Bundesnetzagentur

Revenues resulting from cross-border congestion management

Report according to point 6.5 of the congestion management guidelines

According to point 6.5 congestion management guidelines amending the Regulation (EC) No 1228/2003 on conditions for access to the network for cross-border exchanges in electricity, the Federal Network Agency is required to publish a report by 31 July each year setting out the amount and the use of the congestion revenues that have been collected by the respective transmission system operators (TSO) between 1 July of the preceding year until 30 June of the current year. It is reported whether congestion revenues were used in compliance with Article 6 (6) of Regulation (EC) 1228/2003.
On 12 June 2008, the Federal Network Agency requested the four German TSOs in writing to provide it with the relevant data, which is required to compile the report, until the 10 July 2008. All four TSOs accommodated the request within the period stipulated.

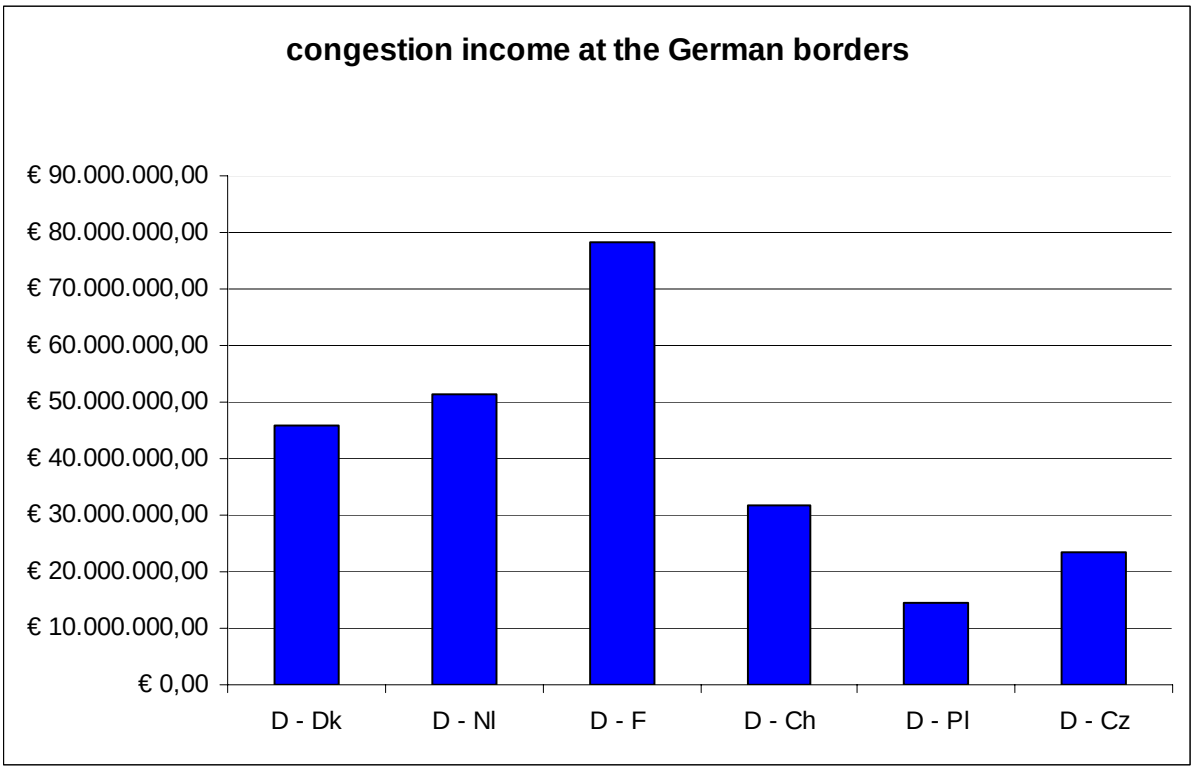
There are capacity constraints at the German borders to the Netherlands, France, Switzerland, the Czech Republic, Poland and Denmark, which require a congestion management that complies with the Regulation (EC) No 1228/2003. It shall be market-based, transparent and non-discriminatory. At all interconnectors, except at the interconnectors to Austria, where no capacity constraint exists, and to Denmark-East (Kontek-cable) where implicit auctions take place, explicit daily, monthly and annual auctions are carried out. In an explicit auction the capacity is sold off beforehand and therefore separated from the normal electricity trade. The auction offices accept the bid of the auction participant who bids the highest price for the capacity. This price establishes the current price in the specific auction.

Both all TSOs involved and the available capacities[1] at the respective borders can be inferred from the following table[2]:

	Involved Transmission System Operators		**NTC[3] Summer 2007**		**NTC Winter 07/08**		**NTC Summer 2008**	
	German TSOs	Foreign TSOs	Export	Import	Export	Import	Export	Import
DE - NL	RWE TSO, E.ON Netz	TenneT TSO (NL)	4000	3900	3850	3000	4000	3900
DE - FR	RWE TSO, EnBW TNG	RTE (FR)	2700	2400	2750	2850	2400	2500
DE - CH	RWE TSO, EnBW TNG	ETRANS (CH), VKW Netz (AT)	2060	4400	2100	4000	1700	4400
DE - CZ	E.ON Netz, VE-T	CEPS (CZ)	800	100	700	2300	800	2250
DE - PL	VE-T	PSE-O (PL)	800	1200	1200	1100	800	1200
DE - DKw	E.ON Netz	Energinet.dk (DK)	950	1500	800	1200	950	1500
DE - DKo	VE-T	Energinet.dk (DK)	550	550	550	550	550	550

Table 1: Involved TSOs and available capacities at the different interconnectors

The aggregated congestion income of the German TSOs amounts to 245.292.704 €. The congestion income earned at the different borders by the involved German TSOs is illustrated in the following figure:



[1] Working day, peak hours
[2] Data from www.etso-net.org
[3] Net Transfer Capacity in MW

Figure 1: Congestion Income of the German TSOs at the different borders

According to Article 6 (6) of Regulation (EC) No 1228/2003 any revenues resulting from the allocation of interconnection shall be used for one or more of the following purposes:

a) guaranteeing the actual availability of the allocated capacity;
b) network investments maintaining or increasing interconnection capacities;
c) as an income to be taken into account when approving the methodology for calculating network tariffs, and/or in assessing whether tariffs should be modified.

All TSOs indicated that they used the revenues earned through the allocation of interconnection completely within the meaning of Article 6 (6) c for reducing the network fees or in the meaning of Article 6 (6)b for investments in the grids. They intend also to do so with the revenues that will be earned in the next period.