Electricity consumption and electricity price - important terms explained simply:

- **Consumption determination**: indicates how many kilowatt hours you used during the billing period. And whether the meter reading for determining consumption was either read or estimated.

- **Consumption billing**: Shows you the amount you pay for electricity and how it is made up. It consists of a basic price, the energy price and the electricity tax.

- **Base price**: The base price is fixed. It includes, for example, administrative costs or network fees. The network fees can differ depending on the supply area, because there are different network operators in Germany with different network fees. The basic price is stated in euros per month.

- **Labor price**: The labor price includes all consumption-dependent (i.e. variable) price components and is shown in cents per kWh on the electricity bill. These are, for example, the costs of electricity generation and the statutory charges, levies and taxes, as well as the network charges levied by the network operator for the use of the distribution network.

- **Electricity tax**: The electricity tax is a consumption tax regulated by federal law that is levied on electric power. The tax rate is 2.05 cents per kWh, and most of the tax revenue goes into the state pension fund.

Electricity price components - important terms explained simply:

- **Concession fee**: The concession fee is paid to the municipality. It is used to allow energy supply companies to use public transport routes to lay and operate lines. The exact amount depends on the size of the municipality and is approximately 1.13 to 2.37 ct/kWh net.

- **Renewable Energy Sources Act (EEG) levy**: EEG stands for Renewable Energy Sources Act. The law guarantees producers of green electricity a fixed amount for feeding their electricity into the grid. The EEG levy is used to offset the costs incurred by transmission system operators in promoting renewable energies. These costs are passed on to all end consumers via a multi-stage rolling mechanism. Accordingly, this serves to expand renewable energies and thus to finance the energy turnaround. The EEG levy is (as of November 2020) 6.756 ct/kWh and will be capped at 6.50 ct/kWh in the future. What many do not know: Nuclear and coal-fired power was subsidized almost twice as much for a long time. However, not via the electricity price, but via taxes.

- **Combined heat and power (CHP) levy**: The CHP levy is the counterpart to the EEG levy for the area of combined heat and power, i.e. the simultaneous generation of electricity and heat in decentralized generation plants. This can save on pollutant emissions. With the CHP levy, you pay for the Germany-wide expansion of this technology. It is calculated at 0.226 ct/kWh net.

- **Allocation according to §19 Abs 2 Strom NEV**: The §19 StromNEV allocation compensates the costs for companies that have to pay less or no grid fees for economic reasons. The background to this is the assumption that the EEG places a heavy burden on companies in particular. However, these companies can be completely exempted from paying the grid charges if they can demonstrate at least 7,000 hours of use and a purchase of more than 10 gigawatt hours from the general grid. The levy is 0.358 ct/kWh net and is set to rise to 0.432 ct/kWh in 2021.

- Offshore levy pursuant to Section 17f of the German Energy Industry Act (EnWG): The revenues from the offshore network levy are used to cover the corresponding costs from compensation in the event of disruptions or delays in the connection of offshore plants as well as the costs from the construction and operation of the offshore connection lines.

- are covered. This is intended to cushion claims for compensation from offshore wind farms if they are not connected to the onshore power grid in good time by the transmission system operators. In this case, wind farms are unable to supply electricity, and operators lose out on the compensation for the wind power they generate, which is guaranteed by the Renewable Energy Sources Act (EEG). The levy is 0.416 ct/kWh net and is expected to fall to 0.395 ct/kWh in 2021.

- Levy for disconnectable loads in accordance with § 18 AbLaV: The § 18 AbLaV levy finances the payments made by the transmission system operators to the operators of disconnectable loads to stabilize the electricity grid. A net amount of 0.007 ct/kWh is charged for this. From 2021 it is to be 0.009 ct/kWh.

- Grid charges: Without an intact grid infrastructure, it would be impossible to imagine a functioning and secure energy supply in Germany. The costs of network expansion and operation are financed by the network operators through so-called network charges. The network charge consists of an energy price (in cents per kilowatt hour) and a monthly base price (in euros). The network charges are billed on the one hand for the use of the network and on the other hand for metering point operation and metering.