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Hét kenniscentrum en dé
belangenbehartiger voor zakelijke
energie- en watergebruikers.

EU Tariff Harmonisation from End Users' Perspective

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Main goals of EU Regulation

Regulate TSOs (and DSOs) monopolies, in order to:

- **Provide network users with non-discriminatory access to energy markets**
- **Protect network users against excessive profits TSOs (and DSOs)**
- **Create Transparency about network capacity & costs**

Further Tariff Harmonisation, in order to:

- **Create proper investment climate & incentives**
- **Debottleneck border constraints**



Meaning of Tariff Harmonisation

- **Harmonisation of Tariff setting Methodology**
 - **Fixed Tariff components**
 - **Cost reflection instead of Benchmarking**
 - **Improvement of Transparency: allowed revenues per task**
 - **Transport**
 - **Balancing**
 - **Quality conversion**
 - **Connection**
 - **≠ Equalisation of Tariffs**



Allowed revenues TSO

- **Efficient Cost recovery & fair ROI**
- **Efficient Capital Costs (CAPEX)**
 - **GAW: non-depreciated value of investments**
 - **WACC: fair return on realised investments**
- **Efficient Operational Costs (OPEX)**
- **Financing principles**
 1. **TSO investment upfront**
 2. **Capital provision by shareholder(s) and market**
 3. **Cost recovery from network users**
 4. **Future investments by earmarked revenues**



Harmonisation process

- **Gas and Electricity not harmonised (NL & EU)**
- **NRAs implementation 'freedom'**
 - **example: NC on Balancing**
- **Political process**
 - **2014 is sacred**
 - **speed over quality**





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Thank you for your attention

Questions?

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