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## **Decision of the AIB Board of 27 April 2023**

### **Regarding the compliance assessment of Landsnet's possible breach of EECS Rules N9.1.1, A2.1.2, C3.3.1 and E3.3.14**

On 30 November 2022 an article has been published in Germany suggesting potential double claiming of renewable benefits through the cancellation of Icelandic GOs in Germany while consumers in Iceland are also claiming 100% renewable sourced electricity;

On 19 December 2022 the Board decided to initiate a Compliance Assessment on double claims of renewable electricity, to be conducted “in close cooperation with Landsnet and with the aim to assist Landsnet in improving the situation” in accordance with:

- The EECS Rules section F6. ;
- EECS Rules Subsidiary Document AIB-EECS-SD01 Assessment Panels;
- EECS Rules Subsidiary Document AIB-EECS-SD07 Review Procedures.

On 18 January 2023 the Board decided to appoint the compliance assessment panel to investigate the case, consisting of Chris Pooley (AIB professional reviewer), Friederike Domke (UBA) and Bram van der Heijde (VREG).

The compliance assessment team submitted their report which attached to this decision and forms an integral part of it.

The Board discussed the matter intensively on 19 and 27 April 2023.

The reasoning, motives and proposals of the compliance assessment team are fully endorsed.

In accordance with the Articles of Association of AIB, Art.4.7, all members have to comply with the EECS Rules.

The EECS Rules place a duty on each member to ensure the veracity and uniqueness of EECS Certificates which may have been compromised through the activities within Iceland. The attribute rights conveyed by the GO are owned by the owners of GO and so those rights do not remain in Iceland for local claims when the GO has been exported. The Board deems that Landsnet is in breach of the EECS Rules section E3.3.14, allowing double claims regarding the export of guarantees of origin for renewable electricity the attributes of which are also claimed on the marketing material by the physical consumers of the same electricity, without cancelling GOs.

The Board feels that suspension of exports to be the lighter measure to take rather than suspension of Scheme membership of Landsnet.

DECISION 1. A rectification order is issued to Landsnet, to be complied with by 1 August as follows:

In view of the significance of aluminium production and datacentres to the national economy, and the high sustainability profile of both industries in Iceland, it is essential that scope for double counting of environmental attributes is removed as far as possible. The purpose of this Rectification Order is to ensure that both legislative structures and operational practices are effective in achieving that objective.

To work with the AIB to establish an 'appropriate mechanism' to ensure compliance with EECS Rule E3.3.14. this should include at least the following steps:

1. To identify the details of the problem including which market participants are directly involved.
2. In co-operation with the Energy Regulator as the Competent Body:
  - a. To identify where location-based or contract-based forms of disclosure to consumers are being used in Iceland, either implicitly or explicitly.
  - b. To identify in such cases whether GO must be issued and immediately cancelled or no GO can be issued.
3. To identify a process as part of the issuing procedure which checks the eligibility of production for a GO to be correctly issued such that there is no scope for double counting.
4. To secure support from the Competent Authority to monitor and enforce the process identified in 3.

AIB wants the current situation to be remedied, where it appears that legislative boxes have been ticked, but there is no enforcement.

DECISION 2. In accordance with Section F6.1.1 the Board decides to suspend all exports from Iceland with immediate effect pending a decision from the compliance assessment panel that the rectification order is complied with. Icelandic GOs will still be considered EECS GOs.

