

TRECKIN

Creating a Tradable Renewable Energy Certificate Know-how and Initiatives Network

What is TRECKIN?

TRECKIN is an initiative to build a world network that facilitates and strengthens efforts to establish and harmonise Tradable Renewable Energy Certificate (TREC) systems. It will accomplish this by:

- ◆ Exchanging knowledge to assist developing countries and economies in transition to set up TREC infrastructure to harvest the social, economic and environmental benefits of renewable energy developments.
- ◆ Stimulating pilot projects with real financial flows for TRECs, in order to "learn by trading".

TRECKIN will collect, prepare and disseminate know-how from TREC initiatives in the EU and around the world, in order to inform governments about effective TREC system design and inform the private sector about trading opportunities.

Tradable Renewable Energy Certificates can be used to show that energy has been generated by a renewable energy project. The certificates can detach the environmental and other benefits from the physical energy, so that this benefit can be traded and 'consumed' separately. TREC systems are emerging as a policy tool to stimulate renewable energy markets in many parts of the world.

The TRECKIN project has emerged from a global TREC meeting held at the International Energy Agency (IEA) in 2001, under the auspices of the G8 Renewable Energy Task Force.

TRECs to help finance renewables

One of the barriers to the wide spread use of renewable energy lies in the fact that market demand for renewable energy (often stimulated by governments that set an obligation, or due to voluntary demand) does not evenly match the location of the best sites. The G8 Task Force indicates that there is clearly a role for TRECs, allowing a producer to charge a premium in those markets where the consumer/supplier is willing or obligated to pay a small premium for renewable energy.

The G8 Renewable Energy Task Force stated that renewable energy can meet a significant part of the future demand for primary energy in developing countries. Moreover, to facilitate penetration of Renewable Energy Sources in their markets, the cost should be reduced through increased use in developed countries.

There are several initiatives around the world, where green certificates or Tradable Renewable Energy Certificates (TRECs) are clearly having a stimulating effect on driving the market for renewable energy. These initiatives are mostly restricted such that the trade and the stimulating effect remain restricted to certain regions. Furthermore, initiatives primarily remain confined to developed countries.

In order to assist with the harmonisation and expansion of TREC systems, TRECKIN will initiate an exchange of information and 'learning by trading' on a world wide scale.

TRECKIN and its objectives

TRECKIN will create a world wide network to stimulate the development of new renewable energy capacity through the international trade of TRECs. The objectives of the initiative is to:

- ◆ Strengthen the TREC-network within the EU, and between the EU and the rest of the world.
- ◆ Accelerate access to the TREC market for developing countries and economies in transition.
- ◆ Actively stimulate the start of an intercontinental TREC market by initiating pilot trades.
- ◆ Support private sector involvement, and create a 'European Top-10 'trading commitment' initiative.

Activities

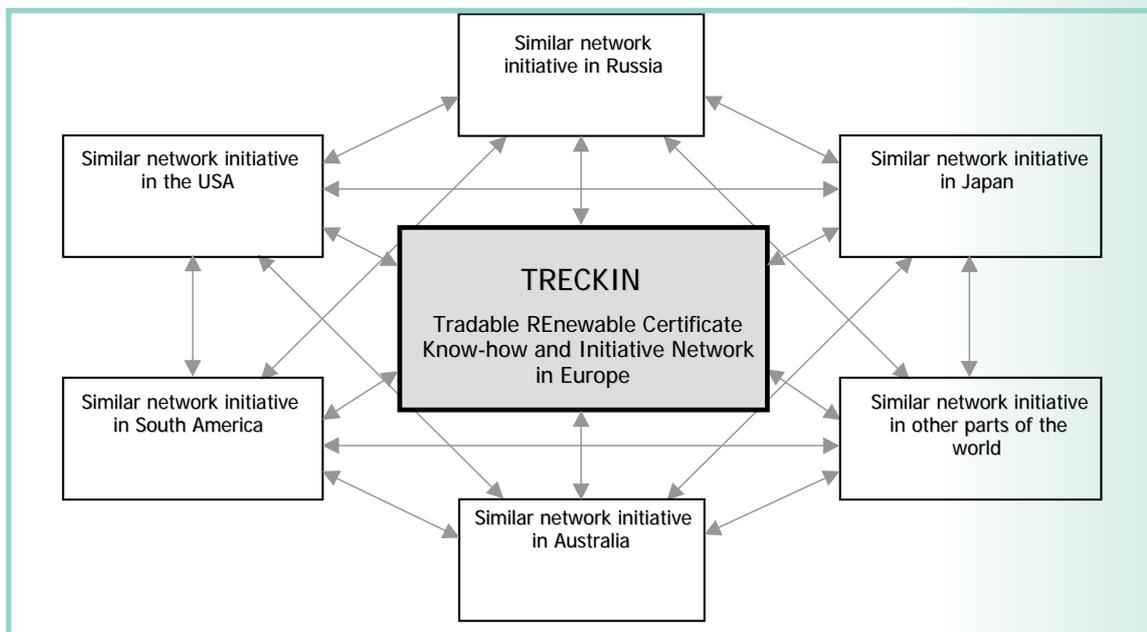
The TRECKIN project includes four major areas of activity:

1. Network building and coordination
2. Acceleration phase for developing countries and economies in transition
3. Supporting intercontinental pilots trades
4. Top-10 European business TREC trades



Work Programme 1: Network building and co-ordination

This action aims to strengthen the growing contact network on TRECs and will create a structure for collecting, preparing and disseminating information. The European TRECKIN group is coordinating activities with similar networks in the other parts of the world, as depicted in the figure below. The network will act to disseminate lessons-learnt from Europe to the other partners and ensure that crucial information from the other continents is disseminated throughout Europe.



Work Programme 2: Acceleration phase for developing countries and economies in transition

Organisations in developing countries and economies in transition will be provided with training and information on how to establish TREC systems. Meetings will be held in several countries including South Africa (Parallel Event to the World Summit on Sustainable Development in Johannesburg), China and Poland.

Work Programme 3: Supporting intercontinental pilots trades

Pilot trades involving real financial flows will be facilitated between developing countries and industrialised countries. The team has leads for these pilots on the supply side in South Africa, the Russian Federation, Mexico, Brazil and China. On the demand side there is strong potential for sales to Italy and The Netherlands.

Work Programme 4: Top-10 European business TREC trades

TRECKIN will reach out to the private sector by helping to stimulate and publicise TREC trades. The TRECKIN-team will set-up a 'European Top-10 Trading Commitment' initiative, in conjunction with the European Business Council for Sustainable Energy.



What TRECKIN can provide for you

The TRECKIN network will provide partners with:

- ◆ Information on existing and quickly emerging TREC and renewable energy markets.
- ◆ Involvement in real TREC trades.
- ◆ Invitations to special TREC events with key players.

- ◆ **Are you interested in the TRECs?**
- ◆ **Do you want to participate in the pilots?**
- ◆ **Do you think that information on the situation/initiatives in your country should be disseminated more adequately?**
- ◆ **Do you have any other relevant remarks of ideas?**

Then contact us at: treckin@itpower.co.uk

European Consortium

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