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Green power markets need full disclosure, analyst says

European power suppliers offer a wide range of green electricity products and need to clearly label their offerings, Christof Timpe of Germany's Oeko-Institut told attendees at the 6th European Conference on Green Power Marketing in Geneva, Switzerland this month.

"Consumers aren't in a position to check whether products fulfil certain criteria," he said. "...The relation between a retailer's overall disclosure statement and its individual products often remains unclear."

Electricity disclosure, Timpe noted, creates transparency by providing objective information that is required for all power sold to EU consumers. Green power quality labels, however, verify compliance with subjective criteria using voluntary disclosure. Additionally, some green electricity products are plagued by double counting, in which the same renewable energy capacity is counted twice in different programs.

Though many green power offerings share similar attributes, such as additionality (contributing to the expansion of sustainable power or heat, as opposed to tapping power already being generated) and tracking of electricity using guarantees of origin – essentially electronic green tags – their individual features differ substantially, Timpe said.

In Sweden, for example, the Bra Miljöval program provides additionality through a central fund that finances energy efficiency, while the naturemade star program in Switzerland promotes additionality through a program to improve streams where hydroelectric plants are built. Finland's Norppa product, though, offers no additionality.

Timpe called for a transition to European-wide green power standards in which all products claiming a specific origin would be based on guarantees of origin and European regulators would "ensure independent auditing of claims made by green power producers."