

PUBLIC CONSULTATION

THE FUTURE NETWORK TARIFF STRUCTURE FOR MV, HV AND VHV VOLTAGE LEVELS

Online Workshop
26 June 2025



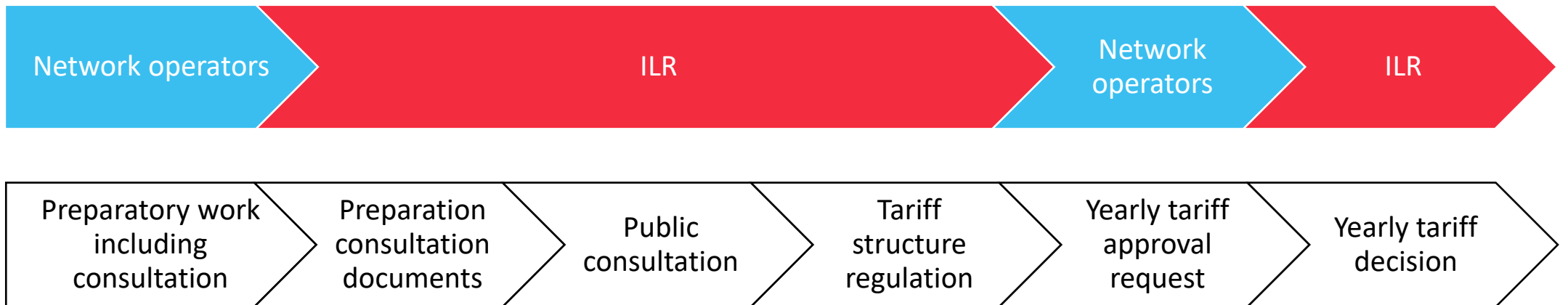
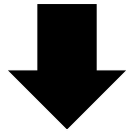
Content

- Explain the workshop's objectives
- Provide more info on the background of the consultation
- Regulatory procedure for a New Tariff Structure
- Come back to the insights from 2022 ILR Consultation
- Go through the Consentec Study (2025)
- Explain the 11 questions to stakeholders
- Purpose of the Consultation
- How to participate
- Open questions

Background – Why a tariff reform is needed?

- Energy transition
 - Increased flows
 - Decentralisation of production
 - New usage patterns
- Annual grid investment in Europe expected to double by 2050
- Upcoming limits with Current Tariff Design
 - Current structure is based on a single 15-minute peak, even during off-peak times
 - Simultaneity factor leads to instability and unpredictable tariff components
 - Only consumers pay for the network development and maintenance
 - No incentive to consume during renewable production peaks (e.g. solar noon)
 - No integration of flexibility
 - No pricing signals to reward grid-friendly flexibility

Regulatory procedure for a New Tariff Structure



Insights from 2022 ILR Consultation

- Ex-ante subscribed capacity tariff structure
- Time-segmented pricing for peak/off-peak signals
- Differentiation between firm and interruptible capacity options with differentiated pricing
- Less weight on energy volume, more on capacity signals
- Encourage flexibility over costly grid expansion
- Clear, predictable, transparent, non-discriminatory design adapted to user type and voltage level

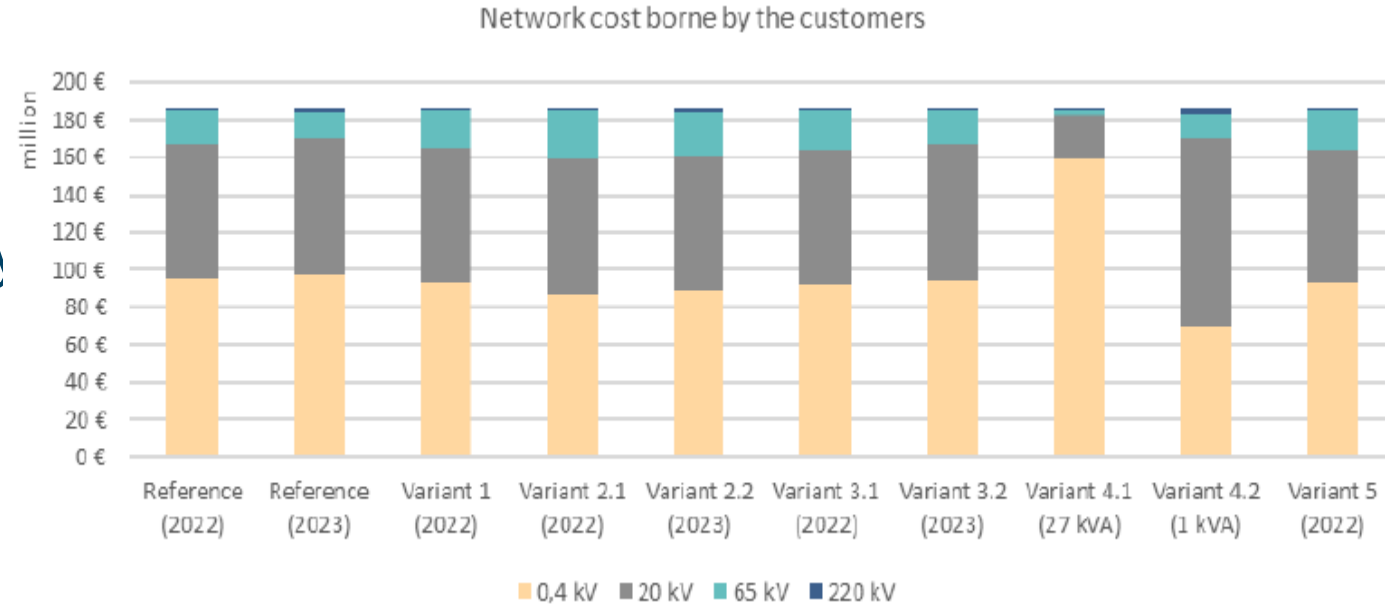
Consentec Study (2025)

- Cost cascading mechanism variants

- Peak load
- Consumption
- Capacity subscribed
- based on the technical grid capacity

- Consumer-side network charges

- Connection charges
 - Lump-sum
 - Recurring costs
 - Incentivize grid users to return unused capacity
- Fixed revenue shares of uniform tariff components
- Ex ante capacity subscription



Consentec Study (2025)

- Incentives for network-oriented flexibility use
 - Design options for time-dependent network charges
 - Price signals
- Generation-side charges
 - charges based on energy injection or on capacity connection
 - Country research

Germany	None (in some cases even negative charges)
Belgium	Energy-based charge related to cost for ancillary services, except for Brussel region
France	Energy-based injection charge on the transmission level
Netherlands	Small lump sum fee for administrative costs
Austria	Energy-based injection charge for producer > 5 MW
Switzerland	None
Norway	Energy-based injection charges

Questions for Stakeholders Regarding the Current Tariff Structure

1. How far do you share Consentec report's assessment of the current tariff system's strengths and weaknesses, particularly regarding the tension between incentivizing flexibility and ensuring cost recovery? Which issues do you see as the most urgent to address?
2. Do you support replacing the current cost cascade based on maximum annual load with a simpler model based on gross annual consumption considering the expected benefits for stability, transparency and fairness as described in chapter 3 of the Consentec report? Why or why not?
3. What is your view on the shift from tariffs based on actual peak load to a reference capacity? In this model, users subscribe to a capacity and face surcharges when they exceed it, like the new tariff structure applicable to low voltage customers since Jan 1, 2025.
4. What is your opinion on the proposal to remove the simultaneity function and instead apply fixed shares on the repartition between capacity and volumetric tariff components given the operational and conceptual challenges highlighted in the Consentec study (see Consentec report 5.4)? Should the tariff still consider usage hours? In your opinion, what balance between capacity in €/kW, and consumption in €/kWh would you consider most fair and effective in encouraging efficient and flexible use of the electricity grid? Would a 40% capacity / 60% commodity split be appropriate (see Consentec report 5.4.1)?

Questions to stakeholders for new proposals

5. What approach should be considered for self-consumption from renewable and non-renewable production in the future tariff structure, ensuring that all users contribute fairly to network costs? How should the tariff structure address electricity injection into the grid from renewable and non-renewable production without creating distortions in investment decisions or in the dispatch of generation units (Consentec report chapter 4)?
6. Should specific tariffs be introduced for storage facilities to better reflect their ability to withdraw and inject electricity flexibly? What design principles would you propose?
7. Which key elements should be included in a new network tariff structure to effectively incentivize demand-side flexibility (time-shifted consumption or injection) in a way that is cost-reflective and grid friendly?
8. What practical considerations should be considered for implementing time-of-use network charges?

Questions to stakeholders related to the implementation

9. How can industrial customers be incentivised to increase their consumption during peak generation hours, mainly during high PV generation at noon (weekday and weekend)? Do you think there is a potential, and if yes, for which type of assets?
10. Do you foresee technical or operational challenges for consumers and producers in adapting to a new tariff model based on reference capacities?
11. What kind of transition measures (e.g. gradual implementation, timing, communication, customer guidance or support (e.g. simulation tools)) would you consider necessary to ensure a smooth and equitable implementation of the new tariff structure?

Purpose of the Consultation

- Your Feedback Matters!
- All stakeholders (producers, consumers, suppliers, industry, professional associations) are invited to:
 - Share your views on the proposed tariff design
 - Suggest improvements or alternatives approaches
- Objective: a transparent, flexible, fair, and robust tariff system that effectively supports our climate goals.
- Thank you for your time and engagement.
 - We look forward to your valuable contributions
 - Any questions?

How to Participate

- Consultation documents (16 June – 20 July 2025)
 - <https://www.creos-net.lu/particuliers/creos-luxembourg/future-network-tariff-structure>
- Submit feedback by 20 July 2025
 - Dedicated email address consultation.nste.mt.ht.tht@creos.net
 - Online questionnaire, available in 3 languages
 - <https://forms.office.com/e/V84Sdic4nR> (EN)
 - <https://forms.office.com/e/udMb6xixcU> (DE)
 - <https://forms.office.com/e/nznvsVWMQQ> (FR)
- Not necessary to answer ALL questions
- Providing info on oneself is not mandatory, but appreciated