

Congestion revenues according to Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003

Background

The Swedish Regulatory Authority in Energy, Swedish Energy Markets Inspectorate, shall by 31 July each year publish the amount and the use of congestion revenues according to the Electricity Regulation (EC) No 714/2009¹.

The Energy Markets Inspectorate has in letters dated 29 May 2015 to Affärsverket svenska kraftnät and Baltic Cable AB requested information on the amount and the use of congestion revenues collected during the period 1 July 2014 to 30 June 2015.

Between the Nordic countries, price mechanisms are used to relieve grid congestion (bottlenecks). The method used is implicit auctions through Nord Pool Spot. The congestion revenues are published for every month at Nord Pool Spot (currency EUR).

Affärsverket svenska kraftnät

Affärsverket svenska kraftnät (letter dated 2 July 2015) has reported congestion revenues as follows:

Table 1 Affärsverket svenska kraftnät

Month	Revenue (kSek)
July 2014	98 773
August 2014	76 316
September 2014	57 306
October 2014	60 114
November 2014	121 239
December 2014	183 569

¹ Commission decision 13 July 2009 amending the Annex to Regulation (EC) No 714/2009 on conditions for access to the network for cross-border exchanges in electricity, Annex Guidelines on the management and allocation of available transfer capacity of interconnections between national Systems, point 6.5 "On an annual basis, and by 31 July each year, the regulatory authorities shall publish a report setting out the amount of revenue collected for the 12-month period up to 30 June of the same year and the use made of the revenues in question, together with verification that use complies with this Regulation and those Guidelines and that the total amount of congestion income is devoted to the prescribed purposes".

Month	Revenue (kSek)
January 2015	76 043
February 2015	148 576
Mars 2015	129 202
April 2015	69 900
May 2015	65 361
June 2015	275 077
Total	1 361 476

Baltic Cable AB

Baltic Cable AB (letter dated 1 July 2015) has reported congestion revenues as follows:

Table 2 Baltic Cable

Month	Revenue (kSek)
July 2014	8 489
August 2014	13 477
September 2014	8 918
October 2014	20 362
November 2014	21 660
December 2014	18 967
January 2015	12 123
February 2015	16 416
Mars 2015	17 189
April 2015	18 113
May 2015	6 566
Juni 2015	15 692
Total	177 971

The use of collected congestion revenues

According to Affärsverket svenska kraftnät, collected revenues have been used to finance electricity grid reinforcements and that the purpose of the reinforcements is to reduce existing bottlenecks, guarantee the actual availability of the allocated capacity and maintain or increase interconnection capacities through network investments. Baltic Cable AB have reported that the collected revenues mainly are used by the company to guarantee the accessibility and allocation of the transfer capacity on the interconnector.

Swedish Energy Markets Inspectorate can conclude from the information presented by Affärsverket svenska kraftnät that the use of the collected revenues complies with the EU regulation and has therefore not found any reason to further investigate Affärsverket svenska kraftnät's use of collected congestion revenues for the above mentioned period.

Swedish Energy Markets Inspectorate has concluded that the situation is different regarding the use of congestion revenues for Baltic Cable AB compared to Affärsverket svenska kraftnät. The review of, to which extent the use of congestion revenues are in compliance with the regulations, is diverged from the situation for other TSO's as a consequence of the following circumstances:

1. The congestion revenues has not occurred by bottlenecks in the part of the grid that the cables consist of,
2. the owners of the cables has not the opportunity to collect tariffs, i.e there are no other sources of revenues,
3. the size of the congestion revenues is entirely settled by the markets on each side of the cables.

The Swedish Energy Markets Inspectorate last year concluded that Baltic Cable AB's reporting of the use of revenues from the allocation of interconnection contain explanation that has to be analysed in more detail. The Swedish Energy Markets Inspectorate has therefore started to make further investigations regarding the use of the revenues from allocation of interconnector in order to be able to conclude whether the use of the collected revenues complies with the EU regulation. The investigation is still in progress.



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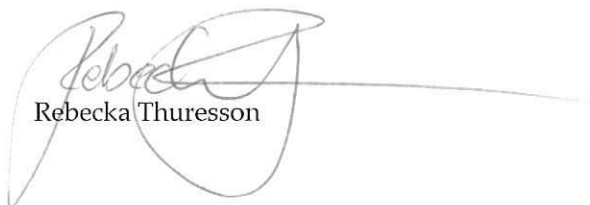
Avdelningen för nätreglering

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**Rapportering avseende s.k. flaskhalsintäkter enligt
Europaparlamentets och Rådets förordning (EG) nr 714/2009 av
den 13 juli 2009 om villkor för tillträde till nät för
gränsöverskridande elhandel och upphävande av förordning (EG)
nr 1228/2003**

Bifogat översänds för Miljö- och energidepartementets vidare handläggning av
Energimarknadsinspektionens brev till Europeiska kommissionen avseende rubricerade
rapporteringsskyldighet.

Med vänlig hälsning


Rebecka Thuresson