

CONSULTATION RESPONSE



Energy Traders Europe response to MITECO consultation on legislative amendments to Royal Decree 413/2014

Brussels, 24 January 2025

1. We support eliminating the requirements for accounting and usage of the income from Guarantees of Origin (GOs)

The amendments remove the obligation to reinvest the income from the sale of GOs in specific activities. The free use of GOs revenues will facilitate the development of the GOs market and will provide more financial flexibility for those installations that no longer receive any form of aid.

2. The removal of the GOs export restriction for installations in RECORE is a positive development, however further operational improvements are required

Renewable plants receiving subsidies will be able to export guarantees of origin which until now could only be redeemed in the domestic market.

However, despite the removal of the GOs export restriction, the GOs classification of "domestic" vs "exportable" is still required at the moment of the GOs issuance request.

Given the removal of the GOs export restriction, we believe that **the ex-ante classification of "domestic" vs "exportable" should be removed from the issuance request form** as no longer necessary.

3. Time lag between GOs applications and their issuance should be reduced in line with the Renewable Energy Directive requirements

Article 9 in Order ITC/1522/2007 sets a very large period between GOs applications and issuance: up to 10 months from the month of production. This period is well above the 1-month period stated under the European standard enforced in the Renewable Energy Directive (RED III) and it generates significant uncertainty among market participants, impacting volume certainty and contractual commitments with third parties.

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Section 4.5.3 of said CEN - EN 16325 states that *"The Issuing Body shall Issue the related GOs within one month of receipt of the relevant measurement data and consumption Declaration, or within one month of receipt of a request for Issuance, whichever is the later."*

For some market participants, the delay in the issuance and transfer of GOs is even generating contractual disputes e.g. raising force majeure clauses with their counterparties, since the agent does not receive on time the GOs that it has committed to transfer, and therefore is not able to meet its contractual obligations.

Furthermore, delays in transfers might drive also to automatic cancellation of valid GOs from other registries. For the system, this means the loss of GOs and the impossibility to demonstrate renewable consumption, even if renewable generation has actually taken place.

Moreover, the current regulatory framework in Spain should aim to fulfil the 12-month period in which GOs should be made available for transfers as established under the Renewable Energy Directive.

Given the importance of the GO system to trigger consumption from renewable sources, we ask to **amend article 9 in Order ITC/1522/2007** by stating that the submission of GOs will take place before the last day of next month to which the GOs have been requested (instead of m+10) and to eliminate additional deadlines so to effectively allow for a 12-month period of full validity of the GOs in line with RED III provisions.

4. Clarification is needed on the proposed changes to the priority of dispatch for hybrid systems and storage

We request clarification on which technologies are included in the first priority category when referring to renewable energy assets:

a) Instalaciones a partir de fuentes de energía renovables, incluyendo aquellas que incorporen almacenamiento que no consuma de la red eléctrica y aquellas que incorporando energía de la red tengan una potencia del sistema [...]

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