

ENTSO-E Overview of Transmission Tariffs in Europe: Synthesis 2015

June 2015



This study was produced by the ENTSO-E Working Group Economic Framework.

Drafting team: José-Carlos Fernández (Coordinator, Spain), Anna Guldbrand (Sweden), Nick Pittarello (Great Britain), Igor Jurišević (Serbia), Konrad Godzisz (Poland), Adeline Lassource (ENTSO-E).

Frank Woessink (Convenor, Netherlands), Sandra Jaeger (Austria), Patrik Buijs (Belgium), Aleksandar Miliša (Bosnia and Herzegovina), Viktoria Popovska (Bulgaria), Kristina Mravak Knezić (Croatia), Christos Toufexis (Cyprus), Martin Kodousek (Czech Republic), Lennart Johann Dahlquist (Denmark), Peep Soone (Estonia), Anssi Nevalainen (Finland), François Regairaz (France), Izabela Netkova (FYROM), Isabelle Grohe (Germany), Heiderose Adler (Germany), Benedikt Bartosch (Germany), Birgit Staiger (Germany), Evdoxia Koutsoula (Greece), Zsuzsanna Hodi (Hungary), Hermann Baldursson (Iceland), Aoife Mills (Ireland), Daniela Dembech (Italy), Antons Kutjuns (Latvia), Darius Zagorskis (Lithuania), Marc Schintgen (Luxemburg), Zeljko Adzic (Montenegro), Stephen McClure (Northern Ireland), Gro Ballestad (Norway), Paula Almeida (Portugal), Gheorghe Visan (Romania), Jan Orac (Slovak Republic), Aleš Kolenc (Slovenia), Thomas Reinthaler (Switzerland).

***Disclaimer:** Based on public data. The ENTSO-E association produces this overview in order to enhance public access to information about its work. If errors are brought to our attention, we will try to correct them. However, ENTSO-E association, ENTSO-E members and ENTSO-E representatives accept no responsibility or liability whatsoever with regard to all or part of this overview.*

Table of contents

1.	Executive summary	4
2.	Introduction.....	5
3.	Methodology	6
4.	Main characteristics of TSO tariffs in Europe.....	8
5.	Costs included in the calculation of the Unit Transmission Tariffs	10
6.	Unit Transmission Tariffs in 2015.....	11
7.	Analysis of TSO components of Unit Transmission Tariffs	12
8.	Analysis of non-TSO components of Unit Transmission Tariffs.....	19
9.	Appendices	21

1. Executive summary

Transmission tariffs are one of the key elements of the Internal Electricity Market (IEM). Different tariff schemes have evolved and co-exist across Europe.

In order to compare TSO tariffs, the ENTSO-E Economic Framework Working Group calculates an annual “Unit Transmission Tariff” (UTT) for each participating country on a pre-defined “base case”. It is this UTT expressed in €/MWh that is discussed throughout this document. Thus, this overview does not compare individual transmission tariffs directly. Moreover, this overview does not take into account differences between countries in areas such as quality of service, market arrangements, technical characteristics, environmental aspects, or the location and density of generation/load, despite these factors having an influence on the absolute level of tariffs.

The “base case” used for the calculation of the UTTs is characterized by a pre-defined voltage level to which load and generation are connected, and pre-defined power demand and utilization time. The calculation of the UTT covers charges invoiced to base case grid users (generation and load) for the purpose of covering both TSO costs (infrastructure, system services and losses) and where applicable non-TSO costs (renewable energy support, regulatory levies, stranded costs, etc).

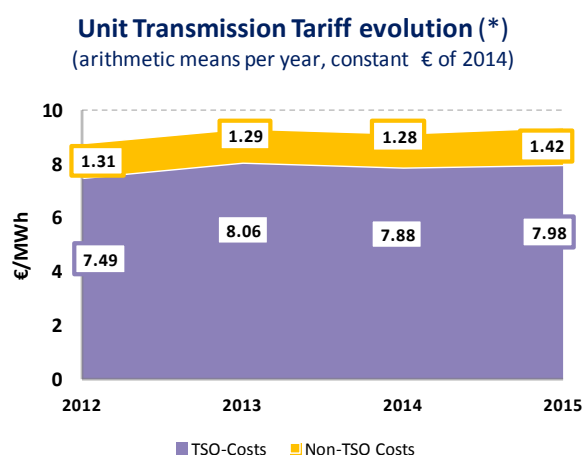
The 2015 edition of the ENTSO-E Overview of Transmission Tariffs in Europe introduces three major enhancements compared with previous versions:

1. We welcome Montenegro as a new participating country in the overview,
2. The overview has been reorganized to separate TSO and non-TSO components of the UTTs,
3. New diagrams and graphs have been included to better explain the methodology used.

In terms of the main findings, the table below summarises the overall change in the average UTT components:

	2015	Δ 2015/2014
Average European UTT	9.40 €/MWh	+ 2.54 %
• Due to TSO Costs	7.98 €/MWh	+ 1.24 %
• Due to Non-TSO Costs (*)	1.42 €/MWh	+ 9.80 %

The graph below illustrates how the UTT has evolved over recent years:



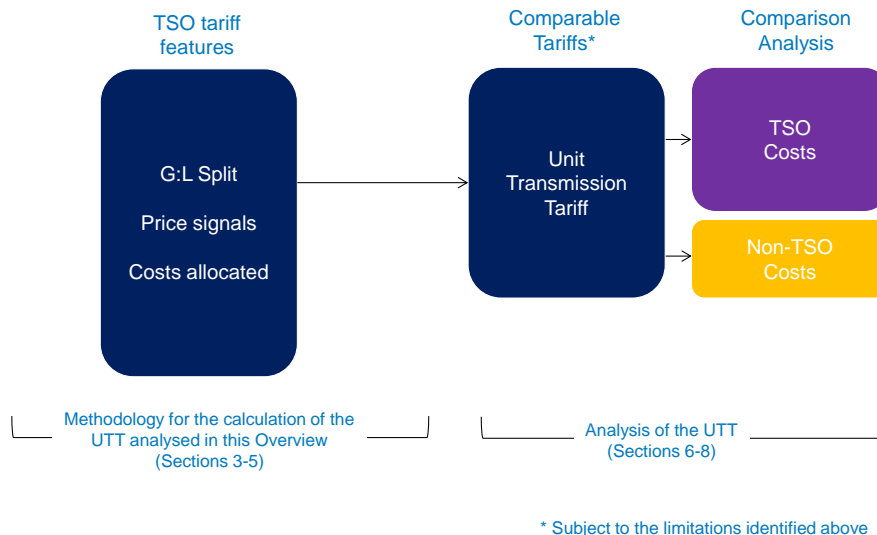
On average, the TSO cost component of the UTT is divided 57% for infrastructure, 32% for system services and 11% for losses. On average, 61% of the TSO cost component is invoiced based on energy (i.e. on a volume, or MWh basis), while 39% is invoiced based on power (i.e. a capacity, or MW basis). The TSO part of the UTT is applied to generation and load in 14 countries whereas in 21 countries only load is charged. The average level of the TSO part of the UTT is 7.43 €/MWh for load and, where applicable, 0.55 €/MWh for generators. The TSO part of the UTT is charged by using locational signals in 6 countries.

Some of the data in this document is estimated and will be updated in 2016 (country names in red).

(*) Non-TSO costs do not include Danish values because in 2015 RES-support is omitted in the calculation of the Danish UTT. For further information see Appendix 1.

2. Introduction

- ❑ Transmission tariffs are one of the key elements of the Internal Electricity Market. It should be noted that this Overview is not a direct comparison of transmission tariffs and if used in this way, any conclusions drawn are likely to be misleading. Based on different national contexts and national policies, which transmission tariffs have to meet, there are numerous approaches which implies a considerable complexity throughout Europe. It is outside the scope of this report to analyse all influences that shape the tariffs in each system. As there is no single “correct solution” for the allocation of costs to transmission users, different tariff schemes exist in Europe. Differences might include whether market mechanisms are used as part of the regulatory regime, the treatment of transmission losses and of ancillary services, and the level of first connection costs to which transmission grid users are exposed. This Overview does not take into account the differences among countries in areas such as quality of service, market arrangements, technical characteristics, environmental aspects, consumption density, and generation location – all factors that influence the level of such tariffs.
- ❑ With the above in mind, in order to make the tariffs more comparable across the ENTSO-E countries participating in this report, a “Unit Transmission Tariff” (UTT) is calculated for a pre-defined “base case”, discussed further in Section 3. Thus, this overview does not compare individual transmission tariffs, but calculated Unit Transmission Tariffs expressed in €/MWh. **It is this “Unit Transmission Tariff” that is discussed throughout this document.**

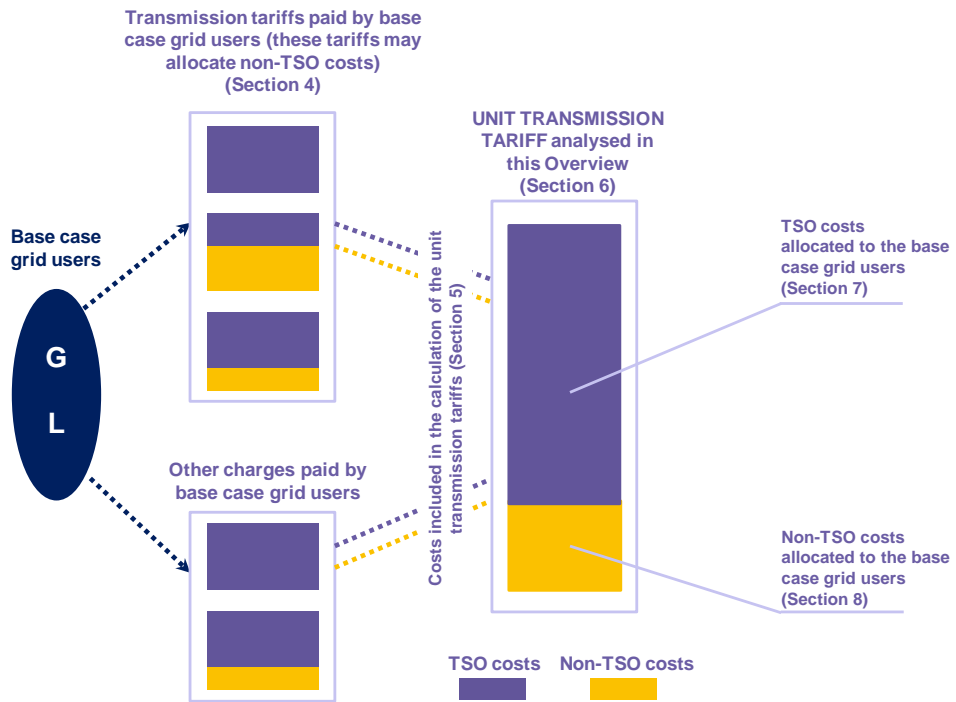


- ❑ The above diagram summarises how this document is structured. Section 3 describes the methodology for the calculation of Unit Transmission Tariffs and the definition of the base case. Section 4 outlines the main characteristics of the TSO tariffs considered in the calculation of the Unit Transmission Tariffs. Section 5 provides detail on the costs that have been considered in the calculation of Unit Transmission Tariffs for each country, including where estimations have been made. Section 6 outlines the resulting Unit Transmission Tariffs for 2015. Section 7 analyses the TSO components of the Unit Transmission Tariffs. Section 8 examines the non-TSO components of the Unit Transmission Tariff, i.e. those costs included in the Unit Transmission Tariff, but not directly attributable to the activities of TSOs. Finally the appendices contain further detail, including country-specific remarks providing additional clarity on the reasons for any significant differences.

3. Methodology

- ❑ The main purpose of this ENTSO-E overview is to present a comparison of calculated 2015 Unit Transmission Tariffs expressed in €/MWh for a pre-defined “base case”.
- ❑ The “base case” is characterized by (i) a pre-defined voltage level to which load and generation are connected; and (ii) a power demand and utilization time, as follows:
 - Voltage level: Since voltage levels of transmission networks vary across Europe, (see Appendix 2), in order to facilitate comparison an assumption has been made that both producers and consumers are connected to the EHV (Extra High Voltage) network (400 kV- 330 kV). For countries with no EHV network, load or representative load connected to the EHV network, tariffs for lower voltages have been considered.
 - Power demand and utilization time: The typical load considered has a maximum demand of 40 MW when it is connected to the EHV network, and a maximum demand of 10 MW when it is connected to lower voltages. In both cases 5,000h of utilization time has been assumed.
- ❑ The Unit Transmission Tariff is calculated under the hypothesis of the “base case” by adding the charges applied to load (L) and generation (G) (in cases where G is charged). For countries with different tariff rates per location, an average value has been taken.
- ❑ In order to make the overview as comparable as possible, the calculation of the Unit Transmission Tariff covers tariffs and charges invoiced to the base case grid users (i.e. users with the characteristics of connection, power demand and utilization time specified in the “base case”) in order to allocate the following costs:
 - “TSO costs”, i.e. costs related to TSO activities: Infrastructure costs (OPEX, depreciation and return on capital), costs of purchasing system services and losses compensation costs;
 - “Non-TSO costs”, i.e. costs not directly related to TSOs’ activities. For example: stranded costs, costs of renewable or cogeneration support schemes, regulatory levies, costs of diversification and security of supply, etc.
- ❑ In addition, some examples are calculated by varying the “base case” assumptions:
 - The voltage level (See Section 6);
 - The load’s utilization time (see Section 7.4);
 - The location of generation and load (same area / different area) (see Section 7.5);
- ❑ There are some countries in which certain elements of the transmission tariffs are set and settled on an *ex-post basis* or where an update occurs during the calendar year. In these cases it is not possible to provide exact *ex-ante* figures for the calculation of the 2015 Unit Transmission Tariff, hence, 2014 figures or best estimates for 2015 are provided for part or the whole of the calculation. Where relevant, the names of these countries are shown in red. Country remarks provide further explanations of these cases.
- ❑ For countries outside the Eurozone, local currency exchange rates as of 31st December 2014 have been used to calculate the Unit Transmission Tariff expressed in € (see Appendix 12: Exchange rates).

□ The diagram below summarizes the methodology of this Overview:



4. Main characteristics of TSO tariffs in Europe

Table 4.1 summarizes the main characteristics of TSO tariffs considered in the calculation of the Unit Transmission Tariffs shown in this overview: share of G and L network charges in %, seasonal and locational differentiation, whether the costs of losses and system services are included in TSO tariffs and whether they are charged by TSOs. As shown in section 3, TSO tariffs applied as a charge to the users of transmission networks may allocate both TSO costs and non-TSO costs.

Table 4.1. Main characteristics of TSO tariffs in Europe

	Sharing of network operator charges		Price signal		Are losses included in the tariffs charged by TSO?	Are system services included in the tariffs charged by TSO?
	Generation	Load	Seasonal / time-of-day (1)	Location		
Austria	43%	57%	No	No	Yes	Yes
Belgium	7%	93%	XXX	No	Not included for grid >=150 kV	Tariff for ancillary services
Bosnia and Herzegovina	0%	100%	No	No	No	No
Bulgaria	0%	100%	n/a	n/a	Yes	Yes
Croatia	0%	100%	X	No / post stamp	Yes	Yes
Cyprus	0%	100%	N/A	N/A	Yes	Yes
Czech Republic	0%	100%	No	No	Yes	Yes
Denmark	5%	95%	No	No	Yes	Yes
Estonia	0%	100%	Yes	No	Yes	Yes
Finland	18%	82%	X		Yes	Yes
France	2%	98%	- / XXX	No	Yes	Yes
Germany	0%	100%	No	No	Yes	Yes
Great Britain	TNUoS 27% BSUoS 50%	TNUoS 73% BSUoS 50%	XX	TNUoS locational, BSUoS non-locational	No, recovered in the energy market	Included in BSUoS tariff
Greece	0% (TUOS and Uplift charges)	100% (TUOS and Uplift charges)	X	No	No, recovered in the energy market	Included in Uplift charges
Hungary	0%	100%	No	No	Yes	Yes, recovered by specific tariff, Tariff for ancillary services
Iceland	0%	100%	No	No	Yes	Yes
Ireland	25%	75%	No	Generation only	No, recovered in the energy market	Yes
Italy	0%	100%	No	No	No	Yes
Latvia	0%	100%	No	No	Yes	Yes
Lithuania	0%	100%	No	No	Yes	Yes
Luxembourg	0%	100%	No	No	Yes	Yes
FYROM	0%	100%			Yes	Yes
Montenegro	0%	100%	X	No	Yes	Yes
Netherlands	0%	100%	No	No	Yes	Yes
Northern Ireland	25%	75%	XXXX Load	Generation	No	No
Norway	40%	60%	XXX	xxx	Yes	Yes
Poland	0%	100%	No	No	Yes	Yes
Portugal	9%	91%	XX	No	No, included in energy price	No, included in energy price
Romania	19%	81%	No	Generation and Load	Yes	Yes
Serbia	0%	100%	X	No	Yes	Yes
Slovak Rep.	3%	97%	No	No	Yes	Yes
Slovenia	0%	100%	XX	No	Yes	Tariff for ancillary services
Spain	10%	90%	XXX	No	No, they are recovered through the energy market	No, they are included in the energy price
Sweden	39%	61%	No	Yes	Yes	40% of primary reserve
Switzerland	0%	100%	No	No	No, there is a separate tariff for losses	No, there is a separate tariff for ancillary services

Remarks:

- (1) The % shares of network charges between G and L are provided for the base case charge.
- (2) The "X" indicates time differentiation. With one "X", there is only one time differentiation (for example, "day-night", "summer-winter"). With two "X" (or more), there are two (or more) time differentiations.

A country remark regarding France can be found in Appendix 1.

5. Costs included in the calculation of the Unit Transmission Tariffs

Table 5.1 provides information on different cost items related to energy transmission that have been included in the calculation of the Unit Transmission Tariff for the base case comparison which is presented in this overview. Some of these costs may not be included in the TSO transmission tariff or be included only partially, but are added for comparability purposes (they are indicated with red colour; see the legend under the table). First connection costs are not included in the Unit Transmission Tariffs. For further details, see country remarks.

Table 5.1. Costs included in the calculation of the Unit Transmission Tariffs

	Infrastructure				System services								Losses	Other
	OPEX (except system-services, losses and ITC)	Depreciation	Return on capital invested	ITC	Primary reserve	Secondary reserve	Tertiary reserve	Congestion management (internal)	Congestion management (cross border)	Black-Start	Voltage Control Reactive Power	System Balancing		
Austria	C	C	C	B	N	C	N	C	B/C	C	C	N	C	N
Belgium	C	C	C	B/C	C	C/B	C/B	C	C/B	C	C	N	C	C
Bosnia & Herzegovina	C	C	C	B/C	C	C	C	N	B/C	C	C	N	C	N
Bulgaria	C	C	C	C	C	C	C	N	B/C	C	C	N	C	N
Croatia	C	C	C	N	N	C	C	C	C	C	C	C/B	C	C
Cyprus	C	C	C	N	C	C	C	N	N	C	C	N	C	N
Czech Rep.	C	C	C	C/B	C	C	C	C	C	C	C	C	C	N
Denmark	C	C	C	B/C	C	C	C	C/B	B/C	C	C	B/C	C	C/B
Estonia	C	C	C	B/C	N	N	C	N	B/C	C	C	N	C	N
Finland	C	C	C	C	N	N	C	C	C	C	C	N	C	C
France	C	C	C	C	C	C	N	C	N	C	C	N	C	C
Germany	C/B	C	C	C/B	C	C	C	C	C	C	C	N	C	C
Great Britain	C	C	C	C/B	C	C	C	C	C	C	C	C	N	C
Greece	C	C	C	N	C	C	N	N	N	N	N	N	C	C
Hungary	C	C	C	C	C	C	C	C	B/C	C	C	B/C	C	N
Iceland	C	C	C	N	C	C	C	N	N	C	C	C	C	N
Ireland	C	C	C	C	C	C	C	C	C	C	C	N	C	N
Italy	C	C	C	N	C	C	C	B/C	B/C	C	C	C	C	N
Latvia	C	C	C	C	C	C	C	N	N	N	N	N	C	N
Lithuania	C/B	C	C	C/B	N	C	C	N	N	C	C	B/C	C	N
Luxembourg	C	C	C	C/B	C	C	C	C	C	C	C	C	C	C
FYROM	C	C	C	B/C	N	C	C	C	C/B	C	C	C/B	C	C
Montenegro	C	C	C	C	C	C	C	N	B/C	N	C	C	C	C
Netherlands	C	C	C	C	C	C	C	C/B	B/C	C	C	B/C	C	N/A
Northern Ireland	C	C	C	N	C	C	C	N	N	C	C	N	N	N
Norway	C	C	C	C	C	C	C	C/B	B/C	N	C	N	C	N
Poland	C	C	C	N	C	C	C	C	N	C	C	C	C	C
Portugal	C	C	C	C/B	N	C/B	N	N	N	N	N	N	C	C
Romania	C	C	C	C/B	N	C	C	C	N	C	C	N	C	C
Serbia	C	C	C	C/B	C	C	C	C	B/C	C	C	C	C	C
Slovak Rep	C	C	C	C/B	C	C	C	C	N	C	C	N	C	N
Slovenia	C/B	C/B	C/B	C/B	N	C	C	C	B/C	C	C	N	C/B	C
Spain	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Sweden	C	C	C	B/C	C	N	N	N	N	C	C	N	C	N
Switzerland	C	C	B	B/C	C	C	C	C	B/C	C	C	C	C	C

Legend:

- C if a given cost item is included in the calculation of the Unit Transmission Tariff.
- C/B if for a given activity there are both costs and benefits/revenues, the costs are higher than benefits, and the difference is included in the calculation of the Unit Transmission Tariff (surplus of costs).
- B/C if for a given activity there are both costs and benefits/revenues, the benefits are higher than costs, and the difference reduces the Unit Transmission Tariff.
- N if a given cost is not considered in the calculation of the Unit Transmission Tariff.
- C or C/B or B/C marked in red color means that the cost item is not invoiced by the TSO, but estimated values are provided for comparability purposes.

Remark:

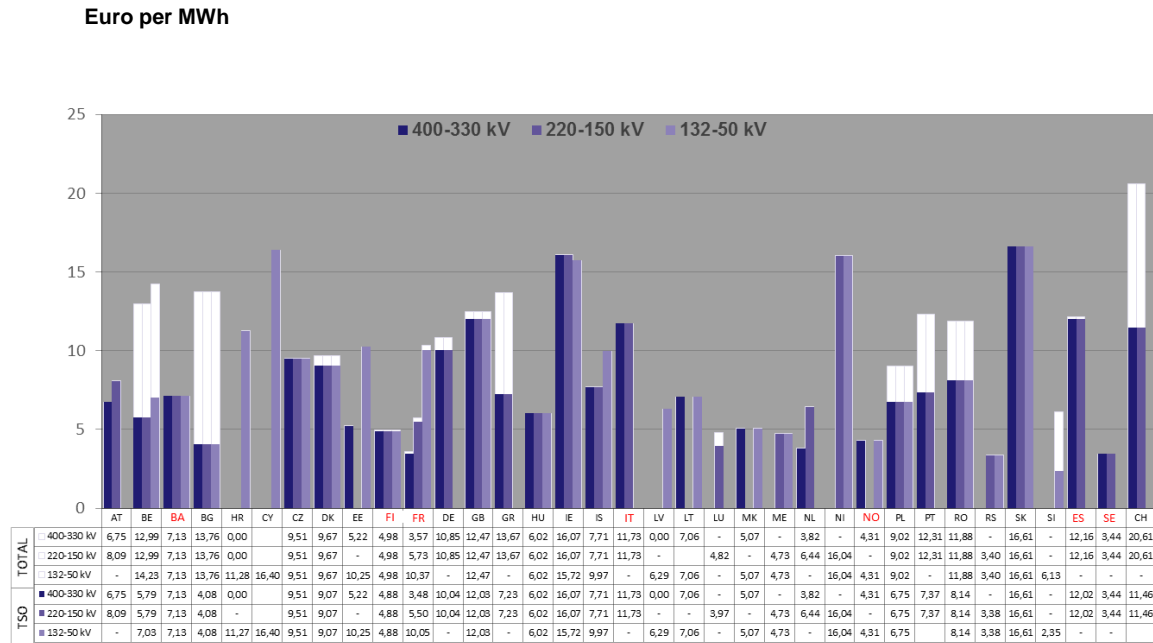
This chapter is referring to total costs (TSO costs and non-TSO costs) included in the calculation of the Unit Transmission Tariff.

Country remarks regarding Bosnia and Herzegovina, Bulgaria, Denmark, France, Greece, Hungary, Netherlands, Norway, Poland, Portugal, Spain, Sweden and Switzerland to be found in Appendix 1.

6. Unit Transmission Tariffs in 2015

Chart 6.1 illustrates total Unit Transmission Tariffs when the base case is modified by varying the voltage level. Charges related to TSO activities are coloured whereas other regulatory charges not directly related to TSOs' activities are marked in white.

Chart 6.1. Split of the Unit Transmission Tariffs between components related to TSO activities and non-TSO activities



- Charges related to TSO activities: infrastructure (Depreciation, return on capital and OPEX), losses, system services, congestion.
- Other regulatory charges not directly related to TSO activities: stranded costs, public interest contribution, renewable energy and others. Details in Appendix 6.

Remarks:

- The example taken for this comparison is the base case (see Section 3) modified by considering different voltage levels.
- Other charges not directly related to TSO activities **are included** in the calculation of the Unit Transmission Tariff.
- Those countries for which certain elements of the 2015 Unit Transmission Tariff are estimations are marked in red colour.

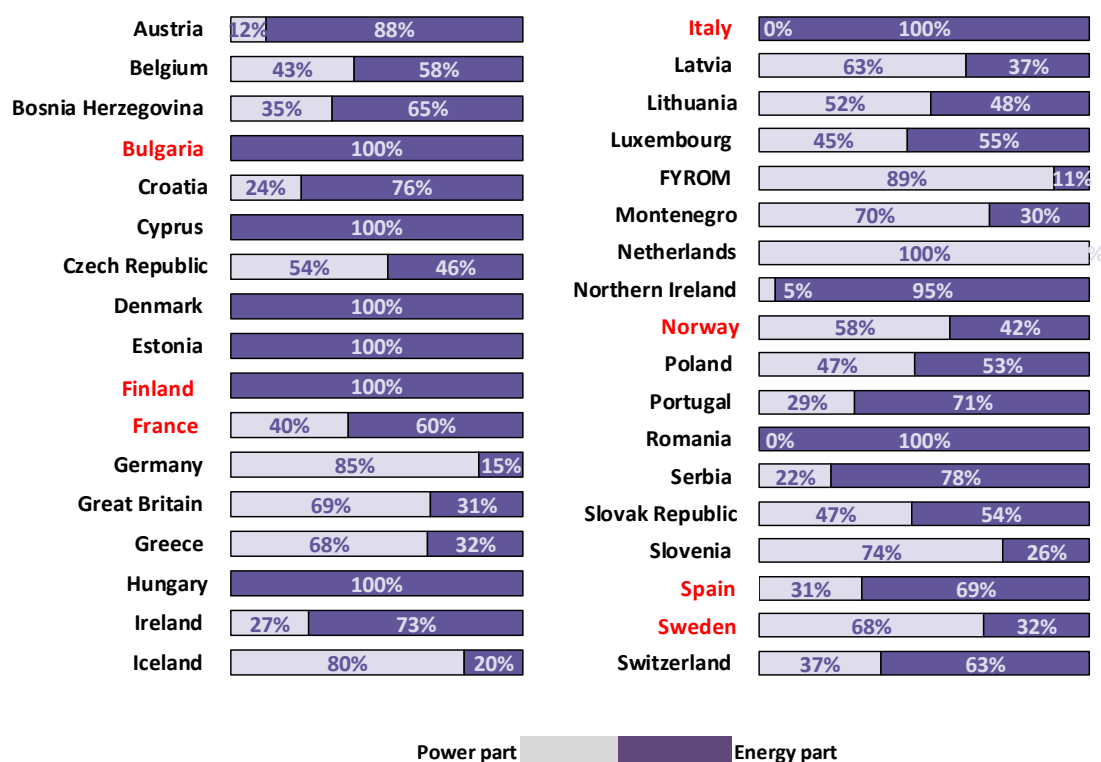
Country remarks regarding Austria, Belgium, France, Greece, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Portugal, Romania, Spain and Sweden are to be found in Appendix 1.

7. Analysis of TSO components of Unit Transmission Tariffs

7.1 Energy-related and power-related components

The main revenue drivers for Unit Transmission Tariffs are power (capacity), energy (volume) or both. Chart 7.1 presents the shares of power and energy components of the TSO components of the Unit Transmission Tariffs for the base case.

Chart 7.1. Energy-related and power-related components of the TSO components of the Unit Transmission Tariff



Remarks:

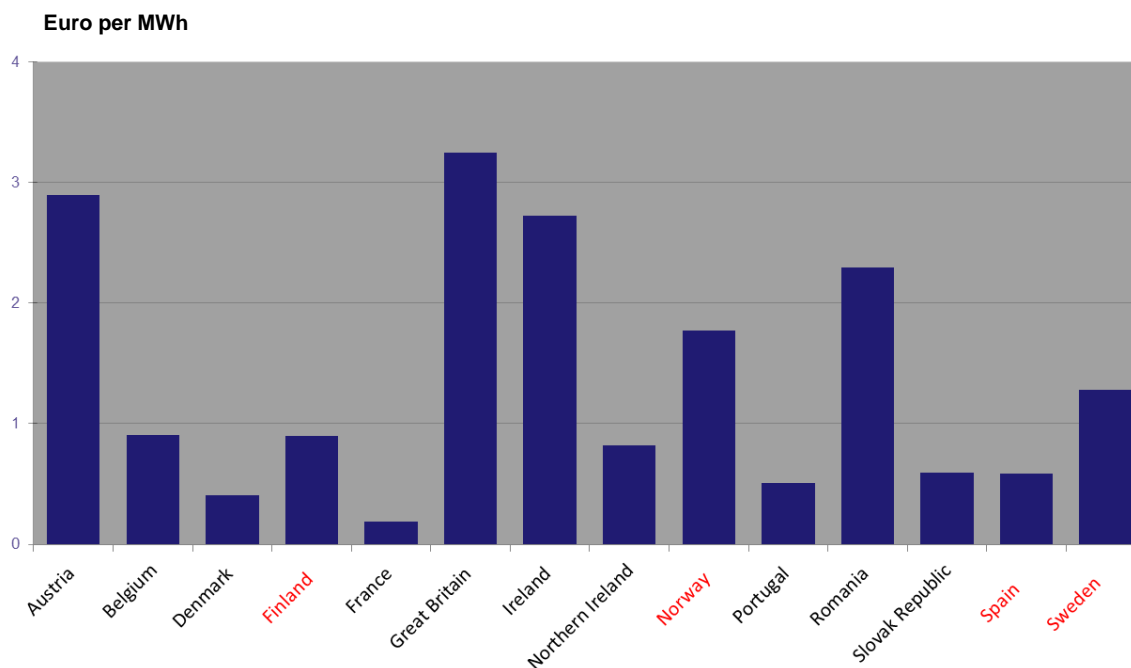
- The example taken for this comparison is the base case (see Section 3).
- Other charges not directly related to TSO activities **are not included** in the above graph.
- Values have been rounded.

Country remarks regarding Belgium, Bosnia and Herzegovina, France, Greece, Ireland, Netherlands, Norway, and Spain are to be found in Appendix 1.

7.2 Generation component

The Unit Transmission Tariff is calculated by adding the charges applied to the generation (G) and load (L). Chart 7.2 provides the part of the TSO components of the Unit Transmission Tariff that corresponds to generation.

Chart 7.2. G components of the TSO components of the Unit Transmission Tariffs in 2015



Remarks:

- The example taken for this comparison is the base case (see Section 3).
- Non-TSO costs **are not included** in the above graph.
- Those countries for which certain elements of the 2015 Unit Transmission Tariffs are estimations are shown in red.
- Commission Regulation (EU) no 838/2010 places limits on annual average transmission charges paid by producers in each Member State. It is not possible to draw the conclusion from the above graph that some countries are breaching these Regulation because the graph is comparing G charges based on Unit Transmission Charges, and not actual tariff levels charged by TSOs. Separate monitoring procedures are in place to ensure TSOs remain compliant with EC Regulations.

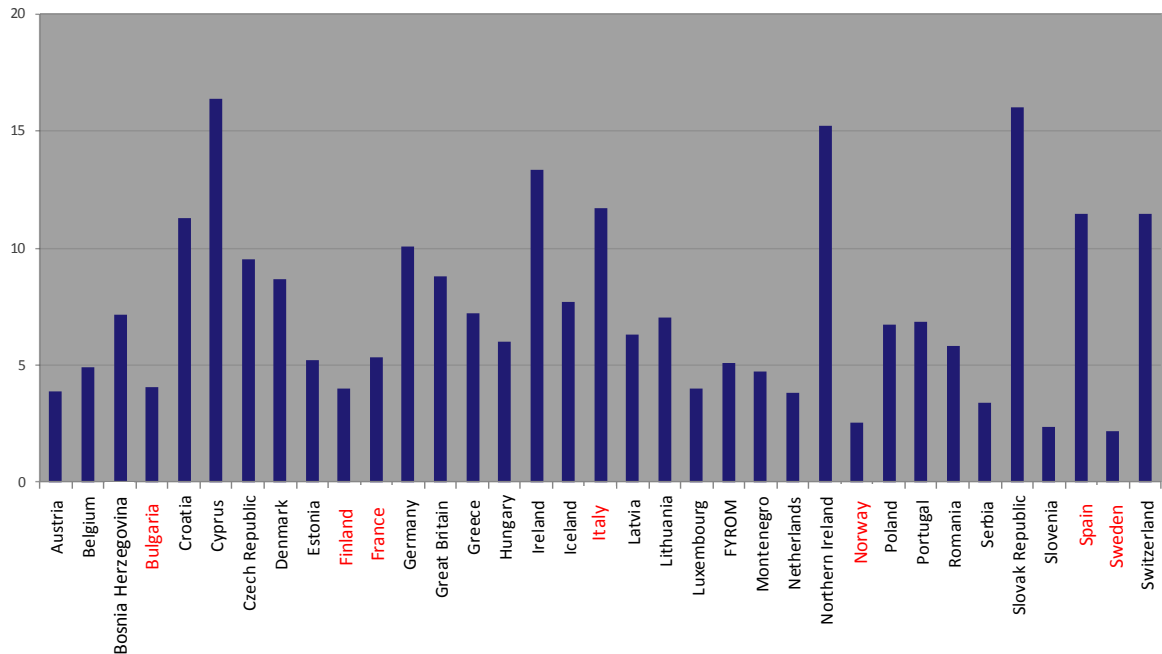
Country remarks regarding Austria, France, Greece, Netherlands and Spain to be found in Appendix 1.

7.3 Load (demand) Component

The Unit Transmission Tariff is calculated by adding the charges applied to the generation (G) and load (L), which includes infrastructure costs, the costs of purchasing system services, and losses. Chart 7.3 provides the part of the TSO components of the Unit Transmission Tariff that corresponds to load only.

Chart 7.3. L components of the TSO components of the Unit Transmission Tariffs in 2015

Euro per MWh



Remarks:

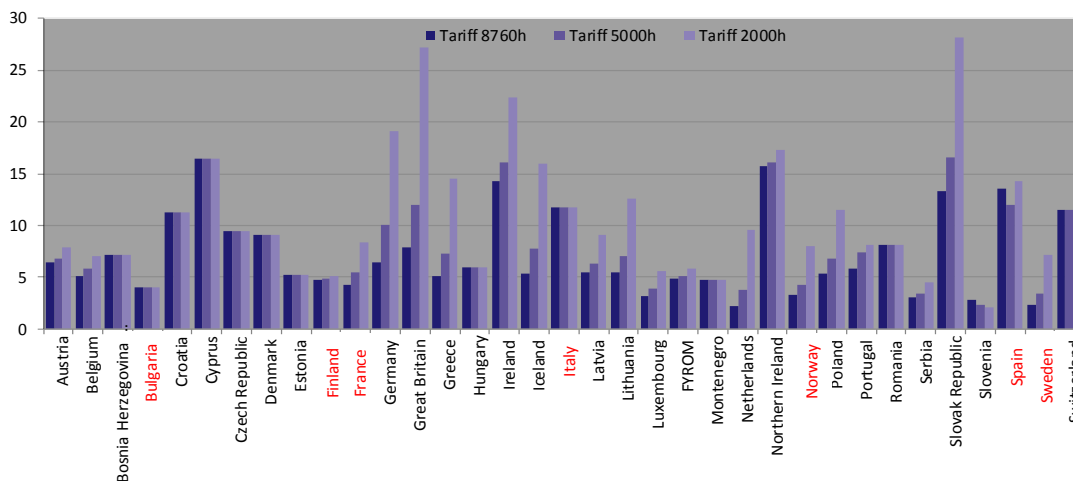
- The example taken for this comparison is the base case (see Section 3).
- Non-TSO costs **are not included** in the above graph.
- Those countries for which certain elements of the 2015 Unit Transmission Tariffs are estimations are shown in red.
- Country remarks regarding Austria, France, Netherlands and Spain to be found in Appendix 1.

7.4 Impact of utilization time

Transmission charges paid by network users, and subsequently Unit Transmission Tariffs, change due to the utilization time if the applied tariffs have power (capacity) as a revenue driver. Chart 7.4 shows the impact of the utilization time on the TSO components of the Unit Transmission Tariff.

Chart 7.4. Impact of utilization time on the TSO components of the Unit Transmission Tariffs

Euro per MWh



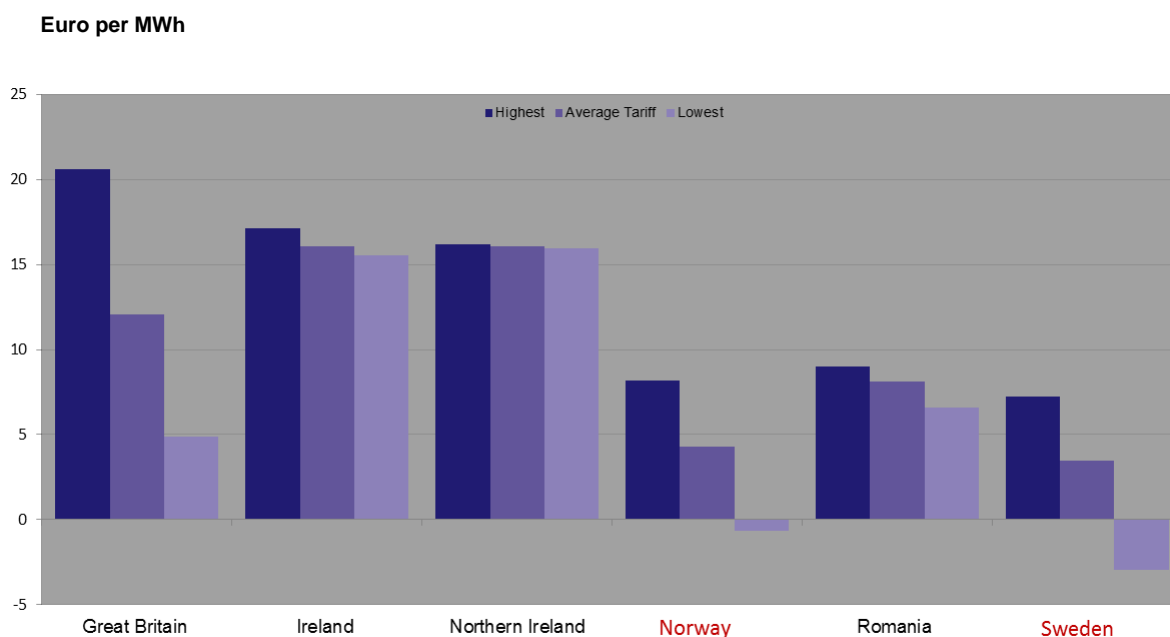
Remarks:

- The example taken for this comparison is the base case (see Section 3) modified by considering different utilization times.
- Other charges not directly related to TSO activities **are not included** in the above graph.
- For most TSOs, a typical customer is a DSO with a seasonal load profile. Neither a full annual utilization time of 8,760 h nor a low utilization time of 2,000 h are realistic examples that occur on the grid. The results for these hypothetical utilization times are presented for comparison purposes only, in order to illustrate how fixed components of the tariffs impact on the average transmission charges.
- Those countries for which certain elements of the 2015 Unit Transmission Tariffs are estimations are shown in red.
- Country remarks regarding France and Great Britain to be found in Appendix 1.

7.5 Impact of location

Some transmission tariffs are differentiated by location. Chart 7.5 illustrates the impact of location on the TSO components of the Unit Transmission Tariff.

Chart 7.5. Impact of location on the Unit Transmission Tariffs



Remarks:

- The example taken for this comparison is the base case (see Section 3) modified by considering different locations.
- Other charges not directly related to TSO activities **are not included** in the above graph.
- For more details about locational differentiation of transmission tariffs see Appendix 5. Tariff areas in countries with generation/consumption tariffs with locational differentiation.
- Those countries for which certain elements of the 2015 Unit Transmission Tariffs are estimations are shown in red.

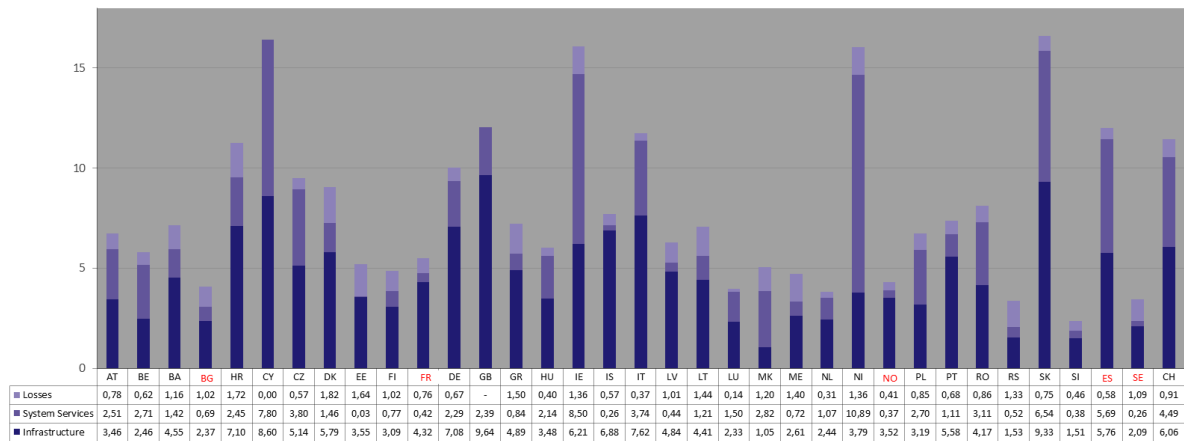
Country remarks regarding Iceland to be found in Appendix 1.

7.6 TSO Cost components of the Unit Transmission Tariffs

Chart 7.6 provides the split of the different TSO components of the Unit Transmission Tariff that is calculated in this report.

Chart 7.6. Components of the Unit Transmission Tariffs

Euro per MWh



Remarks:

- The example taken for this comparison is the base case (see Section 3).
- Other charges not directly related to TSO activities **are not included** in the above graph.
- The figures in the chart are estimations of the value of each final price component.
- For countries where it is not possible to split the tariff as it is done in this chart, some assumptions and estimations have been made. System services include system balancing if applicable.
- Those countries for which certain elements of the 2015 Unit Transmission Tariffs are estimations are shown in red.

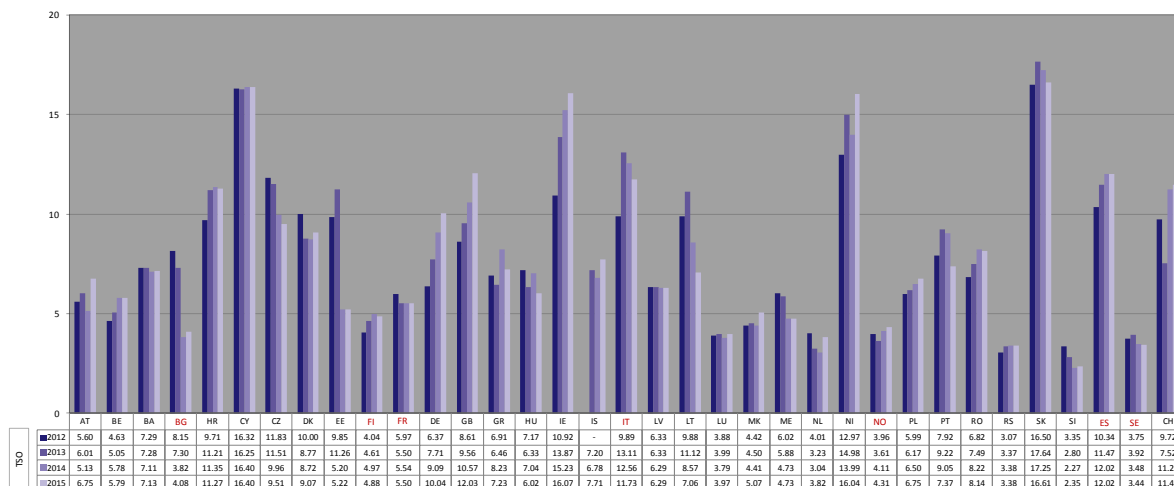
Country remarks regarding Bosnia and Herzegovina France, Hungary, Netherlands, Norway, Spain and Sweden are to be found in Appendix 1.

7.7 Evolution of TSO components of Unit Transmission Tariffs

Transmission tariffs change over time. Chart 7.7 shows the evolution of the TSO components of the Unit Transmission Tariffs over the period 2012-2015 in Euros using exchange rates on 31st of December 2014.

Chart 7.7. Evolution of TSO components of transmission tariffs

Euro per MWh - Constant Euros of 2014



Remarks:

- The example taken for this comparison is the base case (see Section 3).
- Other charges not directly related to TSO activities **are not included** in the above graph.
- Prices have been updated to 2014 by using the annual average rate of change in the Harmonised Index of Consumer Prices (HICP) as provided by Eurostat. If it is not available, the official CPI data from the country is taken.
- For countries not in the Euro zone the exchange rate as for 31 December 2014 is used.
- See Country remarks for details on the reasons for annual changes of more than 10% or 0.5 €/MWh compared to last year.

Country remarks regarding Belgium, Bulgaria, France, Germany, Greece, Hungary, Ireland, Netherlands, Northern Ireland, Portugal, and Switzerland are to be found in Appendix 1.

8. Analysis of non-TSO components of Unit Transmission Tariffs

Many TSOs across Europe recover additional monies from their customers that are not directly related to TSO activities. TSOs are often obliged to recover these additional monies as a result of national or regional regulations and the charges may either form part of transmission tariffs directly or form part of separate charging mechanisms.

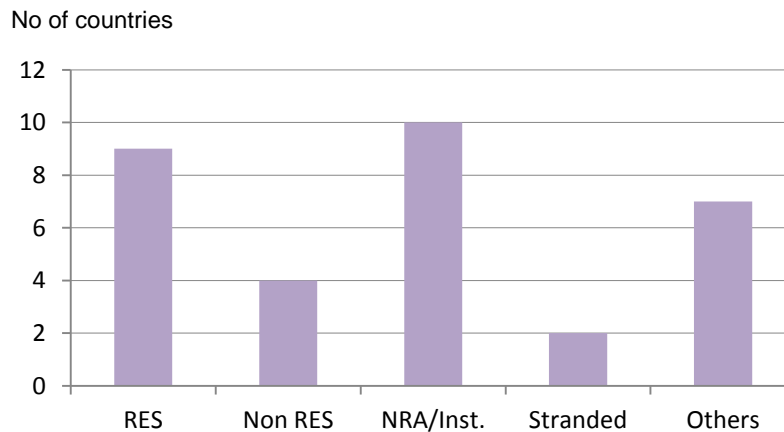
This section is divided in two parts. The first details non-TSO costs by country and the second explores how non-TSO costs have evolved over recent years.

8.1 Non-TSO Costs

Non-TSO costs broadly fall into five main categories:

- Renewable Energy Support (RES) mechanisms: these are costs recovered through TSO charges aimed at supporting government targets to increase renewable generation. These costs are used to finance subsidies to grid-connected renewable generators;
- Non-RES Support mechanisms: these are costs recovered through TSO charges generally aimed at providing financial support to other government objectives, such as energy efficiency or subsidising the costs of maintaining grid networks to rural areas, for example;
- NRA/ Other institutions: some costs are recovered through TSO charges that finance the activities of the relevant sector regulator or other institutions associated with the energy industry;
- Stranded Costs;
- Others.

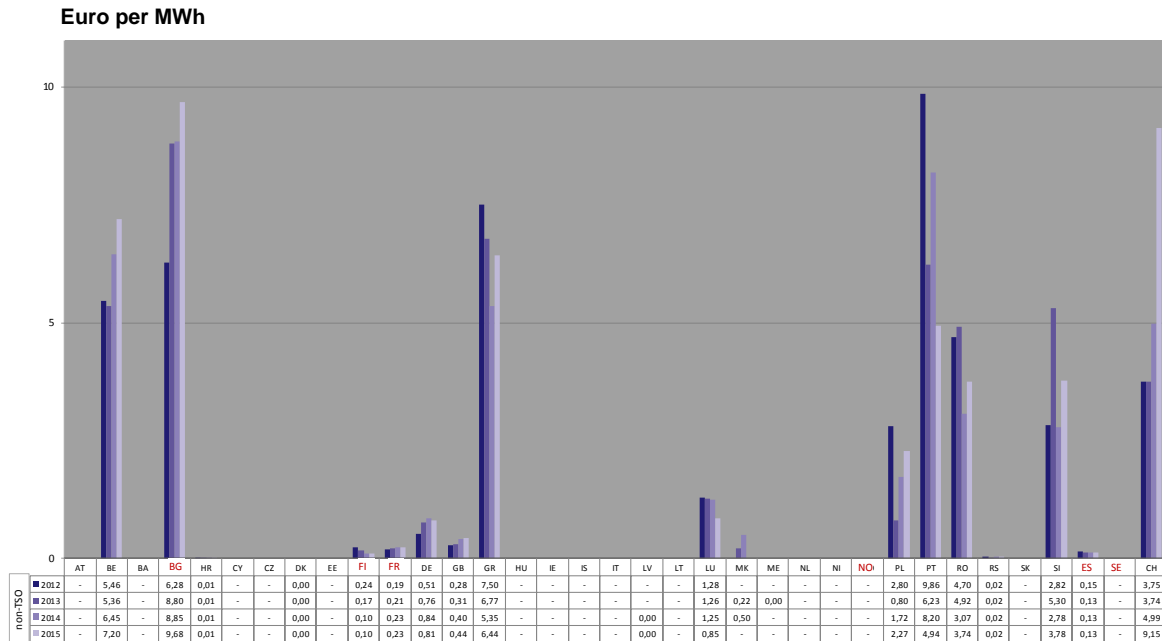
Chart 8.1 Occurrence of different non-TSO charges in ENTSO-E member countries



8.2 Evolution of non-TSO costs

Non-TSO costs have become an increasing proportion of overall TSO charges and the data below show how these costs have changed over recent years:

Chart 8.2 Evolution of non-TSO costs



Remarks:

- The example taken for this comparison is the base case (see Section 3).
- Prices have been updated to 2014 by using the annual average rate of change in the Harmonised Index of Consumer Prices (HICP) as provided by Eurostat. If it is not available, the official CPI data from the country is taken.
- For countries not in the Euro zone the exchange rate as for 31 December 2014 is used.
- See Country remarks for details on the reasons for annual changes of more than 10% or 0.5 €/MWh compared to last year.

Country remarks regarding Denmark are to be found in Appendix 1.

9. Appendices

1. Country specific details
2. Voltage levels operated by TSOs
3. Comparison of network losses prices
4. Comparison of system services prices
5. Tariff areas in countries with generation/consumption tariffs with locational differentiation
6. Other regulatory charges not directly related to TSO activities
7. First connection charges
8. Special Tariffs
9. Treatment of Final Customers versus Distribution System Operators
10. Reactive Energy
11. Netting of flows for the application of transmission tariffs
12. Exchange rates
13. Glossary of terms

Appendix 1: Country specific details

Austria:

- Section 7. Due to the defined methodology the losses tariff (0,390 EUR/MWh) is included twice in the section losses. Explanation: losses are paid both by G and L therefore it is defined in the methodology that the base case needs to include this tariff twice.
Previous years prices were calculated with different methodology concerning inclusion of tariffs. From 2015 on the losses tariff is included twice in the calculation as it is paid by G and L.
- Section 7.7. Increase is mainly arising from tariff for ancillary services.
- Section 6.1. Network Level 2 in Austria is only a transformer level, transforming from 220/380kV to 110kV. Therefore the tariff of network level 2 only applies if transformer is owned by TSO (irrespective if transformed 380kV to 110kV or 220kV to 110kV). If transformer is owned by connected party then tariff from network level 1 applies.
- Sections 7.2-7.3 Base case includes following tariff components: Infrastructure, Losses, Secondary Reserve
 - Generation pays: Secondary Reserve, Losses
 - Load pays: Infrastructure, Losses
 - Only tariffs according to regulation are included in the report. Therefore cost borne by G & L that is not charged via tariffs is not included in this report.

Belgium:

- Sections 6.1 & 7.1: The cost of losses has been added, but is not included in the TSO-tariffs for users connected at EHV.
- Section 7.7: Tariffs for TSO-costs are stable from 2014 to 2015 as during the regulatory period 2012-2015 tariffs are in principle stable.
The rise in tariff is due to a revision of the tariffs starting from June 2013 onwards following a court ruling. However, during the period 2012-2015 by court ruling a major part of G-tariffs – of which the application started as from 1 January 2012 - were abolished. This has as a consequence that for the current tariff period 2012-2015 the resulting difference in total revenue has to be recovered via an increase of L-tariffs, mainly starting from 1 January 2014. This explains the increase of tariffs in previous years.
- Appendix 2 (voltage levels): Elia also operates 30 kV and 36 kV networks.
- Appendix 11: (1) For services charged via power-based tariffs: there is a complete netting. (2) For services charged via energy-based tariffs: For some services (losses and congestion management) there is complete netting between G and L, whereas for all other services a maximum of 25 MW is netted. If the volume eligible for netting is, however, smaller than 25 MW, there is complete netting.

Bosnia and Herzegovina:

- Section 5: In Bosnia & Herzegovina currently system services and losses are not purchased by the ISO. Those services are part of end user price and the end user pays it directly to the provider of ancillary services. But starting as from 01 June system services will be purchased by the ISO according to the new Tariffs methodology from December 2014.
- Section 7.1: Ratio according to the Tariffs methodology.
- Section 7.6: Infrastructure: Transco tariff, System services: ISO tariffs and system services, Losses: Losses. The synthetic price for transmission system operation includes: Transco tariff (cost related to the maintenance of transmission grid), ISO tariff (cost related to the ISO operation), system service cost (the end users pay directly to the providers of ancillary services), energy of losses (the end users pay directly to the providers of ancillary services).

Bulgaria:

- Section 5: for primary, secondary and tertiary regulation only the capacity costs are included in the tariffs

- Section 7.7: The values for 2015 are estimated. There are two regulatory periods and as from 01.07.2015 the tariffs will be adjusted. The difference in tariffs for 2014 in comparison with 2013 is due to changes in regulatory framework.

Denmark:

- Section 5: All costs and benefits are estimated since the transmission tariff for 2015 are based on the budget for 2015.
Over- or undercoverage will be incorporated in the tariff for 2016.
- Section 7.7: Changes in the tariff methodology:
In previous years Denmark has included RES-support in the calculation of the Danish Unit Transmission Tariff. However, RES-support in Denmark is not and has never been a part of the regulated transmission activities and thus has never been included in the transmission tariffs invoiced by Energinet. Costs of RES-support are allocated by Energinet through a separate charge which does not include any TSO-costs. On this base costs of RES-support are omitted in the calculation of the 2015 figures for Denmark.

France:

- Section 4: Time differentiation with 5 temporal classes for voltages lower than 350 kV. Three kinds of differentiation exist: summer/winter, mid-peak/off-peak, and peak hours only in January, February and December. Tariff for higher voltages remains only based on usage duration.
- Section 5: Grid access tariffs do not include tertiary reserve, which is managed via the Balancing Mechanism. Therefore the figures provided for France exclude tertiary reserve. However, every Balancing Responsible party has to pay 0.15 €/MWh to RTE for every physical extraction from its perimeter to cover the cost of contracting fast reserve and industrial load-shedding capacities. "Other" includes the remuneration of interruptible customers.
- Section 6: Non-TSO charges apply only to industrial customers. Among RTE customers with a utilization time between 4500 h and 5500 h, very few are industrial customers, the overwhelming majority are distribution loads which don't pay those charges. The invoice here is calculated for industrial customers.
- Sections 7.1, 7.2, 7.3, 7.4, 7.6, 7.7: Charges corresponding to the "220-150" voltage level (highest voltage level with statistically representative data). Provisional figures, subject to annual re-evaluation every 1st August. There is no specific allocation of system services or losses cost to any specific tariff, the values here are purely indicative.
- Section 7.7: In previous surveys the total price was calculated with actual 220-150 kV customers, among them the overwhelming majority are distribution loads which don't pay non-TSO charges. From the 2015 survey the invoice is calculated for industrial customers, including non-TSO costs. Revised figures have been calculated for 2014.
- Appendix 2: RTE operates few 45kV lines
- Appendix 3: there is no allocation of costs of losses to any special tariff. The values here are purely indicative.
- Appendix 4: there is no allocation of costs of ancillary services to any special tariff. The values here are purely indicative.

Finland:

- Section 7.7: "Transmission invoice charges were discounted by 45% for one month in December 2014 due to better than estimated market based income and cost."
- Appendix 11: Netting is allowed for input/output tariff. Consumption tariff is applied to total consumption.

Great Britain:

- Section 7.4: Great Britain has locational charges for both generation and demand. In order to consistently apply the UTT methodology the maximum generation and demand locational charges have been added together, though in practise, no consumer or market participant is actually exposed to this level of charge.
- Section 7.7: Euro exchange rate accounts for 7% of the increase from last year

Non-TSO costs account for 2% of the increase compared to last year. Increase in allowed revenue accounts for remainder, combined with a smaller charging base (generation and demand) leading to higher tariffs.

-

Montenegro:

- Section 7.7: Regulatory period runs until 31.07.2015 and 01.08.2015 beginning of the next regulatory period for which has to do calculations new values tariffs.

Germany:

- Section 7.7: The grid fees 2015 compared with the grid fees 2014 are mainly increased due to the following facts:
 1. Increased costs for offshore investments
 2. Increased costs for the grid security, i.e. provision of reserve capacity and increased demand of ancillary services

Greece:

- Section 5: Transmission losses are paid by those who inject energy in the transmission system (generators and importers), however, an estimation of this cost has been included here for comparison purposes.
- Section 6.1: Transmission losses are paid by those who inject energy in the transmission system (generators and importers), however, an estimation for this cost has been included here for comparison purposes. In the non TSO related costs, costs related to RES payments that are completely irrelevant to IPTO are also included.
- Section 7.1: Only infrastructure component is power related
- Section 7.2: Producers pay for transmission losses, however, this is done through the energy market and not through tariffs and uplift accounts.
- Section 7.7: In the non-TSO related costs, costs related to RES payments that are completely irrelevant to IPTO are also included.

Hungary:

- Section 5: Total congestion rents on inter-connections are taken into account by regulatory authorities when approving the methodology for calculating network tariffs for the OPEX of system operation - not system-services. This revenue always reduces the next year's tariff.
- Section 7.6: Losses are part of transmission system operation tariff. It is set in the justified cost of losses by the Regulator in the yearly tariff.
- Section 7.7: The reason for the decrease of transmission tariff in 2015: there is a minor reduction because of the increase of Net Revenues from congestion management on interconnections which is a pass-through element in the tariff; and Tariff for ancillary services is significantly lower (-0.98 €/MWh; -31,5 %) due to reduction of the secondary reserve costs.
- Appendix 2: The total reported value includes 61.3 % of circuits 400 kV and 5.5 % of circuits 750 kV.

Iceland:

- Section 7.5: Landsnet's tariff is prepared in accordance with the revenue cap determined by the National Energy Authority of Iceland. The tariff applies to Distribution System Operators (DSOs) on the one hand and power-intensive industries on the other hand. Transmission fees are independent of the distance travelled by the power through the grid as well as the distance between the sites where the power is injected into and drawn from it. A special charge is applied for ancillary services and transmission losses, at a fixed amount per each kWh drawn from the grid. The tariff for consumption by power-intensive industries is denominated in US dollars while the tariff for DSOs, as well as for other items, is denominated in Icelandic kronur (ISK).
- Section 7.6: The calculated ratio according to the Tariffs methodology is 70% power / 30% energy for Landsnet.

Ireland:

- Section 7.1: For the 2014 survey the power/energy ratio was 50.83%/49.17%. This has now changed to 27%/73%.
The reason being that a component for losses and constraints were not included in the ratio for 2014, while they have been considered for 2015.
- Section 7.7: The change in tariff of greater than 10% or 0.5€/MWhr in the years 2013, 2014, 2015 is due to following factors
 - * increase in allowed revenue as determined by the Regulatory Authorities, upon which the tariffs are set to collect
 - * increase in the cost of constraint and losses

Italy:

- Section 7.6: Transmission losses: Costs of losses on the Italian transmission network are recovered through the energy price on the basis of standard loss factor. The difference between the conventional standard losses and the real amount of losses, is regulated through the tariff component for ancillary service. However, purely for comparison purposes, an estimated charge on the basis of the average electricity price of the period January-December 2014 has been included in these figures".
- Section 7.6: System services: is a pass through component of transmission tariff.
- Section 7.7: Data for 2015: For ancillary service: Figure provided for 2015 is a forecast of system services unitary cost for the first quarter 2015 and is not comparable with the average unitary cost paid by dispatching users in 2014.
- Appendix 11: The transmission fee is applied on a monthly basis to the net energy withdrawn from distribution companies connected to the NTG. The transmission fee is applied only if the resulting balance is a withdrawal. For transmission fee purposes, the energy injected in the distribution grid at HV level (virtual interconnection points) is also considered as energy withdrawn from the NTG.

Latvia:

- Section 6.1: * Transmission tariff is calculated to the 110kV network e.g. users, the proprietary border of electrical installations of which is on the 06-20 kV side of a 110/6-20 kV transformer. The tariff is calculated, taking into account that transmission network in Latvia consists of 110 kV and 330 kV networks and operates in parallel for providing security of supply for customers. In accordance with tariff calculation methodology (9 p.), tariffs of transmission system services for electricity user, which are connected to a 110 kV or 330 kV voltage level, have not been determined as different.

Lithuania:

- Section 6.1: In Lithuania TSO voltage levels are 330 kV and 110 kV
- Section 7.7: In 2014 and 2015 tariff decreases due to reduced cost of system services and previous years (2011-2013) excess profit correction.

Netherlands:

- Section 4.1: Load that uses the grid for less than 600 hours has a special (reduced) tariff
- Section 5: The net result of system balancing (EUR 24 mio) is used to lower tariffs (2014: EUR 40 million).
- Section 7.1: As of 2015 the transmission and system services are charged based on a combination of contracted peak capacity and monthly measured peak load. The aim was to reduce administrative issues associated with charging System Operations on an energy basis (there have been a lot of issues). The re-allocation of energy to power has resulted in a tariff increase in the base case. In reality tariffs have decreased in 2015. If we adjust comparative numbers for 2014 the tariff in the base case would decrease by 14% (HV tariffs)
- Sections 7.2-7.3: TenneT charges 100% to Load. There is no G Charge in NL.
- Section 7.6: In 2015 the cross border congestion revenues have been used to lower the implications of settlements of previous periods on the tariffs (EUR 45 million). This neutralised

the tariff increasing implications of Repayment of System Services in the period 2000-2011 in amount of EUR 45 million (as a result of the interpretation of the judge that certain tariff payers were exempted). As a consequence the net impact of the repaid system services amounts to 0.

- Appendix 2: In the Netherlands the EHV charge is for 220 / 380 kV networks and the HV charge is for 110/150 kV networks. So the combination 220-150 kV is not common in the Netherlands. Hence there is a mismatch between the breakdown of the assets classes and the tariffs. The EHV (NL definition) assets are 34% of the total kilometers operated, whereas HV represents 66% (NL definition). In previous overviews we have used the NL definition to fill this table.
- Appendix 11: In NL the G charge does not apply, there could however be infeed from existing load clients on the EHV and HV networks. The tariff is based on the measured peak volume in any month. The peak is assessed by using the sum of the peak values (measured periods of 15 min in the month). In practice this means that infeed and outflows within the connection point, which occurs simultaneously are netted against one and other.

Northern Ireland:

- Section 7.7: The change in tariff of greater than 10% or 0.5€/MWhr: increase in the cost of constraints and system services.

Norway:

- Section 5: Costs related system balancing are covered by the balance responsible parties. The Nordic TSOs have also agreed that a certain percentage of reserve costs are covered by the balance responsible parties. According to the current agreement, approximately 25% of such costs are financed through the balance settlement.
- Section 6.1: The Transmission Grid in Norway consists of about 11.000 km of high-voltage power lines and about 200 connection points (stations). The voltage level in the Transmission Grid is mainly 420-300 kV, but in some parts of Norway - particularly in the North, the voltage level of the transmission grid is 132 kV.

The data in this template includes all costs related to the Norwegian Transmission Grid.

Norwegian Transmission Tariffs are independent of voltage level and utilization time.

Norwegian Transmission Tariffs consists of the following components:

Energy component (Loss element)

The energy component is calculated individually in every single connection point in the Grid.

The component is calculated as follows (NOK) = measured energy (MWh) exchange in the connection point (Input G or output L) x area price (NOK/MWh) x individual marginal loss rate (%) for the connection point.

Fixed components (shall cover the remaining costs within the income cap)

Tariff rates and settlement basis distinguish between G and L.

- Production (G). Settlement basis: Average production per year (MWh)
 - Consumption (L). Settlement basis: Average total load at peak load hour at each individual connection point.
- Settlement basis for consumption (L) are adjusted with a factor "k" which are constructed so that consumption in the same connection point as production pays less than other consumption.
- Section 7.1: G component are energy-based (price*MWh).
 - L component is partly energy-based (the loss element) and partly power-based (the fixed element) Settlement basis for fixed element L is average withdrawals (MW) during the peak load
 - Section 7.2: G component includes losses and ancillary services.
 - Section 7.3: L component includes losses.
 - Section 7.6: The values per component is calculated based on the composition of the calculated income cap 2015.
 - Appendix 11 Norwegian Transmission tariffs consists of the following components:
 - Energy component (Loss element) and
 - Fix component

* The energy component is based on measured hourly values.

The fix component for G is based on produced volume (GWh) pr year

The fix component for L is based on load (MW) in peak hour.

Poland:

- Section 5. Other costs: Stranded costs i.e. cost resulting from compensations paid to energy producers for dissolving long term energy sales contracts concluded in the past with a single buyer company. The long term contracts obliged energy producers to modernize their production units, adjusting them to environmental standards. Those costs are recovered by a transitory charge in the Tariff.
- Appendix 2: The total reported value include 40,1% of circuits 400 kV and 0,8% of circuits 750 kV.
- Appendix 11: Transmission tariff system doesn't provide settlements with generators (G tariff = 0). Netting flows is applied to settlements between TSO and DSO and final consumers connected to transmission network.

Portugal:

- Section 5: Costs for losses and system-services costs are not recovered by a regulated tariff, but are recovered in the energy price. They have been included in this overview only for comparison purposes. For 2015, NRA considered ITC as a revenue, usually is a cost.
- Section 7.6: Costs for losses and system-services costs are not recovered by a regulated tariff, but are recovered in the energy price. They have been included in this overview only for comparison purposes.
- Section 7.7: The new parameters (namely WACC) for the new regulatory period 2015-2017 had impact on TSO's revenues.
- Section 8: Concerning non-TSO, the tariff structure by voltage level is published by the government every year. The main changes from last year are:
 - The Islands' tariff convergence costs had an impact of -2,16 €/MWh.
 - The surplus costs for the remaining Power Purchase Agreements (PPAs) had an impact of -2,36€/MWh

Romania:

- "Under price signals: In Romania the transmission pricing setup includes locational signals aimed at promoting the efficient use of the transmission grid. Both G and L network users pay location-based grid input/off-take charges. Differences across the location-based transmission price list are based on the impact the incremental input/off-take of energy in the connection point has on the amount of losses incurred at the transmission grid level. Neither time-of-use nor voltage level at the grid connection point are pricing determinants." Under evolution: The difference in the Unit Transmission Tariff 2015 vs. 2014 (difference: +EUR 0.59/MWh, 2015: EUR 11.88/MWh, 2014: EUR 11.29/MWh) is mainly due to the non-TSO component (cogeneration support fee) having been restored at the beginning of 2015 to a similar level as compared to the first half of 2014 (after the 50% drop in the second half of 2014).

Slovenia:

- Section 7.7: In 2015 new regulatory charge was introduced (Appendix 6/Others) - Contribution to energy efficiency.

Spain:

- Section 5: System services and losses are not included in the Spanish transmission tariff because they are recovered through the energy market. 2014 figures for system services and losses in Spain have been included in the overview only for comparison purposes.
- Section 6.1: Apart from some costs detailed in Appendix 6, it is not possible to split the Spanish Unit Transmission Tariff into TSO and non-TSO related charges. The reason is that according to the Spanish legislation some non-TSO costs (e.g. those due to renewable support schemes) are allocated through the access tariffs without any specific differentiation. Therefore, the

Spanish TSO-related Unit Transmission Tariff also includes regulatory charges not directly related with TSO activities.

- Section 7.1: Percentages correspond only to access tariffs without losses and system services.
- Sections 7.2 -7.3: There are two charges for generators:
 - The charge corresponding to the access tariff for generators (0.5 €/MWh);
 - Generators above 1 MW of installed capacity pay a fee in order to finance system operator's activities. The fee depends on their available capacity.
- Section 7.6: The "Other regulatory charges" part is detailed in Appendix 6. The "Losses" and "System services" parts show 2014 figures that have been provided only for comparison purposes despite the fact that they are not included in the Spanish transmission tariff (they are recovered through the energy market). Finally, the part of the Spanish Unit Transmission Tariff marked as "Infrastructure" includes both TSO and non-TSO related charges. As explained previously, the reason is that according to the Spanish legislation some non-TSO costs (e.g. those due to renewable support schemes) are allocated through the access tariffs without any specific differentiation.
- Appendix 6: It is not possible to split the Spanish Unit Transmission Tariff into non-TSO related charges with the detail of this table. The reason is that according to the Spanish legislation some non-TSO costs (e.g. those due to renewable support schemes) are allocated through the access tariffs without any specific differentiation. Therefore only non-TSO costs specifically differentiated in the Spanish legislation can be classified. These costs sum up 0.13 €/MWh.

Sweden:

- Section 5: Approximately 40 % of primary reserves included in transmission tariff and in the Unit Transmission Tariff of this report.
- Section 6.1: Highest and lowest combination of G and L tariff, i.e. highest G combined with highest L and lowest G combined with lowest L.
- Section 7.6: Only part of cost of total system services are included in transmission tariff and in the Unit Transmission Tariff of this report.

Switzerland:

- Section 5: System Balancing: separate mechanism; not included in transmission tariff / system-services fee.
Other: Cost-covering feed-in remuneration fee for renewable energy and water conservation
Differences to previous reports arise from a revised interpretation of included costs. This concerns how existing separate tariffs are factored in for the purpose of reporting the Unit Transmission Tariff.
- Section 7.7: Non-TSO costs: Increase in feed-in tariff.

Appendix 2: Voltage levels operated by TSOs

Table A.2. Voltage levels operated by TSOs

% km	400-330 kV	220 -150 kV	132-50 kV
Austria	34%	47%	19%
Belgium (Elia)	14%	47%	38%
Bosnia and Herzegovina	14%	24%	62%
Bulgaria (NEK)	17%	19%	64%
Croatia	17%	16%	67%
Cyprus	0%	0%	100%
Czech Republic (CEPS)	68%	31%	1%
Denmark (Energinet.dk)	28%	48%	24%
Estonia (Elering)	32%	3%	65%
Finland (Fingrid)	33%	15%	52%
France (RTE)	21%	27%	52%
FYROM	28%	0%	72%
Germany	60%	40%	0%
Great Britain (NGT)	49%	25%	26%
Greece (ADMIE)	27%	72%	0%
Hungary (Mavir)	67%	29%	4%
Ireland (EirGrid)	11%	30%	60%
Iceland (Landsnet)	0%	26%	74%
Italy (Terna)	19%	81%	0%
Latvia Augstsprieguma Tikls)	26%	0%	74%
Lithuania (Litgrid)	26%	0%	74%
Luxembourg	0%	100%	0%
Montenegro	23%	28%	49%
Netherlands (TenneT)	25%	49%	25%
Northern Ireland (SONI)	0%	38%	62%
Norway (Statnett)	73%	0%	27%
Poland (PSE)	41%	58%	1%
Portugal (REN)	29%	71%	0%
Romania (Transelectrica)	55%	44%	1%
Serbia (EMS)	18%	20%	62%
Slovak Republic (SEPS)	68%	29%	3%
Slovenia (Eles)	23%	12%	65%
Spain (REE)	50%	45%	5%
Sweden (Svenska K.)	74%	26%	0%
Switzerland	27%	73%	0%

Remarks:

- Percentages are calculated as the ratio between the kilometers of circuits for each voltage level and total kilometers of circuits operated by each TSO.
- Values have been rounded.

Country remarks regarding Belgium, France, Hungary, Netherlands and Poland are to be found in Appendix 1.

Appendix 3: Comparison of network losses prices

Table A.3. Comparison of network losses prices

Losses (€/MWh)	COUNTRY
Above 1	Denmark
	Croatia
	Estonia
	Greece
	Lithuania
	Montenegro
	Ireland
	Northern Ireland
	Serbia
	FYROM
	Bosnia Herzegovina
	Sweden
	Bulgaria
	Finland
Latvia	
Below 1	Switzerland
	Romania
	Poland
	Austria
	France
	Slovak Republic
	Portugal
	Germany
	Belgium
	Spain
	Czech Republic
	Iceland
	Slovenia
	Norway
	Hungary
	Italy
	Netherlands
	Luxembourg
	Cyprus
	Great Britain

Remarks:

- The base case is taken (see Section 3)

Country remarks regarding -Bosnia and Herzegovina, France, Ireland, Italy, Portugal, Slovenia and Spain are to be found in Appendix 1.

Appendix 4: Comparison of system services prices

Table A.4. Comparison of system services prices

System Services (€/MWh)	COUNTRY
above 3	Northern Ireland
	Ireland
	Cyprus
	Slovak Republic
	Spain
	Switzerland
	Czech Republic
	Italy
Romania	
1<---<3	FYROM
	Belgium
	Poland
	Austria
	Croatia
	Great Britain
	Germany
	Hungary
	Luxembourg
	Denmark
	Bosnia Herzegovina
	Lithuania
	Portugal
	Netherlands
0.5<---<1	Greece
	Finland
	Montenegro
	Bulgaria
	Serbia
below 0.5	Latvia
	France
	Slovenia
	Norway
	Iceland
	Sweden
	Estonia

Remarks:

- The base case is taken (see Section 3).
- These figures cover the system services listed in Table 4.1

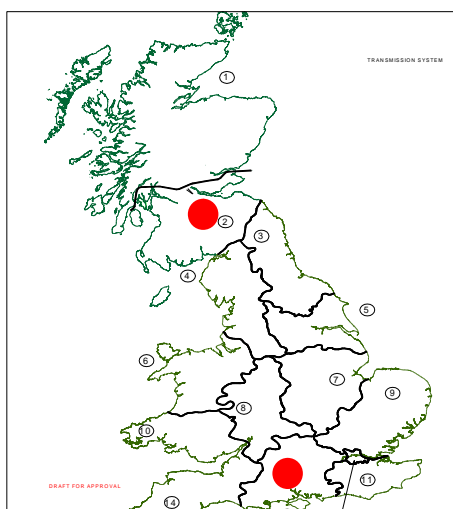
Country remarks regarding Bosnia and Herzegovina, France, Portugal and Spain are to be found in Appendix 1.

Appendix 5: Tariff areas in countries with generation/consumption tariffs with locational differentiation

Great Britain

Highest generation and lowest demand charges occur in the north (surplus area).
Lowest generation and highest demand charges occur in the south (shortage area).

Chart A5.1 Great Britain



Ireland:

The GTUoS capacity charge is calculated individually for each generator based on the location of its connection to the system. This GTUoS charge is capacity based (i.e. based on MEC of generator), there is no energy (MWh) component for GTUoS. The GTUoS tariff has a locational element; which is calculated considering the usage of current generation on future network using a "reverse MW mile" methodology.

Northern Ireland:

The GTUoS capacity charge is calculated individually for each generator based on the location of its connection to the system. This GTUoS charge is capacity based (i.e. based on MEC of generator), there is no energy (MWh) component for GTUoS. The GTUoS tariff has a locational element; which is calculated considering the usage of current generation on future network using a "reverse MW mile" methodology.

Norway:

Norwegian Transmission tariffs consists of the following components:

- Energy component (Loss element)
- Fix component

The energy component has an element of localization signal in the "marginal loss factor" (MLF). MLF is the same for Generation (G) and Consumption (L). Calculation of the energy component is as follows:

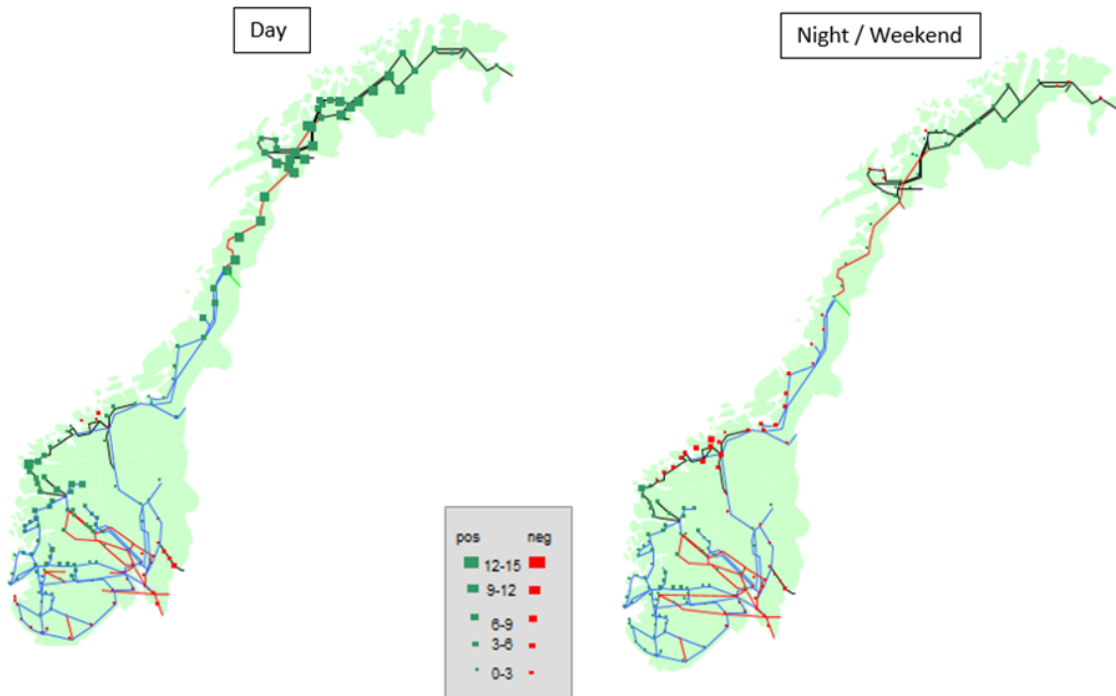
Marked price (€/MWh) • marginal loss factor (%) • energy consumption (L) or production (G) (MWh)

MLF is calculated for every connection point in til grid on a weekly basis (See map below).

Fixed components shall cover the remaining costs within the income cap. The fix element for G has no locational signals. The fix element for L has an element of localization signal in the so called "k-factor". The k-factor is constructed so that consumption in same connection point as production become a lower tariff than other consumption.

Chart A5.1 Norway. Marginal Loss Factors (MLF) Average 2014-15

MLFs are symmetrical, i.e. $MLF_{input} = -MLF_{output}$
 The MLFs below represent MLF_{input}

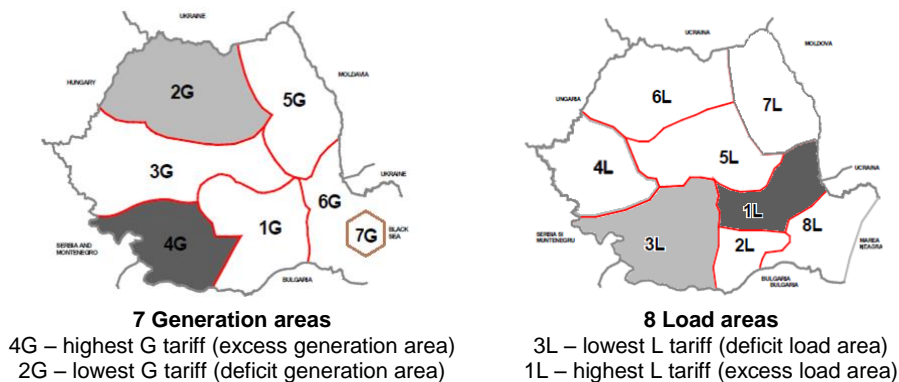


$The\ energy\ element\ (\text{€}/MWh) = Marginal\ loss\ factors\ (\%) * market\ price\ (\text{€})$

Romania:

Locational pricing is based on short-term marginal costs (the estimated impact the injection/off-take of the incremental unit of energy into/from the network has on grid losses costs at the transmission network level).

Chart A5.2 Romania. Generation and load areas



Sweden:

Power based charge is based on the latitude. For injection the charge is highest in most northern location. For outtake it is highest in most southern location.

Appendix 6: Other regulatory charges not directly related to TSO activities

In some countries TSOs are obliged to recover costs that are not directly related to TSO's activities but result from national/local regulation. These costs are different in scope and are recovered by TSOs either through their tariffs or through separate charging mechanisms.

The table below summarizes the main features of the charges/costs not directly related to TSO activities and the charging mechanisms in force. These charges/costs may be included in the calculation of the Unit Transmission Tariffs:

Table A.6. Other regulatory charges not directly related to TSO activities

Country	Other regulatory charges not directly related to TSO activities			
	Cost item	Charge level [€/MWh]	Paid by (who cover the cost L/G/DSO)	Description
Austria	RES support mechanism	-	L	APG collects and passes through components for RES support, which are part of the taxes and levies block for final customer.
	NRAs/Other Institutions	-	L	Included in infrastructure tariff
Belgium	RES support mechanism	0.0629	L	PSO for financing connection of offshore windturbine parks
		4.0475	L	PSO for financing green certificates
	non-RES support mechanism	0.5601	L	PSO for strategic reserves (installed for adequacy purposes)
	NRAs/Other Institutions	2.5310	L	Federal contribution
Bulgaria	RES support mechanism	9.68	L, DSO	
Croatia	NRAs/Other Institutions	NRA charges 0.006477 €/MWh	L and DSO	All energy operators that carry out one or more energy activities, based on the license for carrying out energy activities issued by HERA, pay 0.05% of their total income for previous year into HERA's budget.
Cyprus	RES support mechanism		Yes/Final customers	
	Others		Net metering / Auto-producers	
Denmark	RES support mechanism	0.40	L	Cost for covering administration of RES support mechanism are covered by the transmission tariffs
	NRAs/Other Institutions	0.20	L	Covering administration costs for NRA
Finland	Others	0.1000	L/DSO	Peak load capacity fee

France	others	0.2300	Industrial customers only (0 for distributors).	For the base case it corresponds to 0.23 €/MWh in 2015). In 2005, the pensions system of people working in the gas and electricity industry was globally reformed. For the transmission tariff, it implied the creation of what is called in French, CTA, Contribution Tarifaire Additionnelle (Additional Tariff Contribution). It is calculated on the fixed part of the tariff (power part of the transmission tariff). All the customers pay the "CTA" which does not cover any RTE cost. The order of 29/12/2005 set the percentage applied to the fixed part at 8.20% for the transmission activity. The order of 26/04/2013 increased this percentage to 10.14 % from 01/05/2013.
Germany	RES support mechanism	0.2500	L	Extra charge related to the connection of Offshore Windfarms to the grid In general, all components for RES support are collected by the German TSOs. Yet, these are not part of the grid tariffs but are part of the taxes and levies block of the final customer (except of the aforementioned charge related to the grid connection of Offshore Windfarms).
	non-RES support mechanism	0.5600	L	Extra charge for costs according to the German law for Combined Heat and Power Production Promotion + extra charge for costs according to the German Grid Tariff Regulation Ordinance + extra charge related to the Ordinance on Interruptible Load Agreements
Great Britain	RES support mechanism	0.27	G 27% / L 73%	Assistance for Areas with High Electricity Distribution Costs. The intention of the AAHEDC Scheme is to reduce the costs to consumers of the distribution of electricity in certain areas. Currently the only Specified Area is the North of Scotland. National Grid therefore recovers an Assistance Amount through the Scheme, which is passed to the Relevant Distributor in the Specified Area, Scottish Hydro Electric Power Distribution Ltd. This enables distribution charges to be reduced.
	NRAs/Other Institutions	0.16	G 27% / L 73%	NRA Licence Fees
Greece	RES support mechanism	2.23	L	RES support mechanism
	non-RES support mechanism	4.14	L	Public Service Obligations
	NRAs/Other Institutions	0.0700	L	Regulatory Authority Support cost
Luxembourg	RES support mechanism	0.7500	L	The tax "Fonds de compensation" (0.75 €/MWh for customers ≥ 65kW) serves to encourage and subsidize national energy production projects based on renewable sources or cogeneration.
	non-RES support mechanism	0.1000	L	The tax "Taxe Electricité" is used to finance the "Assurance dependance". 0.50 €/MWh (consumers cat. B)* 0.10 €/MWh (consumers cat. C)** * Cat. B: consumers > 25 MWh, except belonging to cat. C ** Cat. C: consumers > 25 MWh, electricity

				mainly used for chemical reduction, electrolysis or in metallurgical processes.													
FYROM	RES support mechanism		L														
Poland	Stranded costs	2.27	L/DSO	Stranded costs i.e. cost resulting from compensations paid to energy producers for dissolving (early termination) long term energy sales contracts concluded in the past with a single buyer company. The long term contracts obliged energy producers to modernize their production units, adjusting them to environmental standards. Those costs are recovered by a transition charge in the Tariff. Charge rates are calculated by NRA. TSO charges final consumers connected to transmission network and DSOs at any voltage level (then DSO charge their final consumers).													
Portugal	RES support mechanism	n.a	L	Costs are recovered by DSO													
	non-RES support mechanism	2.7380	L	Capacity payments, Islands' tariff convergence costs, Interruptibility													
	NRAs/Other Institutions	0.1447	L	Regulator costs													
	Stranded costs	1.7585	L	Surplus costs for the remaining Power Purchase Agreements (PPAs)													
	Others	0.2976	L	Hydro power station land,													
Romania	non-RES support mechanism	3.7400	L	Mechanism designed to provide financial support to cogeneration plants													
Serbia	NRAs/Other Institutions	0.0238	L/DSO														
Slovenia	RES support mechanism	2.7985	L														
	NRAs/Other Institutions	0.3000	L														
	Others	0.6800	L														
Spain	non-RES support mechanism	0.0001	L	These costs are established as a % of the access tariff for demand and are classified into three groups as follows:													
	NRAs/Other Institutions	0.0078	L														
	Others	0.1254	L		<table border="1"> <thead> <tr> <th>Cost</th> <th>% of access tariff</th> <th>Charge base case (€/MWh)</th> </tr> </thead> <tbody> <tr> <td>Permanent costs: • NRA costs</td> <td>0.15</td> <td>0.0078</td> </tr> <tr> <td>Diversification and security of supply costs: • Nuclear moratorium • 2nd part of nuclear fuel cycle</td> <td>0.454 0.001</td> <td>0.020</td> </tr> <tr> <td>Deficit surcharge</td> <td>1.961</td> <td>0.10</td> </tr> </tbody> </table>	Cost	% of access tariff	Charge base case (€/MWh)	Permanent costs: • NRA costs	0.15	0.0078	Diversification and security of supply costs: • Nuclear moratorium • 2nd part of nuclear fuel cycle	0.454 0.001	0.020	Deficit surcharge	1.961	0.10
	Cost				% of access tariff	Charge base case (€/MWh)											
Permanent costs: • NRA costs	0.15	0.0078															
Diversification and security of supply costs: • Nuclear moratorium • 2nd part of nuclear fuel cycle	0.454 0.001	0.020															
Deficit surcharge	1.961	0.10															
Switzerland	RES support mechanism	9.15	L	Surcharges for Feed-in remuneration (KEV) and water conservation measures													

Appendix 7: First connection charges

The connection charges types are characterized by costs that are taken into account to calculate the connection charge. For the purpose of this Overview, first connection charges are defined as:

- **Super-shallow:** All costs are socialized via the tariff, no costs are charged to the connecting entity;
- **Shallow:** grid users pay for the infrastructure connecting its installation to the transmission grid (line/cable and other necessary equipment);
- **Deep:** shallow + all other reinforcements/extensions in existing network, required in the transmission grid to enable the grid user to be connected.

In case applied charging rules do not exactly suit any of the three above definitions, but are between any of them, it is reported as e.g. Super-shallow/Shallow, Shallow/Deep etc. with the corresponding explanation.

The table below summarizes the main features of charging mechanisms in force for first connection to transmission grid.

Table A.7. First connection charges

Country	Charge Type (Super Shallow/Shallow/Deep)	Description
Austria	Shallow	In form of building-cost contribution for generation or tariff for load. Tariff for load: - Network Level 1 - 8.70 €/kW - Network Level 2 - 9.80 €/kW
Belgium	Mainly shallow	<ul style="list-style-type: none"> • Onshore: Everything is socialized, except all installations between the grid user and the substation and the connection bay at the substation. • Offshore: idem. However, a support mechanism foresees in an additional subsidy for the cable connection up to 25 M€
Bosnia and Herzegovina	Shallow	Charges are based on the actual costs. No differentiation of charges for L, G and DSO. No locational differentiation.
Bulgaria	Shallow	The price for connection is paid by the user, for installations up to the point of connection. The price for reinforcement of the grid is paid by the operator. There is no any different treatment of users
Croatia	Deep	<p>G – pays for the infrastructure connecting its installation to the transmission grid and extensions in existing network</p> <p>L – pays according to formula $NVN = cVN \cdot P$ (capacity kW * 1.350,00 HRK = 176,2 EUR/kW or actual costs if difference between formula and real costs is more/less than 20%</p> <p>G – pays for the infrastructure connecting its installation to the transmission grid and extensions in existing network</p> <p>L – pays according to formula $NVN = cVN \cdot P$ (capacity kW * 1.350,00 HRK = 176,2 EUR/kW or actual costs if difference between formula and real costs is more/less than 20%</p>
Cyprus	Shallow	

Czech Republic	Shallow	No locational differentiation Connection fees: 7214 €/MW for energy withdrawal (load) 18 034 €/MW for energy injection (generation)
Denmark	Super-Shallow to partially Shallow	In some cases charges are calculated to a fictitious point that can be closer than the physical connection point. Charges are not differentiated for L, G or DSO's and there is no locational differentiation. In most cases the costs are socialized in the tariffs – if not the charges to the grid user are based on actual costs.
Estonia	Deep	Customer pays for all
Finland	Shallow	Standard fee based on average costs of connection infrastructure. No differentiation of charges for L, G, DSO. No locational differentiation.
France	Shallow	<ul style="list-style-type: none"> • G, L, DSOs: The connection is made to the nearest substation where the appropriate voltage level is available and where this connection is technically possible. No locational differentiation, charges based on actual costs. Generators pay 100 % of the cost, consumers pay 70 % of the cost of their main connection. • RES: Network development costs due to RES integration are mutualized on a regional basis. No locational differentiation, charges based on actual costs.
Germany	Shallow to Super shallow	Charging is generally based on actual costs. Grid users pay for their own connection line and substation. General reinforcements of the grid are socialized via tariffs. No differentiation of charges for L, G or DSO.
Great Britain	Super Shallow	This applies to both generation and load and means that connection charges relate only to the costs of assets installed solely for, and only capable of use by, an individual user. All other assets are assumed to be shared and their costs are included in the wider locational transmission tariff.
Greece	Shallow	Grid users pay for the infrastructure connecting its installation to the transmission grid. The charge includes studies, materials check, construction, supervision and delivery costs. The costs depend on distance or voltage level and they differentiate according to the installation location characteristics (e.g. ground morphology) or any other special project requirements
Hungary	Shallow/Deep	Charging is based on actual costs. Establishing a new connection for a generator incurs a maximum 100% of investment costs charged, same for a single customer is a maximum 70% or 1 million HUF/MVA (3,176 EUR/MVA, exchange rate: 314,89 HUF/EUR), whichever larger. If the generator used at least 50 % of renewable energy for its production per year, it pays only 70 % of the investment costs, and if this value is at least 90 %, it pays only 50 % of the investment costs. Multiple generators and/or customers on the new connection are charged proportionally. No locational differentiation.

Iceland	Shallow / Deep	Charges are based on actual costs and borne by the Producer (G).
Ireland	Shallow	<p>All connecting parties pay for the connection to the system (using a Least Cost Chargeable methodology). Demand customers only pay 50% while generators pay 100% of connection charges.</p> <p>Comments: change in wording of this section from "Semi Deep Locational Charges" in 2014 to "Shallow" in 2015, as this question is interpreted to be related to Upfront Connection Charges ONLY rather than charges paid by the generation over the lifetime of the project through monthly tariff (i.e GTUoS- which is where the "Semi-Deep Locational classification came from).</p>
Italy	Shallow	<p><u>Connection of production plants - G</u></p> <p>When first requesting the connection, applicants pay upfront Terna a fixed amount of 2.500€ to get a general appraisal of the possible connection solution. Once obtained the authorization, applicants pay upfront Terna an amount of 2.500€+ 0,5 €/kW (max 50.000€) for a more detailed project plan. Grid user bears costs for building the grid connection plant, for their own connection line. Enhancements of the NTG are socialized in tariff.</p> <p><u>Connection of consumption units – L</u></p> <p>Applicants pay Terna a connection fee equal to 50% of the expenditure for building grid connection plant including cost of the materials and labour costs as well as overheads, assumed equal to 20% of these amounts.</p> <p><u>Connection of DSO</u></p> <p>The DSO/TSO that implements the connection plant recovers the incurred costs through tariff</p>
Latvia	Deep	<p>Grid users builds own connection line. All connection equipment and reinforcement are included in the connection fee. Producer (G) always has to compensate 100% from new connection charge. DSO must compensate 100% from new connection charge. For load increasing of existing connection DSO must compensate connection fee pro-rata with load increasing. Consumer (L): Must compensate 100% of new connection charge and must compensate existing connection load increasing by pro-rata with load increasing, except consumers, who have special connection status issued by National Authority (Regulations on the Special Connection to the Electricity Transmission System). The Special Connection to the Electricity transmission system is allocated by Cabinet of Ministers. If the Consumer has the special connection case, then compensation costs from consumer side are: 66% with load ≥ 50 MW and consumption ≥ 100000 MWh in the nearest two years; 33% with load ≥ 75 MW and consumption ≥ 150000 MWh in the nearest two years; 0% with load ≥ 100 MW and consumption ≥ 200000 MWh in the nearest two years. Other charges are compensated from TSO side. No locational differentiation. Charging is based only on actual costs.</p>
Lithuania	Deep	<p>100% of all actual connection costs, exception for the renewable generators - 40% of all actual connection costs.</p>

Luxembourg	Shallow	Grid users (L,G,DSO) pay the actual costs for their own connection line and substation. General reinforcements of the grid are socialized in the tariffs.
FYROM	Shallow	Grid user has to pay for his own connection line and substation, to meet security criteria
Montenegro	Shallow	There is no difference in cost for L,G and DSO
Netherlands	Shallow	The connection charge consists of the costs to connect the client's installation to the client's circuit end connecting to the TenneT station.
Northern Ireland	Shallow	Load and generation over 1MW pay 100% shallow connection costs. Connection costs will be based on out turn cost or a fixed quotation.
Norway	Super shallow	All costs relating transmission network infrastructure are socialized via the tariff. Grid users pay for the infrastructure connecting its installation to the transmission grid First connection charges are hardly ever charged by the Norwegian TSO, but TSO do have the opportunity to charge if certain conditions are met.
Poland	Shallow	The enterprise which is going to be connected pay for all the expenditures to build the connection site which contains the direct line and extension or rebuilding costs for the substation (if necessary) where connection takes place. The reinforcement and development of existing network is performed by TSO. Connection charges are: <ul style="list-style-type: none"> • Final customers (load) pay 25% of total investment expenditures • RES units of installed capacity \leq5MW pay 50% of total investment expenditures • Co-generation units of installed capacity \leq1MW pay 50% of investment expenditures • Other generators and distribution companies pay 100% of total investment expenditures • RES units of installed capacity \leq40 kV don't pay connection charges.
Portugal	G, L: Shallow DSO: Super-shallow	The grid user, either generator (G) or consumer unit (L), has to pay for the cost of the infrastructure needed to connect its installation to the transmission grid but the internal reinforcement/expansion of the grid is endorsed to TSO's responsibility, in the case of G. The connection is made to the nearest substation where it is technically possible and where available capacity exists. For G, the available network capacities are defined in the NDP (National Development Plan) and in the annual document "Network Characterization", according to Decree Law nº 215A and 215B/2012 from October 8th. For L, there is the obligation to connect, according to the Commercial Relationship Code and if internal grid development is needed, it is paid by L. After built, the connection facilities (lines, cables, equipment at substations, etc.) will be integrated in TSO asset; thus TSO is in charge of their O&M costs.

		Concerning the DSO reinforcement needs (there is just one in Portugal) all the costs are socialized via the tariff. The charges are based on the actual costs and no locational differentiation is applied.
Romania	Shallow to Deep	Connection equipment: The connecting entity (generator/load) fully covers the cost of the equipment that connects their installation to the transmission grid. Upstream grid reinforcement: Costs associated to upstream grid reinforcements required to safely connect new users (generators/loads) are: <ul style="list-style-type: none"> • shared between the TSO and generators connecting to the grid; • fully paid by the TSO (and therefore socialized across all transmission users) in case of loads connecting to the grid Connection charge is calculated based on actual costs (on a case by case basis). No differentiation between G and L users (besides the one described above i.e. G users pay for upstream grid reinforcement as opposed to L users in case of which potential needed grid reinforcements are funded by the TSO). No locational differentiation.
Serbia	Shallow/Deep	Shallow: Generators and distributors pay for connection lines aimed at meeting security criteria (the most frequent case is the building of 'in-out' connection toward an existing line) and for substation. Deep: Industrial customers, in addition to payment for connection lines and substations, have to pay connection fees aimed at supporting further network development. Connection fees are: 16030 € per approved power in MW for 110kV level, and 20360 € per approved power in MW for 220kV level. Note: Generally, in 110 kV network, grid users keep ownership over 110/x kV substations
Slovak Republic	Partially Deep	Distribution companies pay 40% actual costs at a connection. Direct customers connected on the TSO pay 100% actual costs at a connection.
Slovenia	Shallow	L: pays the costs of the first connection for all power consumption. G: pays the costs for the first connection in accordance to the consumed power. DSO: does not pay the costs for the first connection. There is no locational differentiation.
Spain	Shallow	Promoter (generator or consumer) pays for the infrastructure necessary to be connected to the transmission grid. All reinforcements that are needed as a consequence of this new connection are included in the National Planning and thus socialized via tariffs.
Sweden	Deep	Generators or consumers connecting to the grid will pay costs related to this (lines, sub stations etc.).
Switzerland	Shallow	Transitional arrangement

Appendix 8: Special tariffs

Special tariff conditions can exist in some countries e.g.:

- Special tariff conditions for low utilization (auto production or own production units behind the connection site, second connection used for emergency situations, pumping stations...);
- Special tariff conditions for high consumption (for instance over 100 GWh per year);
- Special tariff conditions for users fulfilling defined technical criteria of its production/connection site;
- Special tariff conditions for any group of users (e.g. any public utilities, army, etc).

The table below summarizes different charging rules/tariff conditions or exemptions from rules defined as “standard” and applied by TSO’s for specific groups of network users.

Table A.8. Special tariffs

Country	Special Tariff Conditions
Austria	1) For pump storage: The grid usage charge for pumped storage plants for all network levels is: - Energy: Cent 0.070 /kWh - Power: Cent 100.00 /kW 2) Reduced Infrastructure Tariff for negative Ancillary Services Called energy: Cent 0.070 /kWh Additional Power: Cent 100.00 /kW
Belgium	Two kind of special tariffs exist: (1) Grid users with a local production unit (offtake and injection at the same access point) can introduce a special yearly subscription for maximum 75 MW that gives them 30% reduction on the price. This subscription will only be applied for maximum 1.000 hours a year. (2) For the mobile charges of the railway company, the price for subscribed power is reduced with 7%.
Bosnia and Herzegovina	No
Bulgaria	No
Croatia	No
Cyprus	No
Czech Republic	No special tariff conditions Only lower price of system services for so-called “local consumption” – electricity produced and consumed out of TSO or regional DSOs (1.43 €/MWh)
Denmark	1) For grid companies with autoproducers with net settlement, an adjusted settlement basis is applied that takes into account that the autoproducers shall not pay a grid tariff or a system tariff for the part of their consumption that they cover by their own production. 2) Customers with their own 132 kV transformers with settlement on the 132 kV side pay a reduced grid tariff.
Estonia	No

Finland	No
France	<ul style="list-style-type: none"> • Specific tariff for a second connection used for emergency situations. • Specific tariff for multi-locations customers. This tariff considers a unique virtual site, summing all load of the concerned sites, and calculating an annual fee proportional of the necessary length of network to connect these sites. • A DSO directly connected to the lowest voltage level of a transformer that belongs to the TSO can use the tariff of the highest voltage level of this transformer. • A DSO owning lines of the same voltage level as the lines of the TSO it is connected to benefits from a discount. • When the actual temperatures are very low compared to average temperatures, DSOs may benefit from a discount on their capacity overrun. • Occasional planned overrun of contracted capacity: during summer, a customer can benefit from a discount on its tariff during 2 weeks, provided it informs the TSO in advance. • As an exceptional measure, industrial customers connected to the transmission grid benefit from a 50% reduction of their transmission invoice from 1st August 2014 until 31 July 2015, provided they comply with at least one of following conditions: <ul style="list-style-type: none"> • during the 2013 calendar year, their usage duration was higher or equal to 7000 hours and their withdrawn energy was higher than 10 GWh • they are defined as an electro-intensive customer in the French tax code and their consumption during the 2013 calendar year was higher than 500 GWh
Germany	<ul style="list-style-type: none"> • Monthly power price: For final customers with a temporary high power consumption and an obvious lower or no power consumption in the remaining time, a monthly price instead of a yearly price for the power component is offered. • Individual tariff: For final customers with a peak load occurring at a different time period than the maximal power in the grid, an individual tariff is offered. The individual tariff must not be lower than 20 % of the published regular tariff. • Grid fee reduction: For Energy intensive customers (typically heavy industry customers) with energy consumption that exceeds 7 000 full load hours per year and 10 GWh there is a fee reduction. Depending on full load hours, the grid fee has to be at least 10, 15 or 20 % of the normal grid fee. • Grid fee exemption: For pump-storage power stations a grid fee exemption is possible for 10 years if the amount of storage-energy has increased by 5% minimum. • The agreement on both for individual tariffs and grid fee reduction and exemption requires the approval of the regulator.
Great Britain	Small Generators' Discount: €0.335570/kW discount to generation tariff and €0.462304/MWh discount to energy charge for generators below 100MW
Greece	No
Hungary	No
Iceland	<p>Interruptible load (curtailable transmission)</p> <p>Customers with curtailable transmission pay the same energy charge as DSOs but no capacity charge is levied and a 17% discount is granted on the charge for ancillary services.</p> <p>Supply voltage discount</p> <p>A discount of 5% is granted on the capacity charge and energy charge pursuant to where electricity is delivered to distributors at a nominal voltage over 66 kV.</p> <p>Delivery charge discount</p>

	<p>A discount is granted on the out-feed delivery charge if the maximum power out-feed is as follows:</p> <p>In the range of 3.0 – 6.0 MW the discount is 40%.</p> <p>In the range of 1.0 - 3.0 MW the discount is 70 %.</p> <p>DSO Delivery charge discount</p> <p>Distribution system operators shall pay out-feed charges for electricity produced in power plants connected to Landsnet through a distribution system, as follows:</p> <ol style="list-style-type: none"> 1. For energy produced in power plants under 1.42 MW, no out-feed charge is paid. 2. For electricity produced in power plants in the size range of 1.42-3.1 MW, no out-feed charge is paid at the lower limit of the range, but the charge then increases proportionally up to 60% of the full out-feed charge at the upper limit. 3. For energy from power plants of 3.1 – 10 MW, 60% of the full out-feed charge is paid.
Ireland	Autoproducers pay capacity based TUoS charges on the greater of either their contracted Maximum Import Capacity or contracted Maximum Export Capacity, not both.
Italy	Energy withdrawals for generation plants' auxiliary services and for hydro pumping storage plants are exempt from transmission and distribution fees.
Latvia	No
Lithuania	Zero transmission tariff in pumping mode for hydro pump power plant; zero tariff for system services component for DSO grid losses.
Luxembourg	Distribution companies don't have the binominal tariff respecting their simultaneity factor related to the power peak of the grid. They pay a stamp fee, independent of the energy consumption.
FYROM	No
Montenegro	No
Netherlands	There is a special tariff for users with maximum 600 hours. Furthermore there is a volume discount for users with a stable base load profile in the off peak hours.
Northern Ireland	No
Norway	<p>Interruptible load</p> <p>Special tariffs is offered for interrupt load according to agreements.</p> <p>The tariffs are from 5% to 75 % of the regular L-tariff level depending on the kind of agreement.</p> <p>Power intensive industry</p> <p>Consumers with high and stable consumption (Load >15 MW in more than 5000 hours pr year) gets a lower price on the basis of defined criteria. The reduction is about 70% compared to regular load.</p>

Poland	<p>A final consumer is entitled to pay 10% of the quality charge if in the preceding year he fulfilled the following technical and economic conditions:</p> <ul style="list-style-type: none"> • yearly consumption was not less than 400 GWh, • utilization of the contractual power was not less than 50%, • overall costs related to electric energy (purchase and transportation) constitute not less than 15% of the total production costs <p>A final consumer is entitled to pay 28% of the transition charge (covering stranded costs) if in the preceding year he fulfilled the following technical and economic conditions:</p> <ul style="list-style-type: none"> • yearly consumption was not less than 400 GWh, • utilization of the contractual capacity was not less than 60%, • overall costs related to electric energy (purchase and transportation) constitute not less than 15% of the total value of their production.
Portugal	<p>Social tariff for vulnerable costumers (domestic consumers with a contracted power less than 6.9 kVA, who benefit from social insertion income, invalidity and old age social pension). For 2015, the discount is 1.07€/kVA at the fixed term of the access tariffs.</p>
Romania	<p>Small-sized generators (generators with installed capacity of up to 5 MW) are not subject to grid charges</p>
Serbia	<p>For Railways power is charged by total maximum demand, not by maximum demand per substation. Pump storage HPP are not subject of transmission tariff for load they consume. Generator's ancillary supply is subject of transmission tariff but only for its active energy part.</p>
Slovak Republic	<p>Consumers connected directly to transmission system pay in 2015:</p> <ul style="list-style-type: none"> • Tariff for system services discounted by 95% if their utilization of maximum contractual capacity in 2013 were higher than 6,800 hours (average utilization of the contractual capacity was not less than 77,63%) and perpetual deviation of the subject of settlement was lower than 0.025, • Tariffs for access to transmission system and its management: <ul style="list-style-type: none"> - Discounted by 30% if their maximum contractual capacity in 2015 is higher than 200 MW and their energy supplied over transmission system in 2013 was higher than 1 TWh, - Discounted by 50% if their maximum contractual capacity in 2015 is higher than 250 MW and their energy supplied over transmission system in 2013 was higher than 2 TWh, - Discounted by 70% if their maximum contractual capacity in 2015 is higher than 350 MW and their energy supplied over transmission system in 2013 was higher than 2.5 TWh.
Slovenia	<p>No</p>
Spain	<p>Distributors do not pay access tariffs. However, users connected to distribution networks pay for transmission costs in their distribution access tariffs. Transmission allowed revenues are then recovered by the TSO through a centralized settlement process.</p>
Sweden	<p>No</p>
Switzerland	<p>bundling of connection points for national railway operator (SBB)</p>

Appendix 9: Treatment of Final Customers vs Distribution System Operators

Both DSOs and final customers are seen as Load (L) from TSO's perspective.

There might be different tariffs, charges calculation procedures or settlement rules for final customers and distribution system operators. Justification for different treatment might be the load volume of a given network user, the number of connection points to the transmission grid (simultaneous off-take), the network configuration conditions and the co-operation scheme of DSOs with the TSO (often DSOs' network plays a role of sub-transmission grid).

The table below summarizes the main features of different treatment /charging mechanisms of final customers and distribution system operators per TSO.

Table A.9. Treatment Final Customers vs Distribution System Operators

Country	Different treatment between final customer and distributor	Difference with the total charge applied to the base case (%)
Austria	-	-
Belgium	There are no tariffs for DSOs for the studied voltage levels	
Bosnia and Herzegovina	No	0
Bulgaria	No	
Croatia	TSO charges only transmission fees for eligible customers directly on TSO network. For customers that are not directly connected to TSO network transmission fee is collected by DSO and transferred to the TSO.	N/A
Cyprus	No	N/A
Czech Republic	No	
Denmark	The TSO does not charge the customer directly. It is the DSO that charge the customers.	
Estonia	No	
Finland	No	
France	<ul style="list-style-type: none"> • A DSO directly connected to the lowest voltage level of a transformer that belongs to the TSO can use the tariff of the highest voltage level of this transformer. • A DSO owning lines of the same voltage level as the lines of the TSO it is connected to benefits from a discount. • When the actual temperatures are very low compared to average 	N/A

	temperatures, DSOs may benefit from a discount on their capacity overrun.	
Germany	No	
Great Britain	No	
Greece	Presently ADMIE does not charge final customers but load representatives. It is the load representative who charges final customers connected to the transmission network.	
Hungary	<p>The transmission and system operation tariff is regulated by the type of costumers.</p> <p>Distributors pay a higher tariff to MAVIR. The TSO's income of the additional part is repaid in another sum – which is calculated with a predetermined percentage by Regulator's decision (HEO) - for the distributors.</p> <p>Thus:</p> <p>Transmission and system operation charge for eligible costumer: 3.88 €/MWh</p> <p>Transmission and system operation charge for distributor: 9.14 €/MWh</p> <p>Income of the positive difference of Transmission and system operation charge for distributors is paid back for the distributors in percentage as a rebate.</p> <p>Calculation: $[(\text{injection /kWh} / * 526.2 \text{ c } \text{€}) * n_1+n_2+n_3+\dots \text{ \%}]$,</p> <p>where $\sum n = 100 \text{ \%}$</p> <p>Charge for ancillary services is the same for every company.</p>	<p>135.7 % on transmission and system operation tariff, on both tariff elements</p> <p>87.4 % before rebate</p>
Iceland	No	
Ireland	No	
Italy	In Italy distributors invoice to the final consumers the transmission component TRAS, differentiated according to the voltage level of the grid to take into account losses, and pay back to Terna the CTR (infrastructure component of Transmission Tariff) for withdrawal of energy from NTG. The other tariff components are invoiced by Terna directly to the dispatching users.	
Latvia	No	

Lithuania	No	
Luxembourg	DSOs pay a stamp fee, only related to peak usage (28,12€/kW/Y). Final 220kV customers pay a peak usage fee and an energy consumption fee.	117
FYROM	There is no different treatment between final consumers and distributors	
Montenegro	No	No
Netherlands	No	
Northern Ireland	No	N/A
Norway	No	
Poland	<p>There is no differentiation between final consumers and distributors but between kinds of points of delivery (PoD). There are two different rates for access to the transmission network: one called "final" PoD (where end consumption is connected) and other called "network" PoD (which are PoD of DSOs having more than two PoDs, and these PoDs are nodes of meshed distribution network 110 kV).</p> <p>In final PoD contractual capacity is reserved by and extra charges applied in case of exceeding, in network PoD contractual capacity is determined based on actual energy flows, no extra charges in case of exceeding.</p>	The total charge (without stranded costs) for users connected in "final PoDs" amounts to 68% of the charge paid by DSO in "network PoDs".
Portugal	No. The TSO charges to the distribution all the energy delivered and is the distributor who charges costumers connected to the transmission network.	
Romania	No	N/A
Serbia	No	No
Slovak Republic	No	
Slovenia	No	No
Spain	No	
Sweden	No	
Switzerland	Bundling of connection points for national railway operator (SBB)	N/A

Appendix 10: Reactive Energy

In some countries, charges for reactive energy are applied.

The tariff rates may be applied to every MVarh of measured reactive energy or only under pre-defined conditions.

Two charging schemes for reactive energy exist:

- **Reactive Tariff:** A regular tariff rate is applied to each MVarh of reactive energy produced and/or consumed.
- **Penalty:** Reactive energy produced and/or consumed is charged only if some pre-defined conditions are met. Examples can be excesses of energy off-taken/fed-in during a given period or excess levels of $\cos \varphi$ or $\text{tg } \varphi$.

The table below summarizes main features of charging mechanisms applied by TSO's for reactive energy for users connected to transmission network.

Table A.10. Reactive Energy

Country	Reactive Tariff (Y/N)	Penalty (Y/N)	Quantity/Conditions of application
Austria	-	-	-
Belgium	N	Y	<ul style="list-style-type: none"> • Elia System Operator makes quarter-hourly deliveries of reactive power that exceed $\text{tg } \varphi=0,329$ per offtake point. This leads to a term for supplementary deliveries of reactive energy, according to the article 209 §4 and §5 of the Technical Code. This term is function of the time of the day and the reactive regime of the customer. • In case the offtaken active energy does not exceed, on a quarterly basis, 10% of the valid subscriptions at any given point, the additional delivery of reactive energy will be defined as the excess in respect of 32,9% of the 10% of the valid subscriptions at that point. • In case the capacitive reactive power of the customer being in offtake regime doesn't exceed the following limit values, penalty for supplementary deliveries of reactive energy equals 0€/MVarh. Voltage level (kV) // Limit values capacitive reactive power (MVar): 400-380 // 9 220-150 // 9 132-50 // 2,5
Bosnia and Herzegovina	N	Y	The tariff for excessive take-on of reactive power shall be paid by eligible customers connected to the transmission network. The tariff set on 5.56 €/MVarh. Excessive take-on of reactive power shall be a positive difference between the measured reactive power and reactive power which corresponds to the power factor $\cos \varphi=0.95$ inductivity, i.e. it is the reactive power exceeding 33% of active power which is taken over.

Bulgaria	N	Y	Different rules for injected and consumed reactive power. The consumed reactive power for which the penalty is imposed is calculated on the basis of a formula: $E_{rp} = E_{rconsumed} - E_{aconsumed}$. The penalty for consumed reactive power is 10% from the wholesale price of the active power. The penalty for injected reactive power is 100% from the wholesale price of the active power.
Croatia	Y	N	Quantity appx. 88.800.000 kvahr. Reactive energy is paid monthly according to metered consumption. Tariff for reactive energy is 0.0209 EUR/kvarh. It is paid buy L directly connected to the 110 kV transmission network. According to Tariff system tariff item for excess reactive energy, both induction and capacitive, is the same for all voltage levels, but excess reactive energy is calculated as positive difference between the actually measured reactive energy and reactive energy that corresponds to an average power factor lower than 0.95 which equals approximately 33% of reactive energy. It is charged to customers on monthly basis.
Cyprus	N	N	N
Czech Republic	N	N	
Denmark	N	N	
Estonia	Y	N	Always
Finland	N	Y	Agreed limits based on yearly off-take energy on use of reactive energy for each group of connection points. If the limits are exceeded, the penalties are used: * 3000 €/Mvar for excess reactive power (monthly maximum) * 10 €/Mvarh for excess reactive energy For capacitive energy the limit is 1/4 * inductive limit. Charges are applied to all customers (G, L, DSOs). There is no locational differentiation. <i>http://www.fingrid.fi/en/customers/Customers%20attachments/Grid%20service/appendix_4.pdf</i>
France	N	Y	If reactive energy/active energy ($tg \phi$) >0.4 for each connection point from 01/11 to 31/03 (from Mondays to Saturdays from 6h to 22h): <ul style="list-style-type: none"> • 1.31 c€/kVArh is invoiced for 500-350 kV customers. • 1.40 c€/kVArh is invoiced for 350-130 kV customers. • 1.57 c€/kVArh is invoiced for 130-50 kV customers (these values apply from 01/08/2014 to 31/07/2015). Customers having tariffs with time differentiation (i.e. connection voltage lower than 350 kV) have to pay only if their $tg \phi$ is higher than 0.4 during peak and winter mid-peak hours.
Germany	Y/N	Y/N	Charging schemes for reactive energy are not equally applied due to different contractual arrangements between TSOs and customers. In particular circumstances customers are charged for reactive power usage (charge up to 9.20

			€/MVarh). Power Plants are reimbursed for the provision of reactive power.
Great Britain	N		
Greece	N	N	
Hungary	N	N	N
Iceland	N	Y	Landsnet's tariff scheme assumes a minimum average power factor of $\cos \varphi$ 0.9 at the out-feed for distribution system operators and $\cos \varphi$ 0.98 for power intensive users, at each point of delivery. In the event that the average power factor of a single month falls below the limits above, the energy charge and capacity charge shall increase by 2% for each 1% that the power factor falls below the limit.
Ireland	Y	Y	Leading Lagging Charges included in Generator Performance Incentives. Reactive Power Leading 0.30 €/ MWh. Reactive Power Lagging 0.30 €/ MWh. See Other System Charges in Statement of Charge
Italy	N	Y	A charge in €/Kvarh is applied for reactive energy (inductive) withdrawn from the transmission/distribution grids where $\cos \varphi$ exceeds a set threshold. $\cos \varphi$ is calculated for each connection point unless there is a HV distribution connection between points; in such a case $\cos \varphi$ is calculated on the aggregation of connection points. In both cases charges applied are: <ul style="list-style-type: none"> • Reactive energy between 50% and 75% of active energy: 0.86 €/Kvarh. • Reactive energy over than 75% of active energy: 1.1 €/Kvarh. Then DSOs pay Terna for reactive energy withdrawn from the transmission grid and Terna pays DSOs for reactive energy withdrawn from the distribution grid. The difference paid/received by Terna increases/decreases the amount of the ancillary services. There is also a charge paid to DSOs by final consumers with an available capacity higher than 16.5 kW for reactive energy withdrawn from the distribution above a set $\cos \varphi$ threshold.
Latvia	Y	N	Reactive power tariffication between TSO and DSO not applied in Latvia. Reactive power tariff exist only for consumers, in cases where phase factor $\text{tg}\varphi$ is above 0.4: reactive power tariff for consuming is 4.27€/MVarh (if $\text{tg}\varphi \geq 0,4$). Tariff for reactive power generation to the transmission network is 12.81€/MVarh.
Lithuania	Y	N	Applied to all consumers for each connection point: 0.51 €/MVarh for consumption and 1.02 €/MVarh for generation of reactive energy

Luxembourg	N	Y	Charged if reactive energy exceeds 50% of the consumed energy / L / 11.16€/MVAh if $\cos\phi < 0.9$ inductive
FYROM	Y	Y	Allowed $\cos F = 0.95$
Montenegro	Y	N	Direct users on 110 kV transmission grid are charged for reactive energy. Excessive take-on of reactive power will be collected from direct users, at different prices depending on the technological procedure that the user is conducted, and and it is 20 % of the cost of active energy
Netherlands	N	N	N/A
Northern Ireland	Y	Y	Leading Lagging Charges included in Generator Performance Incentives. Reactive Power Leading 0.31 €/MWh. Reactive Power Lagging 0.31 €/MWh. See Other System Charges in Statement of Charges.
Norway	Y	N	
Poland	N	Y	<p>PSE S.A. apply penalties for excess reactive power by final consumers connected to transmission network in nodes where end consumption is connected and DSOs having only one connection point.</p> <p>The penalty is calculated for each MVahr of passive energy taken-off the HV and EHV network when phase factor $\text{tg}\phi$ is above 0,4 and for each MVahr of passive energy fed into the transmission network regardless the value of phase factor.</p> <p>The charge for excess take-off passive energy (above $\text{tg}\phi = 0.4$) is calculated according to the following formula:</p> $O_{ba} = k \times C_{rk} \times \left(\sqrt{\frac{1 + \text{tg}^2 \phi}{1 + \text{tg}^2 \phi_0}} - 1 \right) \times A$ <p>where:</p> <p>k – coefficient equal 0.5,</p> <p>C_{rk} – unit price of active energy,</p> <p>$\text{tg}\phi$ – measured value of phase factor in period used for settlement of the charges for excess take-off of passive energy,</p> <p>$\text{tg}\phi_0$ – value of phase factor = 0.4 determined in a Agreement between PSE S.A. and customer,</p> <p>A – amount of active energy taken-off the transmission network by customer in a settlement period.</p> <p>The charge for passive energy fed into transmission network (capacity reactive energy) is calculated as a product of the amount of passive energy, the price of active energy C_{rk} and coefficient $k=0.5$.</p>

Portugal	Y	Y	<p>Penalty: The Inductive reactive energy supplied by the transmission network outside the off-peak hours, is charged as follows:</p> <p>7.821 €/MVArh, if $0.3 \leq \text{tg}\phi < 0.4$</p> <p>23.7 €/MVArh, if $0.4 \leq \text{tg}\phi < 0.5$</p> <p>71.1 €/MVArh, if $\text{tg}\phi \geq 0.5$</p> <p>Tariff: The reactive energy received by the transmission network in the off-peak hours, is charged to 17.7 €/MVArh.</p>						
Romania	Y	Y	<p>If $\cos\phi < 0.65$ the penalty applied is three times the reactive tariff for:</p> <ul style="list-style-type: none"> Recorded capacitive energy, Inductive energy with the difference between the consumed reactive energy and the related reactive energy for $\cos\phi=0,92$ 						
Serbia	Y	Y	<p>All users on transmission grid except generators, PSPP and auxiliary power for power plants are charged for reactive energy. If consumed reactive energy exceeds level of $\cos\phi=0.95$ the charge for the exceeding reactive energy is double. The base reactive energy tariff is 1.16 €/MVArh. The reactive energy tariff for $\cos\phi < 0.95$ is 2.32 €/MVArh. These tariffs are applied both to capacitive and inductive reactive energy.</p>						
Slovak Republic	N	N							
Slovenia	N	Y	<p>1: The charges are applied to L and DSO. In case of $\cos\phi < 0.95$ inductive.</p> <p>2: Only inductive energy is charged.</p> <p>3: There is no differentiation about voltage levels, time/period, location.</p> <p>4: The charges are applied for all connection points of given user.</p>						
Spain	Y	Y	<p>A charge in €/MVArh is applied to the reactive energy consumption exceeding 33% of the active energy consumption. Applicable to consumers connected above 1 kV.</p> <p>With few exceptions, this charge is the following for all tariff periods:</p> <table border="1"> <thead> <tr> <th>$\cos\phi$</th> <th>€/kVArh</th> </tr> </thead> <tbody> <tr> <td>$0.80 \leq \cos\phi < 0.95$</td> <td>0.041554</td> </tr> <tr> <td>$\cos\phi < 0.80$</td> <td>0.062332</td> </tr> </tbody> </table> <p>(Orden IET/3586/2011)</p>	$\cos\phi$	€/kVArh	$0.80 \leq \cos\phi < 0.95$	0.041554	$\cos\phi < 0.80$	0.062332
$\cos\phi$	€/kVArh								
$0.80 \leq \cos\phi < 0.95$	0.041554								
$\cos\phi < 0.80$	0.062332								
Sweden	N	N							
Switzerland	Y	N	<p>9.56 €/Mvarh to be paid for individual use of reactive energy; 2.49 €/Mvarh premium for delivery of reactive energy</p>						

Appendix 11: Netting of flows for the application of transmission tariffs

When there is a situation of connected generation and load at the same connection point to the grid, those cases can be treated differently in transmission tariff settlement.

One example of such case is connection of thermo generation units, where there are both directions of energy flows possible – injection of energy to the grid during regular generator operation, and extraction of energy from the grid when generator is down or during preparatory regime for the operation.

Second possible example is the situation when grid user is having generation and another separate load connected to the same substation bus bars, acting as connection point. In this case energy can flow from user's generation to user's separate load via substation bus bars, without actually entering the grid.

The overview of particular national treatment of such situation is presented in the following table:

Table A.11. Netting of flows for the application of transmission tariffs

Country	Only G is considered in the settlement	Only L is considered in the settlement	G and L are treated separately in the settlement	Netting between G and L is performed in the settlement, and tariff for predominant value is applied	Time frame used for netting	Such cases are not existing or not allowed in the grid
Austria						
Belgium			X		Per 15min period	
Bosnia and Herzegovina						
Bulgaria		Yes				N/A
Croatia		X				
Cyprus	N/A	N/A	N/A	N/A	N/A	N/A
Czech Republic		X				
Denmark			X			
Estonia		X				
Finland				X	1 hour	
France				X	10 minutes	
Germany		X				
Great Britain			X			
Greece		X				
Hungary		X			15 minutes	
Iceland		X				
Ireland						X
Italy						
Latvia						
Lithuania				X	1 hour	

Luxembourg						X
FYROM		X				
Montenegro						
Netherlands	N/A		N/A			
Northern Ireland						X
Norway			X		1 hour	
Poland				X	1 month	
Portugal			X			
Romania			X			
Serbia			X			
Slovak Republic			X			
Slovenia		X				
Spain			X			
Sweden				X	1 hour	
Switzerland						X

Country remarks regarding Belgium, Finland, Italy, Poland, Netherlands and Norway are to be found in Appendix 1.

Appendix 12: Exchange rates

For countries for which currency is not €, the tariff figures in this report were converted into € by using the exchange rate dated 31 December 2014.

The table below summarizes exchange rates applied.

Table A.12. Exchange rates

Country	Exchange rate
Bosnia and Herzegovina	1BAM=0.5113€
Bulgaria	1BGN=0.5100€
Croatia	1HRK=0.1305€
Czech Republic	1CZK=0.0361€
Denmark	1DKK=0.1343€
Great Britain	1GBP=1.2841€
Hungary	1HUF=0.0032€
Iceland	1ISK=0.0063€
FYROM	1MKD=0.0163€
Northern Ireland	1GBP=1.2881€
Norway	1NOK=0.1107€
Poland	1PLN=0.2346€
Romania	1RON=0.2231€
Serbia	1RSD=0.0083€
Sweden	1SEK=0.1050€
Switzerland	1CHF=0.8316€

Glossary of terms

Active and Reactive Power

The instantaneous power can be decomposed into two time-varying functions: (i) the real or active power (P), which is measured in watts (W) and is always positive (or zero); and (ii) the reactive power (Q), which is measured in voltamperes reactive (vars) and has an average value of zero. The real or active power P represents the useful power being transmitted. The reactive power Q is capable of no useful work, but is required to control system voltages within adequate ranges for the reliability of the power system.

Black-Start

Black start is the procedure of reestablishing the electricity supply within a control area after a total disruption of the supply.

Cross-border congestion

Situation in which an interconnection linking national transmission networks cannot accommodate all physical flows resulting from international trade requested by market participants, because of a lack of available capacity of the interconnectors and/or the national transmission systems concerned.

Depreciation

TSO Investment costs (sometimes referred to as Capital Expenditures or CAPEX) are not charged to the users at the same time they are incurred. Instead, TSO investment costs are distributed over a regulated useful lifetime of the asset. Depreciation is the annual result of that distribution. Depreciation is charged to users through tariffs, thus allowing the TSO to recover its investment and renew the assets once they are completely depreciated.

Energy-related component

Components of charges allocated to energy (expressed in MWh) consumed, off-taken or injected (consumption and off-taken energy can be different in the case where generation is connected on the same transmission access point)

First Connection charges

Charges borne by new grid users (producer or consumer) aiming to connect to the transmission grid, consisting of TSO's costs for the build of the transmission facility to enable the connection.

G component

Transmission tariff component applied to energy injected into the grid (generation).

Internal congestion

Situation in which an internal national transmission network cannot accommodate all physical flows resulting from internal trade requested by market participants, because of a lack of capacity of the internal transmission system concerned.

ITC

The Inter TSO Compensation Agreement is a multiparty agreement concluded between ENTSO-E, ENTSO-E member countries and Albania. It is designed to compensate parties for costs associated with losses resulting with hosting transits flows on networks and for the costs of hosting those flows.

L component

Transmission tariff component applied to energy off-taken from the grid (load)).

Locational signals

Tariff signals designed to promote the efficient location of generation and consumption.

Losses

The energy losses that occur in the transmission system as a result of the system operating conditions (MW and MVar flows, Voltage levels, system topology, etc.).

OPEX

Operating Expenses needed to operate TSO assets (maintenance costs, staff costs, etc).

Other Regulatory Charges

Charges resulting from provisions imposed by national laws or regulations that are recovered or invoiced by TSOs, but are not directly related to TSO activities. Examples of costs recovered through these types of charges might include: stranded costs, costs of supporting renewable or cogeneration energy production, regulatory levies, Public Service Obligation costs, etc.

Power-related components

Components of charges allocated to contracted power and/or peak power (expressed in MW) which consumed, off-taken or injected.

Primary Reserve

Power which is reserved to respond to frequency changes and which have a very fast response time.

Public Service Obligation

Public Service Obligations (PSOs) are compulsory services that regulators or governments may apply to companies in the public interest.

The transmission system operator and grid owners may be subject to a number of PSOs, such as supply security; payment of subsidies for environmentally-friendly electricity; and research and development of environmentally-friendly production technology, etc.

Return on capital

It is the regulated revenue that allows the TSO to be remunerated for investments. It is charged to users through tariffs.

Stranded costs

Costs incurred in the past by a stakeholder that, after the introduction of some policy change, are considered as not recoverable. In some jurisdictions, the regulator may allow stranded costs to be charged through transmission tariffs.

Seasonal/Time-of-day differentiation

Variation of tariff rates depending on the time of use. Tariffs may vary according to seasons, daily demand profiles, holiday periods, and peak usage times for example.

Secondary reserves

Power which is reserved to respond to frequency changes and which have a higher time of response than primary reserves.

System balancing

System service which involves activating secondary and tertiary reserves for correcting in real time energy deviations from the values specified in contractual schedules of market participants.

System Services or Ancillary Services

Ancillary service means a service necessary for the reliable operation of a transmission or distribution system. Depending on the jurisdiction, the ancillary services may include spinning reserves, frequency reserves, voltage control, black start, etc.

Tertiary reserve

Power available from generators which is reserved to respond to frequency changes which are manually activated.

Unit Transmission Tariff

It is the transmission tariff that is built specifically for the analysis carried out in this Overview. For each country, the Unit Transmission Tariff (UTT) is computed under the hypothesis of a pre-defined "base case" which is described in Section 3.

Transmission Voltage levels

Voltage levels of transmission networks vary across ENTSO-E members, especially the lowest voltage level classified as "transmission". However, in all Member States the voltage levels of 220 kV and above are included as transmission network.

Voltage Control

Voltage Control means the control actions designed to maintain the set voltage level or the set value of Reactive Power.