Bundesnetzagentur

Revenues resulting from cross-border congestion management

Report pursuant to point 6.5 of the congestion management guidelines

According to point 6.5 of the congestion management guidelines annexed to Regulation (EC) No 714/2009 (hereafter: Reg. 714/2009), Bundesnetzagentur shall annually publish a report setting out the amount and the use of the congestion revenues that have been collected by the national transmission system operators (TSO) between 1 July of the preceding year and 30 June of the current year. The report examines whether congestion revenues were used in compliance with Article 16 (6) of Reg. 714/2009.

There are capacity constraints at the German borders with the Netherlands, France, Switzerland, the Czech Republic, Poland and Denmark, which require congestion management in compliance with Reg. 714/2009. According to these provisions, congestion management shall be market-based, transparent and non-discriminatory. With respect to these criteria, cross border capacity at Germany's borders is allocated explicitly via daily, monthly and annual auctions whilst at interconnections with Western and Northern borders capacity is allocated explicitly for annual and monthly products and implicitly in a market coupling regime for the day-ahead market. In an explicit auction capacity is sold off beforehand and therefore separated from electricity trade. The auction offices accept the bid of the auction participant bidding the highest price for the capacity. This price establishes the current price in the specific auction. Implicit auctioning, as it has been conducted at Western and Northern borders as of 9 November 2010, allocates jointly both commodity and cross-border capacity. The following table lists the TSOs involved at the respective borders:

	Involved Transmission System Operators	
	German TSOs	Foreign TSOs
DE - NL	Amprion, TenneT TSO	TenneT TSO (NL)
DE - FR	Amprion, TransnetBW	RTE (FR)
DE - CH	Amprion, TransnetBW	Swissgrid (CH)
DE - CZ	TenneT TSO, 50 Hz Transmis-sion	CEPS (CZ)
DE - PL	50 Hz Transmission	PSE-O (PL)
DE - DK west	TenneT TSO	Energinet.dk (DK)
DE - DK east	50 Hz Transmission	Energinet.dk (DK)

Table 1: Involved TSOs at the different interconnectors

The aggregated congestion income of the German TSOs amounts to 130,589,398 €. The congestion income earned at the different borders by the involved German TSOs is illustrated in the following figure:

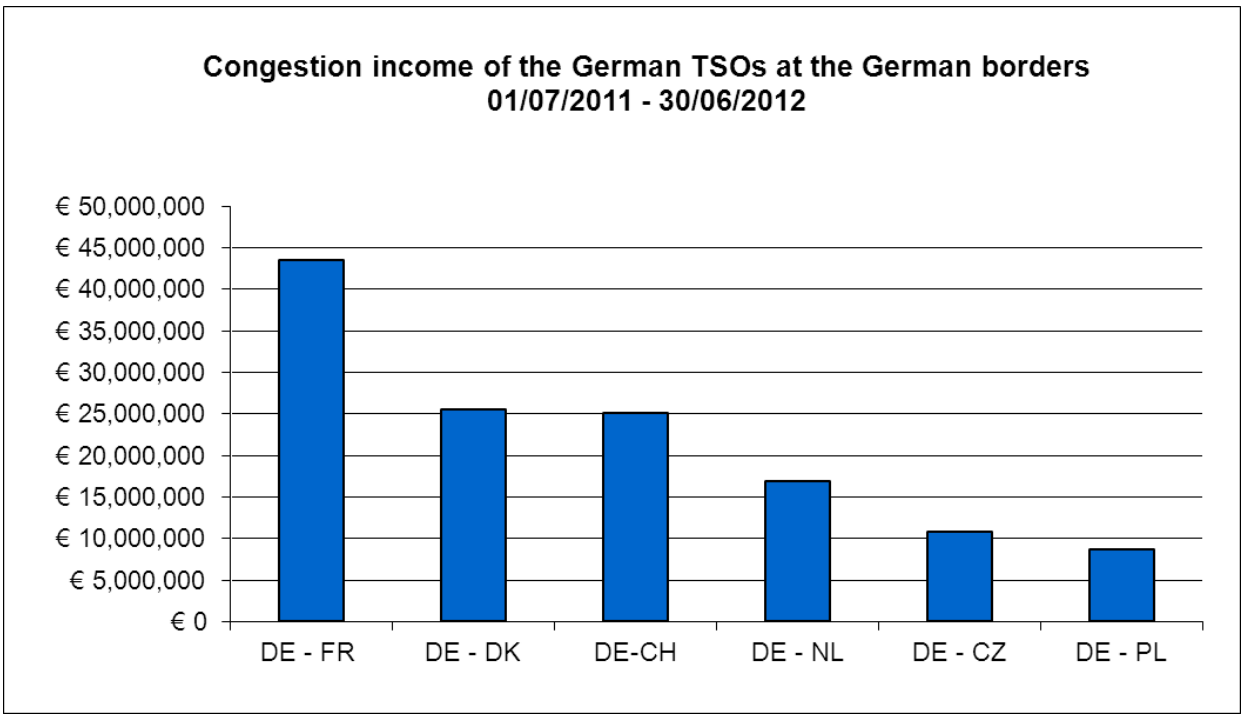

Figure 1: Congestion income of the German TSOs per border (01/07/2011 – 30/06/2012)

According to Article 16 (6) of Reg. 714/2009 any revenues resulting from allocation of interconnection shall be used for the following purposes:

a) guaranteeing the actual availability of the allocated capacity; and/or
b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors

If the revenues cannot be efficiently used for the purposes set out in points (a) and/or (b) of the first subparagraph, they may be used, subject to approval by the regulatory authorities of

the Member States concerned, up to a maximum amount to be decided by those regulatory authorities, as income to be taken into account by the regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs.

The TSOs indicated that they used or will use the congestion revenues either according to Article 16 (6) b) for grid-investments or in the meaning of Article 16 (6) subpara. 2 of Reg. 714/2009 for lowering the network fees. The necessary applications have been submitted to Bundesnetzagentur and were approved. This ensures the use of the revenues in accordance with the Regulation.