

ERRA Tariff Database

Submission overview and outlook

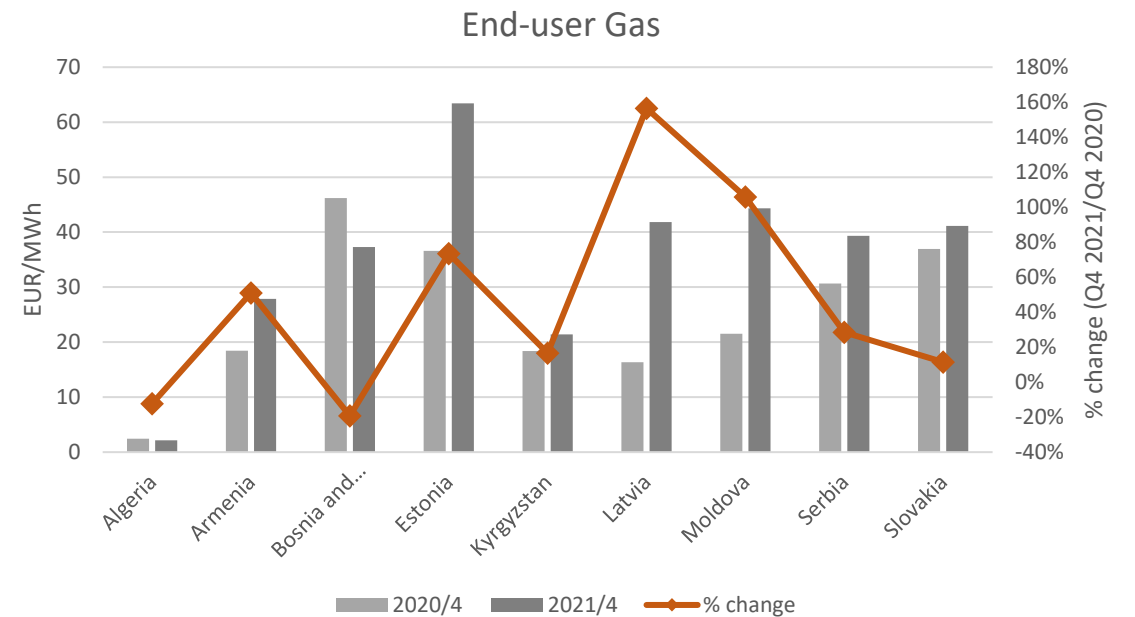
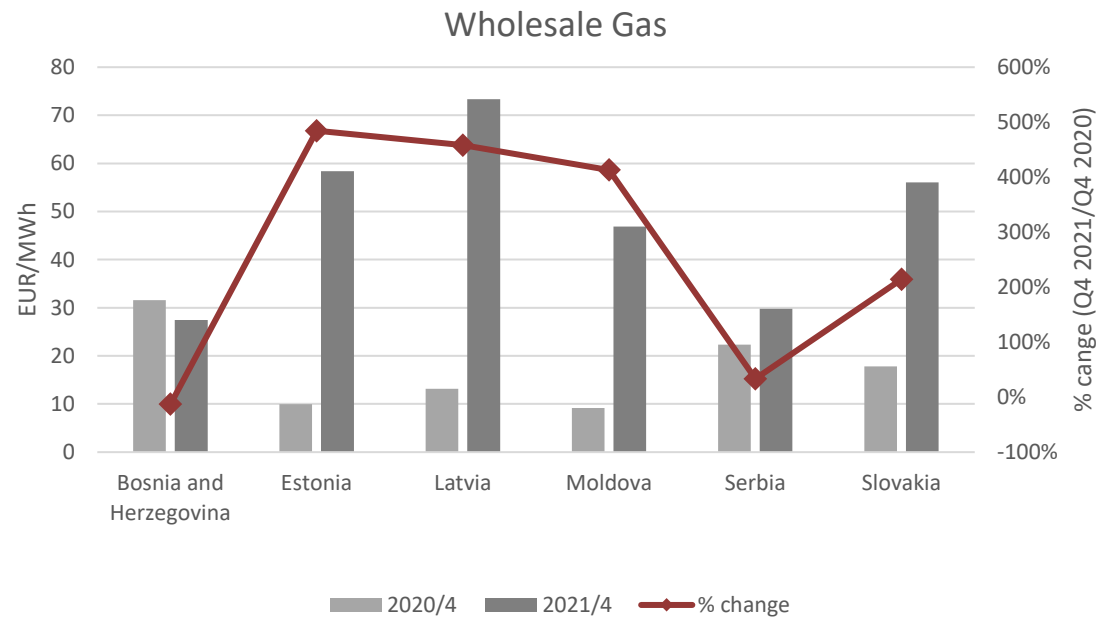
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Energy Regulators Regional Association (ERRA)

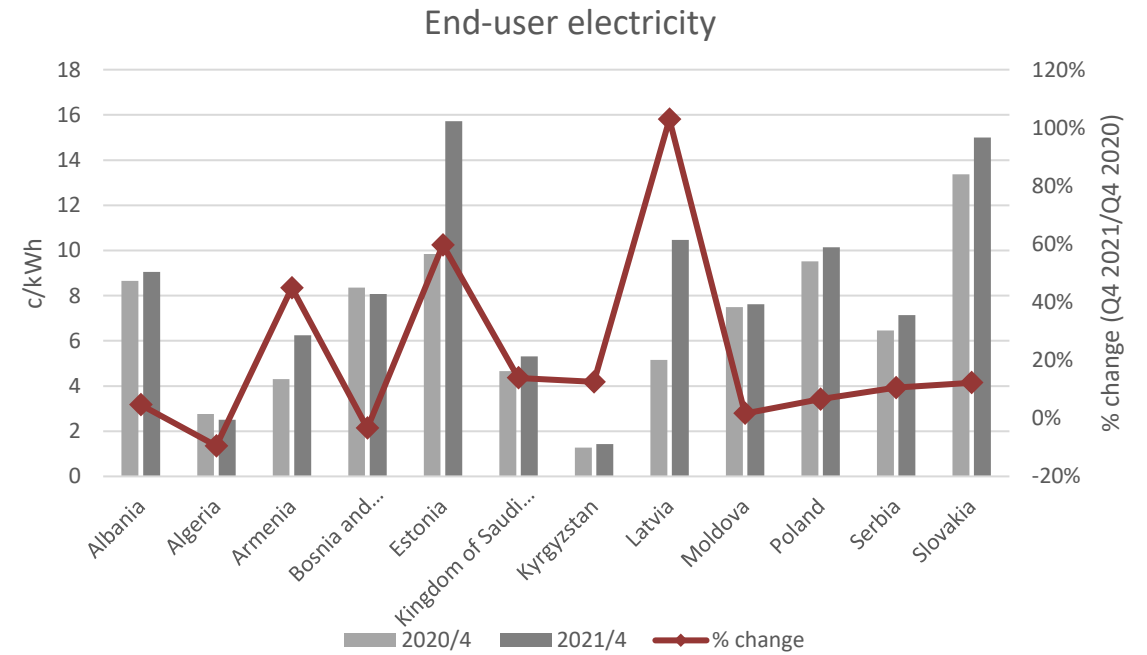
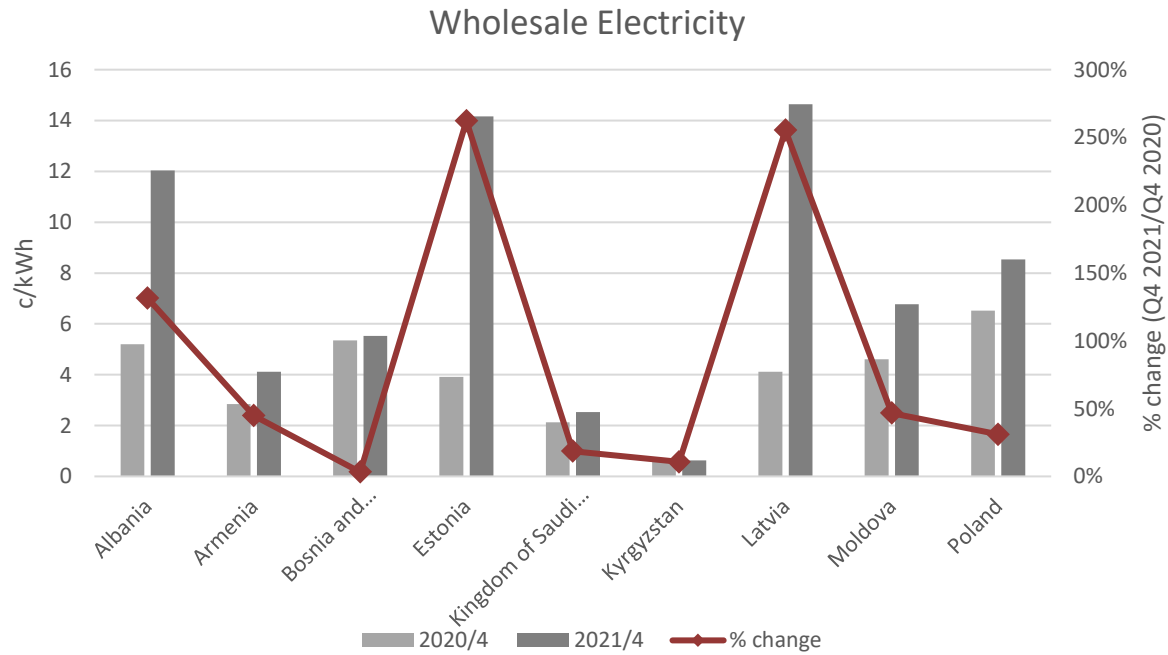
Contents

- 2022 Data Submissions
- Next steps related to the TDB

Data submission – Natural Gas

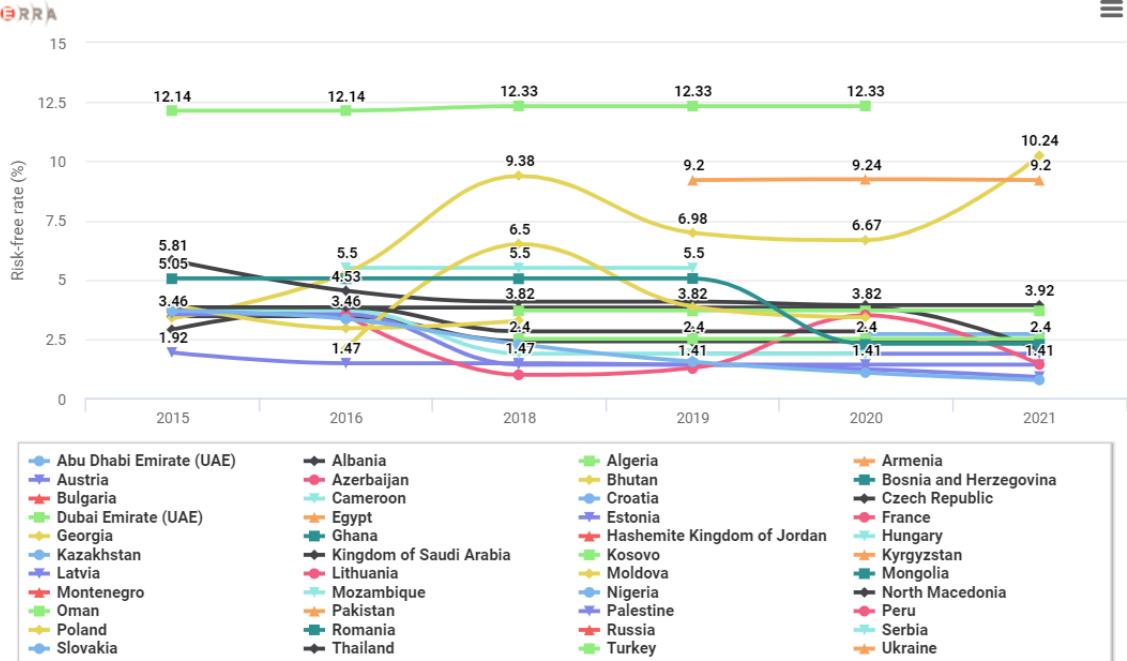


Data submission – Electricity

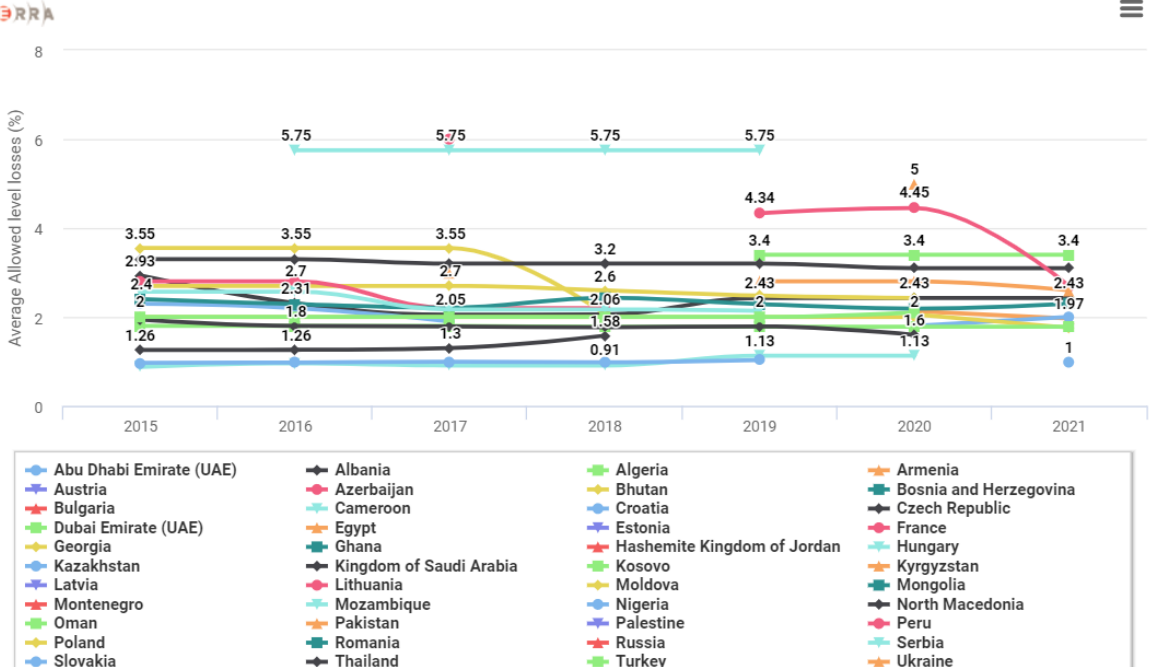


Annual data collection – trend analysis

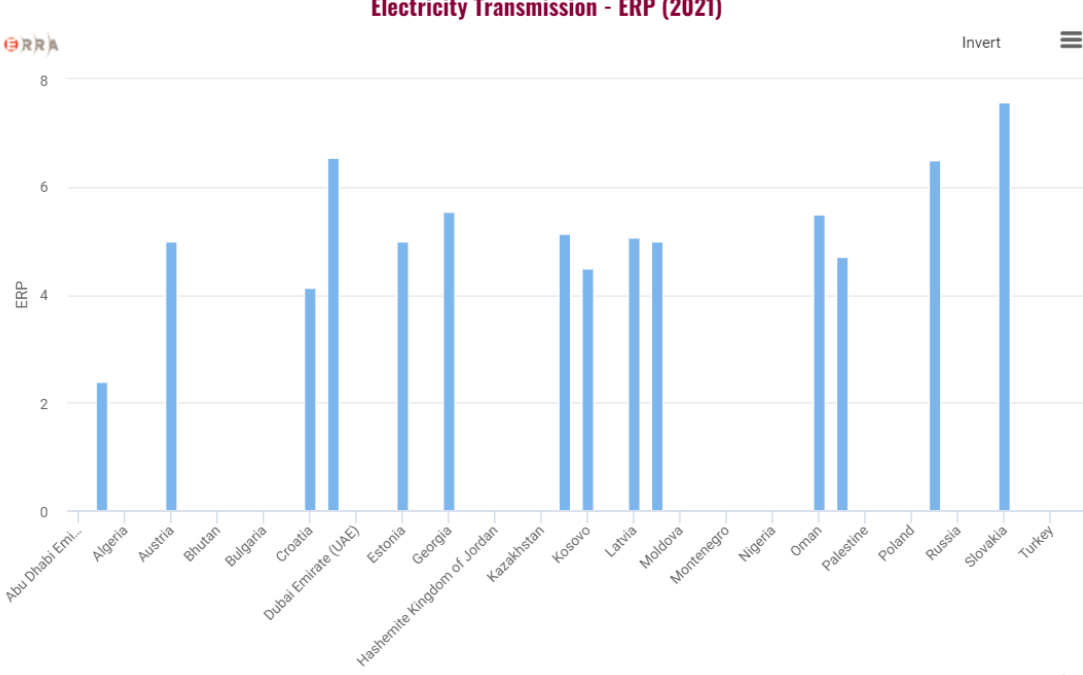
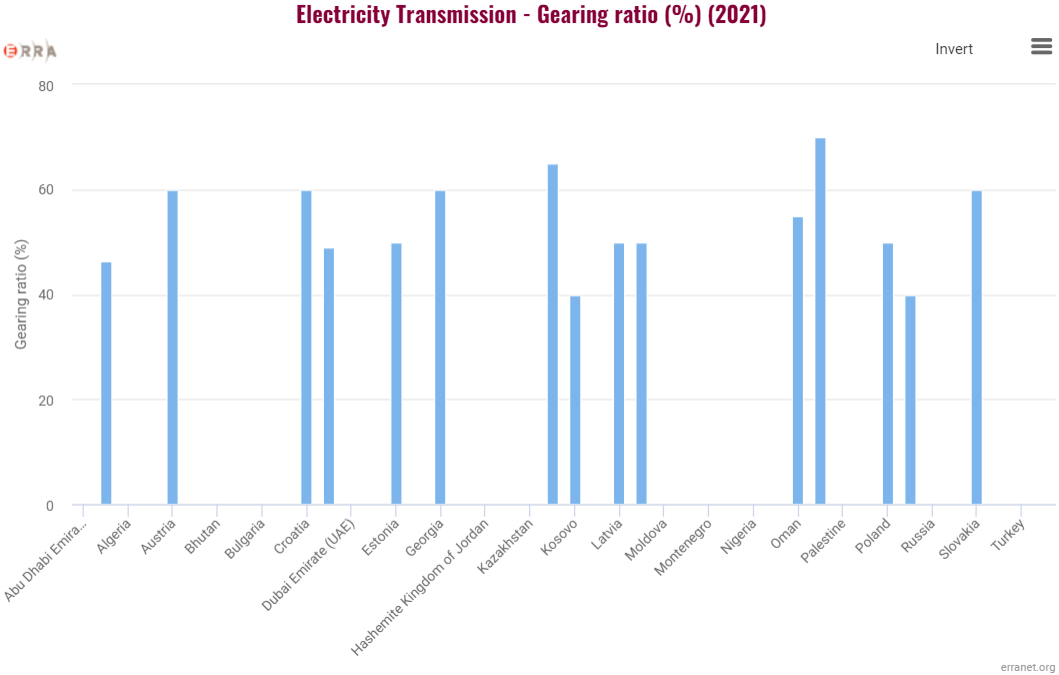
Electricity Transmission - Risk-free rate (%)



Electricity Transmission - Average Allowed level losses (%)



Annual data collection



Future of the TDB

- ERRA completed a TDB reform in 2020 and collects two types of data:
 - Annual data on revenue determinants (inputs) and tariff prices
 - Quarterly data on electricity and gas tariffs at different levels of supply chain
- ERRA recognizes regulation is evolving and the relevance of some quarterly data may be diminishing
- ERRA asks EMERC to provide recommendations and guidance about the relevance of quarterly data going forward

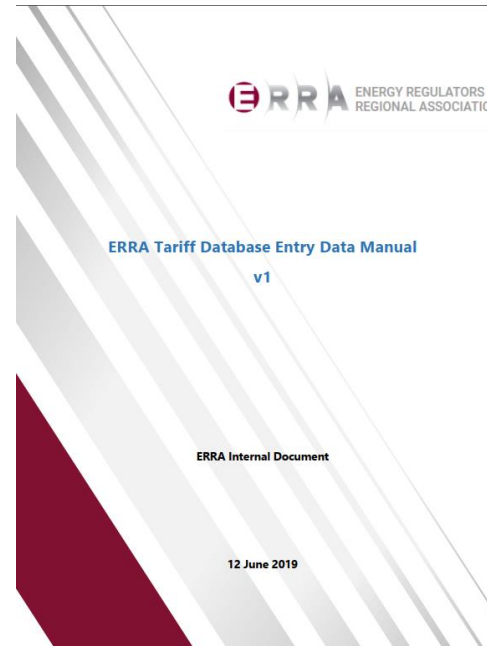
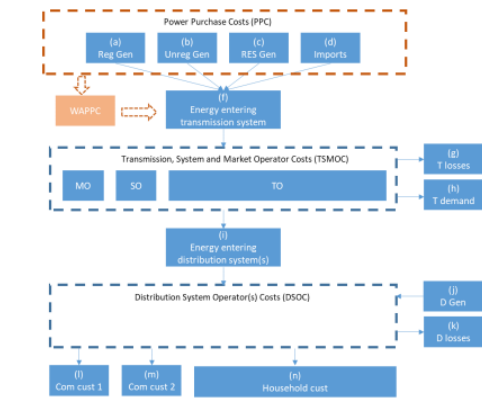


Figure 1. A typical electricity market organization referenced in the calculation formulae in the manual



..1 Producer price (€/MWh)

Definition:

(1) official average producer price (including RES generators) for the given quarter or (2) revenue for the given quarter incurred from the total cost of electricity transferred to the grid "at the power plant's gates" and costs of electricity imports, divided by the quantities of electricity transferred to the grid

Notes:

Proposed change resulting from the discussions of the Tariffs and Pricing Committee. The Price of imports is excluded from the producer price definition as in most countries' calculations, the import costs was not included anyway.

The producer prices should be calculated according to the following formula:

		4.60%
		2.50%
$(c) = (1 + (a)) / (1 + b) - 1$	Real risk-free rate	2.05%
(d)	Debt risk premium	1.00%
(f)	Equity Risk Premium	4.50%
(g)	Equity beta	0.90
(h)	Tax rate	30.0%
(i)	g	35.0%
$j = (a + d)^i + (a + g \cdot f)^i \cdot (1 - i) / (1 - h)$	Nominal pre-tax	9.99%
$k = (a + d)^i + (a + g \cdot f)^i \cdot (1 - i)$	Nominal vanilla WACC	7.58%
$m = (c + d)^i + (c + g \cdot f)^i \cdot (1 - i) / (1 - h)$	Real Pre-tax	6.73%
$n = (c + d)^i + (c + g \cdot f)^i \cdot (1 - i)$	Real Vanilla WACC	5.03%



**THANK YOU
FOR YOUR ATTENTION!**

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