

# ERCBT Task Force

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# Membership of ETSO CBT scheme

- 9 members prior to 2003:
  - Austria, Belgium, France, Germany, Italy, Netherlands, Portugal, Spain, and Switzerland
- 3 joined in 2003
  - Luxembourg, Greece and Slovenia
- NORDEL and CENTREL have agreed in principle to join on 1st January 2004 (Poland on 1st July 2004)
- Basically leaves UK and Ireland - 2005?

# Calculation of Cost Claim

- **Horizontal Network (HN)**
- The HNs of all countries use the Allocation of Transit Flow (ATF)-method to define which network elements (e.g. a line) are allocated. The determination of the HN costs is based on the regulated costs agreed by the respective regulators and published.
- Moreover, the cost claim for the 2003 CBT mechanism does not include costs of losses induced by transits, contrary to the 2002 system. A separate contract will be established to compensate costs of losses.
- Cost claim calculated using a “Transit Key” based on each country’s average use of the HN
- Fund totals approx. €200M

# Calculation of compensation fund

- ***A first part called “declared export” for CBT scheme members:***
  - A charge on CBT scheme members of € 0.5/MWh is set on all declared exports from CBT scheme members’ area.
- ***A second part called “net flow” for CBT members:***
  - Gross Export - Gross Import per CBT scheme member area charged at €1/MWh (levied via TSO tariffs)
  - *NB: The contribution from the “perimeter” countries (non-CBT members who border CBT area, e.g. UK), as in 2002 mechanism, remains at € 1/MWh as an injection fee on the declared exports from exporters/traders of these countries to the ETSO CBT area.*
- ***A third part of the fund:***
  - In the case that the sum of the two previous parts is less than the ETSO cost claim, the difference will be charged to the exporting CBT members.

# Future Changes

- ETSO vision of a step-by-step approach envisaging further development in years to come
- ETSO is ready for removal of the remaining transit fee (€0.5/MWh fee) in 2004 provided that an agreement will be reached in Europe to introduce locational signals in network tariffs
- Note: Detailed Issues are often agreed only a couple of months before implementation, and after some EU Regulators have set the tariffs for their TSOs

# Unresolved issues

- Inclusion of DC interconnectors
- Perimeter Flows that do not contribute to transits
- Any new methodology that leads to a step change in payments
  
- **Issues for UK**
- Timing of entry
- What are we joining?
- How do our locational tariffs fit in with CBT scheme?