



**Environmental criteria for sustainable public
procurement of**

Electricity

Version March 2017

1. Scope/definition

The Electricity product group comprises electricity as distributed and consumed in the Netherlands via the electricity network. This electricity is generated utilising fossil, nuclear or renewable energy sources in the Netherlands or from abroad.

The following products (with their corresponding CPV codes) are part of the Electricity product group.

Products	CPV code
Electricity	09310000-5

This document describes the environmental criteria. Information about the other elements of sustainable public procurement, such as social conditions and social return, may be found on the PIANOo website, on the specific product group page: <https://www.pianoo.nl/document/10577/productgroep-elektriciteit>.

2. Most significant environmental effects

The table below lists the sustainability themes and describes the approach to each theme for the Electricity product group. The “Approach” column presents a statement indicating the influence of sustainable purchasing and its criteria on the “sustainability” of the theme. This column also includes a reference to any requirements, award criteria or points of attention/suggestions that may be useful in implementing the approach. The product group can also have an impact on other environmental themes, but these are (at least at present) less relevant or of a much less significant level of concern, or do not as yet have a suitable set of standard criteria.

Themes:	Approach:	No. of requirement/ Criteria
Energy and climate CO ₂ emissions resulting from electricity production	<ul style="list-style-type: none"> application of Trias Energetica. 	AS1
	<ul style="list-style-type: none"> restriction of electricity use. 	AS2, AS5
	<ul style="list-style-type: none"> own generation of sustainable energy. 	AS3
	<ul style="list-style-type: none"> purchase of 100% sustainable electricity. 	AS4, ME1, ME2, GC1, CB1, CB2
Supplies and Raw materials Use of fossil fuels for electricity production	<ul style="list-style-type: none"> application of Trias Energetica. 	AS1
	<ul style="list-style-type: none"> restriction of electricity use. 	AS2, AS5
	<ul style="list-style-type: none"> own generation of sustainable energy. 	AS3



<ul style="list-style-type: none">• purchase of sustainable electricity.	AS4, ME1, ME2, GC1, CB1, CB2
--	------------------------------

3. Points of attention/suggestions

Devoting attention to the opportunities and possibilities for the most sustainable procurement possible in the preparation phase will lead to specifications that are more ambitious or of different types than the standard technical specifications and award criteria set out in this document. The table below presents points for attention and suggestions for promoting sustainability in procurement within this product group.

No.	Points of attention/suggestions (AS)
AS1	<p>Application of Trias Energetica</p> <p>Trias Energetica is a concept with which the sequence of three steps towards energy supply that is the most sustainable possible is indicated:</p> <ol style="list-style-type: none">1) Limit the use of energy by applying demand-reduction and energy-saving measures.2) Use renewable energy sources as much as possible to generate the energy that is still required.3) Deploy efficient technologies to generate the remaining energy consumption.
AS2	<p>Energy conservation</p> <p>In addition to the procurement aspect of electricity, consider whether electricity consumption can be reduced by restricting use and implementing energy-saving measures in accordance with the “Trias Energetica”.</p> <p>Energy savings can replace all or part of the procurement of electricity. Energy savings can be achieved by restructuring the process (for example, using different types of equipment) and by using more energy-efficient equipment. The highest gain can be achieved by focusing on the power consumed by a new piece of equipment or system during its entire lifespan when purchasing new electric equipment (such as electrical motors, office equipment, lighting, etc.). Any higher cost of acquiring energy efficient equipment/systems will be offset by reduced power consumption, and the time required to recover the additional cost of the equipment generally takes only a few years.</p> <p>Aside from this, the power consumed by existing equipment also constitutes an area for attention, particularly the unnecessary power consumed in the equipment’s standby mode.</p>
AS3	<p>Own energy generation</p> <p>Generate energy independently. The in-house generation of renewable electricity is a possibility for wholly or partially meeting in-house electricity needs. The positive image projected by an in-house renewable electricity generation facility can be an important advantage.</p>
AS4	<p>Guarantees of origin from the Netherlands as a minimum requirement</p> <p>If you wish, you may include a minimum requirement whereby a certain percentage of the renewable electricity purchased comes from the Netherlands.</p>
AS5	<p>Draft an energy conservation plan</p> <p>Consider drawing up an energy conservation plan. If a facility’s electricity consumption exceeds 200,000 kWh, it may be a legal requirement (through the Environmental Management Act (WMB) permit) to have an energy conservation plan.</p>
AS6	<p>Added value through sustainable energy initiatives</p> <p>It is not possible for a municipal authority to request, through a public invitation to tender, energy (in this case electricity) from its own territory. If a municipal authority nevertheless wishes to encourage initiatives on its own territory, it may provide added value by, for example:</p> <ul style="list-style-type: none">- making provision in urban and regional planning for renewable energy initiatives;- granting licences for renewable energy initiatives;- guaranteeing investments or helping to pay for renewable energy initiatives.

4. Selection criteria

Not defined for this product group.

5. Technical specifications

No.	Technical specifications (ME)
ME1	<p>Sourcing 100% of electricity needs from renewable energy sources (HE-E)</p> <p>100% of the electricity supplied must be generated from renewable energy sources as described in Regulation 2009/28/EC.</p> <p><i>Explanation</i></p> <p>Sustainable electricity is electricity fully generated from renewable energy sources. Renewable energy sources are wind, solar, geothermal, wave energy, tide energy, hydropower, biomass, landfill gas, sewage treatment gas and biogas (defined in article 1, paragraph 1(t), Electricity Act). The law establishes that the supplier must redeem the guarantee of origin to substantiate the sale of sustainable electricity. Where this document refers to sustainable electricity, this means “electricity for which guarantees of origin have been redeemed”.</p> <p>Supply and consumption of sustainable electricity consists of a combination of physical delivery and consumption of electricity and the redemption of the guarantee of origin. There are two ways to procure sustainable electricity:</p> <ol style="list-style-type: none"> 1) Source it from a supplier of electricity generated from renewable sources. In these cases, the customer purchases the sustainable electricity; the supplier handles the delivery of the electricity and redeems the guarantees of origin. 2) Another option is to purchase the guarantee of origin as customer separately from the electricity. In this case, the customer must open a guarantee of origin account (or have this done by a third party on its behalf) and purchase guarantees of origin for its own electricity, and have them credited to the guarantee of origin account. There is no framework in the law to regulate this method of procurement, so an independent audit may be necessary. <p>One reason for opting for the separate procurement of electricity and guarantees of origin may be if the customer purchases large volumes and/or wishes to enter into a supply contract for electricity with the longest possible term. Electricity suppliers tend not to be willing to provide specific pricing, particularly for large volumes, for guarantees of origin throughout the entire period. A customer that handles the purchasing and crediting of guarantees of origin itself can have greater flexibility in its choices.</p> <p><i>Verification</i></p> <p>The tenderer may be asked to submit relevant documentation as dictated by the arrangements on the guarantee of origin.</p>

6. Award criteria

No.	Award criteria (GC)
GC1	<p>Virtual surcharge for electricity from non-certified biomass</p> <p>Assign a virtual surcharge on the price quoted in proportion to the percentage of renewable electricity from biomass that is not certified in accordance with one of the certification schemes recognised by the EU (https://ec.europa.eu/energy/en/topics/renewable-energy/biofuels/voluntary-schemes). The higher the share of the supplied electricity from non-certified biomass, the lower this component of the tender will be rated.</p>

	<p>The Contracting Authority values the supply of renewable electricity from non-certified biomass with an extra charge of €[x]/kWh compared with other forms of renewable electricity or electricity from certified biomass.</p> <p>To limit the risk of budget overrun, the Contracting Authority must consider setting a maximum for the virtual surcharge to be allocated.</p> <p><i>Explanation</i> Example: Supplier A offers a total electricity price of €0.104/kWh, without renewable electricity from biomass, or with certified biomass. Supplier B offers a total electricity price of €0.10/kWh, including the supply of 20% renewable electricity from non-certified biomass.</p> <p>The Contracting Authority values the supply of non-certified biomass with a virtual surcharge of €0.03/kWh. The virtual discount must be based on the market price related to renewable electricity from certified biomass and the ambitions in respect of renewable electricity from certified biomass in relation to the Contracting Authority's available budget.</p> <p>On a contract volume of 10 GWh, the assessment will be the following:</p> <ul style="list-style-type: none"> • Supplier A: (8 GWh x €0.10) + (2 GWh x € 0.13) = (€1,060,000); • Supplier B: 10 GWh x €0.104 = €1,040,000). <p>The contract will be awarded to Supplier B.</p> <p><i>Verification</i> The tenderer may be asked to submit the guarantee of origin for the renewable electricity from biomass, which states through which certification scheme it is certified.</p>
--	--

7. Contract provisions

No.	Contract provisions (CB)
CB1	<p>Origin of the electricity At the end of every contract year, the contractor must disclose the origin of the electricity supplied in order to demonstrate that 100% of the electricity originated from renewable energy sources.</p> <p><i>Verification</i> The contractor may be asked to submit relevant documentation as dictated by the arrangements on the guarantee of origin. Other equivalent documentation may be accepted as an alternative. This requirement does not apply to certified suppliers of 100% green electricity (i.e. with an eco-label of ISO-type 1 which sets HE-E requirements at least as strict as Regulation 2009/28/EC).</p> <p><i>Source EU GPP</i></p>

CB2	<p>Undertaking regarding the type of source, and domestic or foreign origin</p> <p>The following provision is included in the supply contract:</p> <p>The parties shall agree to supply energy in accordance with the following distribution of sources and origin:</p> <p>- -</p> <p><i>Enter the agreed percentage for each renewable source, and state whether the renewable electricity comes from the Netherlands or abroad. Example:</i></p> <p>- 20% wind from the Netherlands; - 80% wind from abroad.</p> <p>Or</p> <p>- 20% wind from the Netherlands; - 30% biomass from the Netherlands; - 50% hydroelectric power from abroad.</p>
-----	--