

## A. Introduction

- 1 HK Electric introduces the Renewable Energy Certificates Scheme (**the REC Scheme**) on 1 January 2019 pursuant to the 2019-2033 Scheme of Control Agreement. Through purchasing the Renewable Energy Certificates (**REC**), customers of HK Electric support for the development of renewable energy (**RE**) in Hong Kong and may make use of REC to achieve their RE/environmental targets. The proceeds from the sale of REC will help offset the expenses arising from the Feed-in Tariff Scheme (**the FIT Scheme**).
- 2 This document describes the REC Scheme, including specifications of the following components:
  - Product Offering
  - Inventory System Formation, Operation, Audit and Verification
  - Disclosure of REC Information

## B. Product Offering

### 3 **Type of RE**

- 3.1 Sources of RE are confined to solar photovoltaic (PV) and wind power systems.

### 4 **REC**

- 4.1 Each unit carried in a REC tracked in the Inventory System (as defined in Section C below) represents all the environmental attributes associated with one unit (equals to one kWh) of electricity generated from local RE sources by an eligible renewable energy power system (**REPS**) registered in the Inventory System. A REC purchaser has the right to claim the environmental benefits associated with the amount of electricity carried in the REC. Such unit of electricity is either generated by HK Electric or purchased from its customers through the FIT Scheme by HK Electric.
- 4.2 For avoidance of doubt, environmental attributes do not include any energy, capacity, reliability, or other power attributes from the REPS. All the electricity generated from the REPS, and any such environmental attributes associated with the electricity output from REPS participated in the FIT Scheme will be sold, transferred and surrendered to HK Electric for the issuance of REC.
- 4.3 The vintage of a REC to be sold in any calendar year will be set at 21 months, in which the REC represents the quantity of electricity generated by REPS:
  - During that calendar year (12 months);
  - During the last 6 months of the preceding calendar year; and
  - During the first 3 months of the following calendar year.
- 4.4 REC will be issued and dispatched to REC purchasers in electronic format containing the following information:
  - Name of the REC purchaser (same as the name of the registered customer of the electricity account);
  - Calendar year of the REC;
  - Purchase quantity;
  - A unique certificate number; and
  - Issue date of the REC.

## C. Inventory System Formation, Operation, Audit and Verification

### 5 Formation of Inventory System

5.1 The REC Inventory System (the **Inventory System**) is a RE generation inventory system established by HK Electric. The Inventory System issues REC carrying a quantity of electricity matching with the quantity of electricity generated by REPS registered in the Inventory System. The Inventory System will register REPS and track the issuance, sale and dispatch of REC.

#### Eligibility and Registration of REPS

5.2 All REPS owned by HK Electric and connected to the grid of HK Electric will automatically be registered in the Inventory System for the issuance of REC. Documentation for the grid connection details of each of HK Electric-owned REPS will be maintained by HK Electric.

5.3 A REPS owned by a customer must meet the following eligibility criteria in order to be automatically registered in the Inventory System on the effective date of the respective FiT Agreement comes into effect:

- The REPS is a solar PV and/or wind power system;
- The REPS is located within HK Electric's supply territory; and
- The customer is a participant under the FiT Scheme and has entered into a FiT Agreement with HK Electric which covers the REPS.

### 6 Operation of Inventory System

#### REC Issuance

6.1 REC will be issued in the Inventory System based on the static data and dynamic data of an eligible REPS which will be registered in the Inventory System.

#### *Static Data*

6.2 Static Data refers to the constant physical attributes of a REPS. These data, amongst others, include:

- Owner/owner's representative contact information
- REPS location
- REPS capacity (in kW)
- Meter information
- Grid connection date
- FiT Agreement for REPS owned by customers

6.3 The static data will be verified by HK Electric in the process of connecting REPS to HK Electric's grid.

#### *Dynamic Data*

6.4 Dynamic data is a variable information associated with a specific registered REPS output. The electricity output from the REPS will be measured by revenue-grade meters. These output dynamic data will be tracked (e.g. type of generation and date range of electricity generation) in the Inventory System.

- 6.5 The meters and the data transmission process will be verified by HK Electric as necessary.

## REC Dispatch

- 6.6 The quantity of electricity under each sold and dispatched REC will be deducted from the Inventory System at the time of releasing the REC to REC purchasers to ensure no double-selling of REC and the associated environmental attributes.

## Monitoring

- 6.7 For registered REPS owned HK Electric, HK Electric will ensure the most updated static and dynamic data are kept in the Inventory System. For sold and dispatched REC, HK Electric will not make claim on the use of the corresponding REPS generated electricity and the associated environmental attributes.
- 6.8 For registered REPS under FiT Agreement, the FiT Scheme participant shall notify HK Electric for any alteration of the REPS (including changes in type of renewable resource or technology, the capacity or configuration, and the status of the meter(s)). HK Electric, if considers necessary, may carry out site visits to ascertain such alteration of details.
- 6.9 HK Electric will remind each FiT Scheme participant that no claim on the use of the corresponding REPS generated electricity and the associated environmental attributes shall be made after the corresponding FiT Agreement has come into effect.

## **7 Audit and Verification of Inventory System**

- 7.1 On an annual basis, HK Electric will engage a third-party auditor to verify the proper implementation and functioning, and data integrity of the Inventory System in order to comply with this REC Assurance Specification.

## **D. Disclosure of REC Information**

- 8 For checking of the validity of sold REC, the general public will be able to review on HK Electric's website the details of the REC as listed under Clause 4.4, except that HK Electric will only publish the name of a REC purchaser on its website upon obtaining consent from the REC purchaser.
- 9 The sold REC can then also be viewed / downloaded by the respective REC purchasers via HK Electric's Account-on-Line (AOL) platform after they have separately registered for the AOL service.
- 10 The details of REC published on HK Electric's website shall prevail in case of any discrepancy.

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