

# Summary of the assessment of national guarantees of origin for electricity produced from renewable sources (GO) and disclosure systems for the purpose of decisions about the recognition of imported GO

On behalf of the German Federal Ministry for Economic Affairs and Energy

## Iceland



### Introduction

The German Federal Ministry for Economic Affairs and Energy (BMWi) and the German Federal Environment Agency (UBA) are currently assessing general questions on whether guarantees of origin for electricity produced from renewable sources (GO) from other Member States

of the European Union and further states can be recognized in the course of Article 15 of the Directive 2009/28/EC. The evaluation of the legal and practical set-up of the national systems for GO and electricity disclosure is performed by a consortium of external lawyers (Becker Büttner Held Rechtsanwälte (BBH)) and consultants (Öko-Institut e. V.).



### General

As of 28.07.2014, assessment of available information regarding system-related issues does not result in well-founded doubts about accuracy, reliability or veracity of GO issued in and imported from Iceland, so that in accordance with Article 15 Directive 2009/28/EC, there seems to be no reason at present for non-recognition of such GO.

### Specifics

Icelandic GO meet all the **criteria mentioned in Article 15 Directive 2009/28/EC**. Icelandic GO are issued for the standard size of **1 MWh** and are **used for electricity disclosure only**. Icelandic suppliers disclose only the mix of the respective product to their end-consumers, but not the overall mix of the supplying company. Although this is **not fully in line with the requirements in Article 3 (9) Directive 2009/72/EC**, the Icelandic regulations seem to suffice to guarantee that **no doublecounting of GO is taking place**, and thus not to jeopardise the reliability of GO. **Renewables are distinguished from other fuels** (namely nuclear and fossil) in electricity disclosure, although this is not clearly regulated by law.

The **residual mix seems to be robust** and is calculated based on the RE-DISS recommendations by the National Energy Authority, particularly taking into account the use of GO. Although by law it seems possible to issue GO also in paper form, this is obviously not taking place in practice. Legal regulations also do not clearly exclude issuing and use of additional CHP GO besides RES GO. However, taking into account that there are no incineration and CHP plants in operation in Iceland, this is of no practical relevance either. GO, which have to be properly cancelled and the residual mix are the only two ways to proof the origin of renewable electricity. There is **no evidence** that GO might be **used to meet the binding renewable energy targets** imposed by Article 3 Directive 2009/28/EC, nor to impact the calculation of the gross energy consumption. GO expire **12 months** after the end of the production period of the corresponding energy, which cannot be longer than one month (while this might be possible by law, but is restricted in practice by application of the EECS Rules).

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	<p>Icelandic legal regulations as well as the EECS Rules which are applied by the National Energy Authority safeguard that Icelandic GO can be <b>used only once</b>. The National Energy Authority is the <b>only competent body</b> in Iceland for GO, while the function of the issuing body is assigned to the Icelandic TSO Landsnet hf. The electronic register for handling GO is run by Grexel, a private company. The rules in place in Iceland, and here in particular <b>the EECS Rules</b> which are applied, <b>safeguard accurate, reliable and fraud-resistant issuance, transfer and cancellation of GO and the electronic register</b>. There is no indication that the National Energy Authority, Landsnet or Grexel are acting in violation of those rules. Landsnet as TSO is a subsidiary company to several energy companies, which are active in energy markets, but are all publicly owned. Although hard to assess in detail, it is <b>assumed</b> that provisions for regulation and for unbundling of integrated energy companies are sufficient to assure that Landsnet can be considered <b>independent from production, trade and supply</b>. The <b>issuing body Landsnet as TSO is in charge of meter readings</b> himself. Production devices are audited on-site when being registered, with a re-audit each five years. Icelandic regulations include <b>provisions both for correction of erroneous GO and of erroneous or outdated registered data for production devices</b>. Icelandic GO include <b>all the information required by Article 15 (6) of the Directive</b>. Therefore, for the moment and regarding system-related issues, there are <b>no well-founded doubts as regards the accuracy, reliability or veracity of Icelandic GO</b>, so that it can be concluded that they can generally be recognized.</p> <p><b>Critical issues</b></p> <p>Strictly speaking, Iceland does not implement Article 3 (9) Directive 2009/72/EC correctly, as it does <b>not present the supplier's mix but only the respective product mix</b>. This may be only a formalistic criticism, as in practice the system seems to not to jeopardise the reliability of GO, but it may be raised.</p> <p>Also, and despite apparent irrelevance in practice, Icelandic laws allow for GO in paper form and does not exclude the possibility of CHP GO and RES GO being issued at the same time, it appears.</p> <p>Further, the independence of Landsnet as subsidiary to several companies which are active in production, trade and supply of electricity should be observed.</p> <p><b>Reasons for non-recognition</b></p> <p>none</p>
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## **Please note**

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