with the recommendations of RE-DISS/EPED.
- The importing and exporting domain have a mandatory electricity disclosure in line with the recommendations of RE-DISS/EPED.
- Both domains shall provide transparent import/export statistics to RE-DISS/EPED. For domains linked to the AIB hub, this is fulfilled.

## 10.3. Cancellation in country other than country of consumption

Guarantees of Origin can also be cancelled in the domain of production on behalf of consumption elsewhere (ex-domain cancellation), but only in the following cases:

- Cancellation of Guarantees of Origin in domains linked to the AIB hub (see footnote 8), on behalf of consumption in domains not linked to the AIB hub (because the export of the renewable electricity attributes is taken into account in the calculation of the residual mix by RE-DISS/EPED).
- Ex-domain cancellations of Guarantees of Origin in countries not linked to the AIB hub is only possible after approval of the EKOenergy Board. It is only possible if double counting is excluded and if the cancelling domain provides RE-DISS/EPED with information about the amount and type of the cancelled Guarantees of Origin, specified for each country of consumption. The EKOenergy Board's decision to allow ex-domain cancellations in countries that are not linked to the AIB hub, has to be taken on a country by country basis, should be limited in time and should not become a reason for such countries not to join a pan-European data exchange system.

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<sup>6</sup> In the rest of this paragraph, as well as in all earlier chapters and following chapters of this text, the term "Guarantees of Origin" has to be read as "Guarantees of Origin, and other electricity tracking certificates accepted by EKOenergy in line with 10.1 of this text .

<sup>7</sup> A domain is the area where the entity supervising the issuance, transfer and cancellation of guarantees of origin, is active. It is almost always a country.

<sup>8</sup> The AIB hub connects the national Guarantee of Origin registries that are linked to it, and enables these to inter-communicate, in order to transfer certificates. It is managed by the Association of Issuing Bodies ([www.aib-net.org](http://www.aib-net.org)).

## 10.4. Interpretation and communication

The EKOenergy Board decides about the interpretation of these criteria. A list of accepted domains will be available on [www.ekoenergy.org](http://www.ekoenergy.org). The website will also specify which international transfers are possible (for EKOenergy), and which domains can cancel Guarantees of Origin on behalf of consumption of EKOenergy in other domains.

## 11. AUDITING AND VERIFICATION

### 11.1. Who can audit and how?

Facts and figures that have not been checked by the European, national or regional authorities, have to be verified by a statutory auditor as defined in Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts. For non-EEA countries, the verification has to be done by an auditor complying with all the requirements of International Standards on Auditing and accepted beforehand by the EKOenergy Board.

The audit will be based on a checklist provided by the EKOenergy Secretariat.

All opportunities to simplify the verification process (in particular by making use of existing tools, procedures and checks) will be grasped.

### 11.2. Who has to be audited for what?

#### A. Electricity suppliers

An external auditor will audit suppliers of EKOenergy and verify whether:

- The amount and types of EKOenergy delivered electricity (subdivided per source of production and country of origin) matches the amount and types of Guarantees of Origin canceled by the supplier. Note that the supplier as well as the auditor will find all necessary information to determine whether the Guarantee of Origin qualifies for EKOenergy or not, on the Guarantee of Origin itself and/or on the EKOenergy website.
- RE-DISS/EPED has been informed about the cancellation, in line with chapter 10 of this text. This only applies to cancellations in domains that are not linked to the AIB hub.
- The contribution to finance EKOenergy's work (see 6.3), matches the amount of EKOenergy sold.
- The contribution to the Environmental Fund (see 8.3.C) matches the amount EKOenergy hydropower sold. The auditor also verifies claims about payments on top of the prescribed minimum.
- The contribution to the Climate Fund (see chapter 9) matches the amount of EKOenergy electricity sold. The auditor also verifies claims about payments on top of the prescribed minimum. Sales of EKOenergy Full Power have to be listed apart (Chapter 9.2).

#### B. Suppliers of Guarantees of Origin in the case of an unbundled<sup>9</sup> purchase

EKOenergy is a label for electricity supplied to consumers. Not a label for Guarantees of Origin. If consumers buy the electricity unbundled (electrons from one supplier, Guarantees of Origin from another), EKOenergy comes into being at the place of consumption. However, for practical

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<sup>9</sup> Unbundled purchase means that the consumer buys the physical electricity separate from the Guarantee of Origin.

reasons, it makes sense to organize the audit at the level of the providers of the Guarantees of Origins rather than at the place where the physical electricity meets the Guarantees of Origin (i.e. the place of consumption). Providers of Guarantees of Origin have direct access to all information, they know how to fulfill all criteria and they can combine data, allowing economies of scale. Moreover, the components they provide (Guarantees of Origin) only get value for consumers if combined with physical electricity.

Therefore, in the case of unbundled purchase, an external auditor will audit the supplier of guarantees of origin and verify whether:

- The amount and types (subdivided per source of production and country of origin) of Guarantees of Origin sold to consumers willing to consume EKOenergy, match the amount and types of Guarantees of Origin canceled.
- RE-DISS/EPED has been informed about the cancellation, in line with chapter 10 of this text. This only applies to cancellations in domains that are not linked to the AIB hub.
- The contribution to finance EKOenergy's work (see 6.3), matches the amount of EKOenergy sold.
- The contribution to the Environmental Fund (see 8.3.C) matches the amount EKOenergy hydropower sold. The auditor also verifies claims about payments on top of the prescribed minimum.
- The contribution to the Climate Fund (see chapter 9) matches the amount of EKOenergy electricity sold. The auditor also verifies claims about payments on top of the prescribed minimum. Sales of EKOenergy Full Power have to be listed apart (Chapter 9.2).

### **11.3. Follow up**

The audit must be delivered to the EKOenergy Secretariat, annually, and no later than June 30th (for sales of the previous calendar year).

The EKOenergy Secretariat can organize (at EKOenergy's cost) additional verifications and controls. The conditions and the procedure will be specified in the License Agreement.

### **11.4. Yearly audits for production devices using bio-energy**

The fulfillment of the criteria listed in 8.3.F will be checked at least once a year by

- The same entities checking the biomass installations on behalf of the authorities in the frame the guarantee of origin legislation, emission trade legislation and/or support scheme legislation.
- Or by any other qualified external auditor accredited by a (full) member organization of the European Co-operation for Accreditation.

The verification includes:

- The total electricity production.
- The total heat production.
- The total fuel input, its composition and the caloric value of each of the used fuels.
- The efficiency of the cogeneration process.
- The amount and types of biomass input that are eligible for EKOenergy.

The audit has to be delivered to the EKOenergy Secretariat.

The EKOenergy Secretariat can organize (at its own cost) additional verifications and controls.

Note that this is not an EKOenergy audit, and that this does not give an EKOenergy status to the

production device. It is only one of the requirements that has to be fulfilled in order to be able to sell the electricity coming from such production devices as EKOenergy. See chapter 8.3.F

## 12. HOW TO SELL EKOenergy?

Suppliers willing to sell EKOenergy shall fill and sign the 'License Agreement for electricity suppliers' (downloadable from [www.ekoenergy.org](http://www.ekoenergy.org)) and send it to the EKOenergy Secretariat. Suppliers can start selling EKOenergy as soon as EKOenergy has signed the same copy of the agreement and returned it. They have to fulfill all the conditions of that Agreement.

Suppliers of Guarantees of Origin, willing to help their customers to meet the EKOenergy requirements, shall fill and sign the 'License Agreement for unbundled sales' (downloadable from [www.ekoenergy.org](http://www.ekoenergy.org)) and send it to the EKOenergy Secretariat. They can start using the EKOenergy name and logo as soon as EKOenergy has signed the same copy of the agreement and returned it. They have to fulfill all the conditions of that Agreement.

The EKOenergy Secretariat will ensure compliance with the terms of the Licence Agreement and its annexes.

## 13. CONTRIBUTIONS

This chapter gives an overview of earlier mentioned contributions.

For each Megawatt-hour sold as EKOenergy, the supplier pays minimum 0,08 euro (eight eurocent) to the EKOenergy organization, to finance the network's activities and to support its actions to increase the demand for renewable electricity.

If during a calendar year, more than 250 GWh of EKOenergy is sold to the same end-consumer, this contribution doesn't have to be paid for the part exceeding 250 GWh. (See also chapter 6)

For each Megawatt-hour sold as EKOenergy, a contribution of minimum 0,10 euro (ten eurocent) has to be made to the EKOenergy Climate Fund. (See also chapter 9)

For each Megawatt-hour sold as EKOenergy hydropower, a contribution of minimum 0,10 euro (i.e. ten eurocent) is paid into the EKOenergy Environmental Fund. (See also Chapter 8.3.C)

## 14. NAME AND LOGO

EKOenergy uses the following logo:

See also [www.ekoenergy.org/about-us/logo](http://www.ekoenergy.org/about-us/logo)



The main communication name is EKOenergy. Depending on the region's language, variants can be used. E.g.

EKOenergy: Danish, Norwegian, Swedish,

EKOenergia: Basque, Catalan, Estonian, Finnish, Italian, Hungarian, Polish, Portuguese, Slovakian

EKOenergía: Spanish

EKOenergie: Czech, Dutch, German, Luxembourgish, Romanian

EKOénergie: French  
EKOenerji: Azeri, Turkish  
EKOenergija: Bosnian, Croatian, Lithuanian, Croatian, Slovenian  
EKOenerģija: Latvian  
EKOenergija: Albanian  
EKOenerxía: Galician  
EKOorka: Icelandic  
EKOэнергия: Belarus, Kazakh, Russian  
EKOенергия: Bulgarian  
EKOенергија: Macedonian, Serbian  
EKOенергія: Ukrainian  
EKOενέργεια: Greek

Any other communication name and/or logo can be accepted by the Secretariat, for a particular region as well as for a particular product of a particular company.

## **15. REVIEW OF THE CRITERIA**

EKOenergy is a living standard. As knowledge and experience develop, so will EKOenergy. Any stakeholder or interested party can submit a comment about EKOenergy's requirements or suggest a change in the criteria at any time by contacting the EKOenergy Board.

All reviews will happen according the rules set by the ISEAL Code of Good Practice for Setting Social and Environmental Standards.

Within 3 years after its launch, EKOenergy will in particular evaluate

- Its policy relating to protected areas, and will consider if it is necessary to include extra areas into the list, such as these designated in implementation of the Agreement on the Conservation of Populations of European Bats, EUROBATS, 1991 and the RAMSAR Agreement.
- The rules for electricity from installations fueled with bioenergy.
- The rules for hydropower.

## ANNEX 1 GLOSSARY

*- This part is under construction, and not an official part of the EKOenergy text*

**Audit:** A check by an accredited and independent auditor (controller). The EKOenergy audit is the yearly control of a supplier of EKOenergy, to check whether the supplier fulfills the requirements of the EKOenergy label.

In principle, the EKOenergy system does not require an auditing of the production device. There is only one exception: installations fueled by biomass. This is not an EKOenergy audit in the strict sense and this doesn't give the power plant an EKOenergy status. See chapter 11.4.

**Arbitration panel:** An arbitration mechanism that will be set up by the EKOenergy network to settle conflicts and disputes between the members, as well as disputes about the implementation of the EKOenergy criteria and the EKOenergy Licence Agreement. See chapter 3.5 of the EKOenergy text.

**Cancellation** (of Guarantees of Origin): deleting a guarantee of origin as a proof that a the electricity has been sold and consumed

**Climate fund:** A fund managed by the EKOenergy network. It is financed with contributions based on the volumes of sold EKOenergy (minimum 10 cents per MWh) and is used to invest in climate measures that would otherwise not have taken place.

**Double counting:** counting the same electricity (and in particular the green value of the electricity) twice or more. This happens if several market players use their own calculation methods and try to present themselves as green as possible.

- The consumer with a green electricity contract claims the green electricity (and is legally entitled to do so if the supplier cancels renewable Guarantees of Origin for him)
- Very often suppliers do not exclude green contracts from their company mix. A claim that '30% of our electricity is green' doesn't mean that the average consumer gets 30% green. It often means that 30% of the consumers have a green contract, and that all other consumers have no green at all. But not everybody understands it that way.
- Other market players use the country's grid mix, and do not exclude the green electricity bought by others.
- .....

**EPED:** European Platform for Electricity Disclosure is a platform for the entities assigned by governments to calculate and publish the residual mix for disclosure purposes (see [www.eped.org](http://www.eped.org)). EPED is supported in its work by RE-DISS ([www.reliable-disclosure.org](http://www.reliable-disclosure.org)), a project aiming to significantly improve the reliability and accuracy of the information given to consumers of electricity in Europe regarding the origin of the electricity they are consuming.

**Supplier:** the seller of electricity (to an end consumer)

**Sustainability:** the long-term maintenance of well being, which has environmental, economic, and social dimensions, and encompasses concepts like planetary boundaries and the needs of future generations.

## **ANNEX II      SCHEMES: HOW DOES IT WORK?**

*- This part is under construction, and not an official part of the EKOenergy text*

The secretariat will develop 'visuals' to show how the EKOenergy process works.

Basically, the procedure is as follows

1) We need electricity that qualifies.

Anybody can take the initiative to get power installations on the EKOenergy list of eligible installations. For some installations the procedure is 'a formality', for others it will take more time.

See application form on <http://www.ekoenergy.org/power-plants>

This process is free of cost, and does not give the power plant an 'EKOenergy status'. EKOenergy does not label power plants; EKOenergy certifies electricity supplied to end consumers.

2) Suppliers willing to sell electricity from the listed plants as 'EKOenergy' have to fill and sign the License Agreement that can be found at <http://www.ekoenergy.org/selling>

Suppliers have to fulfill the EKOenergy criteria when they sell EKOenergy. (Communication, suitable amount and types of Guarantees of Origin, payments to the EKOenergy Funds and the EKOenergy network, auditing).

The contributions to be paid by the suppliers are based on the volumes of EKOenergy sold. Signing the License Agreement itself is free of cost.