



Press release

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**European Cross-Border Power Transmission Tariffs:
A move in the wrong direction?**

EFET is concerned at the direction of the European debate about transmission tariffs supposed to compensate the costs of cross-border and transit flows of electricity. The apparent outcome of the latest "Florence Working Group" on 15th September indicates a possible tolerance for tariffs in individual countries, which would remain effectively transaction based.

It seems, however, only German and French representatives have indicated to the E.U. Commission a wish to apply tariffs at a rate of Euro 2/MWh to export from their power markets to others within continental Europe. Transmission system operators, governments and regulators in other countries which were supposed to be part of the original ETSO scheme for a uniform tariff at that rate appear to have realised the wisdom of addressing to the principle point of connection tariffs. They would thus use this principle also for coverage of their part of the costs of the interconnected high-voltage system.

EFET continues to advocate tariffs for cross-border transmission which are charged only to connected generation and/or load, therefore, not only to those market participants who "declare" exports (or imports). A one-year temporary solution which would entail the abolition of transit fees and import related fees inside the E.U. is to be welcomed but even if German and French operators want during that year to charge exporters, two stipulations are essential:

- First, exporters should be credited against the tariff they pay (whether Euro 2/MWh or another sum) with part of the proceeds of receipts by those operators from the ETSO scheme, as well as the proceeds of any capacity allocations at congested borders.
- Second, all E.U. Member States should rigorously introduce a cross-border tariffication scheme from October 2001 which is only point of connection based.

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