Bundesnetzagentur

Revenues resulting from cross-border congestion management from 1 January 2024 to 31 December 2024

March 2025

Report pursuant to article 19 para. 5 s. 2 of the Regulation (EU) 2019/943 on the internal market for electricity

The English version is a courtesy translation only.

Introduction

According to article 19 para. 5 s. 2 of the Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (hereafter: Reg. 2019/943), Bundesnetzagentur shall annually by 01 March publish a report informing on the amount and use of the congestion income collected by the national transmission system operators (TSOs) during the previous calendar year. The report has to set out

- the amount of congestion income collected,
- how that congestion income was used pursuant to paragraph 2, including the specific projects the income has been used for, and the amount put on a separate account,
- the amount that was used when calculating network tariffs; and
- verification that the use of congestion income complies with this Regulation and the methodology developed pursuant to paragraphs 3 and 4.

There are capacity constraints at the German borders with Austria, Belgium, the Netherlands, France, Switzerland, the Czech Republic, Poland, Denmark, Sweden and Norway, which require a congestion management procedure in compliance with Reg. 2019/943. According to these provisions, congestion management procedures shall be market-based, transparent and non-discriminatory. With respect to these criteria, cross border capacity at Germany's borders is allocated via daily, monthly and annual auctions[1] . For most bidding zone borders this is done for the day-ahead timeframe via implicit allocation in the European market coupling[2], regarding day-ahead and intraday auctions. Furthermore capacity is explicitly allocated for annual and monthly products. Implicit auctioning, which allocates both the commodity and the cross-border capacity

[1] Capacity of the Baltic Cable (SE-DE) is solely offered via implicit daily auctions.
[2] Exemption: DE-CH.

jointly, is in place between the bidding zone borders between Austria, Belgium, Croatia, the Czech Republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia and Slovenia in the so called CORE Region (day-ahead flow based market coupling since June 2022) and also between the Northern bidding zone borders of Germany (Denmark, Sweden and Norway). Since June 2024, intraday auctions are conducted in the CORE region. Hence, congestion income is generated by TSOs from the price spread which remains between the respective countries after the market coupling and the remuneration of long-term transmission rights (LTTRs) for annual and monthly products. In an explicit auction capacity is offered beforehand and therefore separated from electricity trade. Whether capacity is allocated to a specific auction participant depends on the level of the bidding price.

Congestion income per border

The following TSOs are involved in the congestion management of the individual borders:

Border	Involved Transmission System Operatores TSO(s) on German Side	Neighbouring TSO
DE – AT	Amprion, TenneT TSO, TransnetBW	Austrian Power Grid (AT)
DE – BE	Amprion	Elia (BE)
DE – NL	Amprion, TenneT TSO	TenneT TSO (NL)
DE – FR	Amprion, TransnetBW	RTE (FR)
DE – CH	Amprion, TransnetBW	Swissgrid (CH)
DE – CZ	TenneT TSO, 50Hertz Transmission	CEPS (CZ)
DE – PL	50Hertz Transmission	PSE-O (PL)
DE – DK West	TenneT TSO	Energinet.dk (DK)
DE – DK East	50Hertz Transmission	Energinet.dk (DK)
DE – SE	Baltic Cable AB	Baltic Cable AB
DE – NO	TenneT TSO	Statnett SF

In calendar year 2024 the aggregated congestion income of the TSOs amounts to 1,110.79 million euros.

The congestion income collected at the respective German borders is illustrated in the following figure:

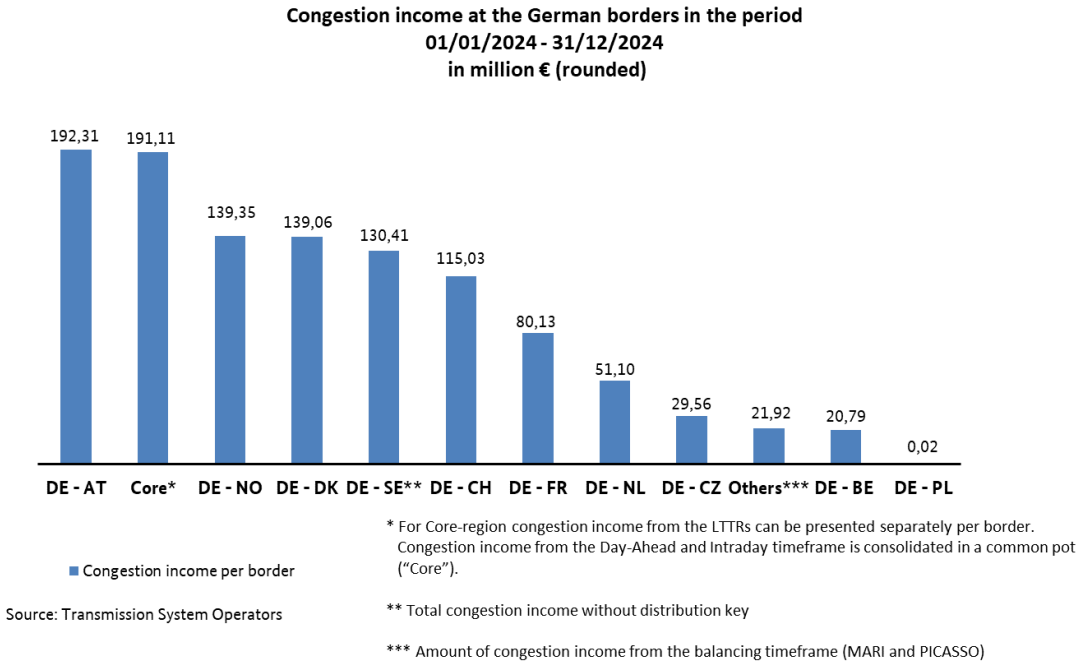

Figure 1: Congestion income at the German borders

Use of congestion income

Purposes according to article 19 para. 2 and 3 Reg. 2019/943

According to article 19 para. 2 of Reg. 2019/943, the following objectives shall have priority with respect to the allocation of any revenues resulting from the allocation of cross-zonal capacity:

- guaranteeing the actual availability of the allocated capacity including firmness compensation; or
- maintaining or increasing cross-zonal capacities through optimisation of the usage of existing interconnectors by means of coordinated remedial actions, where applicable, or covering costs resulting from network investments that are relevant to reduce interconnector congestion.

Where these priority objectives have been adequately fulfilled (in accordance to article 19 para. 3 of Reg. 2019/943), the revenues may be used as income to be taken into account by the regulatory authorities when approving the methodology for calculating network tariffs or fixing network tariffs, or both. According to article 19 para. 3 s. 2 of Reg. 2019/943 the residual revenues shall be put on a separate internal account until they can be spent for the purposes set out in paragraph 2.

The TSOs have reported to Bundesnetzagentur on the actual use of the congestion income in 2024 pursuant to article 19 para. 2 and 3 of Reg. 2019/943, as illustrated in the following table:

	Guaranteeing the actual availability of the allocated capacity Art. 19 para. 2 lit. a) (Million euros)	Maintaining or increasing cross-zonal capacities Art. 19 para. 2 lit. b) (Millionen Euro)	Taken into account for tariff calculation Art. 19 para. 3 s. 1 (Millionen Euro)	Placed in a separate internal account line Art. 19 para. 3 s. 2 (Million euros)
Sum	**494,14**	**408,70**		**77,54**

As required in article 19 para. 4 Reg. 2019/943, Bundesnetzagentur approves the compliance of the use of congestion income of the year 2024 by the TSOs with the ACER Methodology Decision No 38/2020.

The sum of expenses in the table above does not equally match the overall congestion income of calendar year 2024 of 1110,79 mio. €. This is due to the fact that the use of congestion income by Baltic Cable is not presented in the table. Insofar, Bundesnetzagentur points out the following:

Regarding a request for a preliminary ruling regarding the use of congestion income by Baltic Cable AB, the ECJ has ruled on 11 March 2020 that

1. Article 16 (6) of Reg. 714/2009 is applicable to an undertaking which merely operates a cross-border interconnector,
2. point (b) of the first subparagraph of Article 16 (6) of Reg. 714/2009 must be interpreted as meaning that, when a TSO merely operates a cross-border interconnector, the operation and maintenance costs of that interconnector cannot be regarded as network investments to maintain or increase interconnection capacities within the meaning of that provision and
3. the second subparagraph of Article 16 (6) of Reg. 714/2009 must be interpreted as meaning that, when a national regulatory authority applies that provision to a TSO that merely operates a cross-border interconnector, it is for that authority to authorise that TSO to use part of its congestion revenues to generate a profit as well as for the operation and maintenance of the interconnector, in order to prevent discrimination compared to other TSOs and to ensure that that TSO is in a position in which it is able to carry out its activity under financially acceptable conditions, which includes generating an appropriate profit.

As Reg. 714/2009 has been recast as of 1 January 2020, it does not apply to congestion income collected in 2024. BNetzA deems the main findings the ECJ made in its decision of 11 March 2020 transferable to article 19 para. 2 and 3 of Reg. 2019/043.

Baltic Cable AB has informed BNetzA of its intention to invest the congestion income collected from 2013 onwards, insofar as these exceed the operational expenditures including an appropriate profit (excess congestion income) in accordance with article 19 para. 2 of Reg. 2019/043. The investment plans are coordinated with BNetzA, but are currently subject of confidentiality. BNetzA decides on the amount of excess congestion income. With regard to the excess congestion income of the years 2013 to 2022, proceedings are currently being dealt by the Ruling Chamber 4 (file no.: BK4-24-023).

Specific projects CI has been used for

According to article 5 para. 2 in conjunction with article 3 of the Use of Congestion Income Methodology approved by ACER decision No 38/2020 of 23 December 2020 as well as Art. 19 para. 5 lit.

b) of Reg. 2019/243, TSOs have to submit a list of specific projects on which congestion income has been used. The projects are listed in the following table.

	Project Name	Projekt Code	Project expenditure recovered from CI in the relevant year Million euros
50Hertz GmbH			
1	HVDC SuedOstLink Wolmirstedt to area Isar	130	90,70
Amprion GmbH			
1	ALEGrO	92.146	0,18
2	Niederrhein (DE) – Doetinchem (NL)	113.145	1,03
3	Uchtelfangen (DE) – Vigy (FR)	2.441.245	14,43
4	Tiengen (DE) – Beznau (CH)	231-1282	6,41
TenneT TSO GmbH			
1	HVDC SuedOStLink Wolmirstedt to area Isar	130	169,20
TransnetBW GmbH			
1	Ultranet	DC 2	126,75

TSOs have duly justified the relevance of each project for the priority objectives according to article 19 para. 2 Reg. 2019/943.