

# European Charging Issues

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# Update

- EU Regulation 1228/2003 came into force 1 July 2004 - concerning conditions of access for cross-border exchanges in electricity
- UK will enter CBT scheme when commitology process concludes
- Commitology process to agree guidelines is proceeding
- New set of EU draft guidelines issues on 1 September

# New Draft Guidelines (CBT)

- EU have taken on board comments from ETSO
- Confirmed UK to enter as separate GB & NI
- Ranges for LRAIC costings has been removed
  - Analysis by ETSO has shown that the fund size could double & further study is required
- Other changes concern detailed treatment of losses & injection fees

# New Draft Guidelines (Tariff Harmonisation)

- Harmonisation of G charges seen more important than L charges
  - Different ranges of G charges to apply individually for Nordel, GB & Ireland (will be re-examined by end 2006)
  - “The value of the annual national average G within the GB system will be at maximum [actual average G in GB] €/MWh”
- Not considered appropriate at this stage to introduce locational signals at the European level (to be reconsidered later)
  - “Given the existence of sufficient locational signals, all **other** charges relating to cross border exchanges must be removed”

# Update on Current Thoughts

- GB Licence changes:
  - Net cost of CBT to be recovered through GB TNUoS
- GB Charging Methodology changes:
  - Modify GB TNUoS methodology so Interconnector Owners do not pay non-locational part of tariff for both generation and demand
  - No change to GB BSUoS charges

# Next Steps

- Guidelines proceeding through commitology process
- UK will enter CBT scheme when commitology process concludes
- GB TSOs talking to Ofgem regarding a licence change consultation process and impact on GB price controls
- Any impact will be introduced in a GB Charging Methodology
- Florence Forum (held in Rome) 16 –17 September