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New tariff structure and electricity prices - no transparency and unnecessary uncertainty!

Recent changes to the structure of electricity prices have caused some confusion. On the one hand, the regulatory institute - the "Institut de Régulation Luxembourgeois (ILR)" - has decided to change the "grid utilisation fee" in such a way that - to put it simply - peak consumption will become more expensive. It is precisely these that have an influence on the grid organisation and cause particular costs for the grid operator. The declared aim of this new tariff structure is to encourage customers to consume energy more consciously and thus avoid major consumption peaks. So far so good.

It will indeed become increasingly important in future, partly in connection with the expansion of renewable energies, to avoid or reduce such load peaks on the grid and the corresponding expansion costs of the grid. **In this respect, the Mouvement Écologique fundamentally supports the direction of the decision.**

In parallel, it is known that the electricity price cap will be reduced (that of gas and heating oil is to be completely abolished). The state cannot subsidise energy consumption indefinitely; a certain degree of price transparency is indeed required.

But: a whole series of central **questions** arise in both cases:

- It should be a matter of course that calculations on the **effects of these measures on different types of households** are **available!** However, these are not available in any form. The consequence of this is that
 - * it is not possible to understand how the tariffs were arrived at;
 - * it is difficult for individuals to see what the changes mean for them and
 - * above all, individuals do not know what behavioural changes they can make to avoid peaks and thus reduce their costs. Is it enough to reschedule a washing machine or dishwasher cycle? Why are no model calculations available yet - from the ILR or other stakeholders - so that the regulation, which is abstract for many people, becomes more tangible and comprehensible?

After all, that is precisely the aim: the prices should lead to the customer causing fewer peak loads. However, if customers are not informed objectively and transparently as to which measure is beneficial, such a reform will only lead to a lack of understanding and, above all, fail

to achieve the goal of better grid utilisation. Accordingly: Annoyance among customers, lack of acceptance and missed target.

It is imperative that improvements are made to avert further damage.

- Above all, we also need clearer calculations and **transparency about what these reforms mean for customers who have invested in the energy transition**: In other words: have switched to electromobility and, above all, to a heat pump. According to rough calculations by the Mouvement Ecologique, they will still have lower costs than households that rely on fossil fuels. But is this really the case? And how should the differential be assessed?
- However, there are other aspects that also need to be presented transparently:
 - The new tariff structure only affects customers of the low-voltage grid, i.e. primarily private households and small businesses. In the interests of equal rights for all stakeholders, it should be openly communicated whether **similar new rules** should also **apply to customers of the medium and high-voltage grid**.
 - The **figures on how this new tariff structure came about** should be disclosed. Apparently, investments in the grid have to increase anyway. How high are these costs and will these additional costs be distributed among the various electricity customers?

The Mouvement Ecologique's analysis: The new regulation is a step in the right direction. However, the way in which it is introduced is unlikely to lead to any real change in behaviour due to the lack of information (to date). The actual objective therefore risks being missed: And even if the ILR is an independent institute, the government is also responsible. This is no way to create trust and acceptance among people for what are essentially good causes...

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