

# Electricity Network Charging for Flexibility

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**Abstract** This paper discusses the principles of electricity network charging in the light of increasing amounts of distributed generation and the potential for significant increases in electric vehicles or distributed electrical energy storage. We outline cost reflective pricing, traditional public service pricing, platform market pricing and customer-focussed business model pricing. We focus on the particular problem of how to recover network fixed costs and a recent example from Australia. We conclude that there are serious issues for regulators to address, but that potential solutions at the distribution level may already exist at the transmission level.

**Keywords** network charging methodology, platform market.

**JEL Classification** L94

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