

# THE STRATEGY FOR GRINDAVÍK MUNICIPALITY REGARDING RESOURCES

## Preamble

The exploitation of resources within your own jurisdiction is an important and high-ranking issue for every community that requires comprehensive policy formulation in the operation of a municipality. Despite the urgency that Grindavík develops a policy for the utilization of resources, such a resources policy must be part of the Grindavík municipality's overall strategy, and as such be part of the land use plan for Grindavík. All resources within the Grindavík jurisdiction must be seen in a comprehensive way, including resources in the sea and air. The strategy development work must not be confined to energy production but should rather cover in general all resources that concern Grindavík.

Hot and cold water, wide open spaces, untouched coastline, a contrasting landscape, the ocean, clean air, fauna, wind and cultural aspects are examples of resources that are directly or indirectly connected to geothermal resources and their use. Other possible future resources must also be taken into consideration along with changes in the importance of resources in the current assessment. For these reasons, the discussion and strategy development work must revolve around the exploitation of resources in general and be a part of the overall strategy development for Grindavík.

## 1. Prosperity and the exploitation of resources

**Grindavík municipality shall in the future guard its own interests and those of other Icelanders with respect to the exploitation and use of all the resources that are within the municipality's jurisdiction.**

- The resources of the municipality include hot and cold water, hot and cold subterranean sea water, geothermal energy, untouched nature, wide open spaces, clean air, terrestrial and marine fauna, wind, culture, minerals and marine energy/minerals.

- Grindavík municipality shall at all times enjoy the benefits of the exploitation and use of the resources that are within the municipality's jurisdiction.
- The benefits deriving from the exploitation of resources can be in the form of direct income or a business operation that is established incident to the exploitation of the resource.
- Grindavík municipality will, in parallel with an approved resource policy, introduce into the land use plan a nature protection plan which will take into account the set up of the Grindavík Eldfjallagarður (Geo-park)

## 2 Resource exploitation

**Grindavík municipality is in control of the exploitation of resources in its own jurisdiction as stated in law, while at the same time taking into account policy set by the Althing in this regard.**

- Grindavík municipality shall aim to provide opinions regarding the State's policy formulation in the field of resource exploitation, in particular with respect to the framework schedule for the exploitation of geothermal energy and the Nature Conservation Strategy.
- Grindavík municipality's town plans shall take into account the exploitation and use of the resources that are within the municipality's land area.
- Grindavík municipality will endeavour to ensure the responsible exploitation and use of the resources within its own jurisdiction. By adopting responsible exploitation and use, the municipality will endeavour to exploit and use a resource in a sustainable way so that over-exploitation does not take place.

- When assessing the feasibility of exploitation, the municipality shall use as a guide data from professional bodies such as the National Energy Authority and others.
- Part of the resource policy of the Grindavík town plan is the planning of Grindavík Eldfjallagarður (Geo-park).

### 3 Exploitation and use of geothermal energy

**The exploitation and use of geothermal energy for energy production within the jurisdiction of Grindavík shall be for the benefit of Grindavík and of Iceland as a whole.**

- Grindavík municipality deems that at least half of all the electricity produced in the municipality will be used within the jurisdiction of Grindavík.
- Grindavík municipality is the only community in Iceland that has a geothermal site in a lowland area in the vicinity of residential areas.
- There are many opportunities for the exploitation and use of geothermal energy for industry in Grindavík municipality; the potential for the efficient provision of energy is considerable because industrial areas can be located near power plants and this can reduce the cost of delivering electricity to the buyer.
- Grindavík municipality wishes to emphasise that power stations in the lowlands close to the municipality, such as Svartsengi, Eldvörp and Arnarsetur will be able to deliver electricity directly as the law permits to nearby industrial areas within the jurisdiction of Grindavík municipality and thereby increase prosperity through a more varied economy, providing the municipality with further opportunities for enhancing industrial development.

#### 4 Control of exploitation and use

**The exploitation and use of resources in the jurisdiction of Grindavík shall immediately at the preparation stage aim to cause minimal environmental damage on natural sites, and all planned activities shall be implemented in consultation with Grindavík municipality.**

- When planning the exploitation and use of resources within the jurisdiction of Grindavík, sites that have already been altered or disrupted should be used such as roads, trails, levelled areas and other man-made structures.
- The right of communities to make municipal planning decisions regarding land use is undisputed under the Planning and Building Act, No 73/1997. Grindavík municipality intends to become an active provider of opinions regarding all plans for the exploitation and use of resources in the community and to ensure that projects that are subject to mandatory zoning requirements comply with existing zoning plans, and applicable laws at any particular time.

#### 5 Ownership and royalties from geothermal energy production rights

**Grindavík municipality shall guard its own interests for the future and/or acquire all rights to geothermal energy within the municipality's jurisdiction in order to control exploitation and use and to enjoy the financial benefits of energy production.**

- Grindavík municipality intends to hold and/or acquire geothermal energy production rights within the municipality's jurisdiction in order to control and supervise responsible exploitation and use of the resource and to guarantee the financial benefits of energy production. Article 3 of Act No. 57/1998 on the Research and Utilisation of Underground Resources as Amended, states: "*Privately owned land*

*has the appurtenant title to underground resources". Also Article 12 of that Act states: "The landowner may not exclude from his private property geothermal energy rights, except by special decree from the Minister. These rights may be assigned to the state or the municipality or to a corporate entity that is totally owned by the state and/or municipalities and which has specifically been established to hold and exercise these ownership rights".*

- Grindavík Town Council shall assess the feasibility of exercising and/or acquiring the geothermal energy rights in each case and must always apply the tenet that the financial benefit is undisputed.

Adopted by Grindavík Town Council on 14 April 2010.