



ETSO approves a new cross-border trade system (CBT) for 2003, which reduces the fee from 1 to 0.5 €/ MWh

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ETSO, the association of European electricity Transmission System Operators (TSOs), approved yesterday December 18th 2002 a new cross-border trade (CBT) mechanism for 2003. It replaces the current first-ever mechanism that was introduced in March this year to compensate the use of national transmission systems by trans-european cross-border electricity flows. The president of ETSO, Mr. André Merlin, declared that « *the new CBT system, which will enter into force on January 1st 2003 as it was proposed at the 9th Electricity Regulatory Forum in Rome in October 2002, is intended to further facilitate electricity trade in Europe. It is based on a harmonised inter-TSO payment scheme that will also be implemented in some non-EU countries* ».

The new proposal presents some major differences compared to the first CBT mechanism:

- It applies a uniform model and criteria for the identification of the cost of the network used for international transits;
- As for 2002, market players do not need to pay in every system through which their transactions go, they just pay once to the System Operator of the exporting country. For 2003, the maximum fee will be reduced from 1 to 0.5 €/MWh;
- An inter-TSO financial mechanism allows to compensate for the costs incurred by the transitted TSOs.

This proposal for 2003 is in accordance with the ETSO vision of a step-by-step approach envisaging further development in years to come.

The core of the CBT mechanism concerns the Continental power system of Europe. Three new countries have decided to join the system (Luxembourg, Czech Republic and Slovenia) on January 1st 2003, in addition to the present nine participating countries (Austria, Belgium, France, Germany, Italy, Netherlands, Portugal, Spain, and Switzerland). Four other countries have option to join on July 1st 2003, namely Greece, Hungary, Poland and Slovakia.