

# EU Tariffs Code Update

Based on Refined Draft as of 30<sup>th</sup> October

## EU Tariff Code next steps

---

- 6<sup>th</sup> Nov: ENTSOG Board approval of text for SSP
- 7<sup>th</sup> - 21<sup>st</sup> Nov: Stakeholder Support Process
- 24<sup>th</sup> - 25<sup>th</sup> Nov: ENTSOG review of SSP comments
- 27<sup>th</sup> Nov: ENTSOG approval of changes arising from SSP
- 4<sup>th</sup> Dec: ENTSOG Board approval of final draft
- 17<sup>th</sup> Dec: ENTSOG General Assembly – formal approval
- 31<sup>st</sup> Dec: Final submission date to ACER

## Key Refined Definitions

---

- ***‘transmission services’*** means the regulated services provided by the transmission system operator to all network users within the entry-exit system for the purpose of transmission;
- ***‘dedicated services’*** means the regulated services other than transmission services provided by the transmission system operator to specific network users, or infrastructure operators, or at specific entry or exit points;

# Cost Allocation Methodologies

---

- Complimentary Revenue Recovery Charge
  - Now purely a commodity based charge
- Cost Allocation Test
  - Text essentially unchanged from previous draft
  - How this works for GB still a concern
  - Should it be assessed in combination with CRRC test?
- Shorthaul
  - No settled view to include explicit reference in Code (ENTSOG Board to decide)

## Additional Publication requirements

---

- *A **simplified tariff model** enabling the network users to calculate the transmission tariffs applicable for the current tariff period and to estimate their possible evolution in the following tariff periods*
  - *Model to be accompanied by the explanations on how to use such tool.*
- ***Or**, sensitivity analyses enabling the network users to estimate the possible evolution of transmission tariffs in the following tariff periods.*

## Publication requirements

---

- Publication notice period for transmission tariffs changed:
  - At least 30 days before beginning of tariff period (as before), **plus**
  - *“At least thirty days before the annual yearly capacity auction, the transmission system operator or the national regulatory authority, as relevant, shall publish the indicative reference prices and the binding multipliers and seasonal factors applicable for the tariff period following such auction”.*
  - **This attempts to address issue that there will be no harmonisation of the tariff setting year but there will now be alignment to the auction calendar**

## Fixed Price to be allowed at IPs

---

- $P_{\downarrow fix} = (P_{\downarrow R, au} \times IND) + RP + AP$

- *Where:*

- $P_{\downarrow fix}$  is the fixed payable price;

- $P_{\downarrow R, au}$  is the applicable reserve price for a yearly standard capacity product which is published at the time when this product is auctioned;

- IND is the chosen index which is accessible to the public

- RP is the risk premium reflecting the benefits of price certainty, which shall be no less than 0.

- AP is the auction premium, if any.

- **Board decision required to ensure that IP can be fixed price only.**

## Mitigation

---

- No one-off reset of capacity contracts but.....
- New line inserted re fixed price contracts:
  - *This Regulation shall not affect the price foreseen in the contracts concluded before entry into force of this regulation, where such a price is calculated in a way other than set out in Article 42(1)(a)\**
- **ENTSOG Board to review this text.**

*\* i.e. a floating payable price*