

Act on the guarantee of origin of electricity produced from renewable energy sources, etc.

CHAPTER I

Article 1

Purpose

The purpose of this Act is to promote the utilisation of renewable energy sources and establish conditions for trading in guarantees of origin of electricity produced from renewable energy sources.

Article 2

Definitions

1. *Renewable energy sources*: Renewable non-fossil energy sources (wind, solar, geothermal, tidal, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases).
2. *Biomass*: The biodegradable part of products, waste and residues from agriculture (including vegetal and animal substances), forestry and related industries, as well as the biodegradable part of industrial and municipal waste.
3. *Electricity produced from renewable energy sources*: Electricity produced by power plants using only renewable energy sources, as well as electricity produced from renewable energy sources in hybrid plants using conventional energy sources in addition to renewable energy sources.
4. *Guarantee of origin of electricity produced from renewable energy sources*: Confirmation that electricity is produced from renewable energy sources, including wind, solar, geothermal, tidal, hydropower, biomass, landfill gas, sewage treatment plant gas and biogas, and not fossil fuel energy sources.

CHAPTER II

Article 3

Guarantee of origin of electricity produced from renewable energy sources.

Landsnet hf. is responsible for the issue of guarantees of origin of electricity produced from renewable energy sources.

Landsnet hf. will monitor whether electricity for which a guarantee of origin has been issued is in fact produced from renewable energy sources within the meaning of this Act in accordance with objective, transparent and non-discriminatory criteria approved by the National Energy Authority.

A guarantee of origin, approved and issued in the European Economic Area in accordance with Article 4, shall be mutually recognised as proof only of the factors referred to in Article 6. Any refusal to recognise a guarantee of origin as such proof, in particular for reasons relating to the prevention of fraud, must be based on objective, transparent and non-discriminatory criteria.

Landsnet hf. may, subject to the approval of the Minister of Industry, assign its role as the issuer of guarantees of origin pursuant to this Act.

Article 4

Issue of guarantees of origin

Landsnet hf. will issue a guarantee of origin of electricity produced from renewable energy sources at the request of a producer of electricity from renewable sources of energy. A guarantee of origin may be issued in written and/or electronic form. Guarantees of origin shall have received prior confirmation from the National Energy Authority to the effect that such guarantees of origin comply with the provisions of this Act and Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market.

A guarantee of origin may only be granted in respect of preceding calendar months. A guarantee of origin may, at the choice of a producer of electricity from renewable energy sources, be issued for the immediately preceding calendar month or for the preceding 3, 6 or 12 calendar months.

One guarantee of origin shall be issued for each MWh produced.

Article 5

Application

An applicant shall send a written request to Landsnet hf. for the issue of a guarantee of origin of electricity produced from renewable sources of energy no later than 90 days after the end of the last month of the period covered by the guarantee of origin.

An applicant shall provide Landsnet hf. with any information concerning the issue of a guarantee of origin regarded as necessary by Landsnet hf. Landsnet hf. shall operate in a non-discriminatory manner and maintain confidentiality regarding information relating to business interests and all other information that should fairly and reasonably remain confidential.

Landsnet hf. may require payment from an applicant for the issue of a guarantee of origin. The company shall establish a tariff for the above services.

A producer of electricity from renewable sources of energy may grant a written power of attorney to a third party, both for the purpose of requesting the issue of a guarantee of origin of electricity produced from renewable sources of energy and for the purpose of taking delivery of such guarantee of origin.

Article 6

Contents of a guarantee of origin

A guarantee of origin shall specify, *inter alia*:

1. Information on the plant in question.
2. The type of energy source used to produce the electricity.
3. Renewable sources of energy as a percentage of the total electricity production of the plant in question for the period specified in paragraph 2 of Article 4.
4. In the case of electricity produced in a plant, the production capacity of the plant.
5. Information on the issuer of the guarantee of origin, the date of issue and place of issue.
6. Information as to what a guarantees of origin entails and a reference to Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market.

CHAPTER III

Article 7

Foreign guarantees of origin

Guarantees of origin of electricity produced from renewable energy sources issued in another State in the European Economic Area in accordance with the provisions of Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market shall be recognised in Iceland.

Landsnet hf. is required to seek confirmation of the issue of a guarantee of origin in the state in which the guarantee of origin was issued, if this is regarded as necessary by the company.

Landsnet hf. shall provide the competent foreign issuers of guarantees of origin of electricity produced from renewable energy sources with information on the guarantees which the company has issued in Iceland.

Landsnet hf. shall provide the National Energy Authority with information on the confirmations referred to in paragraphs 1 and 2.

CHAPTER IV

Article 8

Administration and supervision

Landsnet hf. shall maintain a record of issued guarantees of origin of electricity produced from renewable energy sources. Landsnet hf. shall annually provide the National Energy Authority with information on issued guarantees of origin in a form determined by the National Energy Authority.

In consultation with producers of electricity from renewable energy sources, Landsnet hf. shall establish rules on the registration of information on issued guarantees of origin of electricity produced from renewable energy sources, cf. paragraph 1; the rules shall be approved by the National Energy Authority.

Landsnet hf. is required to provide government authorities, customers and members of the public with the information necessary for evaluating whether the company has fulfilled its obligations under this Act. However, Landsnet hf. may withhold business information pertaining to business interests and other information that should fairly and reasonably remain confidential unless customers provide their written consent.

Article 9

Penalties

Violations of the provisions of this Act shall be subject to fines, unless more severe penalties are prescribed under other legislation. In the event of any violation in the course of the operations of a legal person, the legal person may be fined as provided in Chapter II A of the General Penal Code.

CHAPTER V

Article 10

Implementation of the Directive

This Act constitutes implementation of Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market.

11. Article 11

Entry into force.

This Act is effective immediately.

Article 12

Amendments to other Acts

The following amendments to other Acts will take effect on the entry into force of this Act:

1. The Electricity Act No. 65/2003, as subsequently amended: The first sentence of the fifth paragraph of Article 8 of the Act shall read as follows: The transmission system operator shall not engage in any activities other than those which are necessary for the performance of his obligations under this Act or other acts of law.
2. Act No. 75/2004 on the establishment of Landsnet hf. No. 75/2004: The first sentence of Article 2 of the Act shall read as follows: The role of Landsnet hf. is to undertake the transmission of electricity and system management pursuant to the provisions of Chapter III of the Electricity Act No. 65/2003, and the Company is not permitted to engage in any activities other than those which are necessary for the Company to be able to discharge its obligations pursuant to the Electricity Act or other acts of law.

Adopted by the Althingi on 7 April 2008.