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Iceland has great potential to increase the use of renewable hydroelectric as well as geothermal energy sources. Currently only about 10 per cent of the economically feasible production capacity has been utilised. Consequently, there are vast opportunities for investments, both in power plants and industrial plants for energy intensive production. The Government would like to see these opportunities exploited. However, increase in industrial production will unavoidably lead to growth in the emission of greenhouse gases in Iceland, and this is a matter of grave national concern. Iceland would like to see these emissions viewed from a global perspective, as new industrial installation of similar production capacity in countries where energy would be provided through conventional thermal power plants, would result in considerably more emissions. For instance, the construction and operations of an aluminium plant using hydroelectricity only yields 10 per cent of the emission that similar production would yield where fossil fuels must be utilised.

The promotion of further use of clean and renewable energy is in accordance with the intentions of the FCCC and Agenda 21 (9.11). Consequently, Iceland finds it important to analyse and assess how future protocol, or other legal instruments, for limiting the emissions of greenhouse gases, can be formed without obstructing further exploitation of clean and renewable energy sources. In other words, it is important to secure that future obligations under the FCCC do not cause a conflict between local and global targets for the emissions of greenhouse gasses.

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(signed)  
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