



Environmental Policy Research Centre

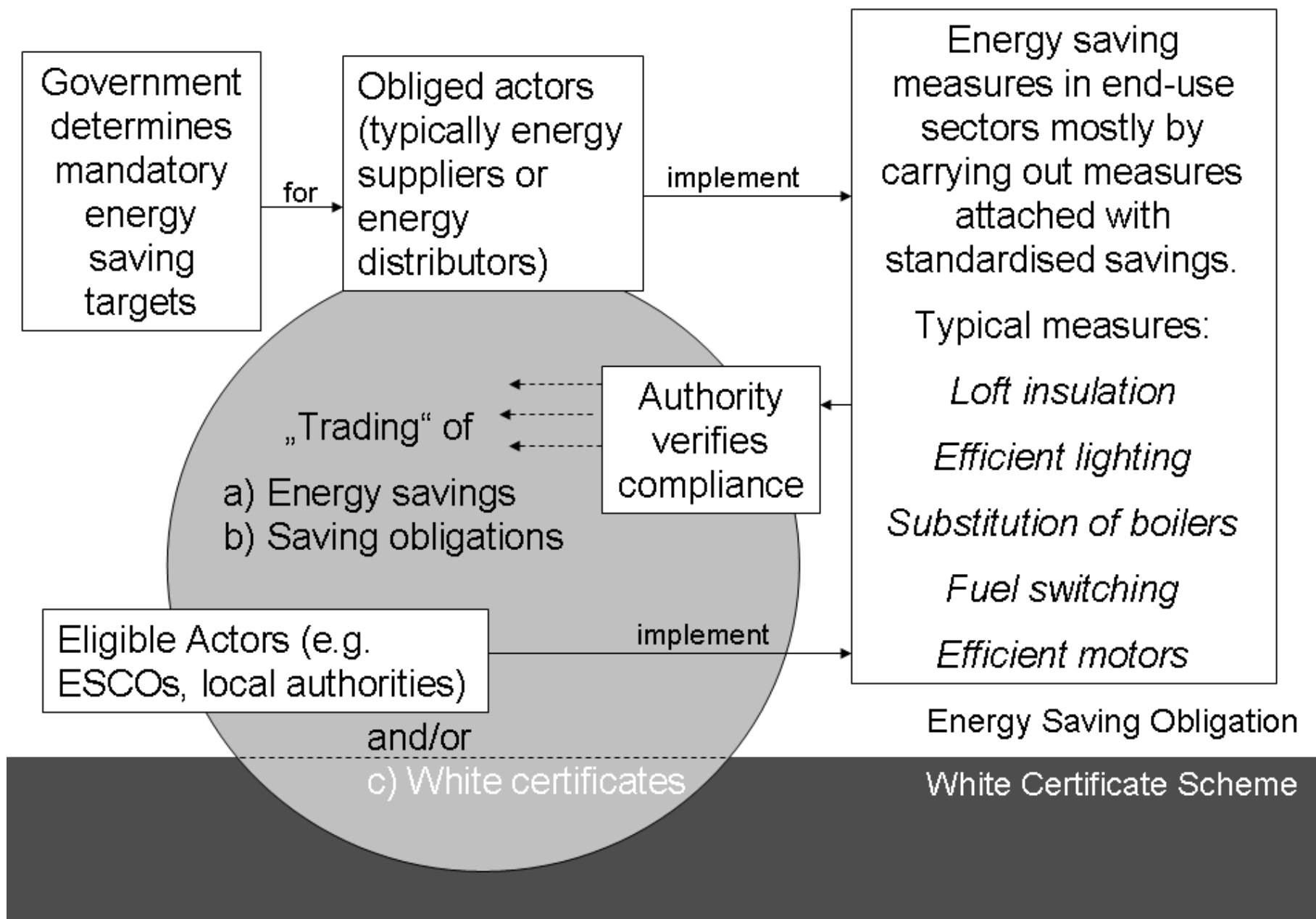
Forschungsstelle für Umweltpolitik

White Certificates – Actor's perception of a new policy instrument in Great Britain, France, and Italy

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White Certificate Instruments (WCI) – The Mechanism



Aim of Research

History of origin:

- Counterbalancing negative effects of liberalisation on demand for end-use energy efficiency (DSM, utility programmes)
- tradable certificates in climate policy

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Why did states with different path dependencies chose to introduce a similar instrument?

Results of a first comparison of WCI

All three countries rejected to introduce a tax.

	France	Great Britain	Italy
Target	54 TWh (2005-2008)	130 TWh (EEC 2: 2005-2008) 4.2 MtCO ₂ /a (CERT: 2008-2011)	2.9 Mtoe (2005-2009, decision in 2004) 3.2 Mtoe (update of decision in 2007)
Obligated actor	Energy suppliers (all domestic energy)	Energy suppliers	Energy distributors
Number of obliged actors	> 2000 (EDF & Gaz de France are responsible for ca. 4/5 of the target)	6 (currently)	31 (end of 2007)
ESCOs	Not eligible	Eligible	Eligible
Eligible measures	139 standardised measures	35 standardised measures (2008-2011)	19 standardised measures (June 2006)
Eligible Target sectors	All end-use sectors	Households, special focus on low-income households	50% of target to be fulfilled in any electricity end-uses for electricity distributors or in any gas end-uses for gas distributors; rule now abolished;
Trading	Bilateral; certificates	Bilateral; no certificates	Bilateral, organised market with auction of certificates
Penalty	Yes: 2 €/t/kWh	Yes: up to 10% of companies' turnover	To be specified
Cost-recovery	No	No	Yes: 100€/toe

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Important design options resemble in most different cases GB-FR.

Some design choices do not reflect historical paths and/or lack obvious explanations.

The introduction of WCI has been decided parallel to scientific knowledge about best design options.

Design choices were made after the decision to implement the scheme.

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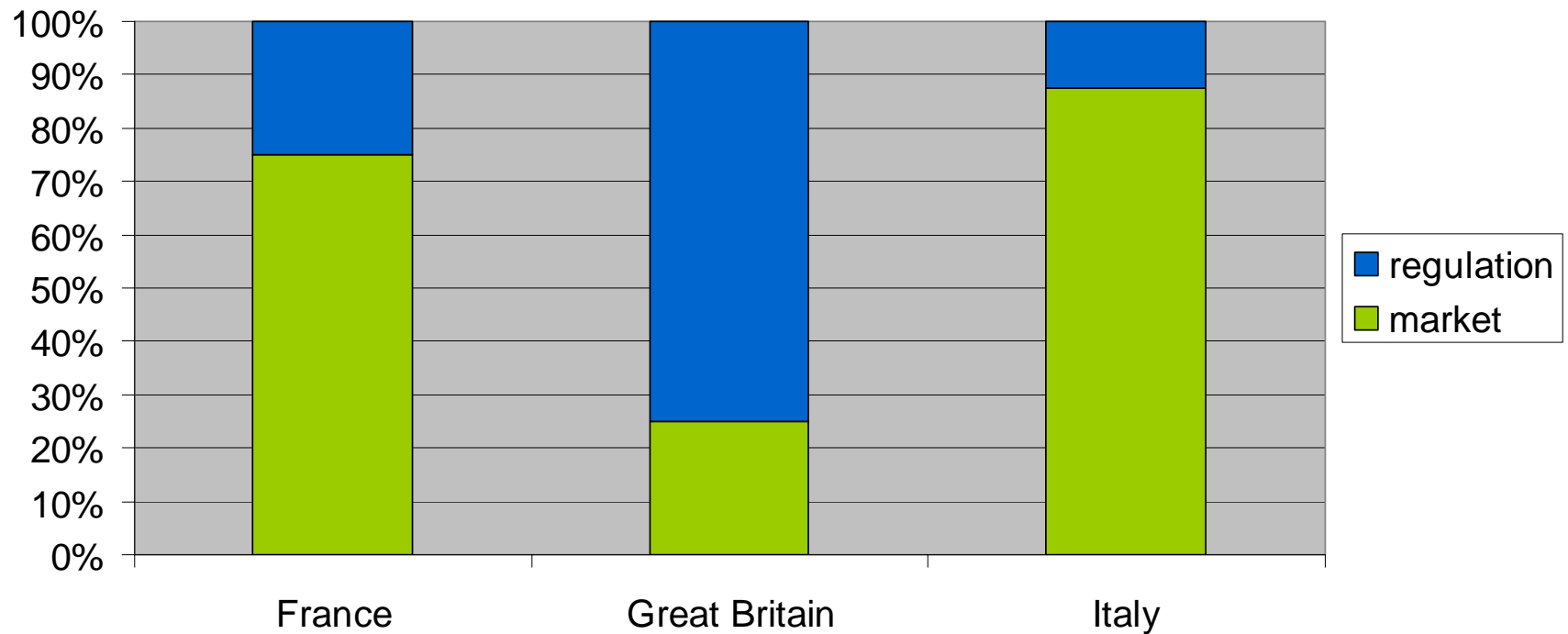
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In practice, the market-based character is not as important as it has often been suggested theoretically.

Hypothesis 1

Actor's perceptions of WCI as a market-based policy instrument explain the decision to implement WCI.

Perception of the instrument



Conclusions

Regulatory traditions may not fully explain the choice for WCI.

In practice, flexibility provision of the instrument are not as important as suggested in the beginning.

The perception of the instrument differs in the three countries and does not always reflect reality.

Depending on the ongoing political discourses, the perception of the instrument as either market-based or regulatory interventionist explains the preference for WCI.

WCI proved to be very adaptable both in promotion as well as in implementation.

BUT

The effectiveness of the implementation may possibly be reduced due to a misled conception of WCI.