

Standard Terms for the Use of Guarantees of Origin

1. Purpose of Standard Terms

1.1. The Standard Terms lay out the conditions and the set of rules under which market participants (producers or traders) may carry out operations with guarantees of origin. The Standard Terms are established on the basis of the Electricity Market Act (hereinafter EMA) § 58¹ subsection 2, and the active standard terms shall always be applied. Amendments to the Standard Terms shall be communicated by the Enterprise at least 30 days in advance.

1.2. “Guarantee of origin” refers to the electronic document provided for in the EMA which is issued by the Enterprise to the producer and which certifies that the electricity is produced from renewable energy sources or in an efficient cogeneration process (CHP).

1.3. A trader is a market participant that holds an account for guarantees of origin and carries out operations with guarantees of origin, yet who need not have its own production devices. A producer is a market participant who in addition to trading in guarantees of origin produces electricity using a production device located in Estonia from renewable energy sources or through CHP.

1.4. The Standard Terms shall regulate, amongst others, the following operations with guarantees of origin:

- 1.4.1. Issuing of guarantees of origin;
- 1.4.2. Cancelling (use) of guarantees of origin;
- 1.4.3. Domestic and international transfer of guarantees of origin;
- 1.4.4. Expiration of guarantees of origin.

1.5. In order to perform operations with guarantees of origin, the Enterprise shall create an account for the market participant for guarantees of origin in the Estonian electronic database (registry) for guarantees of origin managed by the Enterprise. The market participant shall have the right to terminate the use of the account at any time, providing the Enterprise with notification thereof in writing 30 days in advance. Termination of the use of the account shall not remove liability for obligations already incurred. The Enterprise has the right to impose reasonable charges for the use of the account for guarantees of origin and for operations connected thereto. Payment rates shall be published on the Enterprise’s website.

1.6. In order to allow the intra-EU transfer of guarantees of origin, the Enterprise has joined the organisation, the *Association of Issuing Bodies* (hereinafter AIB). The conditions and procedures for management of guarantees of origin on an international level are reflected in the Estonian *Domain*

Protocol (a document approved at the general meeting of the AIB and which certifies the compliance of Estonia's valid rules with the AIB-managed *European Energy Certificate System* i.e. EECS rules). The Estonian electronic database for guarantees of origin is linked with the AIB Hub's (hereinafter: Hub) central registry (<https://www.aib-hub.org/AIBWeb>), which allows market participants to export and import guarantees of origin between registries managed by the competent authorities of other European states, in accordance with the conditions of the registries referred to.

1.7. In order to perform the obligations provided in these Standard Terms, the Enterprise shall have the right to view, verify or use the information provided in the Estonian Data Hub "Andmeladu" regardless of whether the market participant has authorized inquiries of its data in the database.

2. Compliance with legislation, domain protocol and EECS rules

2.1. In addition to the Standard Terms, the execution of operations with guarantees of origin is based on the documents mentioned in clause 1.6 and on the EECS rules (*reference: http://www.aib-net.org/portal/page/portal/AIB_HOME/EECS/EECS_Rules*). By signing the Standard Terms, the market participant acknowledges that it is familiar with the current Standard Terms, the Estonian domain protocol, and the EECS rules, and undertakes to follow the obligations set out in the documents. The current valid documents referred to in this clause are available on the Enterprise's website at <http://elering.ee/paritolutunnistused/> and are binding for market participants.

2.2. The Enterprise has the right to amend the Standard Terms and the documents listed in clause 2.1 by publishing the relevant information on its website 30 days in advance.

3. Conditions for issuance of guarantees of origin

3.1. The Enterprise shall issue guarantees of origin for electricity for producers operating in the Republic of Estonia (hereinafter: Producer) who produce electricity under the conditions set out in the EMA from renewable energy sources or through CHP, using an electronic database for this. Pursuant to the information submitted by the Producer and/or the network operator, the Enterprise shall certify the origin of produced electricity via a guarantee of origin in the database, as well as production time and other details required by law or by foreign registries.

3.2. Guarantees of origin shall be issued for the standard energy unit of the guarantee of origin; that is, per 1 MWh.

3.3. The guarantee of origin may be issued only once during the possible usage period of the guarantee of origin, which is 12 (twelve) months following the generation of the relevant energy unit. Generation is calculated on a monthly basis.

3.4. To ensure the reliability and singular issue per standard energy unit (1 MWh) of the guarantee of origin, a prerequisite for the submission of an application for the issuance of a guarantee of origin is the registration of the production device located in the Republic of Estonia in the Enterprise-managed electronic database for the registration of production devices producing energy from renewable sources and/or CHP regimes.

3.5. The quantity of electricity for which the guarantee of origin is issued shall be determined with remote reading equipment and shall be understood as the offset production for the entire trading period at all connection points to the network of the power plant of the Producer and the electricity quantity passed on to the consumer directly pursuant to licencing requirements. The Enterprise's electronic database shall record surplus kilowatt-hours from full megawatt-hours in the application period, and these may be used during the next application for a guarantee of origin.

3.6. The following details shall be included in an issued guarantee of origin:

- 3.6.1. Producer's name, physical address and contact details;
- 3.6.2. production device name, location, type and capacity, and energy source used for electricity production;
- 3.6.3. date on which the production device supplied electricity for the first time;
- 3.6.4. energy unit production start and end date;
- 3.6.5. whether and to what extent the producer has received investment support or support set out in EMA § 59 or another form of support through state support schemes (and the type of the support scheme);
- 3.6.6. the time, country, and unique identification number of the issuance of the guarantee of origin;
- 3.6.7. other relevant data.

3.7. In guarantees of origin issued for CHP-produced electricity, in addition to the details in clause 3.6, the following information will also be included: the thermal power of the production device (the calorific capacity); the lower calorific value of the fuel used; the amount and manner of use of the thermal energy produced through CHP; nominal electrical and thermal efficiency of the production installation; and primary energy savings calculated in accordance with the regulations established according to EMA §7 subsection 3.

3.8. Each guarantee of origin is assigned a unique identification number for the purposes of legitimate identification of the guarantee of origin. The identification number is generated by the harmonised AIB pan-European codification system, which ensures the uniqueness of the identification numbers of the guarantees of origin issued within Europe.

4. Conditions of registration as a producer or trader and of registration of production equipment

4.1. A producer who produces electricity from renewable sources or through CHP and requests a guarantee of origin for its electricity must have an open guarantee of origin account with the

Enterprise for the issuance of guarantees of origin. The producer may authorise a legal person holding an administrative account in the database as a trader (hereinafter: Trader) to represent it in all operations connected with guarantees of origin.

4.2. A Producer or Trader must sign the Standard Terms and must further submit the following details:

4.2.1. The following details shall be submitted to register as a Producer:

- 4.2.1.1. Producer name, address, contact details;
- 4.2.1.2. Name and contact details of applicant submitting registration application, and if needed a letter of authorisation proving right of representation;
- 4.2.1.3. Producer's company registry number;
- 4.2.1.4. Producer's bank account number and bank name;
- 4.2.1.5. List of individuals with rights to represent the Producer.

4.2.2. The following details shall be submitted to register as a Trader:

- 4.2.2.1. Company name, address, contact details and company registry number;
- 4.2.2.2. Extract from company registry in the case of foreign enterprises;
- 4.2.2.3. List of authorised individuals (with rights to represent company);
- 4.2.2.4. In the event that the company is not based in Estonia, the completed questionnaire must be attached to the registration form (questionnaire form is included in Annex 1 of this procedure)

4.2.3. The following information must be submitted for the registration of a production device:

- 4.2.3.1. Production device name and EIC code (W-code);
- 4.2.3.2. Production device metering points i.e. metering EIC codes (Z-code(s));
- 4.2.3.3. Information on own consumption of production device. In the event that the production device has auxiliary power and it is not possible to measure production details without own consumption, own consumption metering information shall also be submitted;

- 4.2.3.4. List of fuels that can be used for energy output in the production equipment, regardless of whether all listed fuels are used or not;
- 4.2.3.5. Nominal electrical capacity of production device (MW_{el});
- 4.2.3.6. Thermal capacity of production equipment (MW_{heat});
- 4.2.3.7. Nominal electrical efficiency of CHP, %;
- 4.2.3.8. Nominal thermal efficiency of CHP, %;
- 4.2.3.9. List of environmental permits issued to Producer and their validity;
- 4.2.3.10. Type of technology used in production equipment (based on [AIB Fact Sheet 5](#));
- 4.2.3.11. Electrical scheme of production equipment (where locations of meters, transformers, self-supply consumers are shown);
- 4.2.3.12. In the case of currently working production equipment, the date of first supply of electricity to the network i.e. production start time;
- 4.2.3.13. Investment support received by the Producer, support set out in EMA § 59 and/or the name and scope of any other form of support through state support schemes (naming the type of support scheme);
- ;
- 4.2.3.14. The Producer's declaration that the Producer shall inform the Enterprise immediately, but no later than within 10 (ten) working days, of changes in the details;
- 4.2.3.15. Producer's declaration on the completeness and accuracy of the information.

4.3. After submitting the required information, the Enterprise shall carry out checks on the application data and compliance with the conditions of the EMA and shall register the individual and/or the production equipment in the Enterprise's database.

5. Conditions of transfer, cancellation and expiration of guarantees of origin

5.1. Guarantees of origin are used to prove the origin of electricity to consumers.

5.2. A guarantee of origin issued in Estonia or another European Union member state may be used to prove the origin of electricity consumed. Guarantees of origin may be bought separately from produced electricity. The use of a guarantee of origin in order to prove the source of produced electricity shall mean the cancellation of the guarantee of origin in the Elering administrative account for the use of the person for whose consumption the origin of the electricity is being proved.

5.3. Only guarantees of origin may be used as evidence to prove that the origin of the supplied electricity is from renewable energy sources. The issued guarantee of origin may be used only once during 12 (twelve) months following the production of the corresponding unit of energy, and this validity ends upon its use or its expiry.

5.4. If the guarantee of origin is used in the calendar year of the production of the corresponding energy unit, or by no later than 31 March of the following calendar year, the guarantee of origin is deemed to have been used up during the calendar year. If the guarantee of origin is used up later than

31 March of the following calendar year, then the guarantee of origin is deemed as being used in the following calendar year of the generation.

5.5. According to Directive 2009/28/EC, article 15 paragraph 8, the amount of energy from renewable sources corresponding to guarantees of origin transferred by an electricity supplier to a third party shall be deducted from the share of energy from renewable sources in its energy mix

5.6. The alienation of a guarantee of origin shall take place through its transfer to another person through the electronic database for guarantees of origin, except in those cases when the Enterprise has concluded an agreement of mutual recognition of guarantees of origin with the country whose market participant is the counterparty, and where the execution of electronic operations is impossible.

5.7. The transfer of a guarantee of origin to another person shall be performed in the electronic database of guarantees of origin, and the following details shall be entered:

- 5.7.1. Recipient's registry code (recipient's country's registry can be chosen from the drop-down menu);
- 5.7.2. Recipient's account number;
- 5.7.3. Guarantees of origin or range of guarantees sorted by technology, production device, fuel and expiration date.

5.8. The Enterprise shall allow the transfer of guarantees of origin and the receipt of guarantees of origin from the registries of those EU member states which are connected to the AIB Hub (or with which an electronic link is created outside the Hub). The Enterprise is not responsible for the activities of registrars in other countries, including in situations where the registrar does not accept transfers or appropriate guarantees of origin.

5.9. If the guarantees of origin are used to verify the origin of electricity for consumers, the corresponding amount of guarantees of origin shall be cancelled in the database of the Enterprise using the cancellation application form provided for this, which shall include the following:

- 5.9.1. Client's name (in whose favour the guarantees of origin are cancelled);
- 5.9.2. Client's company registry code (identification number in the case of private individuals);
- 5.9.3. Reason for cancellation of guarantee of origin;
- 5.9.4. Consumption time period for guarantees of origin;
- 5.9.5. Client type (producer, consumer, electricity seller);
- 5.9.6. Client's country of residence;
- 5.9.7. Client's address.

5.10. Guarantees of origin available for cancellation are grouped by production device and expiration date. Both guarantees of origin issued for the electricity produced in Estonia as well as guarantees of origin imported from foreign states can be cancelled.

5.11. Following the cancellation of the guarantee of origin, a cancellation statement with a unique URL shall be displayed, which may be sent to the client as proof electronically or, if needed, may be printed

out.

5.12. Information on issued and cancelled (used) guarantees of origin shall be published on the Enterprise's website with regards to fuels, technologies and quantities at the latest on the next workday following the registry entry regarding the guarantee of origin.

5.13. The enterprise may publish on its website the list of confirmed account holders and the amount of guarantees of origin issued to them and the list of registered production devices (publication does not include detailed descriptions, graphic designs or photographs of the production devices or their location or details of transactions conducted with issued guarantees of origin).

6 Other provisions

6.1. The Parties undertake to inform each other immediately of changes related to the information entered into the database at registration relevant to the operation of the database, including if the production device does not comply with the previously submitted information.

6.2. The Enterprise has the right to change the conditions of use of the database. The Enterprise shall announce the implementation of important changes in writing at least 30 days in advance. In urgent cases, changes may be carried out without prior notice. Information regarding disruptions and maintenance shall be published on the database homepage and/or the Enterprise's website.

6.3. The Enterprise has the right to prevent or limit the processing of operations by market participants if it is discovered that the system is being misused or that the market participant is in material breach of its obligations.

6.4. If the Enterprise or a market participant discovers an error in the issuing, cancellation, or processing of a guarantee of origin, the party shall inform the other party of the error as soon as possible. In the case of an error in the issuing, cancellation, or processing of a guarantee of origin caused by a database failure, the Enterprise and the market participant shall work together and take all reasonable measures to ensure that the error does not result in damage or unjust enrichment.

6.5. If the Enterprise's right to act as the competent authority as regards guarantees of origin according to legislation expires, the Enterprise has the right to transfer all rights and obligations unilaterally to a new competent authority.

6.6. All fees established by the Enterprise and related to the use of the database for guarantees of origin shall be published on the website www.elering.ee. The Enterprise shall issue an invoice to the market participant for services rendered, which the market participant is obliged to pay within 14 days to the bank account shown on the invoice. Late payments by the market participant will incur interest of 0.15% per day.

6.7. If the market participant materially breaches the Standard Terms, including its obligations to pay fees to the Enterprise, the Enterprise has the right to suspend or terminate the fulfilment of its

obligations, including the issuing, cancellation, or other processing of guarantees of origin.

7. Force majeure

7.1. The Parties shall not be liable for breach of obligations if this is due to the circumstances over which a party (the market participant or the Enterprise) has no control or influence, such as (but not limited to) war, civil war, rebellion, terrorist acts, general strikes or lock-outs, rebellions, sabotage, embargoes, blockades, any action or inaction by state or regulatory authorities (civil or military, domestic or foreign, national or international), failure of communication lines, power failures, fires, explosions, floods, accidents, epidemics, earthquakes or other natural or manmade catastrophes, and any similar situations to those mentioned above (force majeure).

7.2. In regards the Party affected by force majeure, failure to inform the other party promptly of the event is justifiable non-compliance to the extent that the force majeure prevents fulfilment of these obligations, and the direct consequences thereof, provided that the affected party takes all possible measures to prevent, eliminate, or mitigate their impact, and the parties continue fulfilling the terms of the Agreement as soon as the relevant causes have been eliminated.

7.3. If force majeure circumstances continue for longer than one (1) month, either party has the right to abandon the services or provision of services to the other party, providing the other party with notice in writing twenty (20) working days in advance.

8. Confidentiality

8.1. Information of a business, technical, strategic, financial or otherwise sensitive nature which is not publicly known and which is generally considered to be a trade secret, regardless of whether it is classified as a trade secret or not, shall be treated as confidential information by both parties. The prior written consent of the other party is required for the disclosure of such information. This does not apply to information for which the Enterprise has an obligation under legislation to publish, or which the Enterprise is required to disclose by national authorities.