

This is an English translation.

The original Icelandic text, as published in the Law Gazette (Stjórnartíðindi), is the authoritative text. Should there be discrepancy between this translation and the authoritative text, the latter prevails.

Article 1

The following amendments are made to Article 3 of the Act: Sub-paragraph 6 shall read as follows: Transmission system: Electrical lines and connected facilities needed to transmit electricity from power stations to large-scale users and to distribution system operators at the points of delivery listed in an annex hereto. The system extends from the high-voltage side of auxiliary transformers connected to it, cf. Paragraph 3 of Article 5, to the high-voltage side of substation transformers of large-scale users and distribution system operators.

Sub-paragraphs 8 and 9 are deleted and the subsequent sub-paragraphs renumbered accordingly.

A new sub-paragraph, No. 15, is added, reading as follows:

Large-scale user: A user who uses in one place a minimum of 14 MW of power with an annual utilisation time of 8,000 hours or more.

A new sub-paragraph, No. 17, is added, reading as follows:

Income possibility curve: The maximum permitted annual income of the transmission system operator and distribution system operators to meet expenses.

Article 2

Clause 2 of Paragraph 1 of Article 4 shall be replaced by three new clauses, reading as follows: However, such a licence is not required for electric power plants with a rated capacity of under 1 MW, unless the energy produced is delivered into the distribution system of a distribution system operator or into the transmission system. The owners of power plants with a rated capacity of 30 – 1,000 kW shall submit technical details of the plant to the National Energy Authority (Orkustofnun). Also, Orkustofnun shall be informed annually of the total generation of power plants with a rated capacity of over 100 kW.

Article 3

Paragraph 3 of Article 5 shall read as follows:

Power stations which are subject to licence shall be connected to the transmission system, subject to the provisions of Paragraph 2 of Article 11. Power stations of 7 MW or higher shall be connected directly to the transmission systems, but smaller plants may be connected through a distribution system. A contract with the transmission system operator or distribution system operator in the distribution zone of the station shall be available when an application is submitted for a development licence.

Article 4

The following amendments are made to Article 8 of the Act:

Paragraph 1 shall read as follows:

A single company shall be responsible for the transmission of electricity and system management pursuant to the provisions of this Chapter. The company shall be a limited liability company. The Minister [for Industry] shall issue an operating licence to the transmission system operator providing for the rights and obligations of the operator.

Provisions may be made for review of the licence after a specified period of time, provided that the criteria underlying the conditions of the licence have changed materially.

A new paragraph, becoming Paragraph 2, is added, reading as follows:

The customers of the transmission system operator shall be distribution system operators, large-scale users and power plants.

The words "Paragraph 2" in Paragraphs 3 and 5 of shall be replaced by the words: Paragraph 3

Article 5

The following amendments are made to Article 9 of the Act:

The word "determining" in Sub-paragraph 3 of Paragraph 4 Act shall be replaced by the word: co-ordinating.

Sub-paragraph 5 of Paragraph 4 is deleted.

A new paragraph, becoming Paragraph 5, is added, reading as follows:

The transmission system operator is under obligation to supply the authorities, customers and the public with the

information necessary to assess whether the operator is performing its obligations in the operation and system management of the transmission system and ensuring non-discrimination in trade in electricity. In the event of any dispute as to whether the operator is under obligation to provide any requested information Orkustofnun shall settle the question. The decision of Orkustofnun may be appealed to the Appeals Committee on Electricity.

The phrase "Sub-paragraphs 1–5" in Paragraph 5 is replaced by: Sub-paragraphs 1-4.

Paragraph 9 shall read as follows:

The Minister shall, by means of a government regulation, establish further provisions on the role and activities of the transmission system operator, system management, processes of use and the connection of power plants to the transmission system.

Article 6

The following amendments are made to Article 10 of the Act:

Paragraph 1 shall be replaced by two new paragraphs,