C: Green Electricity

1 Key environmental impacts

Impact	Approach
The generation of energy from fossil fuels is responsible for the vast majority of greenhouse gas emissions world-wide.	Increase the share of electricity from renewable sources
The electricity generating industry accounts for a significant proportion of such emissions as the large majority of electricity is still produced by the burning of coal or gas.	Seek a genuine increase in **green electricity** going beyond national support schemes (= **'additionality'**)

Other approaches to reducing environmental impacts include purchasing energy efficiency services together with electricity, carrying out awareness raising activities, and excluding nuclear power. To allow smaller green electricity suppliers to participate in the bidding process, the call for tenders might be divided into partial lots.

2 Procura+ Key Criteria - Electricity

Green electricity

The Procura+ Criteria for green electricity cover a number of aspects:

- **Compliance with the EU definition of renewable energy sources (RES)** – as defined in *Directive* 2001/77/EC.
- **Preference for non-hydro RES** – given the local environmental concerns relating to hydro schemes, and the quantity of existing large hydro plants, the Procura+ Criteria encourage alternative RES.
- **Additionality** – to further encourage the construction of new RES capacity the Procura+ Criteria require a certain portion of the delivered electricity to come from "new" plants.

Green electricity purchases

Subject matter: *Purchase of electricity with a certain percentage from renewable sources and new RES generating capacity, and with a preference for non-hydro RES*

Specifications:

a) At least 50% of the supplied electricity must come from renewable energy sources (RES-E) as defined by EU Directive 2001/77/EC.

Verification: *Guarantees of Origin must be provided by a credible independent third party that certifies the origin of the electricity, and that it has not already been sold elsewhere. Such Guarantees of Origin should be issued by competent bodies designated by the Member States according to EU Directive 2001/77/EC (art. 5).*

b) 30% of the electricity from renewable sources must be from "new" renewable plants. Plants will be so-defined if they came into operation less than 7 years before the publication of this tender. Alternatively, this condition is met, if the tenderer commits to bringing into operation a new RES-E plant within two years from the start of the contract period, leading to an overall capacity of 30% (RES-E from 'new' plants) of the supplied electricity

Verification: *The supplier must provide credible proof that this criterion is met*

Award phase:

The contract will be awarded to the tender applicant with the highest score of points, to be allocated according to the following scheme:

1. *Additional RES: 10 points (out of 100) – points awarded for electricity offered generated by eligible RES above the minimum requirement*
2. *"New" RES plants: 5 points (out of 100) – points awarded for electricity generated by "new" RES plants above the minimum requirement*
3. *Preference for non-hydro RES: 5 points (out of 100) – points awarded for the proportion of the RES supply coming from non-hydro sources*
4. *Other: 80 points (out of 100)*

Verification: *The supplier must provide credible proof that these criteria are met. For award criterion 1 Guarantees of Origin must be demonstrated through the means indicated in the specifications.*

Contract conditions:

The contracting authority reserves the right to carry out a random check to verify that the contract is being performed in accordance with the original offer.

Implementation notes:

- **Specification a:** The authority may of course choose to request more than 50% as a minimum. Where supply is not deemed sufficient to achieve 50% a lower target should be specified.
- **Specification a, verification:** All EU countries are legally obliged to set up Guarantee of Origin schemes. In countries where this is not yet the case a temporary alternative would be for the supplier to provide independent verification that a corresponding quantity of electricity has been generated from so-defined renewable sources, e.g. a tradable certificate from an independent issuing body such as RECS
- **Specification b:** If the supplier commits to bringing new plants into operation, this must be clearly included in the contract, and a suitable penalty must be incurred for non-compliance.
- **Award scheme:** The exact point scheme used and the aspects considered will depend on the authority.
- **Contract conditions:** If the contracting authority is suspicious that the criteria are not being met during the running of the contract, it may wish to employ an independent auditor to verify their claims.

3 Further ideas

- Requesting energy efficiency services from the electricity supplier is increasingly common and is an effective way to further reduce environmental impacts. If you wish to include this in either the specifications or award phase it must also be clearly mentioned in the subject matter.
- To allow small green electricity suppliers to also participate in the bidding process, the call for tenders could be divided into partial lots.
- To help push through implementation, having a policy commitment to combating climate change for example, can greatly assist.
- The most effective way to ensure nuclear energy is not included in the energy mix offered is to indicate this in the subject matter, e.g. *"Purchase of electricity with 50% from renewable sources and excluding nuclear power"*
- Awareness raising events/campaigns on environmental issues, such as energy efficiency, can also be requested of the supplier. If you wish to include this in either the specifications or award phase it must also be clearly mentioned in the subject matter.