

## **Renewables minimize rising electricity prices for domestic and business consumers**

*According to ERSE, the reduction in the tariff for access to networks will contribute in 2023 to a decrease of about 55% in the final bill of domestic consumers and about 30% for industrial consumers.*

Renewable energies will minimise the impact of the abnormal rise in electricity prices in 2023, at a time when very high values are still being recorded in European wholesale markets.

For [APREN – The Portuguese Renewable Energy Association](#), this is one of the main findings of the publication by the Energy Services Regulatory Authority (ERSE) of the tariffs and prices to be in force next year in the regulated market.

Grid access tariffs fall again in 2023 thanks to renewable energy, with benefits for all kind of consumers. The Global System Use tariff, incorporated in the latter, decreases by 370% compared to the previous year, as a result of the decrease in the Costs of General Economic Interest (CIEG), which translates into a very significant benefit for the National Electricity System.

The reduction in the network access tariff will contribute by 2023 to a reduction of around 55% in the final bill of domestic consumers and a reduction of around 30% in the final bill of industrial consumers. This relieves the pressure of increases in electricity prices recorded on the wholesale market and, consequently, on the final prices paid by customers, both on the regulated market and on the liberalised market.

By 2023 domestic consumers will benefit from an over-gain of €2.5 billion in revenue from the cost differential of PRE (Production on a Special Regime), mostly renewable. The amounts paid to electricity producing companies selling Production on a Special Regime (PRE) to the Last Resort Trader are lower than the energy component values of electricity prices currently recorded on the wholesale market, which allows the difference to be delivered to the system, generating a real on gain provided by renewables.

Industrial consumers will also benefit of the injection of around €2 billion into network access tariffs by 2023.

These figures will serve as a financial cushion in view of the high prices recorded in the wholesale market. Nevertheless, in January 2023 consumers in normal low voltage, in the regulated market, which serves as a reference to the liberalized market, will see an average increase of 1.6% compared to the prices in force in December 2022.

The average variation, compared to 2022, is about 3.3%, but could be much higher bearing in mind the current conjuncture. Given that the forecast for the inflation rate for 2022 points to 10.5%, an increase of 1.6% and 3.3% corresponds, in fact, to a reduction in cost impact of around 8.9% and 7.2%, respectively.

The side effects on energy markets, resulting from the prolongation of geopolitical tensions in the war in Ukraine, explain the maintenance of the abnormally high level of electricity prices in wholesale markets, which are expected to continue in 2023.

Between January and November 2022, Portugal was the fourth country in Europe with the highest renewable incorporation in electricity generation, with 54.4%.

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**For more information, please refer to:**

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**About APREN:**

The [Portuguese Renewable Energy Association \(APREN\)](#) is a non-profit association founded in October 1988. Its mission is to coordinate and represent the common interests of its members, promoting renewables energies in the electricity field. APREN works closely with the government and other official entities, both on a national and international levels. It participates actively in the definition of energy and environmental policies, valuing natural resources for electricity production, namely hydric, wind, solar, geothermal, biomass, biogas, and urban solid waste.