

2017/18 Demand Transmission Use of System (DTUoS) Tariffs

Information Note

15 September 2017



2017/18 DTUoS Tariffs and Trends

Demand Transmission Use of System (DTUoS) is designed to recover the costs associated with the development, maintenance and operation of the transmission system in Ireland. DTUoS tariffs are calculated on an annual basis, using a regulatory approved methodology, for the coming tariff year and apply to all demand customers on the transmission and distribution network.

This information paper has been prepared to accompany the DTUoS tariffs which have been calculated by EirGrid for 2017/18 (1 October 2017 to 30 September 2018). A full schedule of the tariffs can be found in the [EirGrid Statement of Charges](#).

2017/18 Demand Transmission Use of System (DTUoS) tariffs and their percentage change compared to 2016/17 are shown in Table 1.

Schedule		Charges		Charges	
		1718 non-LEUs	% change from 1617 non-LEU tariffs	1718 LEUs	% change from 1617 LEU tariffs
DTS-T	Network Capacity Charge	€ 1,886.2808/MW	6.54%	€ 1,463.7413/MW	12.08%
DTS-D1	Network Capacity Charge	€ 1,591.4405/MW	7.37%	€ 1,234.9471/MW	12.95%
DTS-D2	Network Capacity Charge	€ 6.2143/MWh	3.15%	€ 4.8223/MWh	8.51%
all schedules	Network Transfer Charge	€ 2.9541/MWh	3.21%	€ 2.2924/MWh	8.57%
all schedules	System Services Charge	€ 4.6270/MWh	20.99%	€ 3.5905/MWh	27.28%
all schedules	DSM Charge	€ 0.0001/MWh	-48.82%	€ 0.0001/MWh	-48.82%

Table 1: 2017/18 DTUoS Tariffs and their percentage change compared to 2016/17

Two key factors in explaining tariff changes (from 2016/17) are:

The **2017/18 Total TUoS Allowed Revenue** (€402.452m) has increased by 12.77% from that of 2016/17 (€356.882m). This is the total forecast revenue required to develop, maintain and operate the transmission system. It is recovered from both generators and demand customers and has been approved by the CER ([CER16248](#) & [CER17276](#)).

Of this the **2017/18 DTUoS Allowed Revenue** (€333.941m) has increased by 13.9% from that of 2016/17 (€293.167m).

The forecast energy demand for 2017/18 (27,800 GWh) has increased by 4.1% relative to 2016/17 (26,700 GWh). This higher demand forecast has the effect of lowering energy based tariffs (as there is a larger base to divide the revenue across). This increase in energy forecast negates to a certain extent the effect of the revenue increase.

Specific Trends in 2017/18 DTUoS Tariffs

The System Services Charge tariff (energy based) is directly related to the System Services Allowed Revenue, which has increased by 25.97% from 2016/17. This is primarily driven by the increased revenue requirement, as a result of the introduction of an increased tariff for the provision of DS3 System Services. These services enable the system to operate securely with the current portfolio of generation with the intention of bringing downward pressure on wholesale energy costs.

The glide path for DS3 System Services expenditure cap limits until 2020 is detailed in [SEM-17-017](#). The projected increase in the revenue required for DS3 System Services is driving an increase in the System Services Charge.

The Network Capacity Charges have increased. The underlying reason for increase in these tariffs is an increase in the Network Costs component of the revenues of 7.46% between tariff years 2016/17 and 2017/18.