Renewable energy delegation to Iceland

Iceland's transition from coal and oil to renewables – challenges and opportunities

Lárus Michael Knudsen Ólafsson

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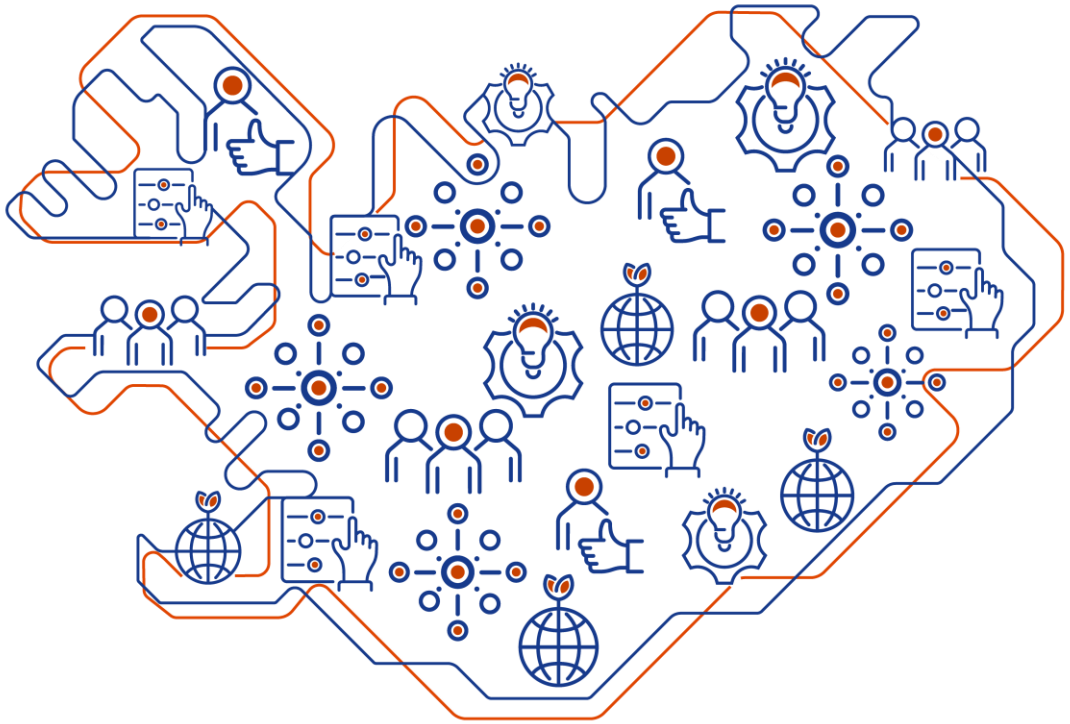
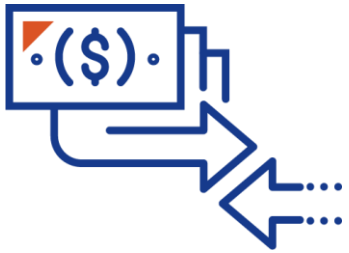


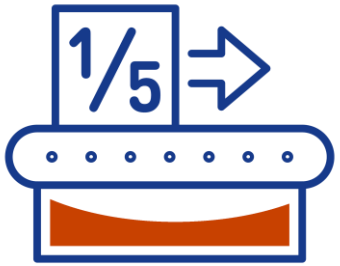
Value Creation in the Icelandic Economy

Industry plays an important role in the economy



Industry creates 30% of export revenues

One in five works in industry



Industry creates 25% of GDP

> SI is the largest group of Icelandic businesses, consisting of 1.400 member companies who work in different sectors and are very different in terms of size

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The Industry's Driving Forces

Policy revolves around six pillars

Productivity

Education

Innovation

Business Environment

Infrastructure

Energy and Environment

Image

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Energy Transition in Iceland

Morgunblaðið

Vikublað: Ísafold. 23. árg., 24. tbl. — Sunnudaginn 30. janúar 1938. Ísafoldarprentsmiðja h.f.

Kjósið hitaveituna í dag — C-listann

Reykurinn yfir bænum, sem hitaveitan útrýmir!

Burt með fyrirhöfn, óþrifnað og kostnað við kolakyndinguna.

Heitt vatn þarf að koma í öll eldhús, og gróðurhús að rísa um allan bæ.

Hreint loft yfir Reykjavík, þegar hitaveitan er komin! Sólar nýtur til fulls!

Kolakyndingu er útrýmt, kolaofnum, kolaryki, kolakostnaði. Með einu handtaki er hitanum veitt um íbúðirnar.

Með hitaveitunni kemur heitt vatn í eldhúsin. Og við húsveggina er hægt að koma upp gróðurskálum, þar sem ræktaðar verða matjurtir, blóm og aldini.

Reykvíkingar! Tryggið yður hitaveituna með því að kjósa C-listann

Coal smog in Reykjavík - 1940

Municipal election in Reykjavik – January 1938

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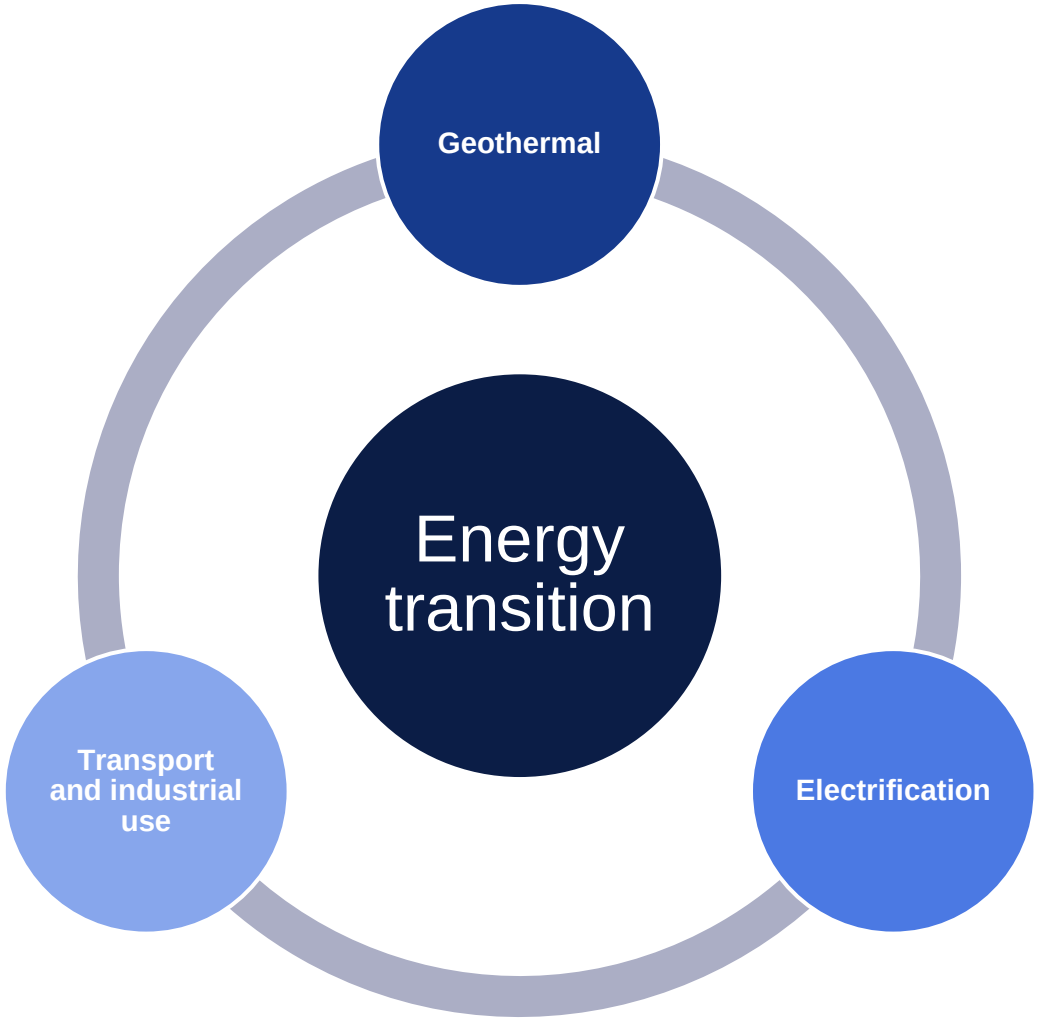
Energy Transition in Iceland – 3 Pillars



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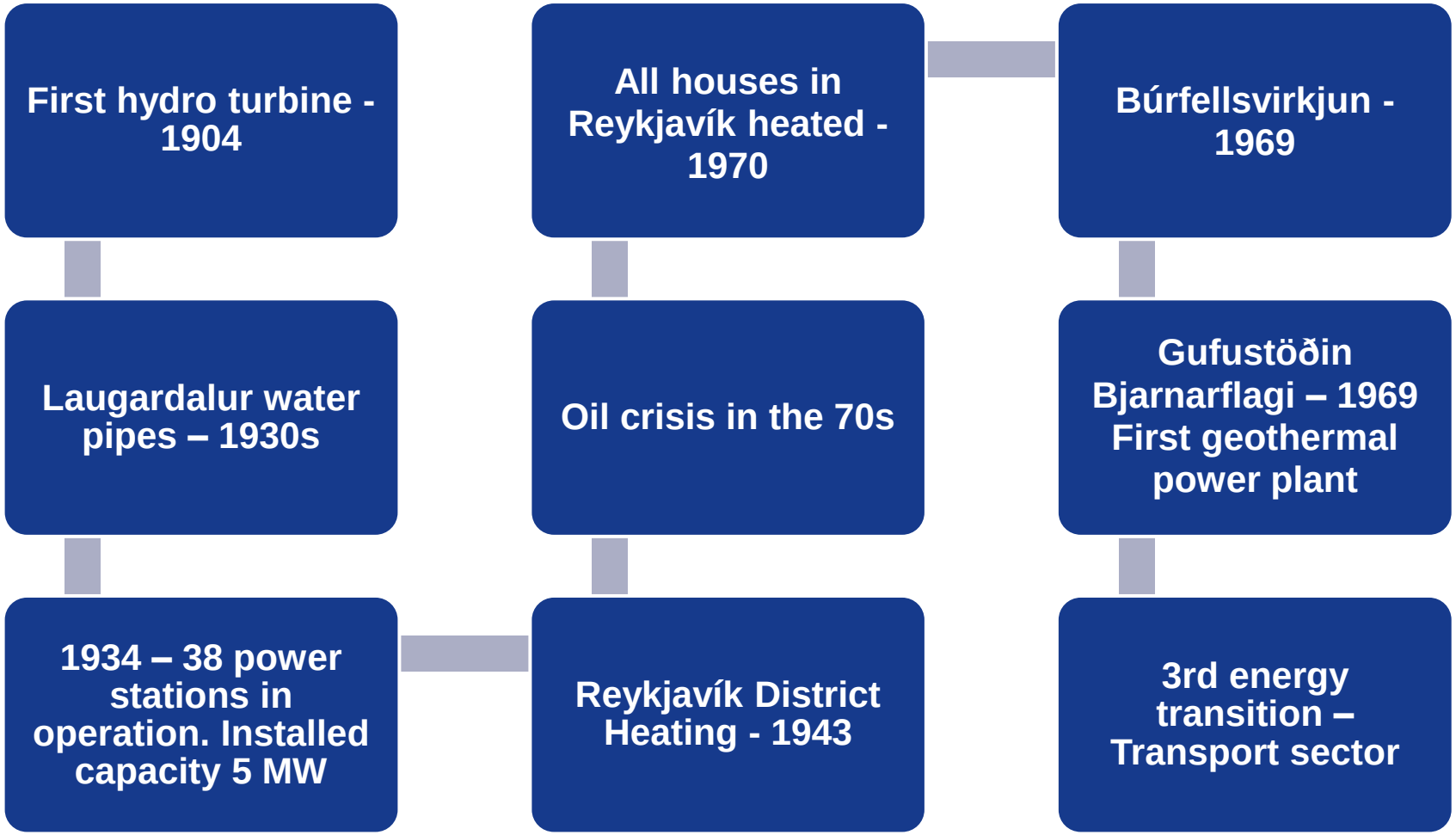
Energy Transition in Iceland – Stepping Stones



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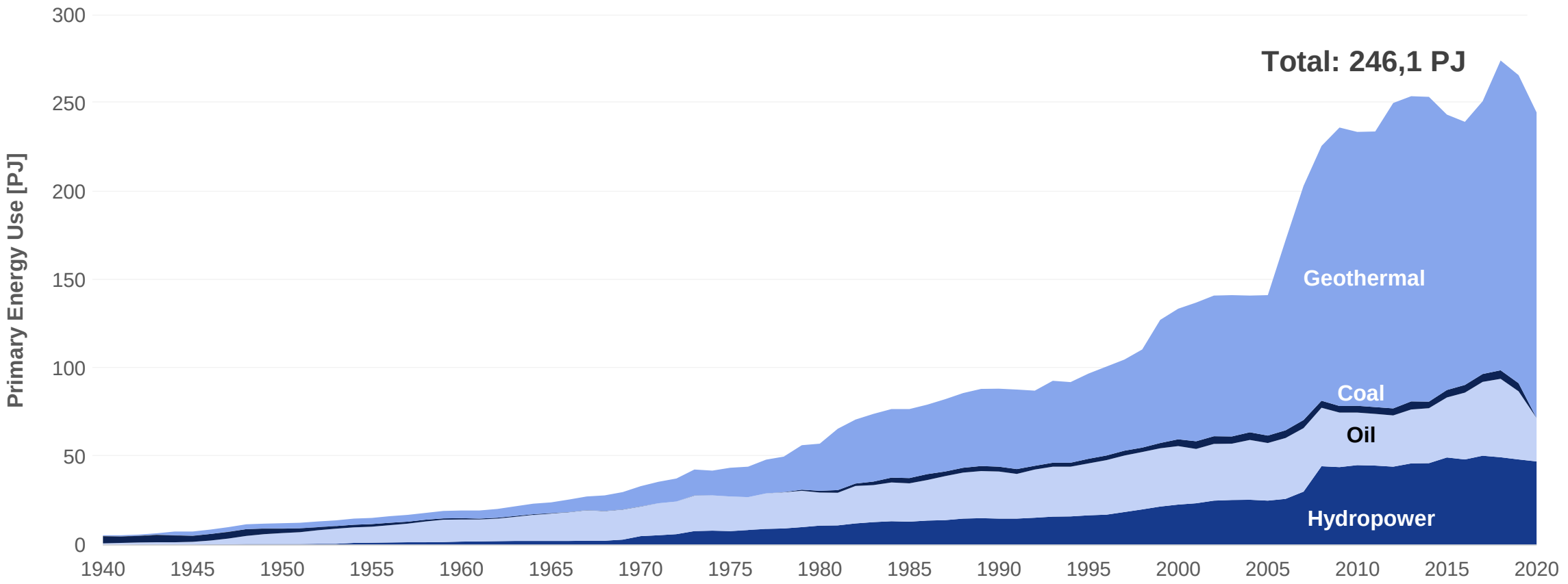
Primary Energy Use in Iceland 1940-2020



Orkustofnun Data Repository: OS-2021-T008-01

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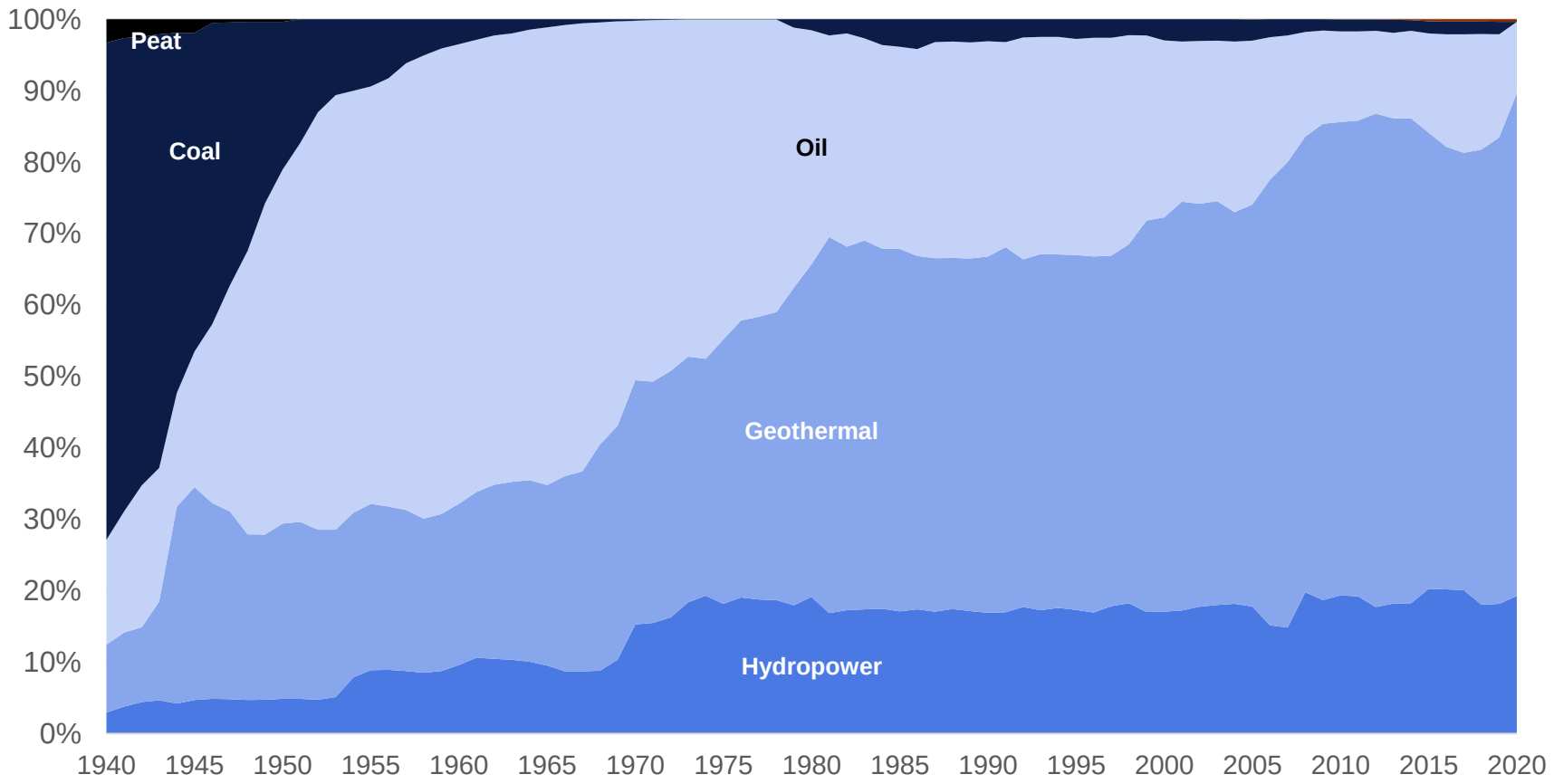
Primary Energy Use in Iceland 1940-2020



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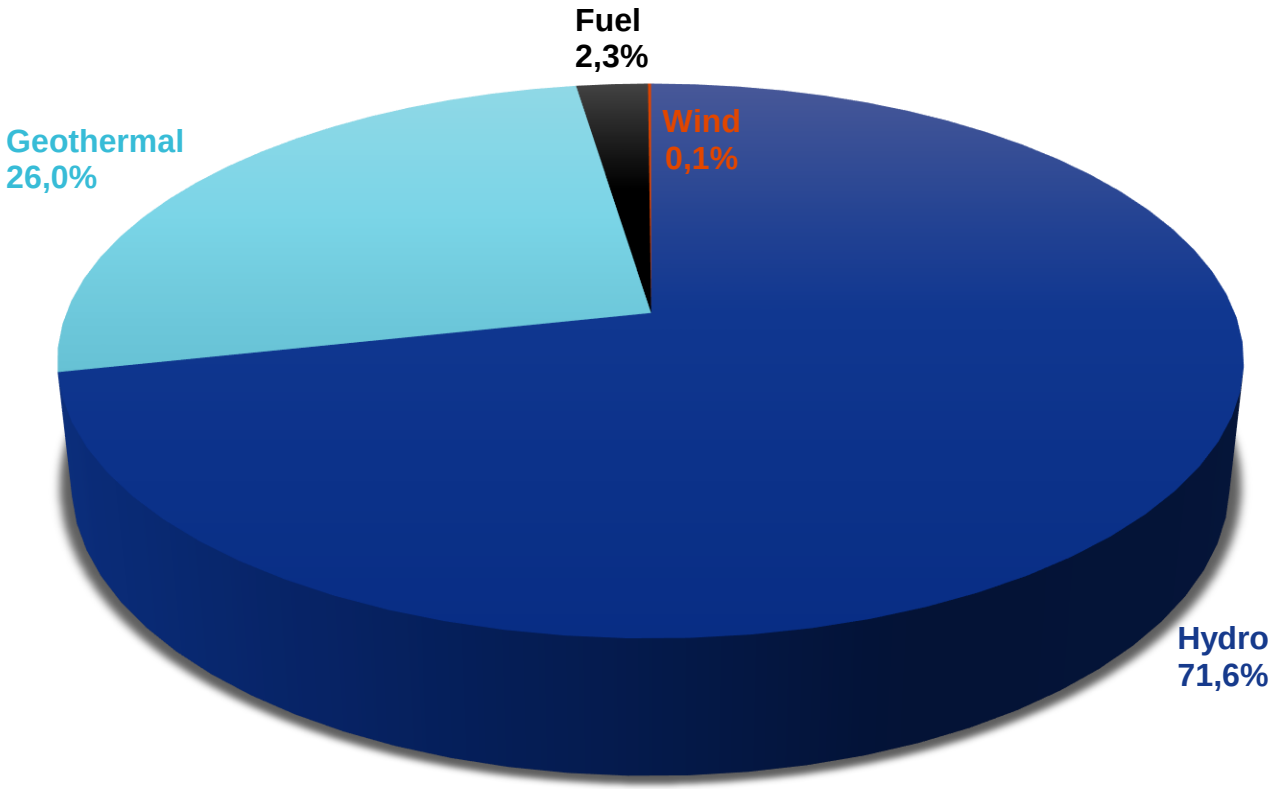
Energy statistics

Installed capacity 2019



Source: Orkustofnun (NEA)

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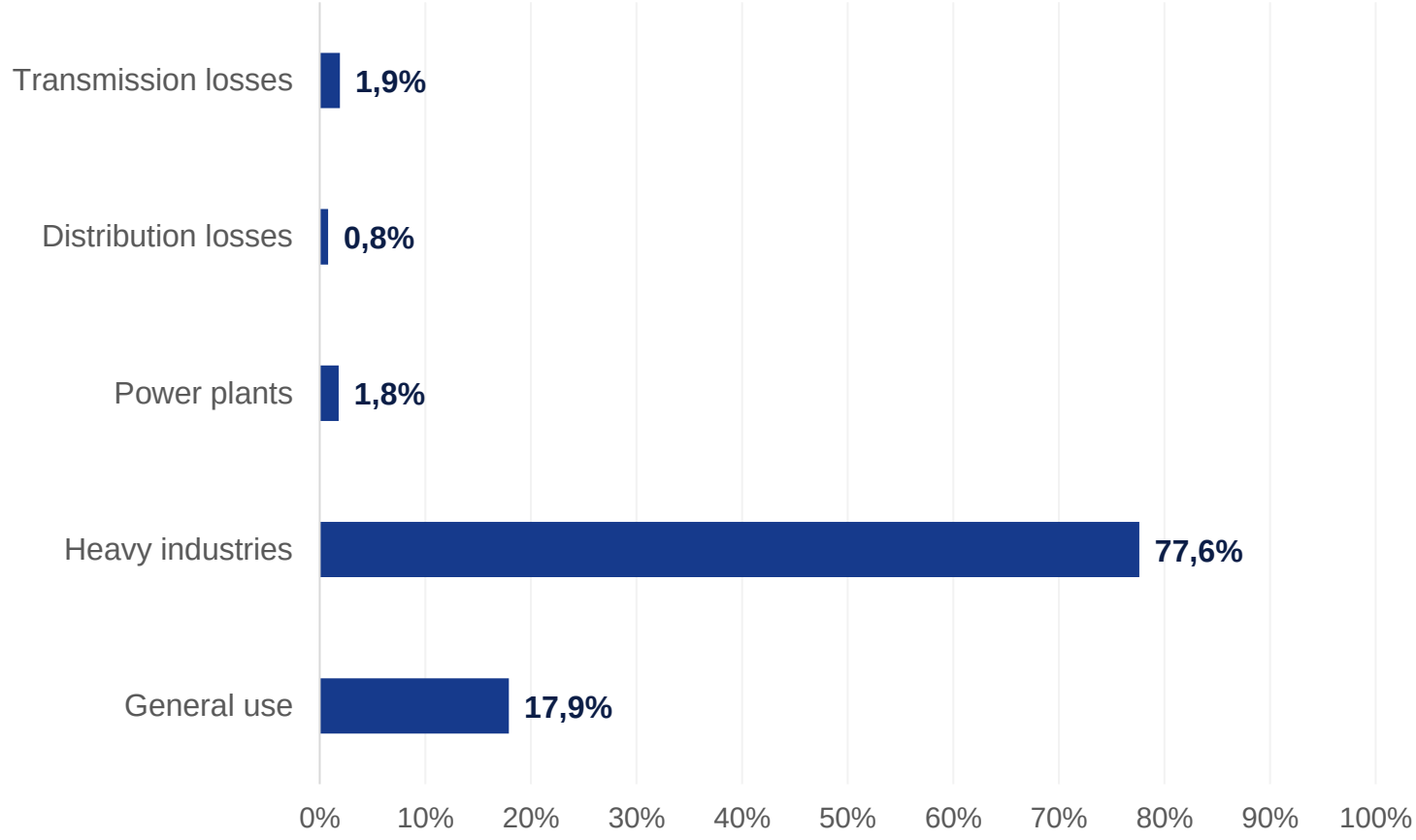
Energy statistics

Electricity consumption in Iceland



Source: Orkustofnun (NEA)

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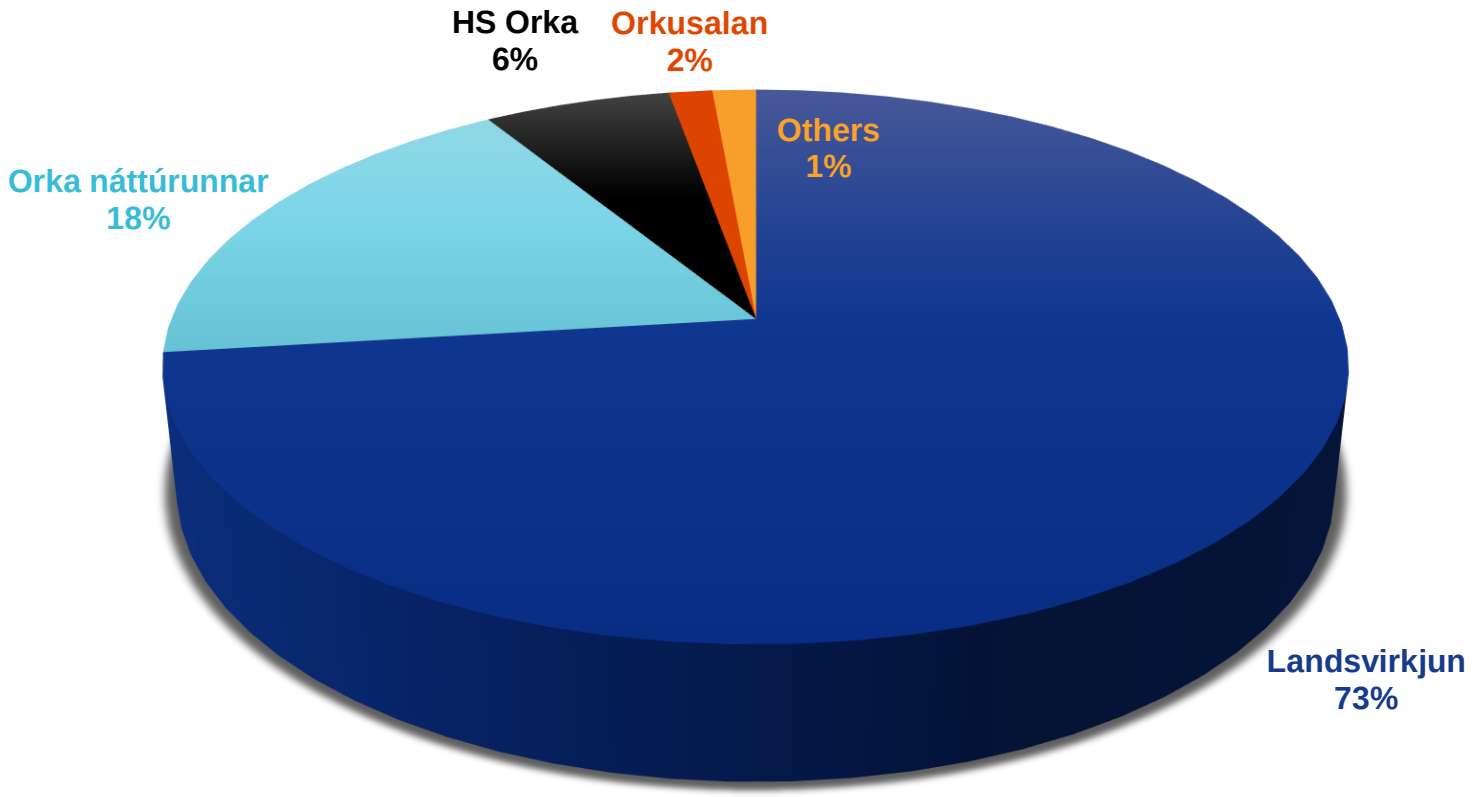
Energy statistics

Electricity generation



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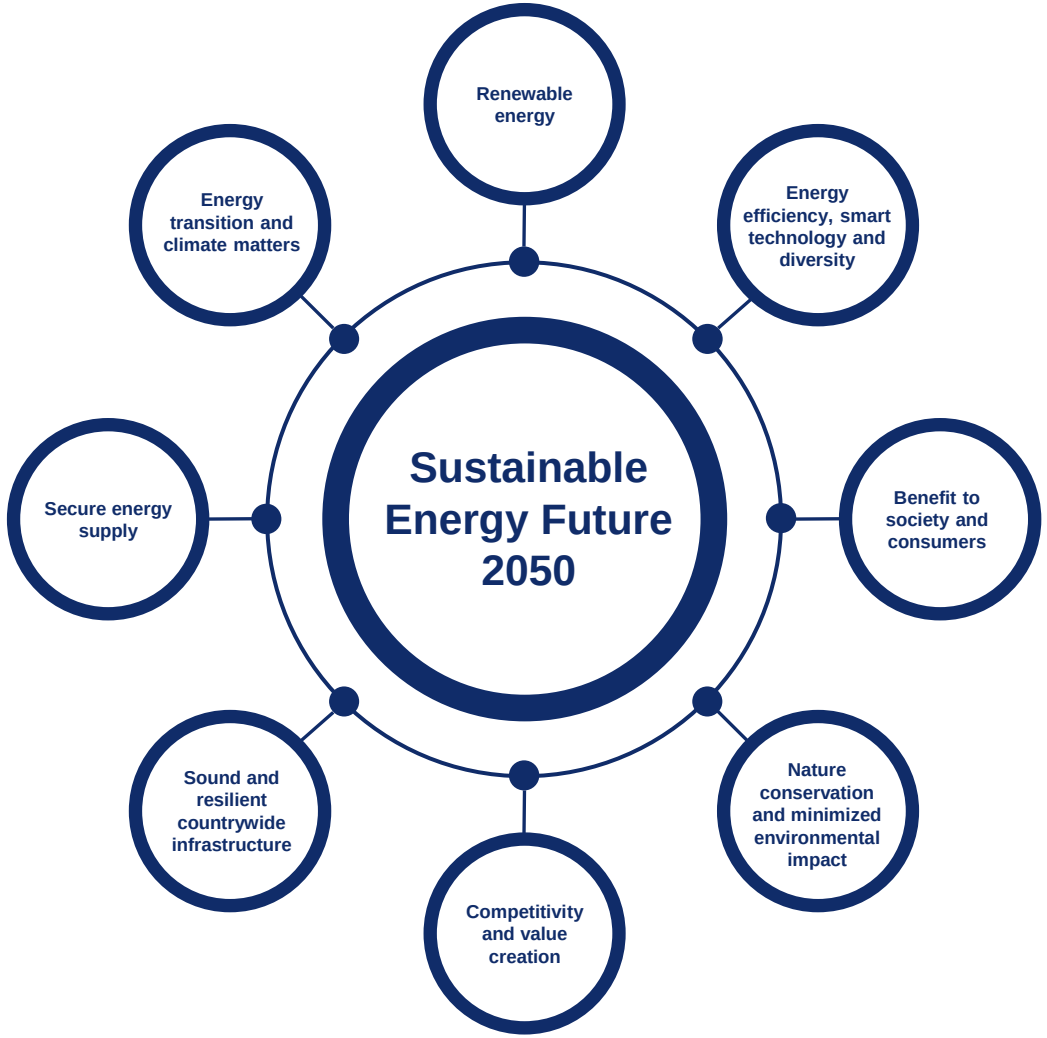
The Icelandic electricity market

Market conditions of the domestic market

- Based on the European el-market model – EEA legislation
- Few participants and relatively small market
- Isolated system
- One producer with predominantly market position
- Majority of electricity tied in a long-term contracts
- Long term contracts partly connected with product prices
- Load fluctuations are minor, both within a day or the year
- No spot market

Energy Policy to the year 2050

A Sustainable Energy Future



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Energy Policy to the year 2050

Main objectives of the policy

- **Efficient and competitive energy market**
- **Infrastructure sound and resilient**
- **Energy system diversified**
- **Energy transition**
- **Sustainable use of energy resources**
- **Minimisation of environmental impact**

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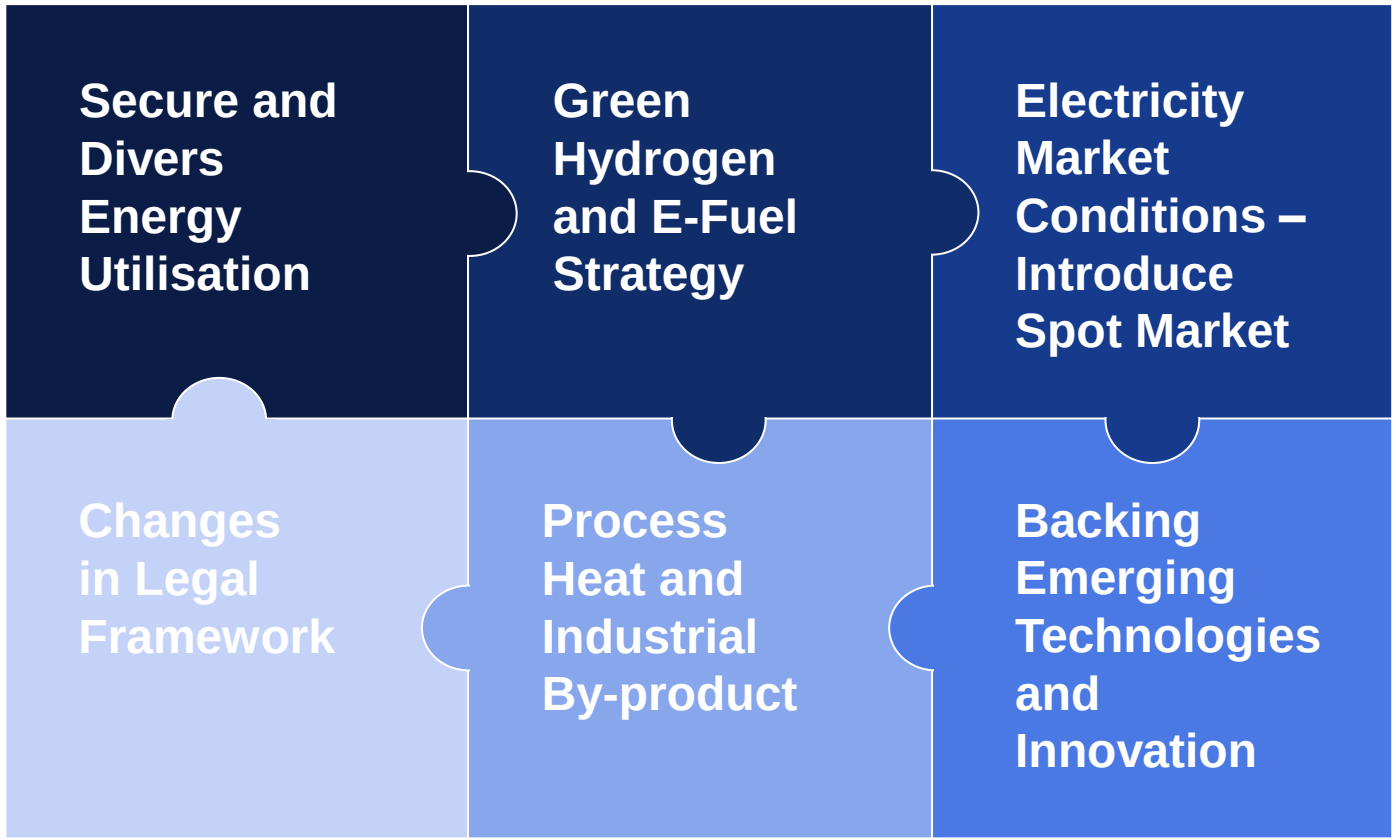
Key Challenges and Opportunities



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Thank you

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