

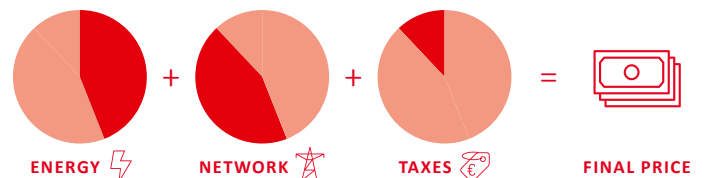
A NEW NETWORK USE TARIFF

TAKING ACTION TODAY TO AVOID HIGHER COSTS TOMORROW

On 1 January 2025, the Luxembourg Regulatory Institute (Institut Luxembourgeois de Régulation - ILR) and network operators will introduce a new tariff structure onto the electricity market. The objective? To respond to changes in network use within the context of the energy transition. How? By offering a fairer tariff structure that will ultimately encourage consumers to be more flexible in their network use and to make better use of existing and future networks.

WHAT ARE WE TALKING ABOUT?

On the electricity market, it is important to distinguish between the **price of electricity** and the **electricity network use tariff** which, together with **taxes**, make up the final price paid by the consumer.



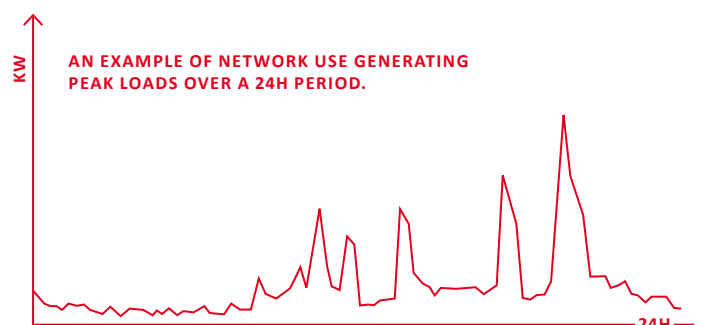
The price of electricity can vary in line with the energy market. In contrast, **the network use tariff, applied by the network operator, is approved by the ILR, the Luxembourg Regulatory Institute.**



WHAT IS THE CURRENT SITUATION?

The electrification of our society is resulting in **increased energy flows**. While this is still quite manageable due, in particular, to the excellent quality of the country's networks, **energy flows could rise even higher in the future.**

In order to limit the peak loads that can be caused by simultaneous use, it is necessary to find a complementary solution to increasing network capacity. In this respect, the current system is unfair, **because it does not reflect actual network use costs.**

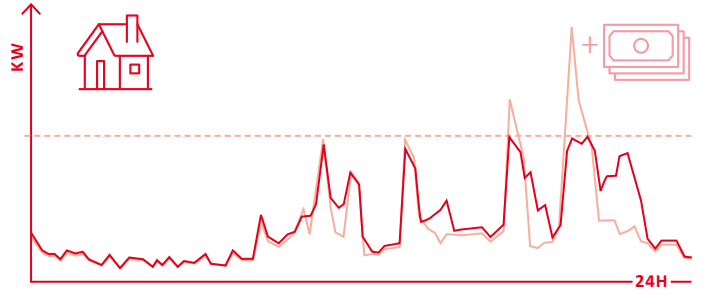


WHAT IS CHANGING?

It is the **network use tariff that will change** on 1 January 2025. Greater emphasis will be placed on **the concept of power (kW)**. This change aims to make the tariff fairer and more reflective of actual costs, and **encourages the consumer to limit simultaneous use resulting in peak loads** that have to be absorbed by the network.

In practice, reference power levels will be allocated to all consumers on the basis of their consumption history. **It will be perfectly normal for the power level assigned to be exceeded on a regular basis.** The additional volume will then simply be billed at a higher rate.

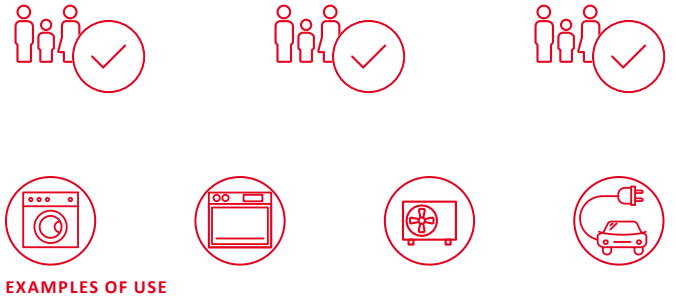
- EXAMPLE OF GRID USAGE THAT CAUSES LOAD PEAKS THAT EXCEED THE REFERENCE POWER LEVELS
- EXAMPLE OF GRID USAGE WHERE PEAK LOADS ARE AVOIDED



WHAT CAN USERS DO?

For the time being, **this change will have little impact on the vast majority of consumers.** All the more so because the price of electricity itself is the main variable in the final price paid by the customer.

All users can contribute to more efficient network use, **by showing flexibility in their consumption, extending it over time and limiting simultaneous use.**



**A FAIR TARIFF STRUCTURE
THAT ANTICIPATES FUTURE NEEDS**

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