



Reporting to the European Commission on TSO charging structures and values of ‘annual national G’

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1. Background

According to the Guidelines on Transmission Tarification the value of 'annual national average G' must be within a range of 0 to 0,5€/MWh for each of the Member States. Exemptions exist for countries within the Nordel system for which this value is set to a maximum of 0,7€/MWh and for Great Britain, Republic of Ireland and Northern Ireland with an average value which shall not exceed 2,5€/MWh.

The Guidelines define the value of the 'annual national average G' as annual total transmission tariff charges paid by generators divided by the total measured energy injected annually by generators to the transmission network. The annual average G shall exclude connection charges as well as any charges related to ancillary services or any specific network loss charges.

National regulators shall report to the Commission how the TSOs charging structures will comply with the Guidelines and they shall provide the value of the annual national average G to the Commission.

The Commission will publish G-values in Member States as a part of their annual reporting.

2. Definition of 'annual national average G'

The G-value is calculated by using the total annual transmission tariff charges paid by generators connected to the transmission grid, divided by the total measured energy injected annually by these generators to the transmission grid. The value includes only charges from generators directly connected to the transmission grid and injected energy to the grid. It does not include charges delivered e.g. by generators residing in the networks of lower voltage levels or producing energy for their own demand.

$$\bar{G} = \frac{\sum C_n}{\sum W_n}$$

Where \bar{G} is the national average G charge in €/MWh

C_n is the total annually transmission tariff charge in € paid by generator n

W_n is the total annually energy in MWh injected to the transmission grid by generator n

The G-value shall exclude any charges for connecting generators to the grid or for renewal of the connection. Furthermore charges related to ancillary services, specific costs of network losses paid by generators, taxes and any charges not related to transmission network use (i.e. green energy surcharges) shall be excluded when G-value is defined. The ancillary services include e.g. primary control, secondary control, balancing energy, reactive power.

3. Reporting

3.1. Report on Charging Structure and G-Values

The first report shall be submitted in electronic form to ERGEG and shall include the following information:

- A short general description of the transmission tariff structure in the country, e.g.
 - structure of transmission system, definition of transmission network, number of TSOs
 - legal basis for transmission tariffication
 - costing principles for tariffication
 - cost allocation (cascading) of transmission costs to lower voltage levels
 - elements included in tariffs
 - split of transmission charges between producers and consumers
- Connection charges paid by generators and/or loads
 - methodology for connection charges for loads and generation
- Charges for ancillary services paid by generators and/or loads
- Charges for location paid by generators and/or loads
- Additional charges to be paid by generators and/or loads if any (e.g. taxes, surcharge for green energy)
- Average G-charge
 - Information on what elements are included in G-charge
 - Maximum/minimum individual G-charge
 - Value of average G-charge
 - Additional information e.g. method for changing MW to MWh, exchange rate from national currency to €
- Compliance of TSO charging structures with the guidelines¹
 - Compliance with ranges set in guidelines
 - Measures needed to be taken to comply with ranges

In subsequent years only the value of the average national G-value shall be submitted to ERGEG in electronic form using the CEER database. If amendments or changes to the charging structure are made it has to be included in the annual report.

3.2. Administration

Report on charging structure and G-values shall be part of annual benchmarking report prepared by every national regulator by the end of July. ERGEG collects these reports from the regulators and delivers reports collectively to the Commission. Template to collect the average G-charges should be prepared for the CEER database.

¹ to be reported when Guidelines on Transmission Tarification are in force

3.3. Time

In the first year of implementation of the Guidelines on Transmission Tarification, national regulators shall give the report on structure and the G-value from the previous year - as an indicative value - by the end of February. However, it is proposed to prepare the first report on charging structure and G-values using the reporting structure defined in chapter 3.1 during the first half of the year 2007.

In the following years of the implementation only amendments to the charging structure and changes in G-values shall be provided by national regulators to the Commission annually by the end of July for the previous year.