

Ukraine Energy Market Observatory

On the Draft Law of Ukraine "On Amendments to Certain Laws of Ukraine Regarding the Implementation of the Roadmap for Separating the Renewable Energy Surcharge from the Electricity Transmission Tariff for 2025 and 2026"

Assessment 4/25

October 2025

Purpose statement

Assessment of a draft law “On Amendments to Certain Laws of Ukraine Regarding the Implementation of the Roadmap for Separating the Renewable Energy Surcharge from the Electricity Transmission Tariff for 2025 and 2026” on compliance with the Energy Community law.

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On the Draft Law of Ukraine “On Amendments to Certain Laws of Ukraine Regarding the Implementation of the Roadmap for Separating the Renewable Energy Surcharge from the Electricity Transmission Tariff for 2025 and 2026”

1. Objective and Scope of the Assessment

In order to assist Ukraine with the proper implementation of its obligations under the Treaty, and upon Ukraine’s explicit request, the Secretariat has reviewed the Draft Law and assessed Ukraine’s compliance with its obligation to implement relevant Energy Community acquis (Section 3).

For the avoidance of doubt, this Assessment Report focuses on Ukraine’s obligation to transpose the provisions of Energy Community law specifically referred to in Section 5, but does not consider Ukraine’s compliance with any other provision of Energy Community law.

In addition to the compliance review mentioned above, the Secretariat has provided in Section 7 of this Assessment Report, a non-comprehensive list of recommendations of measures which would facilitate Ukraine’s implementation of the relevant Energy Community acquis.

2. Observations and disclaimers

This Assessment Report is limited to a review of the provisions of the Draft Law regarding their compliance with the obligation to transpose the relevant Energy Community law.

The Secretariat has assessed the Draft Law only in the English language version provided.

The Secretariat has interpreted the provisions of the Draft Law in accordance with their literal meaning, in English language, and has not considered the interpretation of such provisions in Ukrainian language or interpreted such provisions in accordance with Ukrainian law.

In conducting the assessment of the Draft Law, the Secretariat has referred only to the Ukrainian legislation listed in section 2 below (List of amended Ukrainian Legislation referred to for assessment of Draft Law), as the legislation expressly referred to in the Draft Law as being amended thereby. The

Secretariat has assumed that the version of such legislation available at the source identified in section 2 below is up-to-date. For Ukrainian legislation for which no official translation into English language is available at such source, the Secretariat has translated the Ukrainian legislation into English using Google Translate.

The Secretariat has not considered whether the Draft Law would affect any other Ukrainian legislation.

The Secretariat has not considered whether any Ukrainian legislation, superior or subordinate to the Draft Law, would have any effect on the interpretation or validity of any provision of the Draft Law.

The Secretariat's comments in this Assessment Report shall be without prejudice to the exercise by the Secretariat of its powers and obligations under the Treaty, including the publication of its yearly progress reports to the Ministerial Council or the submission of a reasoned request to the Ministerial Council.

3. Background

The Energy Community Secretariat (the "**Secretariat**") has prepared this Assessment Report in response to the request sent by the National Energy and Utilities Regulatory Commission of Ukraine ("**NEURC**") to the Secretariat on 10 September 2025, for assessment of the compliance with Energy Community law of a draft law "*On Amendments to Certain Laws of Ukraine Regarding the Implementation of the Roadmap for Separating the Renewable Energy Surcharge from the Electricity Transmission Tariff for 2025 and 2026*" (the "**Draft Law**").

Pursuant to Article 10 of the Treaty establishing the Energy Community (the "**Treaty**"), each Contracting Party shall implement the *acquis communautaire* on energy. Pursuant to Article 67(b) of the Treaty, the Secretariat shall review the proper implementation by the Parties of their obligations under the Treaty.

By Order dated 25 June 2025, no. 612-r, the Cabinet of Ministers of Ukraine approved the Roadmap for separating the surcharge for renewable energy from the tariff for electricity transmission services (the "**Roadmap**") and the action plan for the implementation of the Roadmap for the separation of the renewable energy surcharge from the tariff for electricity transmission services for 2025 and 2026 (the "**Action Plan**"). The Roadmap distinguishes between measures envisaged for the initial period from 01 July 2026 to 01 January 2030 (the "**Transition Period**") and other measures.

4. Compliance assessment

4.1. Legislation assessed

In conducting the assessment of the Draft Law, the Secretariat has referred to the following Ukrainian legislation, as obtained from the website of the Verkhovna Rada of Ukraine (<https://zakon.rada.gov.ua/>) on or around 15 September 2025:

Legislation
Law on Alternative Energy Sources (Law N° 555-IV dated 20.02.2023, last update 14.01.2025)
Law on Electricity Market (Law N° 2019-VIII dated 13.04.2017, last update 28.08.2025)
Law on the National Energy and Utilities Regulatory Commission (Law No. 1540-VIII dated 22.09.2016, last update 14.01.2025)

4.2. Compliance assessment

4.2.1. Restriction of transmission tariffs to network-related costs

Energy Community acquis (Electricity Regulation)

Under article 18(1) of Regulation 2019/943 on the internal market for electricity (the “**Electricity Regulation**”)¹, “charges applied by network operators for access to networks, including charges for connection to the networks, charges for use of networks, and where applicable, charges for related network reinforcements, shall be cost-reflective, and transparent [...] Those charges shall not include unrelated costs supporting unrelated policy objectives.” On such basis, the transmission tariffs shall reflect only network-related costs and shall not include unrelated costs supporting unrelated policy objectives, such as the costs relating to renewable energy support.

In line with the Energy Community Regulatory Board (ECRB) Report on Electricity Transmission and Distribution Tariff Methodologies in the Energy Community², the Secretariat’s assessment of the compliance of any such unrelated costs considers (i) whether, in the end-user’s final bill, the unrelated costs are clearly separated from the (compliant) transmission tariffs; and (ii) whether such unrelated costs eventually have any financial impact on the transmission tariffs. These considerations enable the Secretariat also to assess the practical impact, if any, of the inclusion of unrelated costs.

a) RES Surcharge for Post 01 July 2026 Auction Winners

Draft Law

The Draft Law amends Article 33(5) of the Law on Electricity Market to exclude from the tariff for electricity transmission services the costs related to supporting “*electricity producers from alternative energy sources, which, as of July 1, 2026 as a result of an auction, are financed by a renewable energy surcharge*” (the “**Post 01 July 2026 Auction Winners**”). The Draft Law provides that the renewable energy surcharge (the “**RES Surcharge**”³) is governed by a so-called “**RES Surcharge Agreement**”⁴ that the transmission system users shall enter into with the transmission system operator (the “**TSO**”)⁵.

¹ Adapted and adopted into the Energy Community acquis by Ministerial Council Decision D/2022/03/MC-EnC of 15 December 2022

² Published by the ECRB in November 2023 pursuant to Article 18(9) of the Electricity Regulation, see section 3.2.1

³ Article 1 of the Law on Electricity Market, as amended by the Draft Law, defines the RES surcharge as “*the amount of payment per unit of electricity transmission volume, set by the Regulator, paid by transmission system users to the transmission system operator to ensure that it fulfills its special obligations to increase the share of electricity production from alternative energy sources, which, as of July 1, 2026, have acquired the right to receive support based on the auction results*”.

⁴ Article 1 of the Law on Electricity Market, as amended by the Draft Law, defines the RES Surcharge Agreement as “*an agreement that regulates the relations between the transmission system operator and transmission system users regarding the calculation and payment of the RES surcharge, and establishes the procedure for the transmission system operator to collect funds for the payment of the RES surcharge and transfer the funds to the guaranteed buyer for settlements with the relevant electricity producers*”.

⁵ Article 33(8) of the Law on Electricity Market, as amended by the Draft Law, provides that “*The RES surcharge agreement is an adhesion agreement and an annex to the agreement on the provision of electricity transmission services*”. Article 3(3) of the same

The Draft Law defines the RES Surcharge as *“the amount of payment per unit of electricity transmission volume, set by the Regulator, paid by transmission system users to the transmission system operator to ensure that it fulfills its special obligations to increase the share of electricity production from alternative energy sources, which, as of July 1, 2026, have acquired the right to receive support based on the auction results”*.

The Draft Law incorporates into Article 33 the Law on Electricity Market, two new obligations imposed upon the TSO under Article 33(1), which specifically relate to the RES Surcharge:

Sub-sub-section 27: *“in order to avoid discriminatory behaviour, cross-subsidising and distortion of competition in the electricity market, the transmission system operator shall keep separate accounts for transmission activities and for the RES surcharge”*;

Sub-sub-section 28: *“collects funds from transmission system users for the RES surcharge and transfers such funds to the guaranteed buyer for settlements with electricity producers from alternative energy sources which, as of July 1, 2026, have acquired the right to receive support based on the auction results”*.

Amendments to Article 56 of the Law on Electricity Market require that the supply contract specify the price of electricity, including the RES Surcharge.

The Draft Law also incorporates into Article 75 (Settlements in the electricity market) of the Law on Electricity Market a new sub-section 10: *“Transmission system users shall pay the RES surcharge to a separate account of the transmission system operator”*.

Although this is not provided in the Draft Law itself, there are two items in the Action Plan with the purpose of providing to end-users clarity regarding the costs "unrelated" to the transmission tariffs:

Action 2: *“Amendments to the resolution of the National Commission for the Regulation - improving the provisions of the Procedure regarding the costs of performing special duties, including the methodology for calculating such costs included in the tariff for electricity transmission services, to ensure the reflection of justified costs ; from January 1, 2026, the indication of costs for the implementation of special duties as a separate line in the tariff structure for electricity transmission services of the transmission system operator.”⁶*

Action 7: *“payment by end consumers of electricity (including retail consumers) of a surcharge for renewable energy, which will be indicated as a separate line in the invoices issued to consumers for payment for electricity transmission services for information purposes.”*

law further provides that activities on the electricity market without the conclusion of the RES Surcharge Agreement are not permitted. There are multiple provisions in the law regarding the entities which are subject to, or excluded from, the obligation to enter into the RES Surcharge Agreement. The incoherence between these provisions is presented and assessed in section 3.2 of this report.

⁶ On 16.09.2025, NEURC approved amendments to the transmission system code and the Procedure for establishing (forming) tariffs for electricity transmission services, which oblige the TSO to clearly indicate these costs as a separate line in the invoices starting from 1 January 2026.

Assessment

The approach, in relation to the RES Surcharge, of not including it into the transmission tariff, as well as (i) providing to end-users “separate line” clarity regarding the cost of the RES Surcharge and (ii) the TSO only collecting the unrelated costs/RES Surcharge (paid into a separate account) and transferring these to the guaranteed buyer thus applying safeguards such that the unrelated costs do not have a financial impact or other practical impact on the transmission tariffs, will ensure that the Ukrainian framework regarding the RES Surcharge is in compliance with the Energy Community *acquis* regarding restriction of transmission tariffs to network-related costs. However, such compliance is conditional upon the two measures mentioned above being duly implemented in practice, for which section 4.2 of this Assessment Report presents some recommendations.

Furthermore, such compliance is subject to the clarification regarding two provisions which would appear incoherent with the approach mentioned above that the RES Surcharge is payable pursuant to the RES Surcharge Agreement:

- Article 33(5) of the Law on Electricity Market, as amended by the Draft Law, provides that such costs are “components of the costs of electricity transmission activities”.
- New paragraph inserted by the Draft Law into Article 65 of the Electricity Act: “Financing of the guaranteed buyer’s activities shall be carried out by the transmission system operator in accordance with the estimate approved by the Regulator by making monthly settlement payments, regardless of the service approved by the Regulator to ensure an increase in the share of electricity production from alternative sources, in accordance with the procedure established by the Regulator.” As drafted, this provision can be interpreted as a process for preliminary determination (initially as an estimate) of the amounts of payments to be made for the purposes of the RES Surcharge, but also, possibly, the inclusion of the payments made to the guaranteed buyer into the TSO’s transmission tariffs, which would be non-compliant with the Energy Community *acquis*.

b) Other costs incurred to ensure an increased share of electricity produced from RES

Draft Law

Even as amended by the Draft Law, Article 33(5) of the Law on Electricity Market still provides that the tariff for electricity transmission services includes certain components of the transmission system operator’s costs incurred in the performance of its special duties to ensure the public interest in the functioning of the electricity market, which includes ensuring an increased share of electricity produced from alternative energy sources⁷. The Roadmap explains the approach as follows: “*During the transition period, it is assumed that the costs of implementing special obligations will remain an integral part of the tariff for electricity transmission services, while the amount directed to support producers of electricity from alternative energy sources will be indicated as a separate line in the invoice for payment for electricity transmission services (issued by the transmission system operator to such transmission system users as suppliers, distribution system operators, other users connected to the transmission system).*”

⁷ Article 62(2)(1) of the Law on Electricity Market

The Draft Law incorporates into Article 33 of the Law on Electricity Market, two new obligations imposed upon the TSO under Article 33(1), which do not relate to the RES Surcharge:

Sub-sub-section 25: *“ensure the proportional distribution of funds received as payment for electricity transmission services between the costs of services to increase the share of electricity production from alternative sources and the costs of ensuring the activities of the transmission system operator, taken into account by the established tariff structure for electricity transmission services”;*

Sub-sub-section 26: *“prevents cross-subsidising of expenses provided for in the tariff structure for electricity transmission services to finance operating activities at the expense of expenses provided for financing services to increase the share of electricity production from alternative energy sources”;*

According to the Action Plan, the expected results of Action 4⁸ are: *“strengthening the responsibility of the transmission system operator for ensuring the targeted use of funds received as payment for services to ensure an increase in the share of electricity production from alternative energy sources, exclusively for the intended purpose and determining the relationship between proportionality and targeted use of funds received as payment for electricity transmission services.”*

The Draft Law proposes amendments to the Final and Transitional Provisions of the Law on Electricity Market (paragraph 15³), to provide that Sub-sub-sections 25 and 26 of Article 33(1) are not applied during period of martial law and for 6 months after its completion.

Assessment

The approach envisaged in the Draft Law consists only of some high-level principles, without legal certainty regarding concepts such as “proportional distribution” and “prevents cross-subsidising of expenses” and without the practical safeguards envisaged in relation to the RES Surcharge. In the absence of such safeguards or more detailed rules as to how the high-level principles shall be applied by the TSO in practice, for which section 4.2 of this Assessment Report presents some recommendations, there remains a significant risk that the unrelated costs will have a financial impact on the transmission tariffs. On such a basis, the approach envisaged in the Draft Law does not comply with the Energy Community *acquis* regarding restriction of transmission tariffs to network-related costs.

The Roadmap envisages that this approach shall be applied with a firm date for termination of the Transition Period, i.e. 01 January 2030. Considering that the approach does not comply with the Energy Community *acquis*, the Draft Law should expressly provide for the long-stop date when it shall be terminated.

4.2.2. Assessment of RES surcharge as a public service obligation

Energy Community *acquis* (Electricity Directive)

Under Article 9(2) of Directive 2019/944 on common rules for the internal market for electricity (the “**Electricity Directive**”)⁹, a Contracting Party may designate a service as being of general economic interest

⁸ Development and submission to the Cabinet of Ministers of Ukraine of a draft law on amendments to the Law of Ukraine “On the Electricity Market” regarding the obligation of the transmission system operator to provide proportional payment for services to ensure an increase in the share of electricity production from alternative energy sources and operating costs in accordance with the approved tariff structure for electricity transmission services

⁹ Directive 2019/944 on common rules for the internal market for electricity, as adapted and adopted by the Ministerial Council Decision 2021/13/MC-EnC of 30 November 2021 and Decision 2022/03/MC-EnC of 15 December 2022.

and impose upon relevant undertakings public service obligations (the “PSOs”), the effect of such designation being to disapply conflicting provisions of community law regarding the functioning of the internal electricity market. *“Such obligations shall be clearly defined, transparent, non-discriminatory and verifiable, and shall guarantee equality of access for electricity undertakings of the Energy Community to national consumers.”*

Regarding the condition that the PSOs shall be clearly defined, according to the Guidance from the European Commission on the subject¹⁰, this requires that the obligations imposed must be related to the supply of the service of general economic interest in question, which must fall within one of the areas specified in Article 9(2) of the Electricity Directive and that the obligations must contribute directly to satisfying this general economic interest¹¹. Article 9(2) of the Electricity Directive specifically refers to the area of energy from renewable sources and climate protection. To ensure that the criterion of transparency is met, the European Commission considers that the public service task must be assigned by way of an official public instrument¹² which must specify: *“the nature of the public service obligations; the undertakings and territory concerned; the responsibility for determining the undertaking's selling prices and the conditions for reviewing such prices; the nature of any exclusive or special rights assigned to the undertakings; the amount of any compensation granted to the undertakings and any revision clauses; - the period covered by these obligations.”* As for the condition that the PSOs shall be non-discriminatory, the European Commission considers that except for the cases of natural monopoly such as a Transmission System Operator, the condition can only be guaranteed through a tendering process to carry out the public service obligation. As for verifiability, this requires the demonstration that the measure is the least restrictive possible for Community competition and trade in order to fulfil the legitimate general interest objectives.

Draft Law

The Draft Law inserts into Article 62 (Special duties in order to ensure general public interests in the process of the electricity market operation) of the Law on Electricity Market, and as Article 62(2)(1¹): *“financing of special duties to ensure an increase in the share of electricity production from alternative energy sources imposed on [Post 01 July 2026 Auction Winners] shall be carried out at the expense of the RES surcharge.”* As mentioned above, the Draft Law provides that the RES Surcharge is governed by a so-called RES Surcharge Agreement to be entered into with the TSO by 30 June 2026, inclusive.

There are multiple provisions in the Law on Electricity Market, as amended by the Draft Law, regarding the entities which are subject to, or excluded from, the obligation to enter into the RES Surcharge Agreement:

- Article 201 provides that such agreement is entered into with the transmission system users.
- Article 3(3) provides that the conclusion of the RES Surcharge Agreement is “A mandatory condition for participation in the electricity market (except for consumers who purchase electricity under a consumer electricity supply contract)”.

¹⁰ COMMISSION STAFF WORKING DOCUMENT, Guide to the application of the European Union rules on state aid, public procurement and the internal market to services of general economic interest, and in particular to social services of general interest ([link](#)).

¹¹ This condition also requires that PSOs must be imposed in such a way that they do not affect the interests of the community.

¹² Such instrument may take the form of a legislative or regulatory instrument or a contract or instruction

- Article 58(1) provides that the consumer's right to purchase electricity is subject to the condition to conclude a "RES surcharge agreement, which is an annex to the agreement on the provision of electricity transmission services".
- Article 56 (7) provides that the electricity supply contract with the consumer specifies, among others, the price of electricity, including the RES Surcharge, and services provided.

The Draft Law inserts a new paragraph 154 into Section XVII of the Law on Electricity Market: *"Upon the request of the transmission system operator, transmission system users (except for the universal service provider and the supplier of last resort) shall acquire the status of "Pre-default" and "Default" in case of non-payment of the RES surcharge in accordance with the RES surcharge agreement by the 15th day of the month following the billing month. Upon submission by the transmission system operator or distribution system operator, electricity suppliers (except for the universal services provider and the supplier of last resort) shall acquire the status of "Pre-default" and "Default" in case of non-payment for the transmission and/or distribution of electricity provided by the transmission system operator or the distribution system operator by the 15th day of the month following the billing month.*

The procedure for acquiring and terminating the status of "Pre-default" and "Default" by such system users (market participants) shall be determined by the Regulator."

Under the current legal and regulatory framework¹³, the consequences of the status of "Pre-default" and "default" are:

- Publication of relevant announcement on the web-page of the TSO (for pre-default and default);
- Suspension registration of current and future bilateral transactions of the relevant market participant (for default);
- Setting a zero volume of electricity sales on the DAM and the IDM for such market participant (or default);
- If the market participant also acts as an electricity supplier (or consumer), after it acquires the status of "Default", the supply of electricity to consumers of such market participant (or such market participant) is carried out by the supplier of "last resort" in accordance with the Retail Market Rules from 00:00 of the day following the day it acquires the status of "Default".

Assessment

The financing of the support to be provided the *Post 01 July 2026 Auction Winners* qualifies as a service of general economic interest in accordance with Article 9(2) of the Electricity Directive, which then enables the imposition of public service obligations upon relevant undertakings.

As partially presented in the Draft Law, some aspects of the framework envisaged for the RES Surcharge are, in principle, compliant with the Energy Community acquis regarding PSOs: structurally, the RES Surcharge is paid into a separate account of the TSO, and thereafter transferred directly to the guaranteed buyer; the RES Surcharge Agreement qualifies as an official public instrument.

However, there are some aspects that would make the framework non-compliant, particularly:

- the lack of clarity regarding the entities subject to the obligation to enter into the RES Surcharge

¹³ Electricity Market Rules, approved by NEURC Resolution No.307 of 14.03.2018

Agreement, as presented in details above;

- the preferential (discriminatory) treatment provided to the universal services provider and the supplier of last resort which cannot be made subject to the status of “default” and “pre-default” in case of non-payment of RES surcharge;
- the lack of clarity on whether the Distribution System Operators, as the transmission system users, are also subject to RES Surcharge and, if so, the manner in which the costs associated with RES Surcharge are to be excluded from the distribution network tariff;
- the lack of clarity on how the unit RES surcharge will be cascaded to the distribution system users to ensure the principle of non-discrimination.

Furthermore, the Secretariat will need to receive all components of the legal and regulatory framework for the RES Surcharge, including the terms and conditions of the RES Surcharge Agreement, in order to comprehensively assess whether it complies with the Energy Community acquis regarding PSOs.

4.2.3. Adjustment of the amount of the RES Surcharge

Energy Community acquis (Renewable Energy Directive)

Under Article 4(1)-(3) of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources¹⁴ (“RED II”), a Contracting Party may apply support schemes in order to reach or exceed its national renewable energy target. Support schemes for electricity from renewable sources shall provide incentives in a market-based and market-responsive way, while avoiding unnecessary distortions of electricity markets as well as taking into account possible system integration costs and grid stability. Furthermore, the support schemes shall be designed so as to maximise the integration of electricity from renewable sources in the electricity market and to ensure that renewable energy producers are responding to market price signals and maximise their market revenues. On the basis of these provisions, including the RED II Recitals¹⁵, the principle of minimising the overall cost of the system for consumers and taxpayers is an important consideration for the design of a renewable electricity support scheme by a Contracting Party.

Draft Law

The Draft Law amends Article 8 (Financing of measures in the field of alternative energy sources) of the Law on Alternative Energy Sources to provide that the NEURC may also adjust the amount of the RES Surcharge in cases where State support is provided to renewable electricity producers. Action 9 of the Action Plan refers to having such an amendment *“in order to ensure the possibility of adjusting the amount of the surcharge for renewable energy by NEURC in the event that state budget support for producers of electricity from alternative energy sources is provided for the relevant year.”*

¹⁴ Directive (EU) 2018/2001 of 11 December 2018 on the promotion of the use of energy from renewable sources, adapted and adopted by the Decision of the Ministerial Council of the Energy Community 2021/14/MC-EnC of 30 November 2021. Ministerial Council Decision 2022/02/MC-EnC of 15 December 2022 amended Decision 2021/14/MC-EnC in order to reflect the targets provided therein.

¹⁵ Recital 19 states that *“Electricity from renewable sources should be deployed at the lowest possible cost to consumers and taxpayers. When designing support schemes and when allocating support, Member States should seek to minimise the overall system cost of deployment along the decarbonisation pathway towards the objective of a low-carbon economy by the year 2050.”*

Assessment

This measure, as outlined in the Draft Law, complies with the Energy Community acquis, as it considers the overall costs for consumers and taxpayers of supporting renewable energy producers. If costs for taxpayers increase (through State support), a corresponding decrease in consumer costs (through the RES Surcharge) can be envisaged.

5. Conclusions

Overall, based on the above assessment, the Draft Law demonstrates partial compliance with the Energy Community acquis. The proposed framework for the RES Surcharge is, in principle, aligned with the acquis regarding the restriction of transmission tariffs to network-related costs and the application of public service obligations. However, full compliance remains conditional upon the implementation of key safeguards and the clarification of several legal provisions that currently create uncertainty or risk of non-compliance. Until these issues are addressed—particularly those concerning the allocation of unrelated costs, legal clarity on the RES Surcharge Agreement and the treatment of market participants—the framework cannot be considered fully compliant with the Energy Community acquis.

To enable a full compliance assessment with the Energy Community acquis on PSOs, the Secretariat should receive all components of the legal and regulatory framework for the RES Surcharge, including the terms and conditions of the RES Surcharge Agreement.

6. Recommendations

We welcome the proposed legislative changes to split the transmission tariff into two components: (a) transmission-related costs and (b) RES PSO-related costs. Showing the RES Surcharge as a separate line on consumer bills improves transparency and ensures unbundling of transmission activities from RES support.

However, to guarantee proper separation (as of 1 July 2026), the Draft Law and tariff procedures should clearly state that RES support costs are excluded from the transmission tariff and used solely to calculate the RES Surcharge. This should be reflected in the definition of “RES Surcharge”, Article 62(2)(11) of the Law on Electricity Market, and Article 8 of the Law on Alternative Energy Sources. During the transitional period, RES revenues should also be distinguished from other TSO revenues to prevent cross-subsidisation.

The Draft Law should further:

- Display the RES Surcharge as a separate line in invoices to avoid cross-subsidisation;
- Ensure automatic transfer of collected funds to the guaranteed buyer’s account;
- Safeguard against debt by making all payers equally responsible for non-payment;
- Provide guidance on “proportional distribution” and “preventing cross-subsidising of expenses”;
- Clarify that the RES Surcharge is determined by the Regulator and not fixed by supply contracts, while the contract should include an obligation for the customer to pay the RES Surcharge as part of their electricity payment;

- Ensure all RES support is financed solely through the RES Surcharge from 1 January 2030;
- Clarify the treatment of DSO costs and consider collecting the RES Surcharge through either the supplier or DSO to ensure transparency, prevent cross-subsidisation and avoid duplicate payments;
- Clarify whether direct-line customers are subject to the RES Surcharge;
- Remove the TSO's obligation to finance the guaranteed buyer and clarify the buyer's role post-2030;
- Consider quarterly recognition and allocation of RES costs to reflect renewable generation seasonality and decouple from high system costs.

Finally, the Secretariat reiterates its previous recommendation to harmonise terminology across the legislative framework by using the term “renewable” consistently, in line with the Renewable Energy Directive (RED II), instead of alternating between “alternative” and “renewable” energy sources.