Bundesnetzagentur

Revenues resulting from cross-border congestion management from 01 January 2019 to 31 December 2019

Report pursuant to article 19 para. 5 s. 2 of the Regulation on the Internal Market

The English version is a courtesy translation only.

Only the German version is binding.

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 revenues collected by the national transmission system operators (TSOs) in the previous calendar year. The report has to set out

- the amount of revenue collected
- how that revenue was used pursuant to paragraph 2, including the specific projects the income has been used for, and the amount placed on a separate account line,
- the amount that was used when calculating network tariffs; and
- verification that the amount referred to in point (c) complies with this Regulation and the methodology developed pursuant to paragraphs 4.

There are capacity constraints at the German borders with Austria, the Netherlands, France, Switzerland, the Czech Republic, Poland, Denmark and Sweden, 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 explicitly allocated via daily, monthly and annual auctions[1], whilst at interconnections with Western and Northern borders capacity is

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

explicitly allocated for annual and monthly products and implicitly allocated in a market coupling regime for the day-ahead market. 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 its bidding price. Implicit auctioning, as it has been conducted at Germany's Western and Northern borders via day-ahead market coupling since 9 November 2010 and for intraday trading via the XBID trading platform since 12 June 2018 (and at the border to Austria for both time frames only since 1 October 2018), allocates both the commodity and the cross-border capacity jointly.

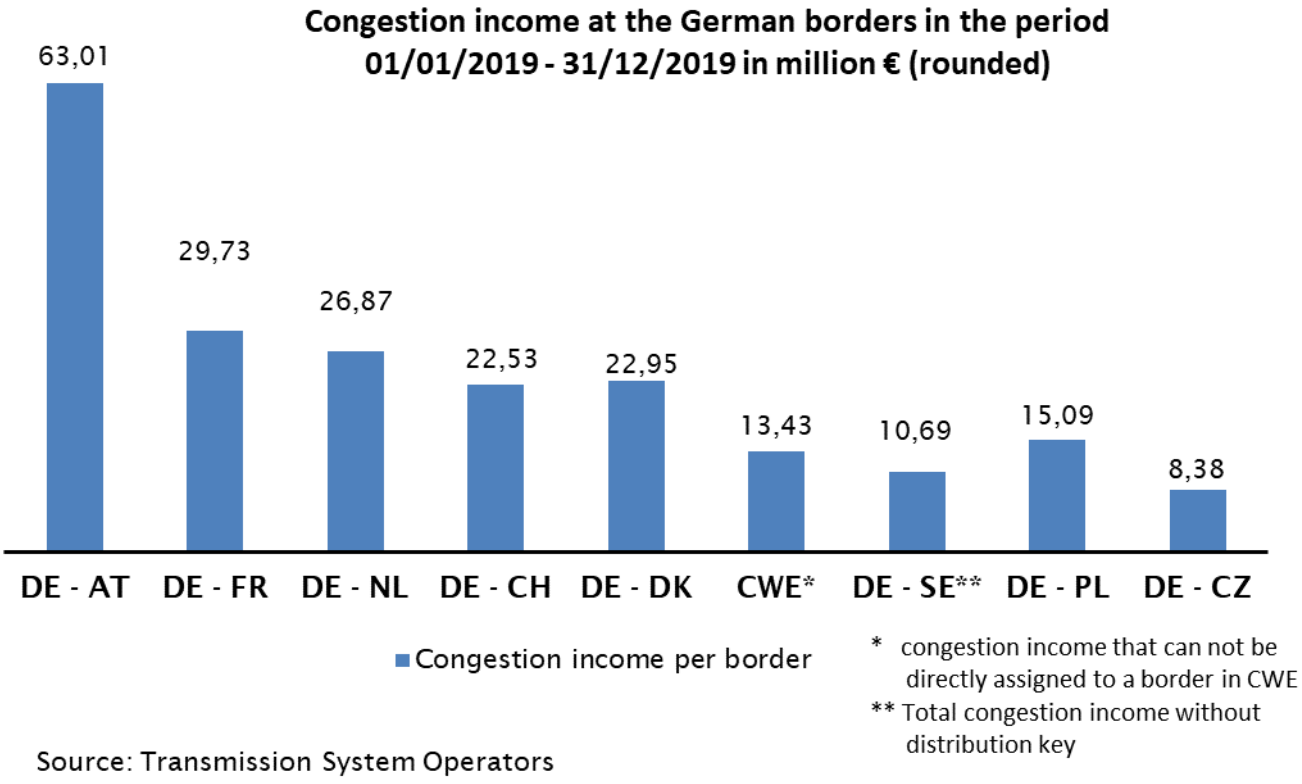
The following TSOs are involved in the congestion management of the individual borders:

Border	**Involved Transmission System Operators**	
	TSO(s) on German side	**Neighbouring TSO**
DE - AT	Amprion, TenneT TSO, TransnetBW	Austrian Power Grid (AT)
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

In this first consideration of a calendar year, the aggregated congestion income of the TSOs amounts to 212.670.887 Euro. The congestion income gained at the German sides of the individual borders is illustrated in the following figure:

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

a) Guaranteeing the actual availability of the allocated capacity including firmness compensation; or
b) 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.



Source: Transmission System Operators

Where these priority objectives have been adequately fulfilled (in accordance to article 19 para. 3 of Reg. 2019/034), 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 para. 3 s. 2, the residual revenues shall be placed on a separate internal account line until such a time as it 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 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 a)	Maintaining or increasing cross-zonal capacities art. 19 para. 2 b)	Tariff calculation art. 19 para. 3 s. 1	Placed on a separate internal account art. 19 para. 3 s. 2
50Hertz	3.646.820 €	21.312.968 €	-	-
Amprion	3.834.698 €	59.475.719 €	-	9.310.427 €
TenneT	34.306.834 €	24.987.824 €	-	-
TransnetBW	895 €	53.148.526 €	-	-
Summe[2]	41.789.248 €	158.925.038 €	-	9.310.427 €

The sum of expenses in the table does not equal the overall congestion income of the year 2019 of 212.670.887 €. This is firstly due to the consideration of non-periodic congestion incomes to be invested and secondly due to the legal dispute on the use of congestion income by Baltic Cable AB. Insofar, Bundesnetzagentur points out the following:

By decision of 9 June 2016, the Swedish regulatory authority Energimarknads-inspektionen (EI) has obligated Baltic Cable AB to transfer a part of the congestion revenues generated by Baltic Cable AB between the 1 July 2013 and 30 June 2015 to a separate internal account. In view of EI, the previous use of the congestion income by Baltic Cable AB did not meet the requirements of Article 16 (6) of Reg. 714/2009 of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003[3]. Baltic Cable AB has lodged a complaint against this decision at the administrative court in Linköping (case number 4728-16). For its preliminary ruling, the administrative court in Linköping has requested the European Court of Justice to clarify the applicability and scope of Article 16 (6) of Reg. 715/2009 (case number C-454/18).

A report on compliance with the method according art. 19 para 4 Reg. 2019/943 (as required pursuant to art. 19 para. 5 s. 2 d) Reg. 2019/943) cannot be made, as such method has not been adopted, yet. ACER will decide on a methodology proposed by

[2] TSOs have reported to Bundesnetzagentur according to article. 19 para. 5 s. 2 b) Reg. 2019/943 on the projects, that are or will be subject to investments pursuant to para. 2 b) of the article. The single projects as well as the distribution of the congestion incomes to the different purposes of use according to article 19 para. 2 and 3 Reg. 2019/743 are not published due to the protection of business secrets.

[3] As of 01 January 2020, Reg. 714/2009 is no longer in force. Its article 16 para. 6 is replaced by art. 19 para. 2 and 3 of Reg. 2019/943; cf. article 70, 71, annex II Reg. 2019/043.

the TSOs by 5 July 2020 after consultation of regulatory authorities and relevant stakeholders within six month.