



ERSE ANNOUNCES ITS PROPOSAL FOR ELECTRICITY TARIFFS IN 2023

Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

Lisbon, October 17th, 2022: The Portuguese Electricity Regulator (“ERSE”) announced its proposal for electricity tariffs in 2023, on which it is worth noting the following:

An increase of 2.8% in end users’ regulated electricity tariffs for 2023 in the normal low voltage (NLV) segment, compared to the year 2022 average, which includes residential and SMEs electricity consumers. This reflects the combined impact from:

- i) Average purchase cost in wholesale electricity market for the supply of regulated clients assumed at €262.1/MWh for 2023, which compares with the €136.6/MWh assumed in the tariffs in July 2022, which rose €5/MWh in October this year.
- ii) Mitigated by decline in grid access tariffs by 420%, to negative figures, mostly supported by the favourable evolution of the differential between the stable feed-in tariffs for special regime generation and the higher wholesale electricity prices.

ERSE proposed regulated gross profit for the activity of electricity distribution, operated by our subsidiary E-Redes, is €1,050 million for 2023, based on a rate of return of 5.03%. For the last resort electricity supply (operated by our subsidiary SU Electricidade), ERSE proposed regulated gross profit of €36 million for 2023. In both cases, the regulated gross profit excludes previous year adjustments.

According to ERSE’s proposal, Portuguese electricity system’s regulatory receivables, which amounted to €1.7 billion by the end of 2021, should decline by €0.9 billion over 2023.

In line with electricity regulation rules in Portugal, the Tariffs Advisory Board shall issue its nonbinding opinion until November 15th. Following that, ERSE will approve the final tariffs and parameters until December 15th 2022.

This information is disclosed pursuant to the terms and for the purposes of the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council.

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