Public Consultation on Assessment of the Annual Cross-Border Infrastructure Compensation Sum

The Austrian Federal Chamber of Labour (BAK) is the legal representation of interest for about 3.2 million employees and consumers in Austria. It represents its members in all social, educational, economical and consumer policy matters both at national and Brussels EU level. Within this legal mandate we would like to point out our opinion on the Cross-Border Infrastructure Compensation sum (ITC) as mentioned below.

Regulation (EC) No 714/2009 Article 13 sets out that Transmission System Operators (TSO) shall receive compensation for costs incurred as a result of hosting cross-border flows of electricity on their networks. The ITC infrastructure fund is currently set at EUR 100 000 000, which, according to the Austrian TSO (APG), is by far not sufficient to compensate the costs out of cross border flows for the APG.

Unfortunately, we were informed about the relevant public consultation as to the Consentec Study commissioned by ACER only belatedly. Therefore, we would like to set out the following priority topic, as we are unable to perform a detailed scrutiny of the proposed consultation questions envisaging a) the methodology options for determining the annual cross border infrastructure compensation sum fund size based on the LRAIC principles b) the criteria for assessing these options and c) the result of the assessment together with the preliminary numerical results of these options.

Austria as a transit country has to bear an important part of these cross border flows and consequently the occurring costs. Austrian households have to bear already about 50% of total the financing of the Austrian grid-costs, although their total power consumption amounts only to 25%. Additionally, they are burdened by the costs for the financing of renewable energy subsidies.
Therefore, from the BAK’s point of view it is adamant that Austrian electricity consumers are not faced with further unjustified charges.
BAK argues the case for the application of a cost model that guarantees the costs are borne according to the users pay principle. Therefore, the fund has to be sufficiently provisioned to compensate the full costs caused by cross border flows for the Austrian TSO, otherwise households would have to bear an unacceptable cost burden.

The BAK kindly request You, to consider our arguments within the ongoing consultation process.

Yours sincerely

Herbert Tumpel
President

Günther Chaloupek
on behalf of the director general

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