

### **1. Why are these increases so high for 2023?**

The increase is mainly caused by the increased purchasing costs for energy and capacity (including redispatch, grid losses and balancing power) in 2021. The cost increase is mainly driven by the increased prices for these services as a result of developments in the electricity market. In addition, the quantity of redispatch required has also risen, partly because TenneT has to take connections temporarily out of service to be able to work safely on expanding the grid.

TenneT has little or no influence on the level of these costs. That is why, in accordance with the method decisions for TenneT, these costs are also largely incorporated in the tariffs (there is a bonus-malus system). The deviation of these costs in 2021 from the budget determined by the ACM will be incorporated in the tariffs in 2023.

### **2. How are TenneT's transmission tariffs calculated?**

All parties connected to the national high-voltage grid pay tariffs for each connection on which they purchase electricity. These tariffs cover the costs of the transmission service (the transmission of electricity) and the system service (maintaining the 50 Hz frequency on the Dutch grid). They include all the regulated costs incurred by TenneT. Examples include costs for the necessary investments, for the maintenance of existing high-voltage lines and pylons, and the purchasing costs for energy and capacity. For more information about the electricity bill, click [here](#).

### **3. Can TenneT 'just' raise its tariffs?**

No. On September 30<sup>th</sup> of this year, TenneT has submitted its tariff proposal for 2023 to the ACM. The ACM published this proposal October 6<sup>th</sup> 2022 and will invite interested parties to submit their views on it. The ACM will then take the submitted views into account in the actual tariff decision (at the end of November).

### **4. What are the forecasts for the years 2024 to 2030? Will the redispatch costs remain high?**

TenneT is currently unable to provide an update regarding the previously estimated tariff increase for the year 2024. TenneT aims to share a more specific forecast at the end of Q1/2023 in a similar manner in which TenneT informed connected parties about the expected tariffs for 2023 earlier this year. TenneT also foresees a lot of work on the high-voltage grid in the coming years. Depending on the location and duration of the work, this may also lead to redispatch in the coming years. However, the current increases are almost entirely driven by the high prices for purchasing cost for energy and capacity. In particular, the high (electricity) prices are playing a role. As TenneT also faces high energy and capacity procurement costs in 2022, TenneT expects a further increase in tariffs for 2024. The development of tariffs is thus largely driven by the development of prices in the electricity market.

### **5. Can postponing investments (and thus limiting the amount of required redispatch) not be a solution?**

Postponing investments (and thus reducing the need for redispatch) is not a desirable solution. TenneT must make investments in order to meet the standards of the Clean Energy Package (CEP) and investments to facilitate the energy transition that will have a positive effect on the pricing in the electricity market. In the longer term, expansion of the grid will also lead to a decrease of the required redispatch.

## 6. How much more will customers pay according to this proposal?

How much you as a TenneT customer pay (and how much more you will pay) depends on your use of transport over TenneT's grid. TenneT customers pay a standing charge and a tariff for their contracted transmission capacity (kWcontract tariff) and the sum of their monthly peaks (kWmax tariff).

### a.

If you are connected as a consumer to the TenneT high-voltage grid (HV) with a contracted capacity of 200 MW and have an average monthly peak consumption of 190 MW, you will pay approximately EUR 11.8 million in TenneT tariffs in 2022. In 2023, assuming the same consumption profile, you will pay approximately EUR 17.8 million.\*

### b.

If you are connected as a consumer to the TenneT high-voltage grid (HV) with a contract capacity of 15 MW and have an average monthly peak consumption of 14 MW, in 2022 you will pay approximately EUR 830 thousand in TenneT tariffs. In 2023, assuming the same consumption profile, you will pay approximately EUR 1.25 million.\*

### c.

If you are connected as a consumer to the TenneT high-voltage grid (EHV) with a contract capacity of 200 MW and have an average monthly peak consumption of 190 MW, in 2022 you will pay approximately EUR 6.8 million in TenneT tariffs. In 2023, assuming the same consumption profile, you will pay approximately EUR 12.5 million.\*

### d.

If you are connected as a consumer to the TenneT high-voltage grid (EHV) with a contracted capacity of 15 MW and have an average monthly peak consumption of 14 MW, in 2022 you will pay approximately EUR 517 thousand in TenneT tariffs. In 2023, assuming the same consumption profile, you will pay approximately EUR 942 thousand.\*

*\*The possible effects of the volume discount have not been included in these calculations.*

## 7. What does this mean for the DSOs?

The DSOs also pay tariffs for their connections to the TenneT grid. They may include these costs in their own tariffs. The TenneT's tariff increase will also affect the DSOs' tariffs. In addition to the tariffs paid by the DSOs to TenneT, the DSO tariffs may also develop on the basis of other costs. Like TenneT's tariff proposal, the ACM also published the tariff proposals of the DSOs on October 6<sup>th</sup> 2022.

## 8. How have the tariffs developed over the last five years?

Tariff development*	2018	2019	2020	2021	2022	2023 (proposal)
EHS	+8% to +22%	+24% to +25%	+54% to +55%	+11%	+3% to +10%	+84%
HS	0% to +1%	+1% to +2%	+38%	+5% to +6%	+10% to +15%	+51%

\*Percentage change compared to the previous calendar year