

UK Report under Article 5(3) of Directive 2004/8/EC

The system for producing a guarantee of origin of electricity from high efficiency cogeneration as required by Article 5 of the Directive will be in place shortly after the agreement of the harmonised efficiency reference values, and certainly within six months of the reference values being agreed.

Article 5 (3) requires Member States to report on the measures taken to ensure the reliability of the system for issuing a guarantee of origin of electricity from high efficiency cogeneration. The UK is currently consulting on options for implementing Article 5 and a guarantee of origin system will be in place within six months of the adoption of the harmonised efficiency reference values. The discussion in this report is based on the preferred option for implementation. If, as a result of the consultation, any of the following details have changed, we will notify the Commission accordingly.

For the purposes of Article 5 (2) of the Directive, the Secretary of State for Environment, Food and Rural Affairs is designated as the competent authority. The guarantee of origin system will operate as follows:

- The issue of combined heat and power guarantee of origin (CHPGO) will be linked to our existing Combined Heat and Power Quality Assurance (CHPQA) assessment system;
- The details of the operation of the cogeneration plant will come from a Producer's submission to CHPQA, with some additional information requested by the CHPQA programme, if necessary;
- Producers requesting a CHPGO will be required to submit information to the CHPQA programme if they do not already do so;
- The Producer would be required to provide a figure for the electricity generated for the period he is requesting the CHPGO. The Producer can choose the period the CHPGO covers, from three months to one year;
- The CHPQA administrator would calculate the information required to issue the CHPGO using the Annex II and III methodology as required by the Directive;
- The competent authority will issue the CHPGO according to that information;
- The reliability of the CHPGO system is ensured because data submitted to CHPQA is used to determine eligibility for fiscal benefits in the UK and is therefore subject to rigorous checking and audits by the CHPQA administrative team.
- The CHPQA programme defines the accuracy requirements for meters and applies a correction if these requirements are not met.
- The CHPQA administrator is responsible for producing the annual statistics under Article 10 (3) and already carries out most of the analysis needed for larger schemes. The administrator is therefore very familiar with the Directive methodology.
- A review system will be put in place to allow review of the calculations if requested by the Producer.
- CHPGOs will be revoked if any material inaccuracies are demonstrated.