

Targets and principles of the main grid service fee reform

1 Targets

Fingrid is planning to reform the main grid service fee structure. In the fee structure reform, the total amount of main grid fees collected remains the same, only the emphasis changes.

The objective is to achieve cost-based and transparent pricing while creating the following incentives for customers to improve the efficiency of grid operation:

- a) cut power peaks
- b) to place consumption, electricity storage and production at the same connections and, in general, closer to each other
- c) to utilize 400 kV connections.

This would curb investment needs in the transmission grid in the longer term, enabling a cost-effective transmission grid in the future, and reduce the land-use, landscape and environmental impacts caused by power lines. The savings from avoiding even one 400 kV power line amount to hundreds of millions of euros. In addition, new connections could be provided quicker so that grid congestion would not slow the progress of the energy transition.

2 Key changes

2.1 Allocation to grid infrastructure, loss and system costs

Current main grid service fees in Finland have not been specified to cover specific costs of grid service. The reform of the tariff structure is based on a model in which the costs of main grid service are divided into three components: grid infrastructure, transmission losses and system-level costs. The costs of each sub-area are covered by fee components formed as closely as possible to the costs. This both improves transparency and creates incentives for customers to use the transmission grid more efficiently.

The costs of grid infrastructure – i.e. network construction and maintenance – will be covered by a new consumption capacity fee that replaces the current consumption charge, as well as by the generation capacity fee currently in use or by an alternative energy fee for power plants with short operating times. The costs of procuring and hedging loss energy will be covered by a new loss fee that replaces the current main grid input and output fees and is levied equally on output and input energy. The possibility of netting input and output energy remains unchanged, and power fees will not be netted in the future either.

Unlike other grid companies, at the transmission grid level system-level costs also arise, for example from managing grid stability and procuring reserves. These costs are

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covered by a new system fee levied on all consumption and production energy in Finland's power system, as at system level all grid users are equally served, not only those directly connected to the transmission grid.

2.2 Balancing the contributions of consumption and production

Fees levied on electricity consumption have traditionally accounted for approximately 80% of all main grid service fees in Finland. However, electricity generation also generates grid investment needs, in recent years to a significant extent. As part of the reform of the tariff structure, Fingrid proposes balancing the contributions so that the production tariff share is increased to just over one-quarter of the main grid fees.

Increasing the share of main grid fees that falls on generation reduces the burden on consumption in the fees, but overall the effect is neutralised because grid fees levied on generation are passed on to the electricity price. However, it is fair to charge costs on an accounting basis in grid tariffs. If this is not done, the benefit that producers receive through lower grid fees will also be passed on to electricity exports via energy prices – in which case Finnish consumers will offset the benefit received by foreign consumers.

In the fee structure reform, a model has been used in which the share of infrastructure fees covered by generation capacity fees would remain unchanged, but loss fees and the new system fee would be allocated equally to consumption and generation. In the current tariff structure, the output energy fee accounts for about 2/3 of the main grid input fee, so in practice an increase in the production contribution would be achieved through a loss fee and a system fee. These are energy-based tariff components, which means that an increase in the cost burden would be applied evenly according to the energy produced.

2.3 Introduction of the consumption capacity fee

Finland is a rarity in Europe, because at the transmission grid level there is currently no power-based pricing for electricity consumption; consumption is invoiced solely on an energy basis. However, electricity grids must be dimensioned according to the power peaks to be transmitted, so pricing based on the power taken from the transmission grid is a more cost-reflective tariff structure. This also creates an incentive for customers to reduce power peaks, which affects the transmission grid's investment needs and enables the same grid to serve more connections.

The introduction of an power fee based on the output power is also a direct incentive to place consumption and generation in the same connections, as production in the customer's grid reduces the need for output power. Previously, the possibilities of locating consumption and generation on the same connections were limited, but with the amendment to the Electricity Market Act that entered into force at the beginning of 2026, this was widely made possible using "direct lines".

In the impact assessment, Fingrid decided to examine a model in which the consumption capacity fee would consist of both the measured monthly peak and the longer-term power peak. The combination seeks to achieve the benefits of both models and takes into account the consultation feedback that the main grid consumption capacity fee should be harmonised with the distribution grids' tariff structure. The Energy Authority stated that in distribution networks the capacity fee must be based on the measured hourly power peak

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on a monthly basis ([The Energy Authority's regulation, in Finnish](#)). Using the monthly peak guides customers to continuously manage their power peaks, whereas billing based on longer-term power peaks is more cost-effective in terms of grid dimensioning. By influencing power peaks, investment needs in power peaks that would only be needed during rare transmission peaks can be avoided.

2.4 Revising the invoicing model for energy storages

Fingrid has developed and continues to develop the invoicing model for energy storages to be more cost-reflective as storages become more common. Similar developments are underway elsewhere in Europe, for example [in Germany](#). If energy storage is not invoiced on a cost-reflective basis, other grid users will also pay the costs they cause, and, conversely, the storages will not receive corresponding incentives for efficient grid operation.

In the tariff structure reform proposed by Fingrid, the separate capacity fee component currently in use for energy storage facilities will be abandoned and fees will be levied on the charging energy of the storage facilities similarly as on electricity consumption. Although energy storage has benefits for the energy system, from the perspective of the grid's transmission and connection capacity, charging the storage is a similar use of the grid to electricity consumption, so it is cost-based to charge grid infrastructure costs from energy storage just as from electricity consumption. To avoid double billing, it is not planned to charge also the same generation capacity fee of energy storage facilities as for power plants.

With the introduction of the model based on measured output power, the current invoicing of energy storage facilities based on installed capacity must in any case be changed, or, alternatively, both an input power fee and an energy storage capacity fee would be charged for the storage's charging power. Ignoring storage facilities in invoicing consumption capacity fee is neither cost-effective nor a feasible solution, because the storage's charging energy cannot be separated from the measured output power if there are other equipments than storages behind the customer's connection.

System-level costs are planned to be covered by a new system fee levied on all consumption and production energy in Finland's power system, but for energy storage only on loss energy, i.e. the difference between charging and discharging energy. This avoids double billing.

2.5 Alternative analyses: voltage-specific pricing

By default, in the transmission grid, 400 kV customers use predominantly the 400 kV grid, whereas customers at lower voltage levels use both the 400 kV and 110 kV grids. In addition, if the customer connects at the 400 kV voltage level, transmission grid transformer costs are avoided – the customer pays for the voltage conversion himself and the costs are not charged to other customers. Transmission losses are also lower at higher voltage levels. A lower transmission tariff for 400 kV connections would therefore be cost-reflective and would reduce everyone's transmission tariffs in the longer term.

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2.6 Alternative analyses: location-based pricing

As part of the reform of main grid service fees, Fingrid examined the introduction of location-based transmission fees. By 26 May 2026, Fingrid had not received a response from the Energy Authority to its November 2025 request for a statement on whether location-based pricing could be used in Finland under the current legislation. European legislation does not set any obstacles to this; instead, the European Commission recommends the introduction of location-based tariffs to steer more cost-effective grid operation.

The impact assessment examined a model in which location-dependent pricing would be applied in the new loss fee, whereby a higher loss fee would be levied on energy input to the transmission grid in a production-dominated area and, correspondingly, a higher fee on energy output from the transmission grid in a consumption-dominated area. This would be justified from the perspective of cost equivalence, because losses are directly dependent on the energy transmitted – consumption located close to production results in lower loss costs.