

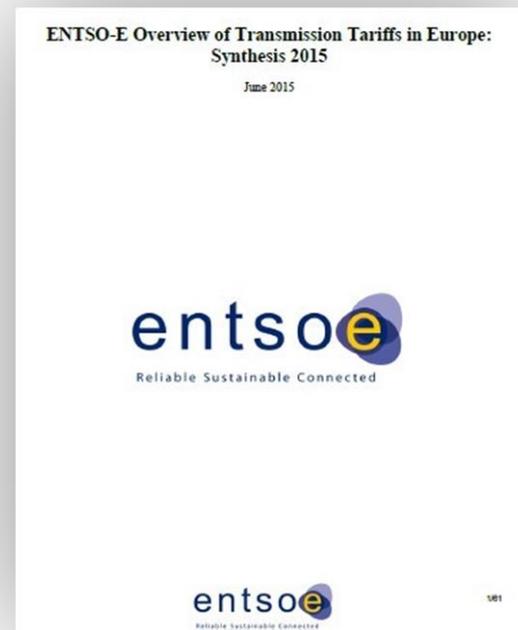
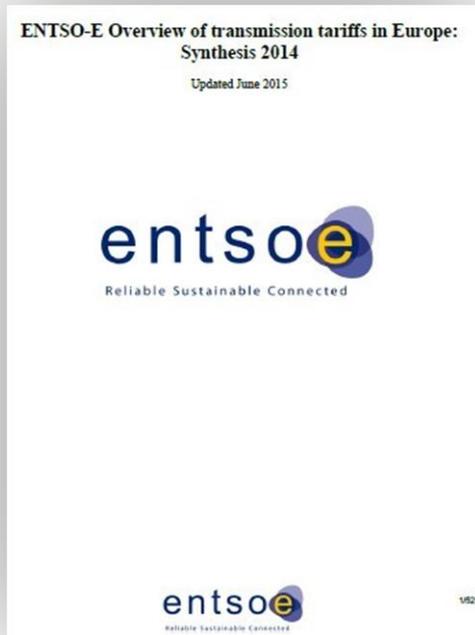
Tariff structure harmonisation: ENTSO-E key messages

17 September 2015

- The CEPA report provides sufficient evidence not to take any actions in the short term, as the benefits are not likely to outweigh the costs.
- ENTSO-E supports the main conclusions of CEPA's report regarding the short term position.
- ENTSO-E believes that it is sufficient in the short term that ACER is continuing its monitoring in accordance with current practice.

- In the longer term, there might be more basis for tariff structure harmonisation, if the conditions as indicated in the CEPA report are met. Then the following would be of importance:
 - ✓ A clear objective is required (what is the objective of the tariff structure and its harmonisation)
 - ✓ Assessment of the link between tariff structure and market arrangements
 - ✓ Assessment of the link between tariff structure and other policy goals
 - ✓ Assessment of the methodology/legal basis to be transparent and relatively simple, furthermore there is a need for a sound legal basis to avoid possible future court cases due to ambiguity
- Existing tariff structures are often a trade-off between various objectives. ENTSO-E stresses that it is important to take note of the impact the tariff structure might have on existing market arrangements and other policy objectives.
- ENTSO-E believes the full implementation of existing network codes is prerequisite for further discussion on tariff structure harmonisation.

- ENTSO-E already strives to provide transparency by publishing the annual tariff overview from 2009, on a voluntary basis.



<https://www.entsoe.eu/publications/market-reports/transmission-tariffs/Pages/default.aspx>

With respect to the relevant policy objectives, ENTSO-E should mainly focus on the relevant objectives from a network point of view:

- The tariff structure should stimulate efficient behavior for grid users
- The tariff structures should, among other things, reflect current market development: i.e. an increase in power base of tariffs and growing importance of locational aspects, etc
- The tariff structure should ensure full cost recovery for the TSO



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