

B.8 Terms for Power-Intensive Users Receiving Electricity Directly from Power Stations¹

0. Amendments from previous version

The present version is the initial one.

1. Introduction

- 1.1 These Terms are adopted on the basis of the Electricity Act No. 65/2003, as amended.
- 1.2 These Terms have been confirmed by the Minister pursuant to paragraph 6 of Article 9 of the Electricity Act.

2. Definitions

¹ This is a translation from the Icelandic version of the Grid Code. In case of discrepancy, the Icelandic version shall apply.

- 2.1 A *point of delivery* is a point in the transmission system where electricity is drawn from it (where “out-feed” takes place).
- 2.2 The *transmission system (grid)* consists of the electrical lines and related infrastructure necessary to transmit electricity from power stations to power-intensive users and distribution system operators. It is defined as the infeed point of the transmission company’s switchyard (substation) for generators, and the outfeed point of the transmission company’s switchyard for distribution system operators and power-intensive users, as defined by the Electricity Act No. 65/2003, as amended.
- 2.3 A *final or end user* is a party buying electricity for own use.
- 2.4 A *power-intensive user* is a user that consumes, within three years and in one location, at least 80 GWh per year. New users are given an adjustment period of three years to meet the conditions of 80 GWh per year, the beginning of which period shall be based on the first delivery of electricity, excepting the start-up period. A final user whose production is dependent on receiving not only electricity but also other products from a geothermal power station may request permission by the National Energy Authority (Orkustofnun) for a direct connection to the power station, similarly to a power-intensive user consuming at least 80 GWh per year, even if the customer does not meet the criteria for power-intensive users; the charge for such consumption (“out-feed”) is the same as for power-intensive users, cf. paragraph 6 of Article 12a of the Electricity Act.
- 2.5 A *power station* is a facility used to generate electricity. Two or more units forming a natural whole and connected to the transmission system or distribution system through common substations constitute a single power station.

3. In general

- 3.1 These Terms apply to power-intensive users receiving energy directly from a power station connected to the grid, without the energy being transmitted via the grid and without the transmission system taking part in the costs of the user’s connection, cf. paragraph 5 of Article 12a of the Electricity Act. The Terms apply to power-intensive users whether or not they are totally dependent on the power station in question for energy.
- 3.2 In other respects, Landsnet’s terms applicable to power-intensive users shall apply where appropriate.
- 3.3 If more than one end user or power-intensive user receives electricity directly from a power station, and another power-intensive user requests to be connected to the power station for electricity transmission in accordance with these Terms, this shall be subject to the requirement that the power station’s installed capacity exceeds the aggregate power demand of all the final consumers and/or power-intensive users already connected to the power station plus the new power-intensive user.
- 3.4 A power-intensive user connected directly to a power station is not permitted to increase its electricity purchasing beyond the level offered by that power station’s installed capacity. If the size of a power-intensive user exceeds the power station’s installed capacity, the user shall connect directly to the transmission system, cf. Terms B4.
- 3.5 Power-intensive users to whom electricity is delivered directly from a power station shall enter into an agreement with Landsnet whereby they undertake to comply with the applicable Landsnet terms.
- 3.6 In the event that a power-intensive user does not meet the conditions of the Electricity Act regarding consumption and utilisation time at a single location, the power-intensive user shall transfer its business within one month to the relevant distribution system operator for the delivery of the electricity. In such event, Landsnet and the distribution system operator in question shall negotiate the terms of the transfer of the user to the distribution system operator and the settlement thereof.

4. Connection of power-intensive users

- 4.1 Landsnet's point of delivery for the out-feed of a power-intensive user connected directly to a power station is at the outgoing breaker bay in Landsnet's substation, i.e. the same point of delivery as for the power station in question.
- 4.2 Landsnet does not take part in the cost of the power-intensive user's connection to the power station, i.e. neither the investment cost nor the operating expenses.
- 4.3 The power-intensive user must ensure the availability of, and shall be responsible for, switchgear, current and voltage transformers, measuring equipment and protective relays used at the feed-in point to the power-intensive user concerned.
- 4.4 In the event of a disturbance or maintenance performed in a power station, Landsnet can only guarantee delivery to the power-intensive user to the extent allowed by transmission constraints and limitations on electricity transmission through the power station's electrical system.

5. Measurements

- 5.1 Electrical power on which Landsnet's charging is based shall be measured at the location/point specified in the agreement between Landsnet and the power-intensive user.
- 5.2 The power-intensive user shall ensure that the voltage transformers and current transformers for the measurement specified in Article 5.1 are installed and maintained. Voltage transformers shall have at least two separate windings for measurements.
- 5.3 Landsnet shall install and maintain measuring equipment to measure the electricity consumption of power-intensive users in hourly values. Each unit in the measurement system must have a precision of 0.2%. Meters and instrument transformers must be approved by Landsnet and the power-intensive user. The power-intensive user must ensure that Landsnet has sufficient space for measuring instruments and that appropriate connections are installed, at no cost to Landsnet.
- 5.4 Landsnet's meter reading is carried out by Landsnet through telecommunications systems. The main meter's measurement values are used for invoicing. Both Landsnet and the power-intensive user have unlimited access to these measurement values. The provisions of Landsnet's terms apply in the event of inconsistency between meters.
- 5.5 In other respects, Landsnet's general terms shall apply to measurements, as shall Regulation No. 1050/2004 on electricity trading and metering, as amended.

6. Power quality

- 6.1 At the point of delivery, Landsnet complies with rules on power quality in accordance with the A.1 General Terms on Electricity Transmission and System Management and other applicable rules.

7. Ancillary services

- 7.1 Landsnet provides ancillary services in accordance with Terms C.2 on the Ancillary Services of Landsnet hf., provided that this is allowed by electricity transmission through the electrical systems of the power station in question.

8. Tariff

- 8.1 These power-intensive users pay for out-feed, ancillary services and transmission losses in accordance with Landsnet's tariff as current from time to time.

9. Liability

- 9.1 Where the generating company's equipment is located between the transmission system and the out-feed point of the power-intensive user, Landsnet's responsibility is in all instances limited to the power station's point of delivery. In other respects than provided for in these Terms, the provisions of Terms B.4 regarding the liability of power-intensive users shall apply.
- 9.2 The connection of the power-intensive user to the power station, the cost of the connection and its maintenance are the sole responsibility of the power-intensive user or any party assuming this responsibility from the power-intensive user.
- 9.3 The connection of a power-intensive user to a defined Landsnet point of deliver, the cost of the connection and its maintenance are the sole responsibility of the power-intensive user or any party assuming this responsibility from the power-intensive user.
- 9.4 The breaker bay for the power-intensive user, appurtenant current transformers, voltage transformers, protective relays and measuring equipment are the responsibility of the power-intensive user in question or any party assuming this responsibility from the power-intensive user.

10. Force majeure

- 10.1 The force majeure clauses of Terms B.4 shall also apply to these present Terms.

11. Breach of terms

- 11.1 If a power-intensive user neglects its duties under these Terms, Landsnet may cancel the electricity transmission contract in question or request that the National Energy Authority (Orkustofnun) act on the basis of the Electricity Act.

12. Regulation and remedies

- 12.1 The provisions of Terms B.4 regarding regulation and remedies shall also apply to these present Terms.

13. References

- 13.1 General Terms A.1 on Electricity Transmission and System Management
- 13.2 Terms B.4 for Electricity Delivery to Power-Intensive Users
- 13.3 Terms C.2 for System Services of Landsnet hf.