EU Tariff Network Code

Implementation status and monitoring conclusions

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Agenda

Overview
   Implementation timeline

Where we have been
   Implementation monitoring
   Effect monitoring

Where we are
   Consultations
   ACER’s reviews

What is ahead of us
   ACER’s report on allowed revenues
Overview: Implementation timeline
Application date 1 and entry into force

Application date 2

TSO/NRA: publication before tariff period (Jan-Dec) and ‘early compliance’ publication
2018

**ENTSOG:**
- Monitoring report to ACER

**TSO/NRA:**
- Publication before tariff period (other cases)
- Publication before yearly capacity auctions
- Estimated launch of final consultation

**NRA:**
- Estimated launch of consultation on multipliers, seasonal factors and discounts
2019

Application date 3

TSO/NRA: publication before yearly capacity auctions – based on ‘new’ methodology

NRA: decision on final consultation (send to ACER and EC) and on multipliers, seasonal factors and discounts
Where we have been: Implementation and effect monitoring
Implementation monitoring 2017: lessons learnt

- Publication and consultation requirements are **time consuming**

- Need of **clear and timely agreement** on publication and consultation responsibility split between TSO and NRA
Effect monitoring 2017: lessons learnt

- Indicators **used**: under-/over-recovery of revenues, tariff changes, capacity bookings, availability of publications in English, multipliers

- But most indicators are for Chapters applicable only in **2019**
Where we are: Consultations
Consultation 1

By TSO or NRA, min 5-year cycle (from first completion by May 2019)

- Proposed methodology
- Cost allocation assessments
- Compare tariffs from proposed methodology and from capacity-weighted distance
- Discounts at points from/to storage
- Discounts at points from LNG
- Discounts at points from/to infrastructure for SoS to end isolation of MS
- Information on revenue, commodity and non-transmission tariffs
- Tariff changes and trends, tariff model
- Fixed payable price in price cap regime for existing capacity
By NRA, every tariff period (from first completion by May 2019)

- Multipliers and seasonal factors
- Discounts at points from LNG
- Discounts at points from/to infrastructure for SoS to end isolation of MS
- Discounts for interruptible products
## TAR consultation timeline

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**NRA carrying out the consultation**

**TSO carrying out the consultation**

- **Closed**
  - NL
  - SE
  - RO
  - NI
  - PT
  - DK
  - SI
  - PL
  - PL Yamal

- **Open**
  - IT
  - EL
  - CZ
  - HU
  - SK
  - GB
  - DE
  - AT
  - BE
  - BG
  - EE, FI, LT, LV
  - HR
  - IE
  - ES: tbc
  - FR

*Information updated on 17.9.2018*
ACER’s reviews of methodologies

What ACER must analyse
- Completeness
- Methodology vs criteria
- Commodity and non-transmission tariffs vs criteria

What ACER said
- Missing structural representation of network (NL)
- Missing methodology to forecast bookings, tariff model (SE)
- Need to justify postage stamp instead of capacity-weighted distance (NL, SE)
- Welcomes high degree of details (NL)
What is ahead of us: ACER’s report on allowed revenues
Results of September Workshop

What ACER must do

- Report on ‘methodologies and parameters used to determine the allowed/target revenue of TSOs’

Report content

- Description of regulatory framework
- Harmonisation often inappropriate (RAB, WACC)
- Benchmarking of costs could be useful

Feedback

- Stakeholders quite supportive
- NRAs sceptical
- EC may feed report into studies
- No recommendations expected from ACER
Thank You for Your Attention

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