

Congestion revenues management report

Background

1. According to Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13th July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003, the Greek Regulatory Authority for Energy (RAE) shall, by 31st July each year, publish a report presenting the amount and the use of the congestion revenues.
2. Any revenues resulting from the allocation of interconnection shall be used, according to the Regulation, 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) above, they may be used, subject to approval by RAE, up to a maximum amount, as income to be taken into account by RAE when approving the network tariffs and related methodology for their calculation.

The remaining revenues not used for reducing the network use of system tariffs shall be held in a separate reserve account until it can be used for the purposes set out in points (a) and/or (b) above. RAE informs the Agency (ACER) regarding the approval referred to in the second subparagraph.

3. The Greek Transmission System Operator, ADMIE, is responsible for the management of the congestion revenues, resulting from the capacity allocation for the interconnections between Greece and Italy, Albania, FYROM, Bulgaria and Turkey, achieved through yearly, monthly and daily auctions. More specifically, the “Capacity Allocation Service Company” (CASC¹) facilitates the explicit auctions (in yearly, monthly and daily resolution) for the interconnector on the border with Italy. ADMIE, for the border with Bulgaria, applies the joint auctions scheme together with the Bulgarian TSO, ESO EAD, with ADMIE performing the yearly and daily auctions. For the rest of the borders, namely with Albania, FYROM and Turkey, ADMIE is responsible for allocating only 50% of the interconnection capacity, with the respective neighboring TSO, namely OST, MEPSO and TEIAS, being responsible for the remaining 50%. In that case, ADMIE facilitates yearly, monthly and daily auctions for the allocation of the capacity.

¹ See also <http://www.casc.eu/en>

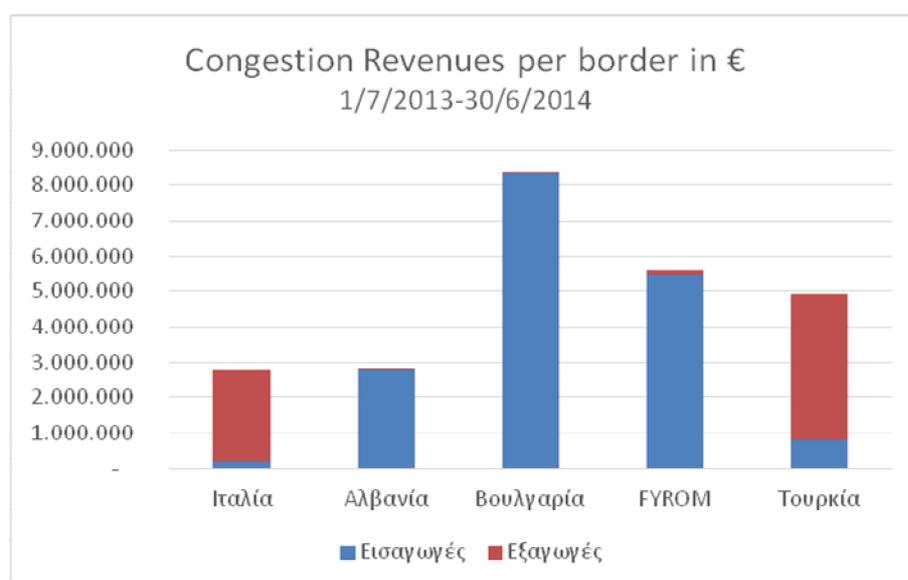
Congestion revenues

4. Each year ADMIE provides RAE with a detailed analysis of the amount of revenues earned through the auctions. The table below presents the revenues per border of the second half of the year 2013 and the first half of the year 2014.

TRANSMISSION RIGHTS FINAL REVENUES* (€)	IMPORTS FROM ITALY	EXPORTS TO ITALY	IMPORTS FROM BULGARIA	EXPORTS TO BULGARIA	IMPORTS FROM ALBANIA	EXPORTS TO ALBANIA	IMPORTS FROM FYROM	EXPORTS TO FYROM	IMPORTS FROM TURKEY	EXPORTS TO TURKEY	TOTAL
Jul-13	9.459	817.065	318.342	4.188	527.418	3.087	28.838	4.391	2.991	823.429	2.539.207
Aug-13	29.410	390.733	349.231	6.048	125.658	3.459	58.133	5.507	2.991	961.694	1.932.863
Sep-13	34.801	395.827	448.135	2.490	107.922	5.307	36.257	47.033	2.550	629.832	1.710.154
Oct-13	30.047	339.011	368.303	1.658	108.207	5.323	23.303	6.068	15.996	228.653	1.126.567
Nov-13	6.632	242.979	644.780	2.670	125.742	5.235	41.354	8.153	7.718	279.533	1.364.796
Dec-13	72.792	393.622	373.117	2.328	129.378	3.831	137.478	6.065	15.991	374.946	1.508.948
Jan-14	4.991	5.575	616.260	3.154	135.429	4.551	243.148	10.104	38.705	208.744	1.270.661
Feb-14			685.002	2.824	282.309	15.519	698.358	5.591	265.191	35.240	1.990.034
Mar-14			1.355.673	2.824	358.666	4.502	2.083.176	5.672	244.923	80.660	4.136.096
Apr-14			843.246	2.824	327.117	3.759	441.191	5.646	80.558	122.092	1.826.433
May-14			966.402	2.824	171.873	4.875	987.373	4.818	54.334	115.712	2.308.211
Jun-14			1.365.426	2.824	374.277	4.479	702.467	5.646	53.546	279.199	2.787.864
TOTAL	188.132	2.584.812	8.333.916	36.656	2.773.996	63.927	5.481.076	114.691	784.894	4.139.735	24.501.834
PERCENTAGE PER INTERCONNECTION AND DIRECTION	0,8%	10,5%	34,0%	0,1%	11,3%	0,3%	22,4%	0,5%	3,2%	16,9%	100,0%
TOTAL		2.772.944		8.370.571		2.837.923		5.595.767		4.924.629	24.501.834
PERCENTAGE PER INTERCONNECTION		11,3%		34,2%		11,6%		22,8%		20,1%	100,0%

The congestion revenues received from July 2013 until June 2014 amounted to 24.5 million €, decreasing by 19.5% compared to the revenues received between July 2012 and June 2013.

5. The analysis of the revenues shows that 71.7% of the revenues comes from auctions for capacity for imports and only 28.3% for exports. The analysis per border shows that 34.2% of the revenues comes from capacity auctions between Greece and Bulgaria, 22.8% from auctions between Greece and FYROM, and 20.1% from auctions between Greece and Turkey. Only 11.3% of the revenues come from capacity auctions between Greece and Italy. It should be mentioned though that the cable between Greece and Italy was not operational due to technical problems since January 2014 and is expected to be in operation during July 2014.



Congestion revenues management

6. In May 2012, RAE issued Decision 434 setting a maximum amount of 30.000.000 € that could be derived from the congestion revenues when approving network tariffs.
7. In addition, according to the Grid Code, Article 178, paragraphs 2 and 4:
 - “2. Congestion revenues paid by the Participants to acquire interconnections capacity can be registered as revenue in the Account Λ-IF, an account used for the allocation of the capacity of interconnections.*
 - ...
 - 4. After the end of each year, the TSO transfers the total amount collected this year in the Account Λ-IF, used for the allocation of the capacity of interconnections, and deposits this revenue in a Special Reserve Account which is available exclusively for the purposes set out in the provisions of the Regulation (EC) on conditions for access to the network for cross-border exchanges in electricity.”*
8. During 2013, ADMIE reported to RAE that the revenues received during the second half of year 2012 and the first half of 2013 amounted to €30.445.650,48. Through Decision 170/2014, RAE approved a total of €30.000.000 to be used to cover the 2014 annual transmission system cost, thus reducing the related Transmission Use of System tariffs, with the remaining amount of €445.650,48 to be maintained in the Special Reserve Account for future use.
9. A Decision from RAE is expected to be issued in autumn 2014 regarding the use of the revenues accumulated from July 2013 until June 2014. The decision will depend on the inclusion of any new interconnector projects in the approved ADMIE Ten Year Network Development Plan (TYNDP).