Bundesnetzagentur

Revenues resulting from cross-border congestion management from 01 July 2018 to 30 June 2019

Report pursuant to paragraph 6.5 of the congestion management guidelines

The English version is a courtesy translation only.

Only the German version is binding.

According to paragraph 6.5 of the congestion management guidelines in annex I of Regulation (EC) No 714/2009 (hereafter: Reg. 714/2009), Bundesnetzagentur shall annually publish a report setting out the amount and use of the congestion revenues collected by the national transmission system operators (TSOs) 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.
In accordance with Article 19 (5) of the new Regulation (EU) 2019/943 on the internal market for electricity, the reporting period will be aligned to the calendar year as of 1 January 2020.

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. 714/2009. 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 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 trad-

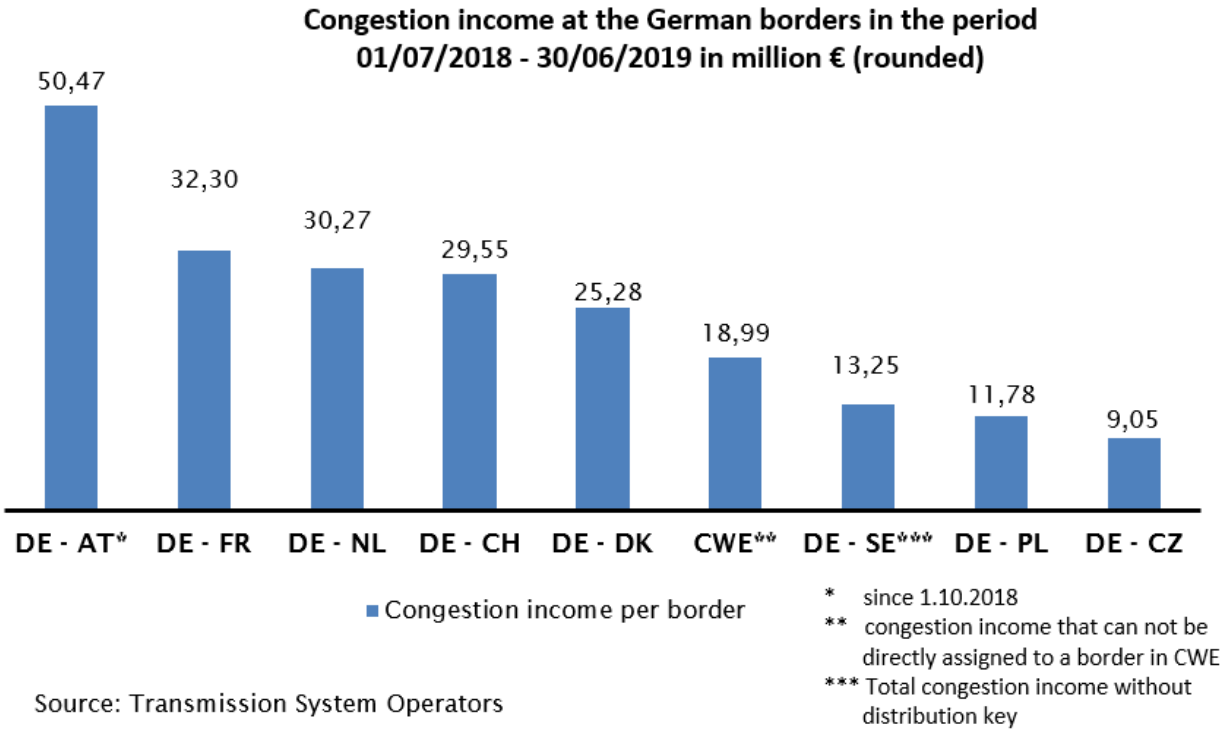
[1] Capacity of the Baltic Cable (SE-DE) is solely offered via implicit daily auctions.

ing 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*[2]	Baltic Cable AB

The aggregated congestion income of the TSOs amounts to 220.943.754 Euro (+3.4% as compared to the previous period). The congestion income gained at the German sides of the individual borders is illustrated in the following figure:



According to Article 16 (6) of Reg. 714/2009, any revenues resulting from allocation of interconnection capacity 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 under (a) and/or (b) above, 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) (a) or (b). Residual revenues will be used in compliance with Article 16 (6) subparagraph 2 of Reg. 714/2009 for lowering the network tariffs or will be placed on a separate internal account line until it can be spent on the purposes set out in points (a) and/or (b). In compliance with the regulation, Bundesnetzagentur will ensure the proper usage of the revenues within the limits of the application procedure to be carried out by TSOs in case of a differing usage of congestion revenues.

Regarding the use of the congestion revenues by Baltic Cable AB, Bundesnetzagentur would like to point out the following:
By decision of 9 June 2016, the Swedish regulatory authority Energimarknadsinspektionen (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 does not meet the requirements of Article 16 (6) of Reg. 714/2009. 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).