

8 May 2019

Statement by the EEA EFTA States on the Application of the Third Energy Package

With regard to the Third Energy Package, the EEA EFTA States note that EEA partners have successfully been applying EU energy rules, adapted to the EEA specific situation, for more than a decade. Indeed, these rules have brought more choice for customers and helped energy markets become more efficient.

The applicable provisions of the EU Third Energy Package affect in no way the full sovereign control of the EEA EFTA States over their energy resources and the authority on how they shall be utilized and managed. Decisions on electricity interconnectors between the EEA EFTA states and the EU's internal electricity market lie entirely within the competence of those countries' authorities. The provisions of the Third Energy Package do not alter the current legal situation in this regard.

Concerning the incorporation of the Third Energy Package in Iceland, the situation in Iceland is markedly different from countries with a cross-border energy network. The Icelandic electricity system is currently an isolated system and it is not connected with an interconnector between Iceland and the EU's internal energy market. In this regard, large parts of the provisions of the Third Energy Package, namely those that concern cross-border exchanges and infrastructure in electricity, do not apply or have no practical relevance to Iceland in the absence of any interconnection.

Were cross-border infrastructure to be put in place in the future, the EFTA Surveillance Authority (ESA) would be responsible to decide on cross-border issues concerning Iceland, and not ACER, as is already the case for the other EEA EFTA States. This has been agreed in the relevant adaptation text of the EEA Joint Committee Decision No 93/2017 from 5 May 2017, which reflects the autonomy of the EFTA institutions under the "two pillar system" of the EEA Agreement.