

Grüner Strom-Label

Criteria List 2015, V1.2



1 PURPOSE OF THE GRÜNER STROM LABEL CERTIFICATION

1.1 The goal of Grüner Strom Label e.V. (The “Green Electricity Label registered association”) (Hereinafter “GSL”) is to create transparency for the consumers by certifying recommendable Green Electricity offered on the market for green electricity in accordance with the criteria following hereinafter. ¹ Certified are Electricity Products delivered to customers entirely produced from renewable energy and for which, in addition to the foregoing, a fixed amount per kilowatt-hour (kWh) is invested in the ecologically sustainable development of renewable energy. They provide impulses and spur the increased use of renewable energy resources, which meet highest environmental standards.

To GSL, financial contributions and financing are essential and the most efficient ways to promote facilities, installations and plants (hereinafter “facilities”), which generate electricity from renewable energy. In addition, innovative measures in support of the necessary infrastructure will be promoted, which move the energy transformation towards 100 % renewable energy supply.

1.2 GSL Certified Green Electricity Products are intended to advance market penetration of electricity primarily sourced from renewable energy (REN power). They are so intended in addition to and supplementing state-funded or other measures – in particular the statutory feed-in tariffs pursuant to the Erneuerbare Energien Gesetz (The German Renewable Energy Sources Act, “EEG”).

The material goal of the certification is to obligate providers of Green Electricity Products hereinafter (“Providers”) to promote REN power generating facilities and other measures to further the transformation of the energy system by making contributions to investments or granting loans and help realize them in this way. Usually, such measures may not be implemented before Providers draw on the funds.

The funds put up by the customers should be applied as effectively as possible for market penetration of REN power (as an additional spur). Otherwise achievable revenues for facilities, which receive funding, are taken into account in the process (statutory feed-in tariffs pursuant to the EEG, self-consumption, sales and distribution to customers directly).

2 ELECTRICITY PRODUCT REQUIREMENTS

2.1 Prerequisite for an award of the label is entering into a labeling agreement with GSL. After the grant of the label there will be a review of the continued fulfillment of these obligations, annually and/or every two years.

¹ These replace the last valid criteria list of 2012 because of developments on the market for green electricity and developments of the renewable energy sources act since then.

- 2.2 Electricity Products are certified for which a fixed amount per kWh is charged and used by Providers either for funding the construction and operation of REN and/or CHP facilities, or for measures aimed to promote the energy transformation pursuant to the principles set out in Art. 3.1 - Article 3.2.2. The funding amount coming from the *Grüner Strom* Certified Green Electricity delivered to the customers (GS Green Electricity) must, after the deduction of administrative expenses and other additional costs, in particular for the purchase of electricity from REN facilities,
- amount to a minimum of 0.5 euro cent (hereinafter 'cent' or 'ct') per kWh (net).
 - In the case of customers with annual consumption of between 10,000 kWh and 100,000 kWh the minimum amount charged must be 0.4 ct/kWh (net).
 - In the case of customers with annual consumption of between 100,000 and 3,000,000 kWh the minimum amount charged must be 0.2 ct/kWh (net).
 - In the case of customers with consumption exceeding 3,000,000 kWh/year the minimum amount charged must be 0.1 ct/kWh (net).

These minimum funding amounts are attested by GSL. Providers can request from GSL to attest higher funding amounts.

For customers with various places of consumption the aggregate of the annual total consumption of all individual units of consumption may be used to measure the minimum funding amount charged.

The referenced funding amount applies to the portion of GS Green Electricity. In case a diverse mix of fuels is used to generate electricity, the name of the Electricity Product and the Product information must clearly indicate how much the GS Green Electricity accounts for of the total electricity mix.

- 2.2.1 Upon prior approval by GSL, providers may offer sales campaigns to customers with annual consumption up to 100,000 kWh. The minimum funding amount according to annual consumption may be reduced by 50 percent for new customers acquired by such campaigns for the first contract period. After the expiry of this period, minimum funding amounts must be raised to normal levels as laid down in Art. 2.2.

- 2.3 Moreover, the electricity delivered in terms of Green Electricity must be designated as produced from renewable energy pursuant to the *Energiewirtschaftsgesetz* (the German "energy economy law" (EnWG). Guarantees of origin must be used which specify the source of the renewable electricity generation. These are issued by the "Guarantees of Origin Registry" of the *Umweltbundesamt*, the German Federal Environmental Agency, where they have to be submitted for cancellation. In derogation of the statutory regulations the following restrictions apply with the *Grüner Strom* label:

- The guarantee of origin alone is not sufficient evidence to qualify electricity for recognition as Green Electricity. It must be presented linked to the amount of electricity on which it is based. This needs either be documented in the guarantee of origin or must be supported by way of other reasonable evidence.
- Electricity from biomass will be recognized only in terms of the limits defined in the *Biomasseverordnung*, the German biomass electricity sustainability regulation.
- Electricity from sewage gas and electricity from combustion plants, which run on a mix of fuels, will not be accepted.

2.4 Additionally, a label user can request from GSL to attest attributes associated with the delivery of renewable electricity and to specify from the following options that

A defined percentage of the electricity delivered to customers under the Certified Product comes from

- German power stations
- regional power stations
- facilities of the label user, or facilities in which the label user or a subsidiary is directly involved or
- sales and distribution direct and supplied from facilities deemed eligible for the EEG pursuant to Art. 3.1.6.

The label user has to provide reasonable evidence to support one or more of these attributes in accordance with the provisions set out in Article III of the Guide to the *Grüner Strom* label Criteria List 2015 (hereinafter the "Criteria Guide")².

3 CONDITIONS FOR USE OF FUNDS

3.1 APPROVED OPTIONS

The funding amounts as laid down in Art. 2.2 may be used to promote renewable electricity generation facilities pursuant to Art. 3.1.1 - Art. 3.1.3 and Art. I.b. in the Criteria Guide

- future projects, new technologies pursuant to Art. 3.1.4 and Art. I.c. in the Criteria Guide
- energy efficiency measures and measures to reduce environmental impact pursuant to Art. 3.1.5 and Art. I.d. in the Criteria Guide
- direct supply of green electricity pursuant to Art. 3.1.6 and Art I.e. in the Criteria Guide
- other measures of support (citizen energy projects, communication, education and training, micro projects) pursuant to Art. 3.1.7 and Art I.f. in the Criteria Guide
- development cooperation pursuant to Art. 3.1.8 and Art. I.g. in the Criteria Guide.

Funding put towards such measures requires prior authorization by GSL, unless otherwise agreed. Moreover, the additional provisions must be met as defined by GSL in the Criteria Guide.

3.1.1 Renewable electricity generation facilities

Roof-mounted and facade-mounted PV as well as **onshore wind** funding (**new build and refitting / re-powering**) does not require prior authorization by GSL when the provisions of Article I.b. are met as set out in the Criteria Guide.

Furthering of all measures following hereinafter require prior authorization by GSL:

Solar photovoltaics in open spaces

Open space solar PV is eligible for funding only where land areas have been sealed or suffered damage before or, at the very least only where surfaces have little nature conservation significance. The photovoltaic systems are to be outfitted, designed and operated as to have as little effect as possible on the natural environment.

Onshore wind

Facilities, which receive funding, may receive additional funding to comply with site-specific regu-

² Available in German and can be downloaded from <http://www.gruenerstromlabel.de/gruener-strom/kriterienkatalog/>

latory nature conservation requirements and/or for voluntary nature conservation work.

Offshore wind

Offshore wind funding will only be considered for review on presentation of informative project descriptions including information on grid connection, environmental reviews and the parties to the project.

Small wind (capacity rating less or equal to 100 kW)

A sensible site plan has to be supported by evidence. The preferable choice is to be projects in business parks taller than 10 kW.

Biomass plants

Biomass should be generated environmentally friendly in close proximity to the point of energy use and must be used in cogeneration of heat and power (CHP). For this a sensible plan for use of the heat including state-of-the-art energy conversion efficiency must be in place (heat rate at least 60 %). When biogas is used a predominant portion of it must be used to generate electricity. The use of genetically modified organisms is to be excluded.

- Biogas facilities as well as the option to combine (i) the use of alternative energy crops, (ii) flexibility in electricity and heat generation and /or (iii) bio methane processing, with them.

Recycling of biogeneous residues and waste is explicitly encouraged.

Biogas facilities (i) may not exceed a maximum size of 2.5 MW and/or 1,250 m³ of biogas/h (only for renewable raw materials and co-fermentation facilities using a portion of renewable raw materials exceeding 50 %) and (ii) may not use over 50 % of one single major arable crop. Substrates of renewable raw materials, manure and residues must stem from regional origins. Additionally, the suppliers of substrates are asked to make sure renewable raw materials are grown in environmentally sound ways and no fertilizers from factory farming are used.

- In Biomass heating plants only regionally grown wood may be used. The wood must be sourced either (i) from waste wood and/or timber/paper industrial wastes (only in accordance with the "Altholzverordnung", the German ordinance on the management of waste wood, category A I), (ii) forestry residues, (iii) small diameter timber resource, (iv) green waste from landscaping, (v) energy crop plantations or (vi) must be sustainably grown.
- In CHP plants with 100 % biogas/bio methane, a mix of fuel gases, plant oil or gasification of wood the biogas/bio methane must meet the biogas facility requirements or respective *Green Gas* label standard in effect. In the case of CHP systems with plant oil or gasification of wood regionally grown oil and wood may be used only. The wood must be sourced either from (i) forestry residues, (ii) small diameter timber resource, (iii) green waste from landscaping, (iv) energy crop plantations or (v) must be sustainably grown.
- Local heating networks: in connection with biogas facilities, biomass heating plants, CHP plants or sewage gas facilities eligible for financial support.

Hydropower

Funding put towards reactivation or modernization of closed or existing hydropower facilities is possible only if evidence testifies to a clear improvement for the freshwater ecosystems. The construction of new hydropower facilities in natural waters is eligible for funding in exceptional cases only. The installed electric generation capacity may not exceed 5 MW. Small-scale hydro-

power plant funding < 100 kW does not apply.

Deep geothermal power (for electricity generation in CHP)

Use of sewage gas (for electricity generation in CHP)

- 3.1.2 For facilities which receive funding a base compensation is assumed coming from the statutory feed-in tariff regulations (EEG, KWKG, the German “cogeneration” law) while at the same time the detailed criteria for each specific case must be met and additional permits in accordance with the relevant provisions must be presented.

When facilities are operated outside the EEG and/or to sell and distribute or supply electricity to customers directly, otherwise achievable revenues are taken into account. Moreover, the additional provisions in Articles I and II must be met as defined by GSL in the Criteria Guide.

- 3.1.3 In individual cases and following application it is also possible to support facilities, which are intended for operation outside the scope of and much similar to the EEG. Making use of the statutory provisions in place regarding the payments for electricity fed into the grid is mandatory.

3.1.4 FUTURE PROJECTS, NEW TECHNOLOGIES

- Combined renewable energy power plants/virtual power plants/intelligently networked renewable energy facilities so as to optimize electricity supply
- Energy storage technologies, e.g. battery storage or power-to-gas
- Thermal storage in connection with CHP facilities utilizing renewable energy
- Electric vehicle (EV) batteries as a source of energy storage
- Local smart grids
- Use of smart meters with flexible/time-of-the-day electricity pricing
- Load control/demand-side management
- Stability of the distribution network so as to better integrate renewable energy
- Electric car charging points

3.1.5 ENERGY EFFICIENCY MEASURES AND MEASURES TO REDUCE ENVIRONMENTAL IMPACT

- Building technology energy efficiency measures in the category electricity
- Building technology energy efficiency measures in the category electricity for local communities which purchase GS Green Electricity
- Improvements in energy efficiency and environmental impact of existing REN facilities

3.1.6 DIRECT SUPPLY OF GREEN ELECTRICITY

- Integrated sale and distribution of green electricity as to better incorporate renewable energy into the energy system in the form of sales and distribution of green electricity from facilities deemed eligible for the EEG to the consumer directly. A substantial portion of the electricity delivered is supplied from facilities deemed eligible for the EEG and from intermittent renewable energy sources.
- Local models for sales and distribution of electricity, e.g. tenant electricity models

3.1.7 OTHER MEASURES OF SUPPORT

- Furthering of citizen energy projects, and citizen-owned organizations

- Informational and training events dedicated to energy and energy efficiency
- Materials for associated pedagogical efforts in renewable energy
- Training materials
- Displays for REN facilities
- Contributions to micro projects

3.1.8 DEVELOPMENT COOPERATION

The primary geographic focus where to support projects should be on Germany. Eligible for financial support are also individual projects outside the EU in developing countries – provided they have been favorably assessed following an in-depth assessment by GSL and can be carried out in cooperation with experienced and reliable local partners. The projects are to advance the supply of basic energy needs of the population from renewable sources. They should be like pilot projects, have multiplier effects and provide impulses to set and keep improvement of local framework conditions in motion.

Eligible for financial support are for example:

- renewable electricity generation facilities
- renewable energy feasibility studies
- support of education and training in the field of renewable energy
- energy efficiency measures.

3.2 INVESTING OPTIONS

3.2.1 Typically eligible for financial support are new facilities and other measures pursuant to the criteria laid down in Article 3.1 - Article 3.1.8. Financial support can be given in the form of

- Grüner Strom payment (GS payment): contribution to investments for their own projects or a non-repayable contribution to investments for projects of third parties, which will be made available once in the year of beginning of operations (cash value)
- Grüner Strom loan (GS funded loan): funds used for their own profitable plants or loans to third party operators of profitable plants, both including repayment plus interest to the respective internal support funds of the label user within ten years.
- Transfer of proceeds to the fund of GSL (GSL fund). In keeping with the Articles of Association, GSL will use these proceeds to support the construction of REN facilities and other measures based on the present criteria list in a timely fashion.
- Additional financing plans are possible in consensus with the GSL Secretariat.

The provisions defined in Articles I and II of the Criteria Guide apply to GS payments, GS funded loans and the GS fund. It is possible to combine GS payments and GS loans.

3.2.2 Taking the electricity feed-in tariffs pursuant to the EEG and/or the KWKG or other revenues into account, GS payments are to be limited to an amount necessary to attain acceptable profitability (pursuant to Art. II.b. in the Criteria Guide). If requested, this must be reasonably documented by way of a funds evaluation scheme made available by GSL or a comparable profitability analysis in consensus with the GSL Secretariat.

Depending on the type of facility, the maximum interest rate permitted for the project as defined in Art. I.b. of the Criteria Guide apply in the calculation and evaluation of funds for renewable

electricity generation facilities. GS payments for all other investments will be made either after individual case review or in flat rates specific to the measure, applicable when they comply with a defined framework.

Financial contributions to compensate for disadvantages of location come into question only in the case of well-founded exceptions.

Primarily, GS payments are to be put towards new facilities which are built and operated either by the Providers themselves, or by non-profit organizations, public institutions and charities as well as citizen-owned operating companies and cooperatives. Third parties, who receive financial contributions or loans, are to purchase high quality green electricity as well. Financial contributions to individuals must be made in a transparent way.

4 ENERGY PROVIDER REQUIREMENTS

4.1 The *Grüner Strom* label is not granted to companies acting negatively towards the generation and use of REN and CHP power. The *Grüner Strom* label will not be granted to companies directly involved in nuclear power plants, i.e. operators of nuclear companies or companies with ownership interests/capital stock in nuclear operating companies.

Moreover, the label is not granted to companies directly involved in existing or new coal-fired power plants, i.e. operators of coal-fired power plants or companies with ownership interests/capital stock in coal-fired power plants, purchased after this criteria list has taken effect (for new label users from January 1, 2015, for label users prior to this date from January 1, 2016). Obligations resulting from agreements entered into with other parties before the criteria list took effect will be assessed by GSL by individual case.

4.2* For the activities in conjunction with the GS Green Electricity offered, label users are obligated to set up an accounting system separate from their other activities. They commit to transparent and public disclosure of the annual total revenues from the fixed funding amount charged per kWh and their use. In particular they must

- gather detailed and clear records which demonstrate the fulfillment of their obligations and which are attested and confirmed by their auditors and/or tax advisors or alternatively, are verified through an on-site inspection by GSL or the institute in charge of certification³,
- also obligate the operators of REN facilities for which the funds were made available and other recipients of proceeds to meet such requirements,
- provide the necessary data and proof to the institute in charge of certification (certifier) and/or to GSL and give access to the documents as well as the generation facilities supported under the certification and other measures, if requested.

* Refer to Appendix 1: Decision on Practical Handling of Green Electricity Certification

4.3* Label users should present the information on the Certified Product in transparent, clear and understandable ways to their customers. They should use best efforts to market it, and in doing so, must show the logo of the *Grüner Strom* label pursuant to Article 6.1.

The Product information must specify the composition of the electricity delivered by fuel type and

³ The practical implementation of the certification process will always be monitored by an external institute.

the funding amount per kWh (net). Additionally, label users are obligated to public disclosure of the following data about the REN facilities:

- sites
- times of beginning of operation
- data on capacity and generation.

Equivalent information is to be publicly disclosed on the funding of other measures.

Moreover, the investment obligation, which results from the fixed funding amount charged and the use of funds during the calendar year, should be disclosed on the Internet.

* Refer to Appendix 1: Decision on Practical Handling of Green Electricity Certification

- 4.4* Label users must provide up to date and comprehensive tips on ways to save energy to customers, e.g. over the Internet or at their customer service centers. Moreover, they are required to offer individual energy saving advice to their customers (in person, over the phone, or in writing) or advise them on institutions where they can obtain such information (pursuant to §4 "Energiewirtschaftsgesetz", (4) of the German „energy services“ law).

* Refer to Appendix 1: Decision on Practical Handling of Green Electricity Certification

- 4.5 There will be a review of fulfillment of obligations with respect to the uses of the proceeds for each calendar year. The supporting evidence attested and confirmed by the auditors and/or tax advisors or alternatively, by GSL or the institute in charge of certification must be furnished by June 30th of the following calendar year. GSL must be notified of preliminary data by January 31st respectively.

- 4.6 The financial obligation to support new facilities which results from the fixed amount of funding per kWh sold as well as from repayment of investments in profitable plants during the calendar year, has to be met by the end of the second year following thereafter. Funds, which have not been applied by then in accordance with the present criteria list, must be transferred to GSL. In keeping with the Articles of Association, GSL will use these funds to support the construction of REN facilities based on the present criteria list in a timely fashion.

- 4.7 *Grüner Strom* label certification of an Electricity Product is to be imbedded into corporate sustainability policies in the ecological, economic and social senses. The focus is on a set of guiding principles:
- Providers actively advocate energy supplied ecologically from renewable energy and energy efficient practices in their companies and to their customers.
 - Providers conduct business in a responsible and environmentally sustainable fashion and advance the energy transformation at the local and regional levels.
 - Providers show fair treatment towards their customers and act responsibly towards their employees.

Label users should inform their customers and GSL about the above and related actions and, if possible, provide supporting evidence regarding for example

- concrete targets for protecting the climate and RE expansion
- sustainability reporting
- their own purchase and generation of green electricity and energy efficiency measures

- environmental performance and management reviews under schemes like EMAS or ISO 14001
- independent rating and assessment of their customer service quality
- fair contract provisions for customer
- personal advice offers on renewable energy use for their customers.

GSL will publish such voluntarily disclosed information by Providers on the Internet.

5 AWARD AND WITHDRAWAL OF THE LABEL

5.1 The GSL label is typically granted for two (2) years. In case of material breach of the labeling agreement and/or the requirements contained in the present criteria list the GSL label will be withdrawn with immediate effect. A breach is material among other things

- in general in the case of misuse, in particular in the case of manipulation of data
- when the obligations under Art. 4.1 are not met
- when the obligation under Art. 4.6 is not met in three consecutive years.

The withdrawal will be publicly disclosed.

5.2 In the case of resignation or termination of the labeling agreement GSL and the label user have entered into, or withdrawal of the label in accordance with Art. 5.1 the fixed amounts of funding as defined under Art. 2.2 not used are to be paid out to GSL at the time the termination takes effect. GSL is to use them in accordance with Art. 4.6. Future repayments to be expected from funds used for profitable plants in accordance with Art. 3.2.1 are also to be paid out to GSL, based on assessment reporting by an auditor and following a schedule agreed between the label user and GSL. GSL is to use them in accordance with Art. 4.6.

6 USE OF THE LABEL AND DISTRIBUTION TO CUSTOMERS

6.1 Label users may mention and show the *Grüner Strom* label in their Product information clearly linked to the Certified Product only. When they display the label the names of the supporting associations behind GSL may also be mentioned. No license to the supporting organizations' logos is granted to them. The most recent terms of use made available by GSL supplement and apply to the use of the logo.

6.2 Label users are authorized to grant the *Grüner Strom* label to customers of their Certified Product for one year, or for as long as the term of the respective power supply contract.

7 THE CRITERIA LIST IN FORCE AND TRANSITIONAL ARRANGEMENT

7.1 This version of the criteria list is in effect until it is replaced by a new version⁴.

7.2 All references to overarching statutory regulations (such as the EEG, the "Biomasseverordnung")

⁴ This version was last adapted on December 16, 2016 in Art. 2.2, 2.2.1 (modification of minimum funding amounts), 4.2 and 4.5 (adjustment of the process of evidence testing).

or the German “energy services“ law) are made to the versions of them in force respectively when the present criteria list was issued (January 1, 2015).

- 7.3 In case of changes to these statutory regulations, which are of relevance to the present criteria list GSL reserves the right to adapt the criteria, list in the articles concerned accordingly.
- 7.4 A transitional period ending December 31, 2015 applies to label users who entered into a labeling agreement before January 1, 2015 based on former criteria lists to meet such newer criteria list.

As of January 1, 2017

Translation by Silvia Strauch

ANNEX 1: DECISION ON THE PRACTICAL HANDLING OF GRÜNER STROM CERTIFICATION

On February 1st 2018 the Grüner Strom Label e.V. decided on the practical handling of the Grüner Stromy Certification in product communication. Paragraphs 4.2, 4.3 and 4.4 are partially overridden. These changes will be applied in the certification starting 2018. In the list of criteria, the changes of thos paragraphs will be formally adapted by the next revision (probably in 2019/2020).

Reason: Product communication often involves a lot of effort in certification, which is not related to its relevance. These changes make the review process more efficient, without affecting the core of the label. Nevertheless, the most important points of product communication will be retained.

The changes relate to the following points:

4.2 Paragraph 1: Publishing of total annual revenue / expenses is deleted.

4.3 Paragraph 2: Composition of the supplied electricity is deleted.

Paragraph 2: Publishing data on subsidized installations and measures adjusted.

Paragraph 3: Publishing of total annual revenue / expenses is deleted.

4.4 Energy saving tips and -advice adjusted.