

# **ELECTRICITY TRANSMISSION TARIFFS IN THE NORDIC COUNTRIES : AN ASSESSMENT OF PRICING RULES**

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## Abstract

The deregulation of the electricity markets in the scandinavian countries settles a new organizational structure : it has implied a unified market for electricity and coordinated rules for the exchanges between the countries ; but each system has its own transmission operator and its own transmission pricing method.

This paper examines the transmission pricings used and explain the key similarities and differences among them. We focus here on the pricing for the losses and the congestions on the grid, which seems to be quite controversial among the nordic countries.

We use simplified network models to illustrate the different rules applied. In order to assess the consequences of the pricings we compare the costs and benefits resulting from the tariffs for the network users and the network operator. The choices made as regard the electricity transmission pricings entail different and conflicting opportunities for the generators, consumers and operator of the network.