

# Energy

## CONSULTATION

### Revocation of EU Guarantees of Origin (GoOs) & Combined Heat & Power GoOs

---

**Launch Date: 8 July 2022**  
**Respond by: 4 August 2022**

---

# Contents

# Page

Purpose of this paper	3
Background	4
Details	5
How to Respond	7
Annex A: Draft Impact Assessments	9

## FOREWORD

By Gordon Lyons, MLA, Minister for the Economy



The Renewable Energy Guarantees of Origin (REGO) scheme provides transparency to consumers about the proportion of electricity that supplier's source from renewable generation. The purpose of the certificate is to provide evidence to the final customer that a given share of electricity supplied was produced from renewable sources.

As of 1 January 2021, the EU no longer recognises UK REGOs, however EU Guarantees of Origin (EU GoOs) continue to be tradeable within the UK. The Department for Business, Energy & Industrial Strategy (BEIS) has decided to end the policy of accepting EU Guarantees of Origin (GoOs) and intend to introduce legislation later this year revoking that arrangement. BEIS also intend to revoke Combined Heat & Power GoOs in the same legislation. The purpose of this consultation is to seek the views of stakeholders on how they envisage the revocation of EU GoOs and CHP GoOs will affect Northern Ireland. I look forward to receiving your views.

**GORDON LYONS MLA**

**Minister for the Economy**

# 1. Purpose

- 1.1 The Department for Business, Energy and Industrial Strategy (BEIS) will be introducing legislation, later this year, revoking the trading of EU Guarantees of Origin and Combined Heat & Power (CHP) GoOs within Great Britain.
- 1.2 The intention of this consultation is to allow stakeholders the opportunity to express their view on the revocation of EU GoOs and CHP GoOs within Northern Ireland (NI).
- 1.3 This consultation is an opportunity for businesses within Northern Ireland, especially those that trade in EU GoOs and the UK equivalent Renewable Energy Guarantees of Origin (REGOs), to put forward their views on the revocation of EU GoO's and CHP GoOs.

## 2. Background

- 2.1 Guarantees of Origin (GoOs) are certificates used by electricity suppliers to demonstrate that a portion of supplied electricity is renewable or from high-efficiency cogeneration. In the UK (known as REGOs) the certificates are issued by Ofgem, which are then used by electricity suppliers to back up the renewable and/or green electricity tariffs offered to consumers.
- 2.2 Although REGOs were not designed to have a financial value, a market has developed as the number of companies and businesses wishing to demonstrate their 'green' credentials increased. It can be difficult to establish an accurate monetary value of REGOs as they are often sold as a bundle with electricity or are traded separately through online auction sites.
- 2.3 Electricity generated in Northern Ireland (NI) and the Republic of Ireland (RoI) is traded through the SEM and current EU policy means that REGOs issued to NI renewable generators cannot be traded or transferred to suppliers in RoI. NI generators can continue to sell or transfer their REGOs within the UK so the immediate impact is to limit the market.
- 2.4 The primary use of REGOs in GB and Northern Ireland is for Fuel Mix Disclosure (FMD). FMD requires licensed electricity suppliers to disclose to potential and existing customers the mix of fuels (coal, gas, nuclear, renewable and other) used to generate the electricity supplied.
- 2.5 As of 1 January 2021, the EU no longer recognises UK REGOs. As a result, there is currently an asymmetry, whereby the UK recognises EU GoOs issued in the EU, while the EU no longer recognises REGOs issued in the UK. The Department for Business, Energy & Industrial Strategy (BEIS) advises that this trade disparity can't continue therefore, longer term, domestic recognition of GoOs issued in EU countries will take place only on a reciprocal basis.

2.6 Additionally, BEIS, via the same legislation, intends to revoke high efficiency cogeneration GoOs, referred to as Combined Heat and Power (CHP) GoOs. CHP GoOs certifying high-efficiency cogeneration are underutilised in the UK and none have ever been issued.

## 3. Details

3.1 Energy is a devolved policy area and decisions on the recognition of EU GoOs falls to the NI Executive. BEIS, having consulted (across GB) on the issue, intends, later this year, to amend the relevant legislation revoking recognition of EU GoOs and CHP GoOs in 2023.

3.2 The BEIS legislation can be extended to include Northern Ireland. The Department would like the view of relevant stakeholders on certain issues around the revocation of EU GoOs. As mentioned previously NI REGOs are not tradeable within the EU and if NI does not revoke the trading status of EU GoOs, it will be the only part of the UK that allows the EU to continue trading guarantees of origin without reciprocation.

3.3 As NI generators trade within the Single Electricity Market (SEM), DfE has conversed, vigorously, with the UK Government to review the legal position to allow NI REGOs to again be tradeable with the Republic of Ireland/EU but the issue has not progressed.

3.4 If NI revokes the EU GoOs then ultimately this 'closes the door' to any prospect of UKG pursuing an outcome whereby UK/NI REGOs 'revert' to being tradeable in the EU.

3.5 The Department is aware that in 2021 there were 8 companies in Northern Ireland that traded REGOs to meet their Fuel Mix Disclosure, 4 of which also traded EU GoOs.

## **OPTIONS**

3.6 In the Department's view there are 3 options:

- Revoke EU GoOs and CHP GoOs through inclusion in the BEIS legislation;
- Revoke EU GoOs and CHP GoOs via amending NI legislation; or
- Do nothing – allow EU GoOs to continue to be tradeable within NI without reciprocity.

3.6 The Department's preferred option is to revoke EU GoOs and CHP GoOs. This is in line with the position being taken in the rest of the UK. However, DfE would be interested in the views of stakeholders and looks forward to receiving their response to the following questions.

## **CONSULTATION QUESTIONS**

- (i) **Are stakeholders aware of any impacts, financial or otherwise, that that will affect generators/suppliers if NI revokes EU Guarantees of Origin? Yes/No.**
- (a) **What are they and how do you think they will impact?**
- (b) **Please provide evidence to support that view.**
- (ii) **Are stakeholders aware of any impacts, financial or otherwise, that that will affect consumers if NI revokes EU Guarantees of Origin? Yes/No.**
- (a) **What are they and how do you think they will impact?**
- (b) **Please provide evidence to support that view.**
- (iii) **Are stakeholders aware of any reason why CHP Guarantees of Origin should not be revoked? Yes/No**
- (a) **What are they and how do you think they will impact?**
- (b) **Please provide evidence to support that view.**

## 4 How to Respond

- 4.1 To inform the way forward, DfE would welcome views on the questions outlined above.
- 4.2 The consultation will be open for 4 weeks and close at **5.00pm on 4 August 2022**. All responses, marked 'Revocation of EU GoOs' should reach the Department on or before that date and should be forwarded by email to: [renewableelectricity@economy-ni.gov.uk](mailto:renewableelectricity@economy-ni.gov.uk) or by post to Renewable Electricity Branch, Department for the Economy, Room 45, Netherleigh, Massey Avenue, Belfast, BT4 2JP.

### **Privacy, Confidentiality and Access to Consultation Responses**

- 4.3 Following the end of the consultation, the Department will publish a government response summarising responses received in an aggregated format. For this consultation, we may publish all responses on our website except for those where the respondent indicates that they are an individual acting in a private capacity (e.g. a member of the public). All responses from organisations and individuals responding in a professional capacity will be published. We will remove email addresses and telephone numbers from these responses; but apart from this, we will publish them in full. For more information about what we do with personal data please see [DfE's privacy notice](#).
- 4.4 Your response, and all other responses to this consultation, may also be disclosed on request in accordance with the Freedom of Information Act 2000 (FOI) and the Environmental Information Regulations 2004 (EIR); however, all disclosures will be in line with the requirements of the Data Protection Act 2018 (DPA) and the UK General Data Protection Regulation (UK GDPR).
- 4.5 If you want the information that you provide to be treated as confidential it would be helpful if you could explain to us why you regard the information you have provided as confidential, so that this may be considered if the Department should receive a request for the information under FOI/EIR. We will take full



account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances.

- 4.6 An automatic confidentiality disclaimer generated by your IT system or included as a general statement will not be regarded as binding on the Department.

### **Copies of the Consultation**

- 4.7 This Consultation document is being produced primarily in electronic form and may be accessed on the DfE Energy website: [Department for the Economy website Energy topic](#)
- 4.8 If you require access to this consultation in hard copy, or in a different format – e.g. Braille, disk, audio cassette – or in a minority ethnic language please contact the Department on 028 9052 9638 and appropriate arrangements will be made as soon as possible.

**IMPACT ASSESSMENTS**

The following draft impact assessments are available on the Department for the Economy website:

- i. Regulatory Impact Assessment
- ii. Rural Needs Impact Assessment
- iii. Section 75 Equality Screening