

price and tariff reform

the secretariat's perspective

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the problem with non-costreflective prices and tariffs

- ... disincentivize investments
- ... prevent market opening
- ... affect security of supply
- ... promote energy **inefficiency**
- ... are applied in a non-targeted way



a bit of history

- athens memoranda: *„comprehensive tariff reform“*
- european commission: *„reforming the existing system of regulated prices “*
- permanent high level group *„concern about persisting barriers to the establishment of open national and regional markets, including excessive price regulation “*

- joint and systematic action rather than leaving contracting parties alone
- secretariat being flooded by complaints
- the risks of non-action becoming more apparent
- coupling price reform with social protection

- regulated network tariffs: a requirement by the *acquis*
 - what is cost-reflectivity?
 - what is cost-efficiency?
- regulated end-user prices: yes but ...
 - article 3 and case law
 - state aid
 - phase-out required

- analytical paper on compliance (electricity only)
- presented to the phlg
- public consultation
- presentation at the fora
- proposed as mc recommendation (on the website)

- real eligibility (mid 2013)
 - including all customer groups
 - removing all obstacles for supplier switching
- make network tariffs cost-reflective (mid 2013)
 - main elements to be taken into account
 - ecrb to develop comparative analysis and recommendations

- cost-reflectivity of universal service (mid 2013)
 - households and sme
 - covering full costs of generation/imports/supply incl bad debts
 - no more regulation of generation price
- vulnerable customers (mid 2013)
 - define vulnerable customers by law
 - move protection schemes from (across-the-board) tariff to social welfare

- deregulate large customers (2014)
 - no switching back
 - exceptions in line with article 3
- annual reviews for necessity of price regulation
- reform of market designs (2014)
 - abandon full supply public contracts
 - implement capacity release programmes
 - re-design suppliers of last resort

thank you for your attention!

A large, low-resolution image of a sunset over a body of water. The sun is a bright, glowing orb in the center of the horizon, casting a long, shimmering reflection across the water. The sky is a mix of yellow and orange, and the water reflects these colors in a pixelated, mosaic-like pattern.

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