

Keeping ok power providers capable of acting until the process of setting up the hydropower criteria are completed and operational

Board decision on 17 March 2009

1 Background

To ensure the ecologically sustainable use of hydropower, EnergieVision e.V. introduced some generic criteria for hydropower into the ok power certification scheme in 2008.

Still, due to several reasons these criteria have not been fully implemented in the assessment of plants yet. Among others, these reasons are:

- The high complexity of hydropower plants calls for additional information or information concerning certain parameters. With the currently used check list, this information has often not been provided by the plant operators, which has caused a high coordination effort.
- Individual and very time-consuming assessments are necessary due to the complexity and individuality of hydropower plants. Another limiting factor is the lack of experienced auditors to perform these assessments.
- Due to the increased exports of green power from producing countries, national NGOs in these countries became sensible to the issue in the recent past and requested participation in the certification process and the definition of criteria. Therefore the most important and in the short term not remediable reason for the delay in the implementation of the ok power criteria for hydropower plants, is the need of a consensual solution that needs to ensure practicability and to consider the dynamics of the market. Without such a solution ongoing conflicts are inevitable.

Resulting from this, only four hydropower plants were approved by the ok power hydropower criteria so far. According to the feedback we received, there is an artificial shortage of ok power capacities in the market, which by now seem to have resulted in a complete stop of the market. Green power suppliers usually buy the electricity for 2010 and the following years already today. They currently have no possibility to conclude contracts with hydropower plant operators, since the plant operators can't predict if they will be authorised to deliver at all. It is important to recognise, that this bottleneck situation is mainly due to the lack of a suitable assessment procedure taking other shortage factors into account. The bottleneck is most likely not caused by a lack of ecological suitable (new) plants.

Additionally, there is a lot of uncertainty in the market concerning the development of the ok power certification scheme in the coming years. Due to a low planning dependability resulting from short transition periods, there is little incentive to perform ecological improvements in existing plants or to build new plants according to the criteria.

2 Need of further development

The Board of EnergieVision e.V. recognises the need for dependable and ecological ambitious criteria for hydropower plants. The following features with regard to content and process should thereby be pursued:

- The participation of external evaluators should be the norm in order to ensure a clean certification procedure. Nevertheless, clear accreditation criteria for the selection of auditors should be defined in collaboration with other experts to guarantee a sufficient “pool” of auditors who can perform assessments in Germany, Scandinavia and in the Alpine Countries.
- The criteria for the certification should be revised in co-operation with the national NGOs and possibly with the involved auditors in order to increase their acceptance and applicability in practice.

These processes are underway already for some time with high intensity, largely due to the dedication of the WWF. Still, a short term solution is not in sight so far.

3 Board Decision

A further “stop of accreditation” for hydropower plants until the above mentioned questions are solved would have dramatically implications on the dynamics of the ok power market without bringing any ecological benefits. Therefore the Board of EnergieVision e.V. decides on the following transition procedure that will be in force until the day on which final hydropower criteria (incl. the associated auditing routines) will be announced.

1. The criteria for hydropower persist for the time being, but their application is suspended pending further notice. Therewith all hydropower plants may deliver electricity to ok power-products. This includes plants that are currently in the assessment against the hydropower criteria or have already been approved, as well as all additional plants that green power suppliers newly take up in their supply portfolio. The eligibility is irrespective of the age and the location (Germany or abroad) of a plant.¹
2. To ensure sufficient planning dependability in the market, all plants (respectively their supply contracts) falling under point 1) will be granted conservation of the status quo until the end of the second calendar year that follows the announcement of the final criteria and the associated auditing routines. The conservation of the status quo affects all supply contracts that have been or will be concluded before the date of a future announcement of the final hydropower criteria incl. the associated auditing routines. In practice that means that for the moment supply contracts can be concluded until the end of 2011. Should the criteria be an-

¹ Still, the selection of plants should follow the principle that electricity from hydropower should primarily come from reactivated or reconstructed plants, because here interferences with the natural environment are comparably small. Besides run-of-river power stations also storage power plants can be acceptable.

nounced in 2010, the conservation of the status quo for supply contracts that will have been concluded before the date of announcement would be prolonged until the end of 2012.

3. Parallel to this, EnergieVision e.V. will proceed to work on answering the above mentioned questions in order to be able to provide ecologically meaningful criteria for hydropower together with a reliable procedure of accreditation as soon as possible. Certified suppliers will be informed about the possible date of announcement of the new criteria in due time.
4. This board decision will be distributed by e-mail to all ok power suppliers and other interested parties and will additionally be published on the EnergieVision webpage.