GRID FEES & TAXES PLATFORM

Joke Bruneel – 19/01/2018

EPOINT

Each E&C client has its own portal containing all their energy data, called ePoint.

One section is dedicated to Grid Fees & Taxes and gives you an overview of the different non-commodity costs per country and the specific regulations of maintaining exemptions/reductions.

GRID FEES & TAXES

Clients see a map based on the countries they have plants at.

CONTENT

- You can easily navigate per:
  - Country
  - Commodity: electricity or gas?
  - Type of cost: transport, distribution, taxes, …

GRID FEES & TAXES

Transport fees

Facts?

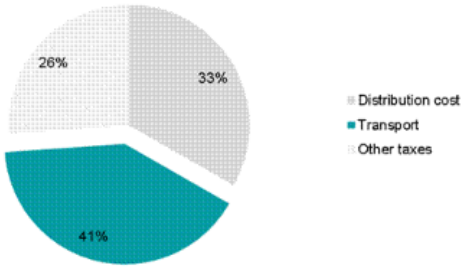
The transport fees are divided into six parts. namely:

- **TCE («Terme de capacité d'entrée sur le réseau principal»)**: for the use of the interconnected points with other transport grids or LNG terminals
- **TCLZ («Terme de capacité de liaison entre zones d'équilibrage»)**: for the use of the connection between the two areas (zones d'équilibrage) of GRTgaz
- **TDST («Terme de sortie»)**: for the exit of the main national grid (before the regional grid) of GRTgaz
- **TCR («Terme de capacité de transport sur le réseau régional»)**: for the annual subscription applicable to the regional transport grid.
- **TCL («Terme de capacité de livraison sur le réseau régional»)**: for the use of a certain capacity on the regional grid
- **«Terme fixe de livraison»**: for the use of the regional grid of GRTgaz when it is directly connected into the grid (only applicable to industrial sites connected to the transport grid)

The French Energy Commission (CRE) proposes and revises the subscription. which then has to be validated by the government and officially published. This is passed through in the energy bill to the end consumers. The prices are set for a 4-years phase but the fees are adapted each year. on April.

We are currently in the ATRT4 phase.

Figures?



Example of a French client using about 35 GWh

Each year a new decree is published with revised prices for each phase.

- TCE (depending on the capacity. in euro per MWh/d and depending on the entry point):

GERMANY – ELECTRICITY - TAXES

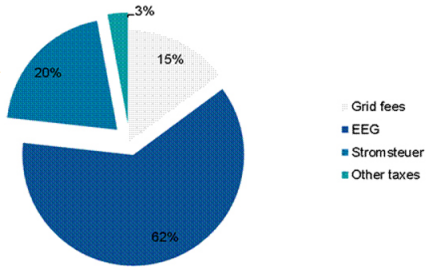
E&C ePoint

News
MMA Document center Document cente

EN - DE

Example with proportion of each component

- ▶ Electricity Tax
- ▶ EEG-Umlage
- ▶ KWK-Umlage
- ▶ Offshore-Haftungsumlage
- ▶ §19-Umlage
- ▶ Abschalt-Umlage
- ▶ Compensation of indirect CO2 Expenses



Example of a German client using about 24 GWh

Electricity Tax

Facts?

The current tax law (StromStG) governs the taxation of consumption of electrical energy through an electricity tax in Germany.

The current form of tax on power consumption dates back to 1999 and was designed to (analogue to the tax systems from countries like Denmark and The Netherlands) promote energy efficiency by increasing the cost of power consumption. It is also part of the "Law for entry into the ecological tax reform" (Ökosteuer). A second motivation for the introduction of the electricity tax was to finance a reduction of labour costs by decreasing the social contribution paid by employers.

The electricity tax is charged per unit off consumption (KWh) and it will be charged as an indirect tax (i.e. power supplier will collect the electricity tax (usually part of the net power price) and will make the payments to the tax authorities). In case a company wants to benefit from any exemptions and reductions granted one should take care to inform the power supplier in a timely manner.

Figures?

The power consumption in Germany is taxed at a flat rate per consumed kWh of electrical energy. Next to the mainstream tariff (statutory tax rate) two different standard tariffs exist for power used for traction (drive-train) purposes and tax consumed by the manufacturing industry. In order to benefit from the lowered tariff for the parts of the manufacturing industry the company needs to be defined as belonging to category C, D, E or F by the "Klassifikation der Wirtschaftszweige des Statistischen Bundesamtes"

Power	2007-2017 (€/MWh)
Statutory tax rate	20,5
Reduced rate for traction (driving) power	11,42
Reduced rate for companies belonging to category C, D, E, or F of the manufacturing industry	15,37

Save money

Exemptions

The following exemptions of the electricity tax currently exist:

- Power produced from renewable sources, providing that the generators are not connected to the power grid.
- Power used for the generation of electricity (e.g. power used for running pumps, boilers, etc)
- Power generated (and consumed) aboard ships and aircrafts
- Power generated for emergency use
- Under certain conditions: power plants with a total output below 2MW
- Companies that fall under paragraph 9a of the "Stromsteuergesetz". Companies that can take advantage of this paragraph are usually active in the (1) manufacturing, (2) forestry or (3) agricultural industry. According to paragraph 9a of the "Stromsteurgesetz" power used for the following activities could qualify for total or partial exemption of the electricity tax:
  - for electrolysis
  - for the manufacture of glass and glass products, ceramic products, ceramic wall and floor tiles and slabs, tiles and construction products, cement, lime and plaster, articles of concrete, cement and plaster, ceramic-bonded grinding, mineral insulation, asphalt, goods of graphite or other carbons, products made of aerated concrete products and mineral fertilizers for drying, burning, melting, heating, holding, relaxing, tempering or sintering of the above products, or the precursors used in their manufacture,
  - metal production and processing as well as in the production of metal products for the manufacture of Forging, pressing, stamping and punching parts, stamping and roll-forming of metal and surface finishing and heat treatment respectively for melting, heating, holding, relaxing or other heat treatment or
  - for chemical reduction

Reductions

Companies that are active in the (1) manufacturing, (2) forestry or (3) agricultural industry, not belonging to category B, C, D or F and whose activities do not qualify for the exemption specified in paragraph 9a of the "Stromsteuergesetz" might qualify for an exemption of 0,513€ct/KWh according to paragraph 9b of the "Stromsteuergesetz". According to paragraph 9b the tax exemption can only be granted if the electrical power is used for the production of lighting, heating, compressed air or mechanical

How to save money

►Transmission network use of system charge (TNUoS)

►Balancing service use of system charge (BSUoS)

Transmission network use of system charge (TNUoS)

Facts?

The Transmission Network Use of System (TNUoS) charge, also known as Triad, is the main source of income for the National Grid to cover its costs: installing, operat
Wales, Scotland and offshore.

The tariffs are published by 31 January and take effect from 1 April. The charge is based on the triad demand and a zonal TNUoS tariff charge.

Formula

TNUoS = Actual average TRIAD demand of a site in these three periods (KW) * zonal TNUos tariff charge

Formulas to calculate your own fee or tax

The triad demand is the average demand on the national grid during three half hours between November and February, three settlement periods of the highest transmission system demand and is used to
metering. The National Grid identifies the periods once its received the volume data.

Figures?

DEMAND TARIFFS	2012-2013		2013-2014		2014-2015		2015-2016		2016-2017		2017-2018	
Zone Name	HH* Zonal Tariff (£/kW)	NHH* Zonal Tariff (p/kWh)	HH Zonal Tariff (£/kW)	NHH Zonal Tariff (p/kWh)	HH Zonal Tariff (£/kW)	NHH Zonal Tariff (p/kWh)	HH Zonal Tariff (£/kW)	NHH Zonal Tariff (p/kWh)	HH Zonal Tariff (£/kW)	NHH Zonal Tariff (p/kWh)	HH Zonal Tariff (£/kW)	NHH Zonal Tariff (p/kWh)
Northern Scotland	10,74	1,48	11,05	1,52	16,17	2,19	23,47	3,39	40,97	5,77	29,58	6,22
Southern Scotland	16	2,26	16,79	2,36	21,24	2,95	26,79	3,56	40,24	6,21	30,48	4,26
Northern	19,66	2,72	22,35	3,08	26,94	3,67	32,62	4,28	42,93	6,77	39,22	5,94
North West	22,84	3,31	25,18	3,65	29,64	4,24	35,68	4,87	42,83	5,69	45,25	5,88
Yorkshire	23,18	3,22	25,49	3,51	30,25	4,11	36,29	5,19	42,49	6,54	44,97	5,98
N Wales & Mersey	23,64	3,39	25,63	3,67	29,72	4,2	35,62	5,68	42,68	6,48	46,79	6,61
East Midlands	25,45	3,6	28,21	3,96	33,1	4,58	39,07	5,23	44,72	6,38	47,89	6,25
Midlands	27,36	3,94	29,2	4,15	33,78	4,74	39,63	5,49	45,74	6,35	49,46	6,43
Eastern	25,95	3,63	29,89	4,15	34,63	4,75	41,18	5,54	46,54	6,35	49,62	7,10
South Wales	25,26	3,37	27,54	3,69	32,32	4,27	37,61	5,25	42,31	6,4	45,55	78
South East	28,25	3,99	32,83	4,56	37,66	5,17	43,74	5,81	49,2			
London	31,17	4,17	34,08	4,6	38,55	5,14	46,24	6,01	51,87			
Southern	30,61	4,34	33,75	4,74	38,79	5,38	44,79	6,09	50,08			
South Western	31,06	4,23	33,55	4,6	38,7	5,24	43,98	5,81	48,58			

*HH = half hourly, NHH = not half hourly

Tables with both current and historical data

Balancing service use of system (BSUoS) charge

Facts?

The balancing service use of system charge is a charge on the electricity bill allowing National Grid to cover the cost of ensuring that the system is in balance. This charge is collected by the supplier. This can be fixed for a residual period or passed through. These charges are daily published by Elexon.

Figures?

The average BSUoS cost of the last published data by National Grid (March 2012-March 2013) averaged at £1.54/MWh. This cost can only be used as an indication.

National Grid - BSUoS:
http://www2.nationalgrid.com/uk/Industry-information/System-charges/Electricity-transmission/Balancing-services-use-of-system-charges/
Elexon:
http://www.elexon.co.uk/bsc-related-documents/bsc-costs-charges/

NEWSFLASHES

- Every change concerning non-commodity is closely monitored by a financial controller in collaboration with a consultant.
- As soon as we pick up a change that could impact your budget, you receive an alert.
- Would you like to receive a trial of our GFT flashes? You can subscribe at: https://www.eecc.eu/gft

EXAMPLES OF UPDATES ON GFT

E&C CONSULTANTS

Difficult to read? View in browser.

Hi Sir, Madam,

We would like to inform you on the non-commodity changes of Croatian electricity. The fee for encouraging the production of renewable energy (Naknada za poticanje proizvodnje iz obnovljivih izvora) has been replaced by the renewable energy sources and high efficiency cogeneration fee as of the 1st of September 2017.

The purpose of this fee is to encourage the production of electricity from renewable sources as this fee is used to fund higher costs connected to the production of green energy.

After 4 years of steady prices, we are witnessing a tax increase of 40% for CO2 permission tax payers, and tax tripling for electricity used by all other consumers. The amount which has to be paid depends on the type of customer:

	Before 1st of Sep 2017	As of 1st of Sep 2017
Electricity used by consumers who are obliged to pay the permissions for greenhouse gas emissions according to the law governing the protection of air	5,00 HRK/MWh	7,00 HRK/MWh
Electricity used by all other consumers	35,00 HRK/MWh	105,00 HRK/MWh

Please note that this increase will have a moderate effect on your total electricity bill since the VAT rate has changed from 25 to 13% since the beginning of 2017.

More information can be found on the following link (only in Croatian).

If you have any questions, please contact us.

Kind regards,
Dina Karamarko
Consultant

E&C CONSULTANTS

Would you like to receive a **trial of our GFT flashes?** You can subscribe at: https://www.eecc.eu/gft

E&C CONSULTANTS

Difficult to read? View in browser.

The market operators NCG and Gaspool have published the new conversion fees for the period as of 1st of October 2017. The conversion fee needs to be paid for the conversion from H-gas to L-gas.

NCG	until 1st of October 2017	from 1st of October 2017 until 30th of September 2018
Conversion fee	0,45 €/MWh	0,45 €/MWh
Conversion levy	0,04 €/MWh	0,00 €/MWh
	until 1st of October 2017	from 1st of October 2017 until 30th of September 2018
SLP accounting levy	0,80 €/MWh	0,00 €/MWh
RLM accounting levy	0,00 €/MWh	0,00 €/MWh
VHP levy	0,0012 €/MWh	0,0012 €/MWh
Gaspool	until 1st of October 2017	from 1st of October 2017 until 30th of September 2018
Conversion fee	0,40 €/MWh	0,45 €/MWh
Conversion levy	0,022 €/MWh	0,017 €/MWh
	until 1st of October 2017	from 1st of October 2017 until 30th of September 2018
SLP accounting levy	0,75 €/MWh	0,20 €/MWh
RLM accounting levy	0,25 €/MWh	0,08 €/MWh
VHP levy	0,001528 €/MWh	0,0015 €/MWh

EXAMPLES OF UPDATES ON GFT

E&C CONSULTANTS

Difficult to read? View in browser.

Please find the Dutch and French version below.

Tariff of the public service obligation for the financing of support measures for renewable energy in Wallonia

On the 23rd of February the direction committee of the Creg approved the Elia increase of the tariff of the public service obligation for the financing of support measures for renewable energy in Wallonia to 23,5394 EUR/MWh as of the 1st of October. Only under two conditions could the increase be undone:

- The appointment of the people responsible with the temporisation operation must be approved by the government of Wallonia before the 1st of October.
- The maximum number of certificates the people responsible for the temporisation operation need to acquire must be approved and published in the Moniteur belge before the 1st of October.

A consultation by the Creg on the 28th of September, during their direction meeting, shows that both conditions are met resulting in unchanged tariff of 13,8159 EUR/MWh.

Would you like to receive a **trial of our GFT flashes?** You can subscribe at: https://www.eecc.eu/gft

E&C CONSULTANTS

E&C CONSULTANTS

Difficult to read? View in browser.

Please find the French version below.

Sharp increase of the gas consumption tax and stability on the electricity consumption tax starting 2018 in France

According to the last Project Finance Law of 2018, the consumption tax on natural gas (TICGN) could increase by 44% in 2018. Below you can find the table of the planned evolution of the tax full rate for the next years. The evolution of the current reduced rates of 1,52 €/MWh and 1,60 €/MWh is not known yet.

TICGN						
Current full rate	Planned full rate					Unit
2017	2018	2019	2020	2021	Starting 2022	
5,88	8,45	10,34	12,24	14,13	16,02	€/MWh
Planned yearly increase	44%	22%	18%	15%	13%	%

Regarding electricity, the consumption tax (TICFE) should remain stable next year. However, the evolution of the current reduced rates is not mentioned in the current Project Law.

TICFE		
Current full rate	Full rate applying starting 2018	Unit
22,5	22,5	€/MWh

More information

WHAT CLIENTS SAY ABOUT EPOINT

"All the information we need is right there: invoices, tendering information, volumes, actual market values, … I check our ePoint website daily, it helps me in performing my job more efficiently."

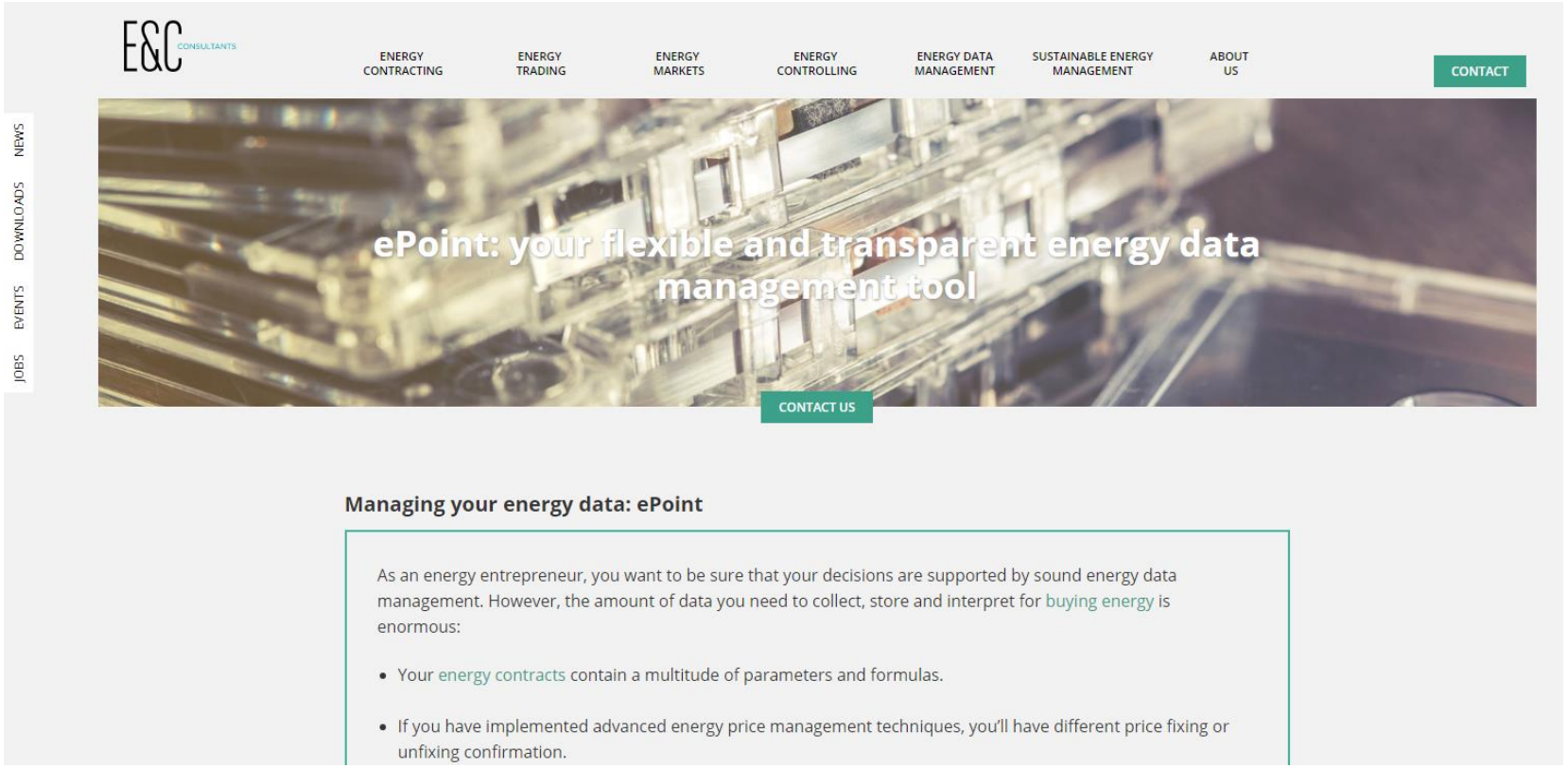
Rita Broekx, Assistant Purchase Operations/Energy at Groupe Pierre & Vacances

WHAT CLIENTS SAY ABOUT EPOINT

"ePoint is my 'go to' solution for day-to-day energy management needs. Whether to look up current intraday pricing, check validity of a contract or to quickly see how many Clicks I have open for my sites, ePoint provides me with a quick and accessible route to information. With the added advantage of being able to access important data whilst I am out of the office, travelling anywhere in the world, ePoint is an indispensable tool, to help successfully execute our Energy procurement strategy."

Daniel Wade, Purchasing Manager at Federal Mogul

MORE INFORMATION ON EPOINT AND GFT?



Have a look at our website www.eecc.eu/energy-data-management where our different videos will guide you through ePoint or request a demo.

OR GET IN TOUCH WITH US

Joke Bruneel
Marketing & Communications Officer
d: +32 56 25 24 25