

Press release

ERSE approves the new Tariffs Regulation for the electricity sector

ERSE - Energy Services Regulatory Authority approves the reformulation of the Tariffs Regulation for the electricity sector, with the objective of updating the regulatory mechanisms and methodologies at the level of the tariff structure and the allowed revenues of the regulated companies, to be applied during the next regulatory period, starting in 2022.

This regulation essentially establishes the provisions applicable to the criteria, structure and methods for determining the regulated activities' allowed revenues in the electricity sector and the tariffs that recover them.

Public Consultation No. 101 aimed at gathering contributions and suggestions on ERSE's regulatory review proposals, given the beginning of a new regulatory period in 2022. The opinion of the Tariff Board, the advisory body for regulatory acts on tariffs and prices, was received, as well as contributions from 20 participants.

In addition to extending the regulatory period from 3 to 4 years, ERSE approves a set of rules relating to tariffs and allowed revenues between 2022 and 2025. In terms of the tariff structure, it is worth mentioning the elimination of the tariff applied to producers for the injection of energy into the public network, the tariff treatment to be given to autonomous storage facilities, the introduction of a new tariff option for the network access tariff applied to consumers at VHV, HV and MV, and the determination of subsequent studies to continue adapting the tariff structure to the challenges of the energy transition.

With regard to the allowed revenues of the regulated activities, new provisions that aim to reinforce the monitoring of the financial performance of regulated companies and the scrutiny in



the assessment of reported costs were introduced. Noteworthy also is the introduction of a revenue cap methodology applied to the controllable TOTEX of electricity transmission and electricity distribution activities in HV and MV, which seeks to encourage companies to use suitable solutions for responding to the challenges arising from the decarbonisation and decentralization of the electricity sector.

It should be noted that Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal electricity market should be transposed in the short term to the national legal framework. At that time, a broader regulatory review in the electricity sector may be necessary, including the Tariffs Regulation now under discussion, without compromising the principle of tariff stability.

Visit the page of [Public Consultation No. 101](#) to access all the documentation.

Lisbon, 10 August 2021