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1 Implementation of Tracking Systems

In Czech Republic, the market is fully liberalised since 2006. Numerous suppliers are present on the market.

1.1 Electricity Disclosure

In Czech Republic, disclosure obligation has been transposed to national law through the Energy Regulatory Office (ERO)/Energetický regulační úřad (ERU) decree no. 210/2011 coll. This decree came into force on 15 December 2011. Responsibility for disclosure is assigned to the regulator, ERO/ERU. In accordance with the ERU's Decree no. 210/2011 Coll. Under its scope, necessities and terms for billing of electricity supply, every supplier is obliged to annually disclose the composition of the energy mix delivered to their end consumer during the previous year. The disclosure information shall be included in every regular invoice. The decree can be found at the link (Czech version only): http://eru.cz/user_data/files/legislativa/legislativa_CR/Vyhlaska/210_2011.pdf.

GOs are not used for other functions besides disclosure, but using GOs for disclosure is not yet verified in legislation. Every single supplier uses its own disclosure methodology. ERU is currently working on disclosure regulations which should come into force soon. Environmental information should be considered but currently details on that are not available.

1.1.1 Disclosure Figures

There is no disclosure format imposed to suppliers. They disclose their supply mix (no product mix) based on their own disclosure methodology.

Disclosure is based on the calendar year but currently no deadlines for disclosure are implemented.

No disclosure figures are available for the time being.

1.1.2 Environmental Information

Currently no regulations on environmental information on the disclosure statements are implemented.

1.1.3 Suppliers Fuel-Mix Calculations

Fuel mix calculations are performed by suppliers based on their own methodology, and that is calculated mainly based on contract basis. National GO are currently not used for disclosure. The electricity bought by suppliers on the market is classified and accounted as unknown origin. There is no communication of a market mix by the market operator OTE.

Fuel mix calculations, in practice, are not checked by the regulator.

No national residual mix calculation is foreseen. According to ERO's Decree no. 210/2011 Coll the disclosure of electricity of unknown origin is classified as "other sources".

As regards imports, only GO from renewable energy sources are accepted for disclosure in Czech Republic.

1.1.4 Acceptance of GO

The Czech Republic has implemented criteria for accepting foreign GOs. The criteria are: electronic database in place, one competent body appointed by law, all GOs linked to disclosure, CO2 emissions and radioactive waste included in disclosure display.



1.2 Guarantees of Origin for Electricity from Renewable Energy Sources and High-Efficient Cogeneration

The Czech Republic has implemented an electronic system for GOs in 2013. The Czech Republic is connected to the AIB Hub but only as importing country. Exports from the Czech Republic are not allowed yet, as adequate disclosure regulations haven't been implemented yet.

1.2.1 RES-GO System

GO were created in the Czech Republic through Act 165/2012 Coll and the secondary legislation Decree no. 440/2012 Coll. The versions of these can be found at (Czech version only): http://eru.cz/user_data/files/legislativa/legislativa_CR/Zakony/zakon%20165_2012.pdf (Primary legislation) and <http://portal.gov.cz/app/zakony/download?idBiblio=78735&nr=440~2F2012~20Sb.&ft=pdf> (Secondary Legislation).

The Competent Body for GO is OTE, appointed by the Act No. 180/2005 Coll from March 31st 2005. The act can be found at the link (Czech version only): http://www.eru.cz/user_data/files/legislativa/legislativa_CR/Zakony/180_2005_prosinec_2010.pdf

OTE, the Czech market operator for electricity and gas is the only appointed Competent Body for GOs. OTE established an electronic system for the issue, transfer and cancellation of GO and fulfils the obligations and all requirements of Art. 15 RES-Directive since 2nd quarter 2013.

GOs are issued on request from a producer producing electricity from renewable sources. OTE issues a certificate of origin of electricity from renewable sources (hereinafter referred to as the "guarantee of origin") within 30 calendar days after having received the request.

RES directive 2009/28 has been transposed in national law (Act 165/2012 of 31 January 2012), which replaces the 180 ACT of March 2005. It introduces the issuing of GO in electronic format. GOs are linked to disclosure and should be used to disclose renewable origin in the future.

Secondary legislation 440/2012 was implemented in January 2013.

GOs are not commonly used for disclosure yet.

The Czech Republic is connected to the AIB Hub, but with the limitation that no exports are possible until the full disclosure scheme has been implemented nationally and the sole use for GO is disclosure.

GO are valid for 12 months. After expiration or cancellation, GO cannot be transferred anymore.

Standard size of a GO is 1 MWh and double counting is excluded in the electronic system. OTE has no overlapping geographical responsibilities and is independent of production, trade and supply.

The amount of energy from renewable sources corresponding to GO transferred by an electricity supplier to a third party are not deducted from the share of energy from renewable sources in the Czech Republic's energy mix. As electronic exports are currently not possible, this aspect is not fully relevant, but as soon as exports are allowed, a deduction from the share of energy from renewable sources should be obligatory.

GO are issued based on the net generation output of RES power plants.

1.2.2 CHP-GO System

CHP GOs were created with Energy Act 458/2000. Further details were defined in public notice 439/2005. Act 165/2012 of 31 January 2012 replaces the former provision providing for the creation of HE CHP GOs. Further legislation should precise the contents of the HE CHP GO. Currently, there are no CHP GO issued in the Czech Republic. Due to amendment of Act No. 165/2012 OTE will be issuing body for CHP GOs as well starting from January 2016.

1.2.3 EECS

The Czech Republic is connected to the AIB Hub since Autumn 2013. The electronic system of OTE is technically in line with the EECS standard. No disclosure regulation has been implemented yet, therefore only imports into the Czech Domain via the AIB Hub are possible. The exporting option from the Czech Domain will be implemented as soon as a full disclosure scheme is in place.

1.2.4 GO Statistics

2014	in TWh		
	Issuance	Cancellations	Imports
Unspecified	0,01	0,004	0
Solar	0,015	0,014	0
Wind	0,017	0,017	0
Hydro & Marine	0,019	0,096	0,188
Geothermal	0	0	0
Biomass	0,207	0,111	0

1.3 RES-E Support Schemes

Main support schemes are feed in, bonus systems and investment aid. The support systems and the GO system are separate systems based on the national legislation in place. GO from supported electricity can be issued, but are not transferred to other systems; instead they need to be used within the Czech Republic.

2 Proposals for Improvement of the Tracking System

2.1 Proposals regarding general regulation on tracking systems

The directive 2009/72 should be transposed, in practical terms, by the Czech Ministry.

2.2 Proposals regarding Disclosure

The following are proposals to align the disclosure system with the RE-DISS BPR:

- BPR [25-28]: A Residual Mix should be implemented to be used alongside GO and should follow the RE-DISS calculation methodology.
- BPR [23, 24, 29-32]: If contract based tracking is to be allowed besides GO as explicit tracking instrument, it shall be regulated so that
 - a. The rules of the tracking system are transparent and comprehensive and are clearly understood by all participants in the system.
 - b. Double counting of attributes and loss of disclosure information is minimised within the contract based tracking scheme and also in the interaction of the contract based tracking scheme to GO and other RTS (if applicable). As a precondition for this, the contract based tracking scheme should be able to provide comprehensive statistics about the volumes and types of electricity attributes, which are tracked through it.
 - c. The relevant information for disclosure purposes should be available in time to meet the timing requirements for the coordinated calculation of a European Residual Mix. This means that this information has to be collected centrally in order to have a national residual mix calculated by end of April of year X+1.

d. In cases that suppliers of electricity intend to use contract based tracking in order to fulfil claims made towards consumers regarding the origin of a certain electricity product (e.g. a green energy product), GO should be used instead of contract based tracking.

- BPR [22]: Full disclosure schemes should be implemented, including the disclosure of CO2 emissions and radioactive waste.
- BPR [26-27]: Instead of allowing for an “unknown” share in the disclosure statement, especially as regards to purchases on the markets organised by OTE, the Czech regulator should provide a Residual Mix as a default set of data for disclosure of energy volumes for which no attributes are available based on cancelled GO or based on other Reliable Tracking Systems (RTS).
 - a. The calculation of the Residual Mix should follow the methodology developed in the REDISS project. As part of this methodology, competent bodies from all countries in Europe should cooperate in order to adjust their Residual Mixes in reflection of cross border transfers of physical energy, GO and RTS.
 - b. For purposes of this cross-border adjustment, the regulator should use data provided by RE-DISS. The regulator should also continue to support the collection of input data for the related calculations by the RE-DISS project team.
- BPR [35]: Timing of Disclosure:
 - a. The deadline for cancelling GO for purposes of disclosure in a given year X should be 31 March of year X+1.
 - b. The timing of the calculation of the Residual Mix should be coordinated across Europe:
 - i. By 30 April X+1 all countries should determine their preliminary domestic Residual Mix and whether they have a surplus or deficit of attributes.
 - ii. By 15 May X+1, the European Attribute Mix should be determined.
 - iii. By 31 May X+1, the final national Residual Mixes should be published.
 - iv. As of 1 July X+1 the disclosure figures relating to year X can be published by suppliers.
- BPR [17, 18]: All electricity products offered by suppliers with claims regarding the origin of the energy (e.g. green or low-carbon power) should be based exclusively on cancelled GO. No other tracking systems should be allowed, with the exception of mechanisms defined by law, e.g. a pro-rata allocation of generation attributes to all consumers which is related to a support scheme.

2.3 Proposals regarding RE-GO and CHP-GO

The Czech national system is in line with the EECS rules and connected to the AIB Hub. Exports from the Czech Republic via the AIB Hub are restricted until disclosure regulations are in place.

2.4 Proposals regarding Acceptance of GO

Criteria for accepting GOs are implemented in the Czech system.

2.5 Matrix of disclosure related problems and country-specific proposals

Problem	Country-specific proposal
Possible double counting in different explicit tracking instruments	BPRs: [17-18], [23], [24], [29-32], [15a,b]
Double counting of attributes in explicit and implicit tracking mechanisms	BPRs: [23], [24] [25-28], [29-30], [32], [9]
Double counting within individual supplier's portfolio	
Loss of disclosure information	BPRs: [22]
Intransparency for consumers	BPRs: [23]
Leakage of attributes and/or arbitrage	BPRs: [28], [35]
Unintended market barriers	

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