



Consultation Document no. 2/2023

Long-Term Trading of Guarantees of Origin (GOs) Proposal for the introduction of a GO Bulletin Board

TABLE OF CONTENTS

1.	FOREWORD	3
2.	BACKGROUND OF THE CONSULTATION	3
2.1.	REFERENCE LEGISLATIVE/REGULATORY FRAMEWORK OF THE GO SYSTEM	3
2.2.	TRADING OF GOs – CURRENT P-GO SYSTEMS.....	5
2.3.	LONG-TERM TRADING OF GOs – INTRODUCTION OF A GO BULLETIN BOARD.....	7
3.	MODEL OF OPERATION OF THE GO BULLETIN BOARD.....	7
3.1.	PARTIES ADMITTED TO PARTICIPATE IN THE GO BULLETIN BOARD	8
3.2.	PLACING ADS IN THE GO BULLETIN BOARD.....	10
3.3.	PUBLICATION AND DISPLAY OF ADS ON THE GO BULLETIN BOARD	11
3.4.	PREFERRED COUNTERPARTIES.....	12
3.5.	EXPRESSION OF INTEREST IN THE ADS PUBLISHED BY PREFERRED COUNTERPARTIES ON THE GO BULLETIN BOARD	13

1. FOREWORD

Under article 3, para. 3.5 of the “Rules of Operation of the Regulated Market and of the Platform for Registration of Bilaterals of Guarantees of Origin”, GME has published this consultation document with a view to gathering comments on the proposal to introduce a GO Bulletin Board as part of its P-GO systems. GME has formulated the proposal in compliance with article 5, para. 3 of Decree of the Minister of Environment and Energy Security no. 224 of 14 July 2023 (implementing article 46 of Legislative Decree no. 199 of 8 November 2021 on Guarantees of Origin).

Interested parties are invited to send in their comments in writing to “GME – **Governance**” info@mercatoelettrico.org within **18 December 2023** (end date of the consultation) at the latest.

Comments must be transmitted by using the Excel template attached to this consultation document. Comments transmitted in other formats will not be accepted.

Parties wishing to keep all or part of their comments confidential should specify which part of their comments are to be kept confidential.

2. BACKGROUND OF THE CONSULTATION

2.1. REFERENCE LEGISLATIVE/REGULATORY FRAMEWORK OF THE GO SYSTEM

Article 46 of Legislative Decree no. 199 of 8 November 2021 (Legislative Decree 199/21) transposed EU provisions on Guarantees of Origin into the national legislation. These provisions are laid down in Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources, recasting and repealing the previous legislation on renewable energy: Directive 2009/28/EC, Directive (EU) 2015/1513, and Council Directive 2013/18/EU.

Among measures in support of environmental sustainability, Directive (EU) 2018/2001 confirmed, in particular, the system of **guarantees of origin**, extending it to all types of renewable energy sources, with a view to “showing to final customers that a given share or quantity of energy was produced from renewable energy sources”.

Guarantees of origin (GOs) are electronic certificates (that the competent bodies designated in each Member State issue within appropriate European registries) providing evidence of the renewable origin of the energy produced in relation to which they are issued. After issuing, these certificates may be traded independently of the energy to which they relate.

The Directive explicitly provides that Member States “shall ensure that the origin of energy from renewable sources can be guaranteed as such... in accordance with objective, transparent and non-discriminatory criteria”. Pursuant to the applicable European legislation, GOs should specify at least:

- the energy source from which the energy was produced and the start and end dates of production;
- whether it relates to electricity, gas, including biomethane, hydrogen, or products used for heating or cooling;
- the identity, location, type and capacity of the installation where the energy was produced;
- whether the installation has benefited from investment support and whether the unit of energy has benefited in any other way from a national support scheme, and the type of support scheme;
- the date on which the installation became operational; and
- the date and country of issue and a unique identification number.

In line with EU legislation, article 46 of Legislative Decree 199/21 extended the scope of application of the GO system, which was previously limited to electricity generated from renewables.

Indeed, article 46 of Legislative Decree 199/21 repealed the previous provisions of article 34 of Legislative Decree no. 28 of 3 March 2011 and extended the GO system to gas, including biomethane, hydrogen, and products of renewable origin for heating or cooling.

The measures implementing article 46 of Legislative Decree 199/21 were defined (as referred to in the same article 46) in Ministerial Decree no. 224 of 14 July 2023 (implementing article 46 of Legislative Decree no. 199 of 8 November 2021 on GOs), adopted by the Minister of Environment and Energy Security at the proposal of ARERA (hereafter Ministerial Decree no. 224).

In particular, Ministerial Decree no. 224 set forth procedures for issuance, recognition, marketing, registration, and cancellation of the renewable energy GOs specified in article 46 of Legislative Decree 199/21; except for a few specific aspects, these procedures practically reflected those previously in force for GOs related to electricity.

In this sense, the Decree conformed to ARERA’s decision 235/2022/R/COM of 31 May 2022, i.e. the proposal that ARERA submitted to the Minister of Environment and Energy Security on the implementation of article 46 of Legislative Decree 199/21. Indeed, ARERA proposed to provide that the procedures for issuance, recognition, marketing, registration, and cancellation of the additional renewable energy GOs, referred to in article 46 of Legislative Decree 199/21 (specifying whether relating to electricity, gas, including biomethane, hydrogen, and products for heating or cooling) should be practically identical to those currently in force for GOs related to electricity generated from renewables.

Currently, as set forth in Ministerial Decree no. 224 (article 20, para. 5), the types of GOs issued within the national system are those relating to electricity and gas, including biomethane, while the implementation of the activities needed to manage GOs in respect of hydrogen, thermal or cooling energy was deferred to a subsequent stage.

2.2. TRADING OF GOs – CURRENT P-GO SYSTEMS

As established in Ministerial Decree no. 224, GOs may be traded in the appropriate market managed by GME, or bilaterally (on an OTC basis), or awarded under auctioning procedures organised by GSE (when GOs are owned by GSE itself). In the latter two instances, holders of bilateral contracts and awardees of auctioning procedures are required to register the volumes and trading prices of GOs with GME.

GME organises and manages the above-mentioned GO trading systems (called P-GO) under article 6, para. 6.6 of ARERA's decision ARG/elt 104/11 of 28 July 2011. These systems consist of:

- **Regulated market for trading GOs** (hereafter **M-GO**), where GME acts as central counterparty in the transactions;
- **Platform for registering bilaterals of GOs** (hereafter **PB-GO**), on which participants holding a GO account with GSE's Portal fulfil their obligation to register bilateral GO transactions; also bilateral transactions resulting from the auctioning procedures organised by GSE to award its own GOs are registered on the PB-GO.

In compliance with article 20, para. 5 of Ministerial Decree no. 224 and with the Application Rules adopted by GSE under the same Decree¹, **the types of GOs currently tradable on the P-GO systems are those relating to electricity and gas, including biomethane**. Indeed, Ministerial Decree no. 224 postponed the implementation of the activities needed to manage GOs related to hydrogen and thermal or cooling energy to a subsequent stage.

Each type of currently tradable GO (i.e. electricity and gas GOs, including biomethane) is classified by source/use, month and year of production. The types of GOs related to gas for transport and other uses include the specification of the “exportable” or “not exportable” attribute among their uses.

To carry out transactions in the M-GO or make registrations on the PB-GO, participants must have appropriate operating access profiles that are assigned by GSE. For each of these profiles, participants have a corresponding ownership account with GSE's GO Portal.

In particular, in its Application Rules, GSE specified the following operating access profiles (**Produttore/producer**, **Impresa di vendita/selling company**, **Trader**, **Utente Dispacciamento in Prelievo/end-user UDDI**, **Gestore impianto distribuzione stradale/road service station operator**) and the related operating privileges associated with the types of tradable GOs:

¹DM GARANZIE DI ORIGINE – Regole Applicative - v.1 (novembre 2023) adopted by GSE under article 17, para. 1 of Decree no. 224 of the Minister of Environment and Energy Security of 14 July 2023 and published on its website www.gse.it.

- **Producer** → he/she/it may buy and sell all types of GOs tradable in the M-GO/submit requests for registration of bilateral transactions (as seller) or be designated as buying counterparty in a bilateral transaction, for all types of GOs in relation to which transactions may be registered on the PB-GO.

Hydro	Wind	Solar	Geothermal	Bio	Other	Gas Transport exportable	Gas Transport not exportable	Gas Other Uses exportable	Gas Other Uses not exportable	Gas Electricity
-------	------	-------	------------	-----	-------	--------------------------	------------------------------	---------------------------	-------------------------------	-----------------

- **Selling company** → it may buy and sell all types of GOs tradable in the M-GO/submit requests of registration of bilateral transactions (as seller) or be designated as buying counterparty in a bilateral transaction, for all types of GOs in respect of which transactions may be registered on the PB-GO.

Hydro	Wind	Solar	Geothermal	Bio	Other	Gas Transport exportable	Gas Transport not exportable	Gas Other Uses exportable	Gas Other Uses not exportable	Gas Electricity
-------	------	-------	------------	-----	-------	--------------------------	------------------------------	---------------------------	-------------------------------	-----------------

- **Trader** → he/she/it may buy and sell all types of GOs tradable in the M-GO/submit requests for registration of bilateral transactions (as seller) or be designated as buying counterparty in a bilateral transaction, for all types of GOs in respect of which transactions may be registered on the PB-GO.

Hydro	Wind	Solar	Geothermal	Bio	Other	Gas Transport exportable	Gas Transport not exportable	Gas Other Uses exportable	Gas Other Uses not exportable	Gas Electricity
-------	------	-------	------------	-----	-------	--------------------------	------------------------------	---------------------------	-------------------------------	-----------------

- **End-user UDDI** → it/he/she may only buy all types of GOs in respect of electricity tradable in the M-GO/be designated only as buying counterparty in a bilateral transaction concerning one of the types of GOs related to electricity and for which transactions may be registered on the PB-GO.

Hydro	Wind	Solar	Geothermal	Bio	Other
-------	------	-------	------------	-----	-------

- **Road service station operator** → he/she/it may buy and sell only the types of GOs “Gas Transport Exportable” and “Gas Transport Not Exportable” tradable in the M-GO/submit requests for registration of bilateral transactions (as seller) or be designated as buying counterparty in a bilateral transaction only for the types of GOs “Gas Transport Exportable” and “Gas Transport Not Exportable”.

Gas Transport exportable	Gas Transport not exportable
--------------------------	------------------------------

2.3. LONG-TERM TRADING OF GOs – INTRODUCTION OF A GO BULLETIN BOARD

As regards the trading and registration of GOs, Ministerial Decree no. 224, *with the aim of further encouraging the trading of GOs*, also provides (in article 5, para. 3) *that GME shall put in place a digital bulletin board as part of its current systems for trading GOs, in order to put in touch parties potentially interested in concluding long-term GO contracts. GME shall lay down the rules of operation of the digital bulletin board as part of the rules of operation of the P-GO platform, approved by ARERA.*

In accordance with article 5, para. 3 of Ministerial Decree no. 224 and article 3, para. 3.5 of its “Rules of Operation of the Regulated Market and of the Platform for Registration of Bilaterals of Guarantees of Origin (hereafter P-GO Rules), GME has published this consultation document. The document is aimed at gathering comments from interested parties about the proposal to introduce a digital bulletin board (GO Bulletin Board) as part of GME’s current P-GO systems. The GO Bulletin Board is expected *to put in touch parties potentially interested in concluding long-term GO contracts.*

3. MODEL OF OPERATION OF THE GO BULLETIN BOARD

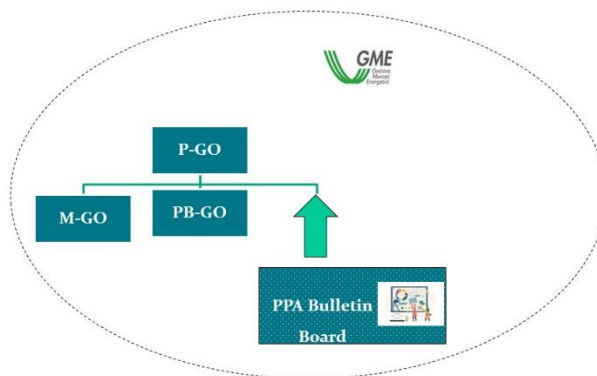
The **GO Bulletin Board** that GME plans to create within its P-GO systems will only be a **showcase of sale and purchase ads**, i.e. a virtual venue on which parties *interested in concluding long-term GO contracts* may post their sale/purchase ads, or express their “non-binding” interest in ads published by other parties, and subsequently get in touch with one another in order to enter into possible purchase/sale contracts off the GO Bulletin Board.

Sale or purchase ads posted on the GO Bulletin Board will concern the types of GOs that will be from time to time admitted to trading on the P-GO systems.

Parties admitted to operate on the GO Bulletin Board will be able to:

- **submit sale/purchase ads;**
- **view all the ads** posted on the GO Bulletin Board (their own ads and those posted by other parties);
- select/**express their interest only in the ads posted by other parties with which/whom they have a “preference relationship”** (see para. 3.4). Selectable ads will be displayed in a different colour, to distinguish them from those (view-only, not selectable) posted by parties with which/whom there is no preference relationship.

All the ads posted on the Bulletin Board (selectable or view-only) will be displayed without indicating the proposing party (anonymity).



The features and principles of operation of the proposed GO Bulletin Board model are described in the following paragraphs.

3.1. PARTIES ADMITTED TO PARTICIPATE IN THE GO BULLETIN BOARD

In accordance with the admission requirements specified in the P-GO Rules, participation in the GO Bulletin Board will be open to all parties who/which are proficient in the use of ICT systems and related security systems, or who/which have ICT-proficient employees or assistants.

In particular:

- **If the party applying for participation in the GO Bulletin Board holds an ownership account with the national GO registry held by GSE (GSE’s GO Portal),** he/she/it will have to apply for participation in the PB-GO². With a view to facilitating the procedure to obtain access to the GO Bulletin Board, GME will set up an “automatic” connection between admission to participate in the PB-GO and admission to participate in the GO Bulletin Board. This choice is based on the fact that any bilateral transaction completed between two counterparties both holding ownership accounts with GSE’s GO Portal must be registered on the PB-GO. Therefore, as of the start of operations on the GO Bulletin Board, all participants in the PB-GO will be automatically admitted to participate in the GO Bulletin Board, with no further formalities. Subsequently, parties applying for participation in the PB-GO will be automatically admitted to participate in the GO Bulletin Board.

² If, upon the start of operations on the GO Bulletin Board, applicants hold an ownership account with GSE but are registered only with the M-GO, they will have to apply for participation in the PB-GO in order to be admitted to operate on the GO Bulletin Board.

- **If the party applying for participation in the GO Bulletin Board DOES NOT hold an ownership account with the national GO registry held by GSE (GSE’s GO Portal),** he/she/it must apply for participation in the GO Bulletin Board and hold an ownership account with one of the European Energy Certificate System (EECS) registries, which are connected via the intercommunication hub operated by the Association of Issuing Bodies (AIB).

In the latter case, if the participant in the GO Bulletin Board subsequently opens an ownership account with GSE’s GO Portal, he/she/it will have to apply for participation in the PB-GO (under the criterion outlined in the previous paragraph) in order to continue operating thereon.

The only purpose of the GO Bulletin Board is to put in touch counterparties through their expressions of interest in the GO purchase and sale ads posted thereon. It will not be a virtual venue where to complete GO transactions. Consequently, parties admitted to access the GO Bulletin Board will be able to operate thereon **independently of the operating access profiles and the related access privileges** that are instead required on the current P-GO systems.

Therefore, unlike in the M-GO and on the PB-GO, **although the access by operating profile will be maintained, the operations on the GO Bulletin Board will be by participant, thus neglecting the different access profiles/operating privileges.** As a result, each of the operating profiles will be able to view the operations carried out on the GO Bulletin Board by the other operating profiles, if present, of a same participant.

In particular, the data pertaining to the access profiles provided by a **PB-GO participant (holding an ownership account with the national GO registry operated by GSE)** will be relevant solely for the operations carried out on the PB-GO. Indeed, a PB-GO Participant automatically admitted to access the GO Bulletin Board (as previously pointed out) will be authorised to operate thereon with all of his/her/its operating access profiles, with no distinction among the operating privileges associated therewith.

Likewise, a **GO Bulletin Board participant (NOT holding an ownership account with the national GO registry operated by GSE, but holding a foreign ownership account connected to the hub operated by AIB)** will be authorised to operate on the GO Bulletin Board through a “generic” operating profile, which will be assigned by default by the GO Bulletin Board operating system. The latter profile will enable the participant to carry out any operation that is allowed on the GO Bulletin Board, with no limitation.

3.2. PLACING ADS IN THE GO BULLETIN BOARD

To place an ad in the GO Bulletin Board, the participant must specify the following data:

- a. type of ad (sale or purchase);
- b. type of GO³ (source/use, month and year of production).
The types of GOs will be pre-configured on the GO Bulletin Board with the fields “source/use” (including the exportable/not exportable attribute, where applicable) and “month of production”; the participant may only specify the “year of production” by selecting it on a range going from the current year to the following three years, i.e. **Wind_January_year (selectable)**
- c. Country of production (IT/EX/NOT SPECIFIED)
- d. Support received (YES/NO/NOT SPECIFIED)
- e. EAN Installation Code (**this field will be displayed in the ad only if there is an expression of interest in it**) (optional)
- f. Volume of GOs (to be bought/sold)
- g. Price (if any)
- h. GO delivery date (selectable from a calendar; the participant will not be allowed to select a date before the month of production of the GOs specified in the ad)
- i. Other (free descriptive field)
- j. E-mail address to which the expressions of interest in the ad will have to be sent (**this field will not be displayed in the ad, but it will be saved by the GO Bulletin Board information system in order to send notifications about ads; this e-mail address will be made known only to the participant expressing interest in the ad**).

The proposing participant may at any time change or delete his/her/its ad, provided that there has been no expression of interest in it.

An ad that has been changed will be published on the GO Bulletin Board as a new ad.

An ad that has received an expression of interest will be deleted from the GO Bulletin Board.

³ The selectable types of GOs will be those that will be from time to time admitted to trading on the P-GO systems.

Questions for consultation

Question no. 1

*In addition to the proposed fields, do you deem it useful to add additional data to the ad?
If your answer is yes, which additional data do you consider as useful/necessary?*

3.3. PUBLICATION AND DISPLAY OF ADS ON THE GO BULLETIN BOARD

All the ads placed on the GO Bulletin Board will be displayed in anonymous form (without indicating the proposing party) and they will contain all the mandatory fields, except for the following information:

- **EAN Installation Code:** this field will be displayed in the ad only if there has been an expression of interest in it;
- **E-mail address to which the notifications of expression of interest in the ad are to be sent** (this field will never be displayed in the ad, but it will be saved by the GO Bulletin Board information system for sending notifications about ads; this e-mail address will be made known only to a participant expressing interest in the ad).

Each participant accessing the GO Bulletin Board will thus be able to view all the published ads, each of which will be associated with the following additional fields:

- **Ad ID:** sequential number automatically generated by the GO Bulletin Board;
- **Publication date:** date (hour and minutes) on which the ad has been published;
- **Expiry date:** date on which the ad will be automatically withdrawn from the GO Bulletin Board.

If a participant wishes additional information about the ad, he/she/it may view it by selecting “show ad details”.

Ads will be displayed **in different colours, depending on whether they have been submitted by preferred counterparties (see 3.4) or counterparties with which/whom there is no preference relationship.**

On the GO Bulletin Board, each participant will view his/her/its own ads associated with the related status:

- **published:** ad displayed on the GO Bulletin Board;
- **expired:** ad previously published but expired; this ad cannot be viewed by other participants;
- **withdrawn:** ad deleted from the GO Bulletin Board by the participant;
- **confirmed:** ad for which there has been an expression of interest.

3.4. PREFERRED COUNTERPARTIES

To facilitate and streamline the search for counterparties on the GO Bulletin Board, **the system will enable each participant to express interest only in the ads placed by other participants with whom/which he/she/it has a preference relationship.**

Thus, if a participant has not established any preference relationship, he/she/it will have view-only access to the ads published on the GO Bulletin Board.

Questions for consultation

Question no. 2

Do you agree on the proposal to restrict the expression of interest/selection to the ads that have been placed by preferred counterparties and to enable view-only access to the other ads?

Regardless of the publication/display of sale/purchase ads on the GO Bulletin Board, a participant wishing to establish a “**preference relationship**” will have to send a request to be designated as “preferred counterparty” to one or more participants with whom/which he/she/it wishes to enter into potential long-term GO contracts.

In particular, the GO Bulletin Board information system will enable the requesting participant to: a) view the “list of participants” admitted to operate on the GO Bulletin Board, together with their company name or registered name, registered office, and VAT number; b) select the participants of interest; and c) send a request of designation as “preferred counterparty”. The system will also allow the requesting participant to provide additional information (in free format text) to the recipients of the request.

The selected participants will receive requests for designation as “preferred counterparties” through an internal messaging service of the GO Bulletin Board. After viewing the data of the requesting participant (company name or registered name, registered office, and VAT number), they may, at their sole discretion, decide to “accept” or “reject” the request, within the deadline specified by the requesting participant.

The acceptance of a request of designation as “preferred counterparty” will establish a mutual “preference” relationship between the requesting participant and the participant accepting the request, until cancellation of the same request by any of the participants. Hence, the requesting participant will view the name of the participant accepting his/her/its request in the list of “preferred counterparties”, and the accepting participant will view the name of the requesting participant in his/her/own list of “preferred counterparties”.

Each counterparty may at any time cancel the “preference” relationship. In this instance, the “preference” relationship terminates automatically without requiring confirmation by the other party. The termination of the preference relationship will be notified through the GO Bulletin Board internal messaging service.

3.5. EXPRESSION OF INTEREST IN THE ADS PUBLISHED BY PREFERRED COUNTERPARTIES ON THE GO BULLETIN BOARD

As indicated above, participants will view the ads placed by their preferred counterparties in a different colour – to distinguish them from those placed by other participants with whom/which there is no “preference” relationship. These ads will be the only ones in which interest may be expressed.

Participants will have the option of comparing the various ads placed by their preferred counterparties and the related details, by filtering and/or ranking them (e.g. filtered by type of ad, purchase/sale, type of GO, date of delivery, etc.).

Participants interested in a given ad, placed by a preferred counterparty, may select it and, through an appropriate feature of the system, express their interest.

Together with their expressions of interest, **participants must specify their e-mail addresses, which will be made known only to the proposing participants.**

To express interest in a given ad, the participant may activate an anonymous chat with the proposing participant (available on the GO Bulletin Board) with a view to obtaining additional information. **This messaging feature will be available only for selectable ads and not for view-only ones.** Furthermore, to facilitate the notification of messages to the proposing participant about his/her/its ad, the GO Bulletin Board system will send an alert about the presence of chat messages to the e-mail address specified by the same participant when placing the ad.

Questions for consultation

Question no. 3

Do you deem it useful to rely on a messaging system to exchange additional details about published ads in anonymous form?

The expression of interest will be deemed to have been automatically confirmed by the proposing participant, as soon as it has been submitted, without requiring any explicit acceptance. Therefore, upon the expression of interest, the GO Bulletin Board system will

- send a notification of “expression of interest” to the participant proposing a given ad, together with information about the participant expressing interest (company name or registered name, registered office, and VAT number), including the e-mail address specified upon submitting the expression of interest;
- provide the participant expressing interest with information about the proposing participant (company name or registered name, registered office, and VAT number), including the e-mail address specified upon placing the ad.

Each participant will view his/her/its expressions of interest on the GO Bulletin Board together with the ads to which they refer.

Any contract between the proposing participant and the interested participant will have to be made off the GO Bulletin Board. In no event will the ad or the expression of interest represent a commitment to negotiate or to conclude contracts between the participants involved.

For the transfer of the GOs covered by contracts made between:

- **counterparties that both hold ownership accounts with GSE's GO Portal**, the same counterparties will have to register them with GME's PB-GO platform under article 5, para. 2 of Decree no. 224. Upon registration, these counterparties may specify the ad code assigned to the transaction; in this way, GME will only apply the fees for the services rendered on the PB-GO and not the fees for the services rendered on the GO Bulletin Board;
- **counterparties of whom/which one or both do not hold ownership accounts with GSE's Portal**, the same will have to carry out the transfer by registering directly with the managers of the national GO registries (in Italy, GSE), which will manage the transfer through the hub for international trade of certificates managed by AIB.