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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

Disclosure figures for Iceland are from: http://www.orkustofnun.is/yfirflokkur/raforkunotandinn/uppruni-raforku/

Production figures are from Entsoe: *https://www.entsoe.eu/data/data-portal/production/Pages/default.aspx*

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
Icelandic Production Mix 2013	100	0	0
Icelandic Residual Mix 2013	39	24	37
Icelandic Production Mix 2014	100	0	0
Icelandic Residual Mix 2014	45	23	32

[1] http://eng.atvinnuvegaraduneyti.is/media/Acrobat/Regulation-_Disclosure_Iceland_final_unoffical_Translation.pdf

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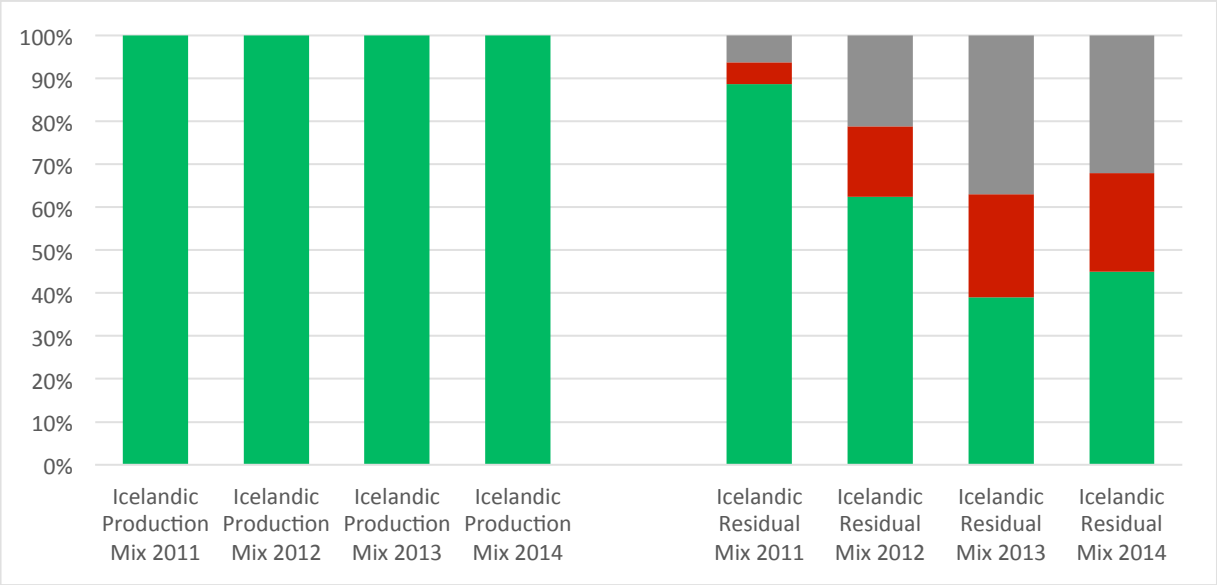

Figure 1 Iceland production and residual mixes

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

	CO2 (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
Iceland Production Mix 2013	0	0
Iceland Residual mix 2013	356,4	0,72
Icelandic Production Mix 2014	0	0
Icelandic Residual Mix 2014	298,7	0,65

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-yfirlysing2012-stodlud-A4-HR-LOKA.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

1.2.1 RES-GO System

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.

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).

1.2.2 GO Statistics

Table 1: GO statistics

	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
2014	10 142 345	25 747	10 072 162	68 000	70 228	25 315
2015 (May)	618 914	1 168 380	3 429 640		5 701	21 082

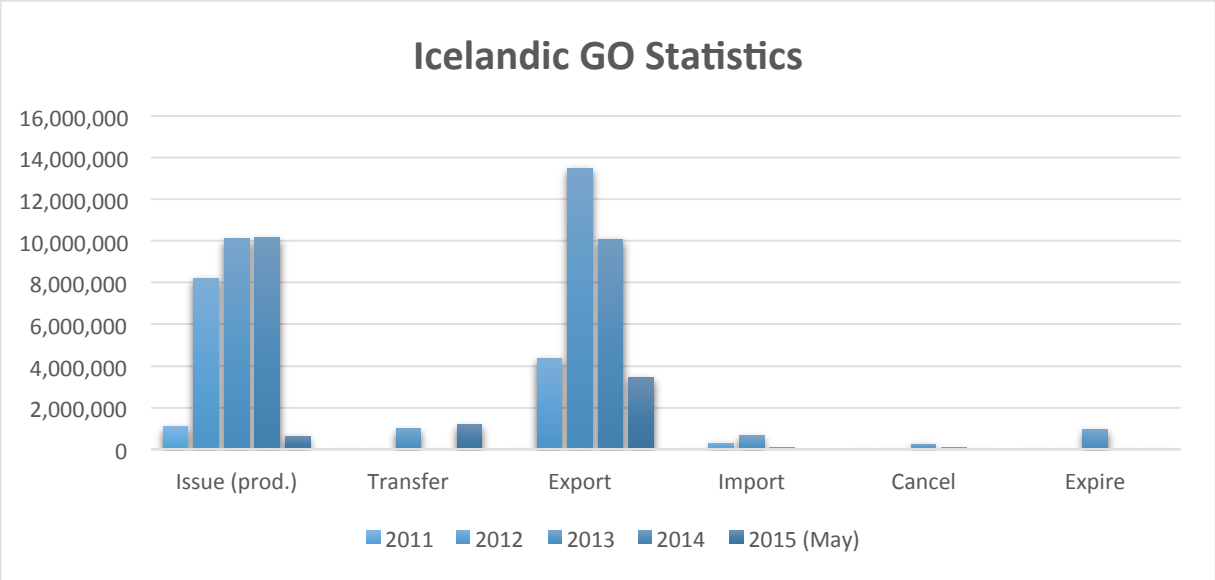

Figure 2: GO statistics 2011-2013

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 [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.

2.4 Proposals regarding Acceptance of GO

- 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.
    - a) European countries should choose one of the two following options and apply it consistently for all foreign GO :
    - - Rejection of GOs only relates to the cancellation of GOs and subsequent use for disclosure purposes in the respective country and should not restrict the transfers of GOs between the registry of the considered country and the registries of their countries. This means that the decision about the recognition of a GO should not hinder its import into the considered country.
    - - Rejection of GOs implies blocking their import to the national registry.
    - The choice of one or the other option should be transparent for all market parties and clearly communicated.

2.5 Further proposals regarding Disclosure

- BPR [11b]: GOs should be issued for all electricity production, unless an RTS applies for that production, e.g. for the disclosure of supported electricity
- BPR [11c]: Competent bodies should consider to make the use of GOs mandatory for all electricity supplied to final consumers.
- BPR [39a]: As required by Art. 3 (9) of the IEM Directive 2009/72/EC annual disclosure of the supplier mix on or with the bill should be mandatory. This should also include information on environmental impacts.
    - Disclosure related to individual product purchased by the customer is mandatory in Iceland

- 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], [39a]
Intransparency for consumers	BPRs: [11b], [11c], [40], [41], [42]
Leakage of attributes and/or arbitrage	BPR: [19]
Unintended market barriers	BPRs: [4], [8], [11a], [11b], [20], [20a], [20b]