Céline Gauer
Directorate-General for Energy
Rue de Mot, 24
1040 Brussels, Belgium

Brussels, 3 September 2026

Subject: Eurelectric's concerns about the proposal to delete Annex B of Regulation EU 838/2010

Dear Director-General,

As concrete policy action is taken towards accelerating electrification, electricity producers rely on a stable and predictable regulatory environment to invest into generation assets characterised by long payback periods.

In this context, we have learned about the European Commission's plan to delete Annex B of Regulation EU 838/2010 (the ITC Regulation), which sets maximum amounts for injection charges to be paid by producers at the transmission level. **On behalf of electricity producers across Europe, Eurelectric would like to share its concerns about the consequences of this planned deletion**.

The relative harmonisation of transmission injection charges achieved by **Annex B of the ITC Regulation is a key safeguard in preserving a fair competitive environment for both existing and new assets in the internal electricity market**. Indeed, we expect that the removal of limits to injection charges at transmission level will lead to widely diverging generator charges across Member States relatively quickly, based on different national methodologies and regulatory practices. This will distort competition on the coupled wholesale electricity markets, thus de facto reducing the benefits generated by market coupling.

Similarly, **a limit on the divergence of injection charges across different parts of Europe is key to investment confidence**. Indeed, the risk that generation assets' competitiveness is affected by unpredictable injection tariff evolutions will directly affect producers' cost predictions. This will in turn affect the profitability of existing assets and distort investment incentives. As with any cost element faced by producers, higher injection charges are also reflected in the energy component of consumers' electricity bill.

Policy Request

Considering the substantial regulatory risk that a deletion of Annex B would create, **Eurelectric believes that a robust framework, one that ensures sufficient regulatory visibility and preserves well-functioning wholesale markets, needs to be maintained.** Annex B should thus remain in place until an alternative instrument, one which maintains investment certainty and does not lead to market distortions, is created. Eurelectric stands ready to work with you to find a suitable solution to this issue.

Yours sincerely,

Cillian O'Donoghue
Policy Director, Eurelectric

Annex

Why the cap on injection charges at transmission level is key to the well-functioning of the internal electricity market.

Context

Electricity transmission operators are allowed to recover costs incurred for access, use and reinforcement of networks from consumers and generators. At transmission level, Annex B of the ITC Regulation caps injection charges for generators (also known as "G-charges") at 0,5 EUR/MWh in most countries, apart from the Nordic countries (1,2 EUR/MWh) and Ireland (2,5 EUR/MWh). These amounts exclude amounts charged for grid connection, ancillary services and system losses.

Lack of harmonisation in national tariff structures carries risk of market fragmentation and undermining of investor confidence

The principles of cost causation and cost reflectiveness are not harmonised across Member States' national tariff methodologies. In the absence of a robust framework at EU level, different interpretations of these key concepts are likely to cause a fragmentation of G-charges across Europe, directly affecting prices on electricity wholesale markets and distorting investment signals.

- In the case of capacity-based G-charges, these higher fixed costs affect investment decisions and the profitability of existing plants, such as peak-demand assets.
- Energy-based G-charges on the other hand distort competition on the coupled electricity markets. Generators faced with additional variable costs will increase their bid prices and risk facing a competitive disadvantage compared to producers in other Member States.

If based on different and potentially unjustified assumptions, both energy-based and capacity-based injection charges can thus cause an undue competitive disadvantage for generators, solely based on their location across Europe. This will distort asset dispatch decisions and lead to inefficient market outcomes.

Other tools exist to incentivise the system-efficient location of generation

Measures aimed at reducing the costs of network operation and grid reinforcements should be implemented without distorting efficient dispatch and cross-border exchanges. Locational elements in network charges should therefore be limited to grid connection charges. In general, the predictability and comparability of G-charges is crucial to the well-functioning of the coupled electricity market, and the impact of tariff changes on market outcomes should be fully considered.

A legal vacuum is not in the interest of the internal electricity market

Annex B of the ITC Regulation is a key safeguard against the distortion of investment signals and wholesale market competition in the internal electricity market. For this reason, the process to replace this framework should involve all relevant stakeholders and avoid a situation where the removal of Annex B creates a legal vacuum.

A robust framework for G-charges should ensure that costs recovered from generators can be clearly attributed through the cost-causation principle and room for national divergences in their size kept within acceptable ranges, whereas residual costs should be recovered in a manner that minimises the distortion of market outcomes.