

Guarantees of Origin

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Product type

Documentation and report that energy originates from renewable power sources, in this case solar energy.

Issuer

Net3.Energy offers innovative investment products on blockchain based in Basel, Switzerland. CHE-264.007.916.

Description of the product

Guarantees of Origin (GOs) are part of a voluntary system in place to reduce greenhouse gas emissions. The certificate allows to track ownership, verify claims and ensure that there is no double counting. Companies buy GOs as documentation for electricity delivered or consumed. Companies buy GOs to signal to the market that it prefers to consume renewable energy. The system allows for power producers for extra income and makes renewable energy production more appealing.

Description of the issuing process

To produce adequate and exact declarations on how much energy has been produced by the cooperatives of Net3.Energy, the amount has to be validated by external offerors. The validation will be conducted within the first month after the production of power.

Net3.Energy is issuing GOs as evidence of renewable energy generation. The voluntary emission offsetting certificates can be sold on the platform to companies and individuals.

Target market

An increasing number of businesses see renewable energy as necessary for future competitiveness and commit to solely consume renewable electricity. Companies in Europe are able to use GOs to achieve and document their commitment to renewable energy. Sustainability and reducing the environmental impact of business is an essential element of corporate responsibility and can attract customers, employees and investors. Thus, companies which aim to offset their emissions, are the main target.

Individuals can also acquire GOs, in this case they can be returned within one year after the acquisition.

Custodianship secure technology

The entire process from purchase, member's transactions within the exchange, to profit sharing is built on top of the Stellar blockchain. The use of the systematic methods offered by blockchain technology enables a reduction in the overall cost, as well as the ability to keep records of every operation carried out.

Legal aspects

GOs have the purpose of showing to a final customer that a given share or quantity of energy was produced from renewable sources. GOs can be sold by the producer of power (recipient of GOs) to companies or individuals willing to reduce their environmental impact. When a GO is sold, it is transferred to the purchaser's account, it could be later on traded or use claimed, which invalidates the GO for later trading.

Risks

Price risk / business risk

A certain price level of Guarantees of Origin cannot be guaranteed. The prices depend on the market situation and trading volume. For traders and companies. Individuals are exempt from price risk.

Issuer risk

In the event of insolvency of the issuer, there will be no possibility of trading the GOs.

Taxation

Realized capital gains are subject to personal jurisdiction. The taxes applied to the GOs depend on the shareholder's jurisdiction.

Note: For clarification of tax issues, we recommend consultation with a tax advisor.