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1 Implementation of Tracking Systems

1.1 Electricity Disclosure

Electricity disclosure in Iceland is implemented by “Regulation number 757/2012, Regulation on disclosure of information regarding guarantees of origin”¹. The electricity disclosure became into force in its original form in 2012. The competent body is the National Energy Authority (NEA) (www.os.is).

The breakdown of energy sources is not regulated, but a minimum accuracy of RES, NUC and FOS can be understood. At least a reference to information of associated CO₂ and nuclear waste have to be included in the electricity bill.

The National Energy Authority is responsible for calculating the residual mix of Iceland as well as for supervision of electricity disclosure. The residual mix is calculated according to RE-DISS recommendations, based on the Issuance-based method.

1.1.1 Disclosure Figures

Table 1: Icelandic production and residual mixes

	Renewable %	Nuclear %	Fossil %
Icelandic Production Mix 2011	100,0	0,0	0,0
Icelandic Residual Mix 2011	88,7	5,0	6,3
Icelandic Production Mix 2012	100,0	0,0	0,0
Icelandic Residual Mix 2012	62,7	16,4	21,3

1.1.2 Environmental Information

NEA requires electricity suppliers to disclose to their customers the content of CO₂ (g/kWh) and radioactive waste (mg/kWh) in the sold electricity.

Table 2: Environmental Indicators

	CO ₂ (g/kWh)	Radioactive fuel (mg/kWh)
Iceland Production Mix 2011	0,00	0,00
Iceland Residual mix 2011	45,30	0,15
Icelandic Production Mix 2012	0,00	0,00
Icelandic Residual Mix 2012	171,50	0,48

1.1.3 Suppliers Fuel-Mix Calculations

Electricity disclosure is based on calendar years and cancellations of GOs relating to disclosure of year X need to be made by 31.3.X+1 the latest. Suppliers are required to present their previous year disclosure information, at July 1st latest. Only disclosure of product-specific mixes is required. Disclosure of any energy source is only possible through cancelled guarantees of origin or through the residual mix.

An example of disclosure statement can be found at: <http://www.os.is/media/frettir/665-OS-yfirlising2012-stodlud-A4-HR-LOKA.pdf>

¹http://eng.atvinnuvegaraduneyti.is/media/Acrobat/Regulation-Disclosure_Iceland_final_unofficial_Translation.pdf



1.1.4 Acceptance of GOs

Iceland must recognise guarantees of origin issued by other EEA Member States.

1.2 Guarantees of Origin for Electricity from Renewable Energy Sources and High-Efficient Cogeneration

The guarantee of origin system in Iceland was first implemented through Act No. 30/2008, on the guarantee of origin of electricity produced from renewable energy sources etc. On December 19th 2011 the Decision of the EEA Joint Committee No 162/2011 imposed the requirements of 2009/28/EC on Iceland.

The TSO, Landsnet (www.landsnet.is) is the Competent Body for GOs in Iceland. CHP or non-RES GOs are not issued in Iceland.

Expiry is implemented as 12 months after the end of the production period of the GO.

1.2.1 EECS

The Icelandic GO system is exclusively based on EECS since 2011 and the central registry can be found at: cmo.grexel.com. Icelandic GOs are widely traded and used; see Table 2. The detailed rules and procedures for guarantee of origin can be found in the Icelandic domain protocol. The current version of the domain protocol can be found at AIB web page (http://www.aib-net.org/portal/page/portal/AIB_HOME/FACTS/AIB%20Members/Domain_Protocols).

Table 3: GO statistics 2011-2013

	Issue (prod.)	Transfer	Export	Import	Cancel	Expiry
2011	1 075 981	-	-	-	-	-
2012	8 217 203	0	4 346 896	300 010	0	0
2013	10 100 248	980 840	13 480 834	650 432	252 745	938 820

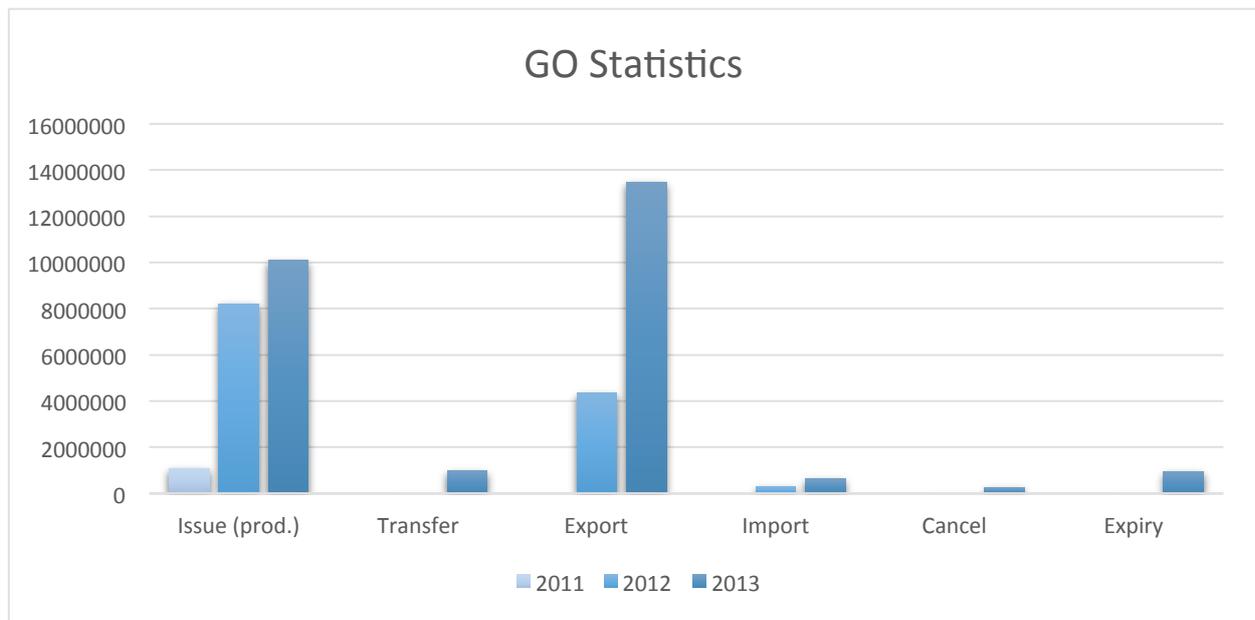


Figure 1: GO statistics 2011-2013

1.3 RES-E Support Schemes

At the moment there are no RES support schemes in Iceland.

2 Proposals for Improvement of the Tracking System

Key feature of the Icelandic electricity tracking and disclosure system is that GOs are the sole mechanism to sell electricity products and deviate from the residual mix, which makes Iceland a front-runner in this respect. All following proposals are made in accordance with the RE-DISS Best Practice Recommendations, which have been agreed by the Participating Domains of the RE-DISS Project.

2.1 Proposals regarding general regulation on tracking systems

The tracking system in place will be improved through the adoption of the RE-DISS BPRs proposed in the following sections.

2.2 Proposals regarding Disclosure

- BPR [19]: European countries should clarify whether and under which conditions the use of GOs by end consumers is allowed. Such GO use should not be based on ex-domain cancellations performed in other countries. If consumers are allowed to use GOs themselves, a correction should be implemented in the disclosure scheme which compensates for any “double disclosure” of energy consumed.

2.3 Proposals regarding RE-GO and CHP-GO

- BPR [1] The metered production periods for purposes of issuing GOs should not be longer than a calendar month and where possible should not run across the start and end dates of the disclosure periods. Longer intervals up to one year are acceptable for very small plants.
- BPR [2]: If possible, issuing of GOs should be done DIRECTLY after the end of each production period.
- BPR [4]: An extension to this lifetime can be granted if a GO could not be issued for more than [six] months after the end of the production period for reasons which were not fully under the control of the plant operator. In this case, the lifetime of the GO might be extended to [six] months after issuing the GO.
- BPR [8]: In case that not all European countries are members of EECS, appropriate connections between the EECS system and non-EECS members as well as in between different non-EECS members will need to be established. These include inter alia procedures for assessing the reliability and accuracy of the GO issued in a certain country and interfaces for the electronic transfer of GO.
- BPR [19]: Any rejection should only relate to the actual use of cancelled GO for disclosure purposes in the respective country and should not restrict the transfers of GO between the registries of different countries.
- BPR [20]: Any rejection should only relate to the actual use of cancelled GO for disclosure purposes in the respective country and should not restrict the transfers of GO between the registries of different countries.

2.4 Proposals regarding Acceptance of GO

- BPR [21]: Within the rules set by the respective Directives, Member States should consider to reject the recognition of GO from other countries for disclosure in case that these countries have not implemented adequate measures which avoid double counting, e.g. a proper determination of a Residual Mix for disclosure

2.5 Further proposals regarding Disclosure

- BPR [40]: There should be clear rules for the claims which suppliers of e.g. green power can make towards their consumers. There should be rules on how the “additionality” of such products can be measured (the effect which the product has on actually reducing the environmental impact of power generation), and suppliers should be required to provide to consumers the rating of each product based on these rules.
- BPR [41]: Claims made by suppliers and consumers of green or other low-carbon energy relating to carbon emissions or carbon reductions should also be regulated clearly. These regulations should avoid double counting of low-carbon energy in such claims. A decision needs to be taken whether such claims should adequately reflect whether the energy purchased was “additional” or not.
- BPR [42]: In case that suppliers are serving final consumers in several countries rules must be developed and implemented consistently in the countries involved on whether the company disclosure mix of these suppliers should relate to all consumers or only to those in a single country.

2.6 Matrix of disclosure related problems and country-specific proposals

Problem	Country-specific proposal
Possible double counting in different explicit tracking instruments	BPRs: [8]
Double counting of attributes in implicit tracking mechanisms	BPRs: [21]
Double counting within individual supplier's portfolio	BPRs: [42]
Loss of disclosure information	BPRs: [19]
Intransparency for consumers	BPRs: [40], [41], [42]
Leakage of attributes and/or arbitrage	BPRs: [1a], [1b], [2], [19]
Unintended market barriers	BPRs: [4], [8], [20]

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