

## ACER Webinar on Time-of-Use Electricity Network Tariffs

Tuesday, 16 November 2021, 10:00 – 12:00 CET

AGENDA		
09:45 - 10:00	Dial-in time	Starts promptly at 10:00
10:00 - 10:05	Opening	Welcome note by Christophe Gence-Creux, ACER
10:05 - 10:45	<b>NRA presentations on national practices:</b> Antoine Dereuddre (CRE, France) Clara Gonzales Bravo (CNMC, Spain) Luca Lo Schiavo (ARERA, Italy) Gilles Wilmart (CREG, Belgium)	Moderator: Charles Verhaeghe, CRE
10:45 - 11:20	<b>Key notes from independent experts:</b> Andreas Jahn (RAP) Tim Schittekatte (FSR/MIT) <b>Panel discussion with NRA speakers and            independent experts</b>	
11:20 - 11:55	<b>All participants' discussion</b>	
11:55 – 12:00	Closing	

### **Webinar's Objective and Participation:**

The electricity transmission and distribution networks form the backbone of the local and European energy systems and play a key role in the energy transition. Electricity network tariffs have the core objective to recover the costs incurred by transmission and distribution system operators. At the same time, tariff methodologies should neutrally support overall system efficiency by providing appropriate incentives to the system operators and price signals to network users, and balance between several other tariff-setting principles.

Pursuant to the Electricity Regulation (EU) 943/2019, at least every two years, ACER shall provide and update a report on electricity transmission and distribution tariff methodologies' best practices, while taking account of national specificities. National regulatory authorities shall duly consider these reports before fixing or approving the network tariffs or their methodologies.

ACER published its [report on transmission tariff methodologies in Europe](#) in Dec 2019 and its [report on distribution tariff methodologies in Europe](#) in Jan 2021. The reports provide ACER's analysis of national practices as well as corresponding recommendations and represent a starting point to increase the transparency and comparability in tariff-setting.

Ahead of ACER's next network tariffs report, ACER would like to discuss with NRAs, independent experts and targeted stakeholders (in particular, European associations representing different network user groups). The topics for discussion have been identified as of broad interest and/or of potentially conflicting views. The discussions are to facilitate ACER's work on network tariffs, in particular regarding recommended or not recommended tariff practices.

This webinar covers the time of use signals embedded in transmission and distribution network tariffs. In this regard, ACER found that:

- Most Member States have static time signals embedded in their network tariffs. Some apply for distribution only, while others for both distribution and transmission. The time signals are embedded mostly in the withdrawal charges (rare for injection charges)
- Several time signals types (seasonal/day and night/peak/) often coexist, to foster adequate guidance of the consumption. The most commonly used time-differentiation in the Member States is a day/night differentiation.
- The time-element is typically embedded in the energy component, or in both the energy and the power components.
- Dynamic distribution tariffs are not implemented in any Member State.

(Static) time-of-use tariffs can be a useful tool for reducing system peak load, which is a main driver for network investments, thereby promoting network efficiency. ACER notes that time-of-use gains a higher importance than in the past with the introduction of distributed generation and increasing demand from e.g. electric heating and electric vehicles and with the increasing capability of some resources and some network users to respond to time signals.

**Questions to NRA speakers:**

ACER is kindly asking NRA speakers to focus on the following issues in their presentations:

- What was your main motivation for the introduction/phase out of time-of-use network tariffs? Which problem you tried to solve with them?
- Did you face any conflict between the economic signals provided to the network users by the time-of-use network tariffs and by the energy price or other challenge (e.g. peak-shifting to next period)? If yes, how did you address it?
- What are your main lessons learned so far? Did the practice eventually meet your original expectations? Which time-of-use signals proved to be the most efficient? How could it be further improved?

**Questions targeted at the panel discussion as well as at the all participant's discussion:**

ACER is asking panelists' views as well as other participants' views in particular on the following issues:

1. Do you consider that static time-of-use signals are an effective regulatory tool? If it depends on some features of the regulatory framework, please clarify.
2. What do you see as the major risk factors and/or complexities in applying static time-of-use signals and why?
3. In your view, should time-of-use network tariffs be mandatory or be optionally chosen by the network users? Please further explain.

**We also kindly ask each participant of the webinar to provide their 2-3 key messages with regard to time-of-use tariffs in writing to [electricity@acer.europa.eu](mailto:electricity@acer.europa.eu) at least a few days ahead of the webinar.**