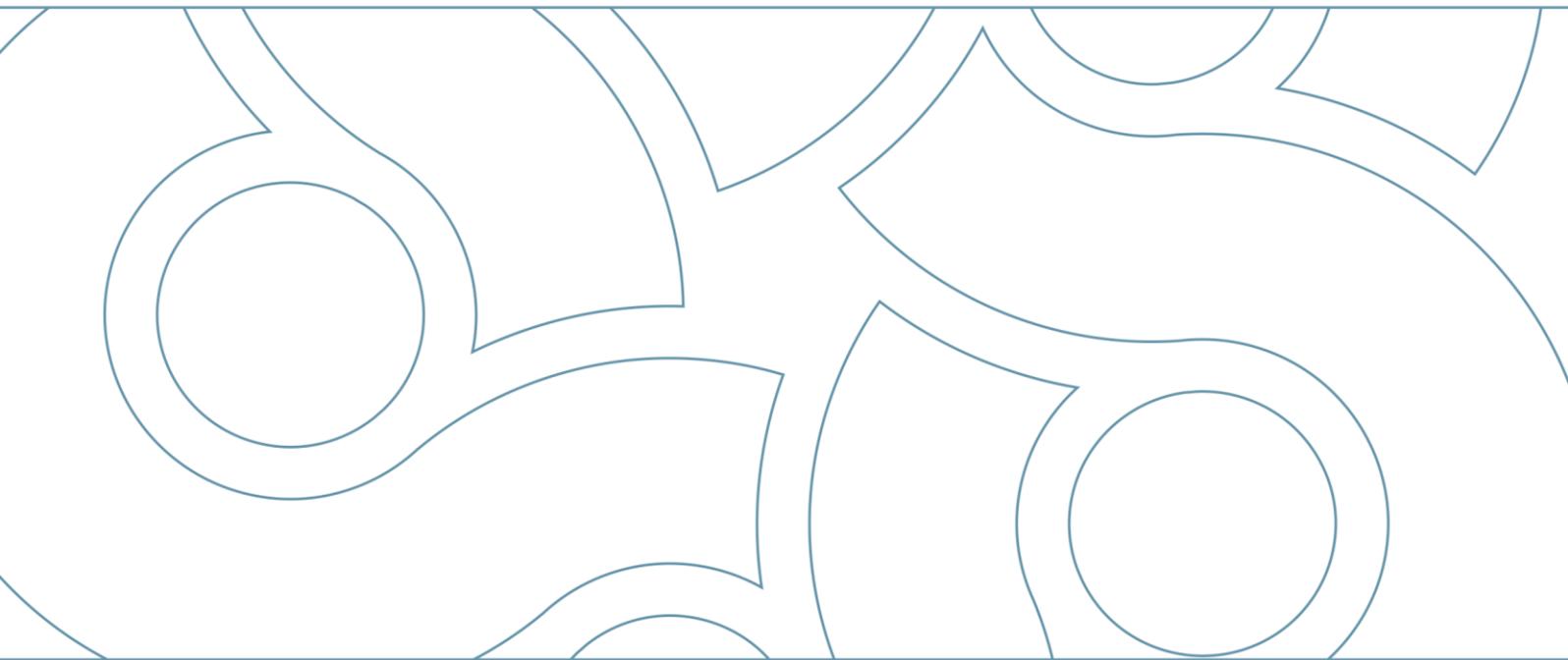


I-REC Code Subsidiary Document 03

# I-REC Issuer



## Contents

<b>1. Introduction</b>	<b>5</b>
1.1 The I-REC Service	5
1.2 The I-REC Code	5
1.3 This Document	5
<b>2. Definitions</b>	<b>5</b>
<b>3. Process description</b>	<b>5</b>
3.1 Context	5
3.2 The Procedure	5
<b>4. The Accreditation Procedure</b>	<b>6</b>
4.1 Application	6
4.2 Assessment	6
4.3 Test Environment	6
4.4 Approval	6
<b>5. Initiating an Issuer</b>	<b>6</b>
5.1 Registry Access	6
5.2 Issuer Activities	6
<b>6. Central Issuer</b>	<b>6</b>
6.1 Accreditation	7
6.2 Scope	7
6.3 Cost Recovery	7
<b>7. Threshold Capacity</b>	<b>7</b>

<b>7.1</b>	<b>Identifying the Threshold</b> .....	<b>7</b>
<b>7.2</b>	<b>New Registrations</b> .....	<b>7</b>
<b>7.3</b>	<b>Transferring Registrations</b> .....	<b>7</b>
<b>8.</b>	<b>Audit Reviews</b> .....	<b>7</b>
<b>8.1</b>	<b>Initial Review</b> .....	<b>8</b>
<b>8.2</b>	<b>Periodic Review</b> .....	<b>8</b>
<b>8.3</b>	<b>Ad-hoc Review</b> .....	<b>8</b>
<b>8.4</b>	<b>Review Report</b> .....	<b>8</b>
<b>8.5</b>	<b>Subsequent Action</b> .....	<b>8</b>
<b>9.</b>	<b>Withdrawal of a Local Issuer</b> .....	<b>8</b>
<b>9.1</b>	<b>Notice of Withdrawal</b> .....	<b>8</b>
<b>9.2</b>	<b>Issuer Business Failure</b> .....	<b>8</b>
<b>9.3</b>	<b>Issuer of Last Resort</b> .....	<b>8</b>
	<b>Appendix 1 – Issuer Application Form</b> .....	<b>10</b>

### Document Control

Version	Originator	Approval	Date
1.0	C Pooley	I-REC Services	01.04.2014
1.1	C Pooley	I-REC Services	01.04.2017
1.2	C Pooley	I-REC Services	23.05.2019
1.3	C Pooley	I-REC Services	20.08.2019

### Change History

Version	Description
1.0	Initial issue version
1.1	Renaming the Rest of the World Issuer to Central Issuer (CP2017-01) Minor changes in terminology to be consistent with current practice. Identification of Local Issuer Agreement as a defined term.
1.2	Aggregation (CP2017-04) Housekeeping changes for registry software upgrade (CP 2019-03)
1.3	Introduction of self-consumption I-RECs (CP2019-02)

## 1. Introduction

### 1.1 The I-REC Service

The I-REC Service is a global electricity environmental attribute tracking system. It is designed to facilitate reliable Scope 2 carbon accounting consistent with various international accounting standards. I-RECs allow all electricity users to make a conscious and evidence-based choice for renewable electricity, in any country around the world.

### 1.2 The I-REC Code

The I-REC Code is a statement of principles and a description of how the I-REC Service operates at high level. Detailed descriptions of procedures are contained in Code Subsidiary Documents such as this document.

### 1.3 This Document

This document sets out the process for the application and accreditation of I-REC Issuers.

## 2. Definitions

Unless specified in the table below, all capitalised terms shall have the meaning ascribed to them in the I-REC Code.

Term	Definition
I-REC QA Auditor	An independent agent of I-REC Services providing quality assurance services.
Local Issuer Agreement	A service contract between the local Issuer and I-REC Services.

## 3. Process description

### 3.1 Context

The I-REC Service involves a number of Issuers authorised to make certificate entries in the I-REC Registry. These Issuers operate under a contract with I-REC Services as the facilitator and administrator of the tracking system. The Issuers have a geographical and product remit and must be formally accredited as providing a quality of service that befits a monitoring and verification function. Ideally, the Issuer's role and the status of I-RECs should be recognised by the local national authorities, but this is not essential. The I-REC Code recognises two types of Issuer: local Issuers and a default Central Issuer. All Issuers are subject to the accreditation procedures described in this document.

### 3.2 The Procedure

An organisation seeking to become an Issuer of I-RECs must apply for accreditation to I-REC Services. An I-REC QA Auditor will review the application and will make recommendation to I-REC Services concerning approval of the application. Once approved, the Issuer can begin to Issue I-RECs.

During its period of operation, an Issuer will be subject to periodic audits to ensure quality is being maintained.

## 4. The Accreditation Procedure

### 4.1 Application

An organisation wishing to become an I-REC Issuer in a country must submit a completed application form, its internal local working instruction document, and business plan in English to I-REC Services. The application must state the country, or region within a country, for which Issuing services will be provided and the product(s) within that service. A regional limitation can only be applied where the host country is large or socio-political/ legal division is recognised. A separate application will be required for each country/region and product combination.

The local working instruction document must show how it will handle the various forms of evidence and how the evidence will be independently verified. It will also need to show what anti-fraud measures it will employ.

### 4.2 Assessment

I-REC Services will instruct an I-REC QA Auditor to conduct an assessment of the application. The I-REC QA Auditor will have a period not exceeding six weeks in which to conduct the assessment and report back to I-REC Services. The terms of reference for the assessment shall include, but not be limited to:

- the conformity of the applicant's internal procedures with the requirements and objectives and principles of the I-REC Code;
- the ability of the applicant to deliver a compliant quality service;
- the likely impact of any regions excluded within the nominated country;
- the probability of the business plan being delivered.

### 4.3 Test Environment

The applicant will be given access to the I-REC Registry test environment and will undergo simulations of Issuer activities. The results of the simulations will inform the assessment.

### 4.4 Approval

I-REC Services will determine whether the application is successful. Applications that specify a very limited region within a country are unlikely to be accepted, being considered non-compliant with the inclusive principle of the I-REC Service.

## 5. Initiating an Issuer

On successful accreditation the Issuer must enter a Local Issuer Agreement with I-REC Services.

### 5.1 Registry Access

On successful completion of the accreditation process in section 4 and receipt of the signed Local Issuer Agreement, I-REC Services will release userid and password details for access to the I-REC Registry as an Issuer.

### 5.2 Issuer Activities

The new Issuer will be able to register Production Devices and Production Groups and Issue I-RECS to pre-registered Production Devices and Production Groups with immediate effect from receipt of access to the I-REC Registry.

## 6. Central Issuer

The Central Issuer is intended as a means to facilitate I-RECs being Issued in countries where there are only a few registered producers with relatively small volumes being generated. The I-REC Service

only supports one Central Issuer. It is not an exclusive arrangement in that a local Issuer can enter a country market at any time.

### **6.1 Accreditation**

The accreditation process described in Section 4 above applies to the Central Issuer. Accreditation as the Central Issuer applies for all countries.

### **6.2 Scope**

The Central Issuer can operate in any country where the aggregate registered capacity of Production Devices and Production Groups is less than the Threshold Capacity. It can also provide a service in regions of countries not already served by a local Issuer where the regional aggregate capacity of registered Production Devices and Production Groups is less than the Threshold Capacity.

### **6.3 Cost Recovery**

The Central Issuer will operate with a standard tariff for services. This tariff will be subject to annual review by I-REC Services. Where there is a shortfall in revenue against cost on a quarterly basis, the Central Issuer can obtain the difference from I-REC Services.

## **7. Threshold Capacity**

The Threshold Capacity is intended to reflect the point at which there is sufficient existing I-REC volume in a country or regional market that the services of the Central Issuer are no longer required and a local Issuer can be sustained. Any subsequent fall in aggregate registered capacity below the Threshold Capacity will not reactivate the Central Issuer in that country/region whilst there is at least one local Issuer operating.

### **7.1 Identifying the Threshold**

The Threshold Capacity will have been reached when the aggregate registered Production Device and Production Group capacity exceeds the Threshold Capacity value for a period of four whole calendar months. I-REC Services will publish that the Threshold Capacity has been reached on its website.

### **7.2 New Registrations**

If a local Issuer exists in the country/region which has been declared to have reached the Threshold Capacity, then the Central Issuer will not be permitted to register any additional Production Devices or Production Groups. If no local Issuer exists, then the Central Issuer will be permitted to register additional Production Devices or Production Groups until such time as a local Issuer is operational.

### **7.3 Transferring Registrations**

Within three months of a country/region being declared to have reached the Threshold Capacity and at least one local Issuer being operational, the service contract between Registrants of local Production Devices or Production Groups and the Central Issuer will expire. Registrants can initiate a service contract with a local Issuer such that there is no break in registration and, subject to registration expiry, no need to re-register a Production Device or Production Group.

## **8. Audit Reviews**

The I-REC Service is predicated on the trust of I-REC Participants placed in it to provide a reliable and robust traceability and reporting system. In order to maintain a quality service, all Issuers will be subject to process audits on a periodic and ad-hoc basis.

### **8.1 Initial Review**

An Issuer will be subject to an initial audit review by an I-REC QA Auditor no later than 13 months from signing the Local Issuer Agreement. This review is a short check by an I-REC QA Auditor to ensure the new Issuer has implemented his procedures appropriately. It will normally involve a review of evidence and registration documentation placed by the Issuer on the I-REC website.

### **8.2 Periodic Review**

Periodic reviews will be carried out by an I-REC QA Auditor on an approximately two yearly basis following the initial review. The process audit will be done on a sampling basis and follow the provision and verification of measured volume evidence as well as the Production Device/Production Group registration process. A periodic review may involve a visit by an I-REC QA Auditor to the offices of the Issuer.

### **8.3 Ad-hoc Review**

I-REC Services can request a review of an Issuer at any time. Such a review does not necessarily require or imply poor performance by the Issuer involved. The ad-hoc review will follow the same pattern as the periodic review, but may be specifically targeted if required by I-REC Services.

### **8.4 Review Report**

The I-REC QA Auditor will submit a report of his findings to I-REC Services within two weeks of the completion of the audit.

### **8.5 Subsequent Action**

I-REC Services will review the audit report and determine what, if any, action should be taken. The report will be published on the I-REC website following that review. Where the report indicates poor performance, remedial action and a timeframe for correction may be given. The Issuer's access to the I-REC Registry may be suspended if it is determined that there is a risk to the integrity of the I-REC Service. The registration of a Production Device or Production Group may also be suspended pending further investigation.

Where I-REC Services determines that there has been a breach of contract by the Issuer, it will withdraw accreditation and notify those Registrants contracted to the Issuer invoking the business failure provisions under section 9.2.

## **9. Withdrawal of a Local Issuer**

A local Issuer can withdraw from a country/region for which it holds a Local Issuer Agreement.

### **9.1 Notice of Withdrawal**

A local Issuer must give 90 days' notice to I-REC Services and its customer Registrants with whom it has service contracts of its intent to withdraw services. This should also be published on its website and that of I-REC Services. On giving this notice it will not register any new Production Devices or Production Groups.

### **9.2 Issuer Business Failure**

In the event of a business failure such that the local Issuer has ceased trading operations, I-REC Services will publish that information on its website as soon as it becomes aware of the situation.

### **9.3 Issuer of Last Resort**

Where no other local Issuer exists for the country/region, the Central Issuer will become immediately active upon cessation of the local Issuer operation and will continue to provide Issuing services,

regardless of the Threshold Capacity being reached, until such time as a local Issuer becomes operational in that country/region.

Copyright I-REC Services B.V.

## Appendix 1 – Issuer Application Form

Country/Region of service		Proposed start date	
<b>Applicant Details</b>			
Legal Name:		Website URL:	
Registered address line 1:		Main business (e.g. consultancy):	
Registered address line 2:		Year of registration:	
Registered address line 3:		Approximate number of employees:	
Postal (ZIP) code:		Name of the Chief Executive Officer/General Manager:	
Country:		Chief Executive Officer/General Manager passport number:	
Legal Status	Registered incorporated body/ State legal entity/ Private individual/ Other (please state)*	Please state in which countries the organisation is active:	
Country of company registration:		Please list the main (>10%) shareholders :	
Corporate registration number:		Balance sheet total for last financial year (in USD):	
If the applicant organisation is a subsidiary, please give the holding company name		If the applicant organisation is a subsidiary, please give the holding company registration number	
<b>Organisation Details (where different from the registered details)</b>		<b>Lead Contact Person Details</b>	
Organisation Name		Family Name (surname)	
Address line 1:		Other (Given) Names	
Address line 2:		Title	Dr/Mr/Mrs/Ms/Other (please specify)*
Address line 3:		e-mail:	
Postal code:		Telephone:	
Country:		Fax:	

\*Delete as appropriate

Signature	
Print name and role of signatory	