



# **Tariff for Transmission and Ancillary Services**

No. 1/2005  
Effective as of 1 January 2005

### Article 1

This tariff applies to the transmission of electricity through Landsnet's transmission system.

The tariff also applies to producers connected to Landsnet's transmission system through a distribution system.

### Article 2

The following definitions apply and are used in this Tariff:

*Delivery/supply voltage:* The standard voltage (nominal voltage) at which Landsnet delivers/supplies electricity.

*Point of supply:* A point in a transmission or distribution system where electricity is fed in.

*Point of delivery:* A point in a transmission system where electricity is taken out.

*Calendar year:* 1 January – 31 December each year

*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 to the Electricity Act No 65/2003, as amended. It 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.

*Curtailed electricity:* Electricity which Landsnet is permitted to curtail due to faults or bottlenecks in the transmission system or power plants.

*Infeed:* Electricity which is supplied to the transmission system or distribution system.

*Power intensive consumer:* A Large scale consumer who uses in one place a minimum of 14 MW of power with an annual utilisation time of 8,000 hours or more and meets other conditions of Landsnet relating to power intensive consumer.

*Outfeed:* Electricity which is delivered from Landsnet's transmission system.

### Article 3

The points of delivery and supply and delivery voltage are as follows:

Points of supply:

Supply voltage:

Laxárstöð .....	66 kV
Kröflustöð .....	132 kV
Búrfellsstöð.....	220 kV and 66 kV
Ljósafossstöð .....	66 kV
Sultartangastöð .....	220 kV
Sigöldustöð .....	220 kV

Hrauneyjarstöð .....	220 kV
Vatnsfellsstöð .....	220 kV
Blöndustöð .....	132 kV
Írafossstöð .....	132 kV
Steingrímsstöð .....	66 kV
Nesjavelli r.....	132 kV
Svartsengi .....	132 kV
Andakílvirkjun .....	66 kV
Mjólkárviðvirkjun.....	66 kV
Lagarfossviðvirkjun.....	66 kV

Points of delivery: Delivery voltage

Svartsengi.....	132 kV
Fitjar .....	132 kV
Hamranes .....	132 kV
ALCAN switchyard .....	220 kV
Öldugata in Hafnarfjörður .....	132 kV
Hnoðraholt.....	132 kV
Rauðavatn.....	132 kV
Korpa.....	132 kV
Brennimelur .....	11 kV
Iceland Alloys switchyard.....	220 kV
Nordural switchyard.....	220 kV
Akranes .....	66 kV
Vatnshamrar .....	66 kV
Vegamót .....	66 kV
Ólafsvík .....	66 kV
Grundarfjörður .....	66 kV
Vogaskeið.....	66 kV
Glerárskógar .....	132 kV
Geiradalur .....	132 kV
Tálknafjörður.....	66 kV
Mjólká .....	33 kV
Breiðadalur.....	66 kV
Bolungarvík.....	66 kV
Ísafjörður.....	66 kV
Hrútatunga .....	132 kV
Laxárvatn .....	132 kV
Blanda .....	11 kV
Sauðárkrókur.....	66 kV
Varmahlíð .....	11 kV
Dalvík.....	66 kV
Rangárvellir .....	66 kV
Húsavík.....	33 kV
Laxá.....	11 kV
Krafla.....	11 kV

Lindarbrekka .....	66 kV
Silfurstjarna .....	66 kV
Kópasker .....	66 kV
Vopnafjörður .....	66 kV
Lagarfoss .....	66 kV
Eyvindará .....	66 kV
Seyðisfjörður .....	66 kV
Neskaupsstaður .....	66 kV
Eskifjörður.....	66 kV
Bessastaðir .....	132 kV
Hryggstekkur .....	11 kV
Stuðlar.....	66 kV
Fáskrúðsfjörður .....	66 kV
Teigarhorn .....	132 kV
Hólar .....	132 kV
Prestbakki .....	132 kV
Búrfell .....	11 kV
Hvolsvöllur .....	66 kV
Rimakot.....	66 kV
Vestmannaeyjar.....	33 kV
Flúðir.....	66 kV
Hella .....	66 kV
Selfoss .....	66 kV
Ljósafoss .....	11 kV
Hveragerði .....	66 kV
Þorlákshöfn.....	66 kV

#### Article 4

##### 4.1 Transmission charges

Delivery charge..... ISK 3.268.776 per year

Infeed:

Capacity charge..... ISK 510.142 per MW per year

Energy charge .....

ISK 9.24 per MWh

Outfeed:

Distribution system operators:

Capacity charge..... ISK 3,002,455 per MW per year

Energy charge .....

ISK 217.41 per MWh

Power intensive consumers:

Capacity charge..... ISK 1,238,737 per MW per year

Energy charge .....

ISK 62.64 per MWh

Curtailed electricity:

Energy charge ..... ISK 217.41 per MWh

Charges for ancillary services and transmission losses are not included in the transmission charge above and are collected separately pursuant to Section 4.2.

4.2. Charge for ancillary services and transmission losses

Ancillary services..... ISK 67.31 per MWh

Transmission losses..... ISK 58.59 per MWh<sup>1</sup>

4.3. A discount of 5% is provided on the capacity charge and energy charge pursuant to Section 4.1 where electricity is delivered to distributors at a nominal voltage over 66 kV.

4.4 No capacity charge is imposed on curtailed electricity delivered at a nominal voltage 132 kV or below and if the power outfeed is in excess of 1MW.

4.5 A capacity charge for outfeed is calculated based on the average of the four highest 60-minute monthly power peaks of the year for each connection point.

4.6 A capacity charge for infeed is calculated based on the aggregate nominal capacity of all generators in each power plant.

**Article 5**

Charges for ancillary services and transmission losses are imposed only on outfeed, with the exception provided for in Section 8.3.

**Article 6**

Points of delivery shall as a rule be metered separately. However, points of delivery within an interconnectably operated distribution area shall be metered collectively provided that each point of delivery can handle at least  $1/(n-1)*100\%$  of the total consumption of the distribution area, where “n” is the number of points of delivery.

**Article 7**

7.1 Each customer will be charged a delivery charge for each point of delivery even when the customer is connected to the transmission system at more than one connection points within the point of delivery and at different delivery voltage, cf. Article 3.

7.2 A discount is granted on the delivery charge if the maximum power outfeed is as follows:

In the range of 3.0 – 6.0 MW, the discount is 40% .

Less than 3.0 MW, the discount is 70 % .

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<sup>1</sup> Charges for transmission losses and ancillary services are variable based on Landsnet’s purchase prices of transmission losses and ancillary services.

7.3 In each point of delivery, Landsnet will provide customers with one connection point for the delivery voltage specified in Article 3. Customers shall pay all costs of any requested additional connection point. The same applies for connection points for a different voltage than that specified in Article 3.

7.4 Each customer will be charged for any cost of a special connection point for curtailable electricity, cf. Article 3.

#### **Article 8**

8.1 Distribution system operators shall pay outfeed charges pursuant to Article 4 for electricity produced in power plants connected to Landsnet through a distribution system, as follows:

1. For energy produced in power plants under 1MW, no outfeed charge is paid.
2. For electricity produced in power plants in the size range of 1–3.1 MW, no outfeed charge is paid at the lower limit of the range, but the charge then increases proportionally up to 75% of the full outfeed charge at the upper limit.
3. For energy from power plants of 3.1 – 7 MW, 75% of the full outfeed charge is paid.

8.2 Payment for electricity pursuant to Section 8.1 shall be settled separately.

8.3 Distribution system operators shall pay a charge for ancillary services pursuant to section 4.2 for electricity produced in power plants connected to Landsnet through a distribution system

#### **Article 9**

9.1 This tariff is based on the average power factor of  $\cos\phi$  0.9 except as otherwise stated in separate contracts between Landsnet and the customer.

9.2 In the event that the average power factor of a single month falls below the above limit the energy charge and capacity charge pursuant to Article 4 shall increase by 2% for each 1% that the power factor falls below the limit.

#### **Article 10**

The price of balancing power is variable as determined by the market price at any time and will be posted on the website of Landsnet, [www.landsnet.is](http://www.landsnet.is).

#### **Article 11**

This tariff is established by Landsnet in compliance with the income revenue cap determined by Orkustofnun and is valid as of 1 January 2005.

#### **Article 12**

Orkustofnun (The National Energy Authority) supervises the compliance of Landsnet with the provisions of the Electricity Act No. 65/2003 and with conditions applicable to its activities pursuant to statutory law and government regulations.