

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, according to the Regulation, 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) 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 such time as 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 “Joint Allocation Office” (JAO¹) 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. Regarding the borders with Albania and Turkey, the auctions for the allocation of capacity are performed (in yearly, monthly and daily resolution) from “South East Europe Coordinated Auction Office” (SEE CAO²). Finally, for the last border with FYROM, ADMIE is responsible for allocating only 50% of the interconnection capacity, with the neighboring TSO, namely MEPSO, being responsible for the remaining 50%. In that case, ADMIE facilitates yearly, monthly and daily auctions for the allocation of the capacity.

¹ <http://www.jao.eu/main>

² <http://www.secao.com/>

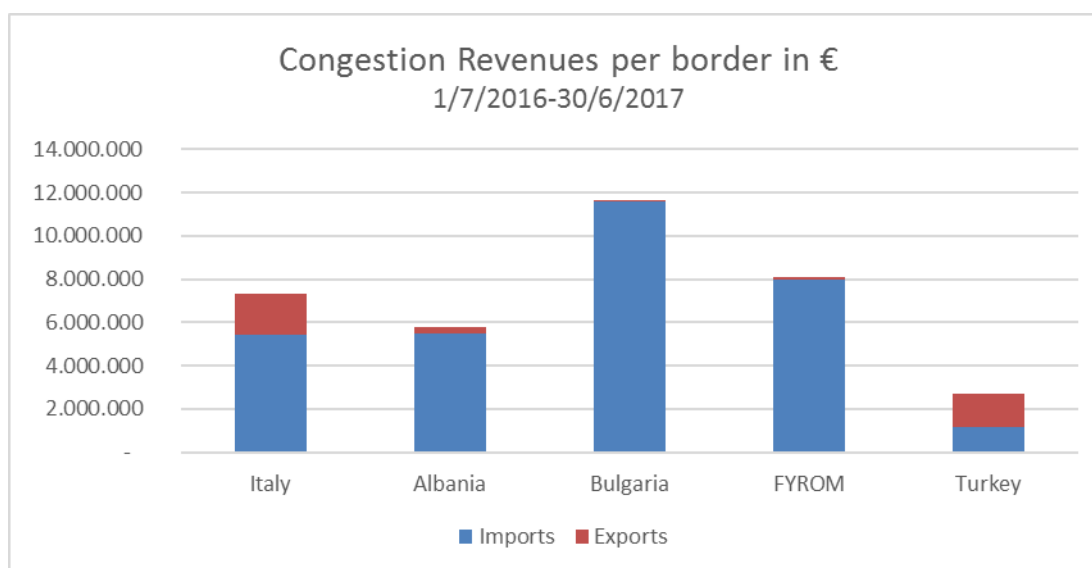
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4. Each year ADMIE provides RAE with a detailed analysis of the amount of revenues earned through the auctions. The table below presents the revenues per border of the second half of the year 2016 and the first half of the year 2017.

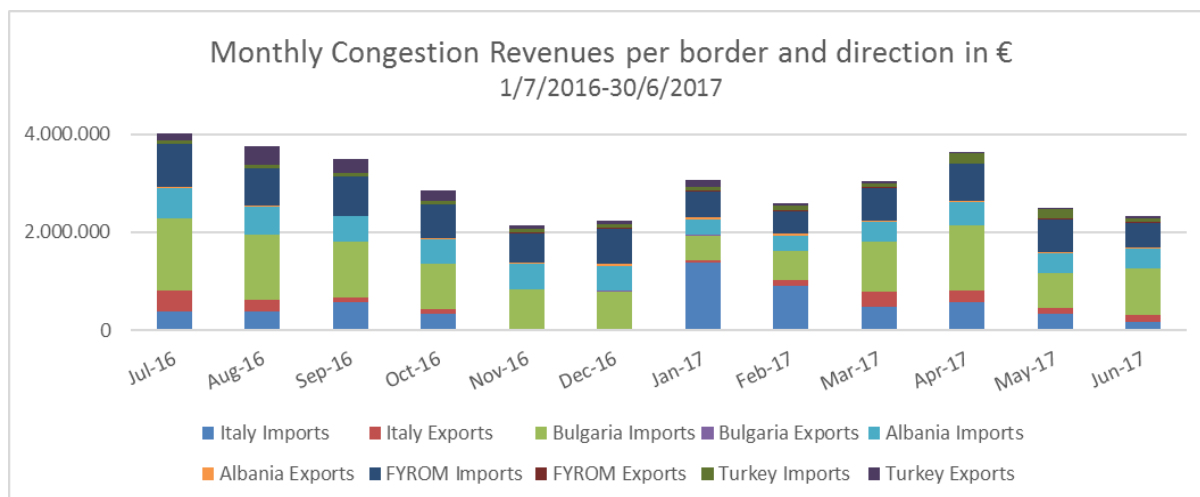
Transmission Rights Final Revenues* (€)	Italy Imports	Italy Exports	Bulgaria Imports	Bulgaria Exports	Albania Imports	Albania Exports	FYROM Imports	FYROM Exports	Turkey Imports	Turkey Exports	Total
Jul-16	386.498	431.097	1.469.178	531	618.156	13.827	874.242	7.704	72.205	160.099	4.033.536
Aug-16	382.071	229.824	1.347.336	531	560.124	11.506	759.240	9.378	70.792	371.905	3.742.707
Sep-16	564.241	101.251	1.132.359	531	518.652	11.913	796.592	7.668	74.338	295.003	3.502.548
Oct-16	322.674	111.462	914.464	4.075	506.796	22.979	683.969	7.706	72.311	205.576	2.852.012
Nov-16	-28.187	12.536	824.459	5.656	511.249	25.008	594.940	12.348	72.088	89.214	2.119.311
Dec-16	-15.011	7.903	776.181	16.095	505.653	45.396	725.208	8.820	72.588	74.203	2.217.036
Jan-17	1.373.860	61.654	491.969	14700,27	318.646	43.585	518.066	17.275	83.464	142.019	3.065.238
Feb-17	894.920	124.338	592.549	11727,63	303.540	40.556	444.085	24.741	96.224	54.905	2.587.584
Mar-17	476.206	301.788	1.022.049	5303,5	399.965	20.178	671.677	13.388	73.840	56.560	3.040.953
Apr-17	563.700	243.410	1.337.103	3405,53	473.513	15.920	748.735	7.223	215.473	27.799	3.636.281
May-17	324.687	130.664	714.318	2207,73	403.238	19.140	663.787	11.203	195.528	28.036	2.492.810
Jun-17	174.771	125.404	963.680	2.503	390.006	26.544	506.294	14.773	83.585	46.636	2.334.196
Total	5.420.428	1.881.330	11.585.644	67.266	5.509.538	296.552	7.986.835	142.227	1.182.436	1.551.954	35.624.211
% per Border and Direction	15,2%	5,3%	32,5%	0,2%	15,5%	0,8%	22,4%	0,4%	3,3%	4,4%	100,0%
Total	7.301.758	7.301.758	11.652.910	11.652.910	5.806.090	5.806.090	8.129.062	8.129.062	2.734.391	2.734.391	35.624.211
% per Border	20,5%	20,5%	32,7%	32,7%	16,3%	16,3%	22,8%	22,8%	7,7%	7,7%	100,0%

The congestion revenues received from July 2016 until June 2017 amounted to 36 million €, decreasing by 23% compared to the revenues received between July 2015 and June 2016, due to the significant decrease in revenues from imports.

The analysis of the revenues shows that 89% of the revenues comes from auctions for capacity for imports and only 11% for exports. The analysis per border shows that 32.7% of the revenues comes from capacity auctions between Greece and Bulgaria, 22.8% from auctions between Greece and FYROM, 20.5% from auctions between Greece and Italy, 16.3% from auctions between Greece and Albania, and 7.7% from auctions between Greece and Turkey. Moreover, it should be mentioned that the shares for exports to Bulgaria, Albania and FYROM are almost zero.



Additionally, the yearly observations apply mostly also in monthly basis, with the revenues from imports from Bulgaria, FYROM and Italy representing the major share of the revenues from the allocation of capacity rights on interconnections.



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5. With the Decision 425, issued on 16/11/2015, RAE set the amount of € **61,000,000**, as the maximum that could be withdrawn from the yearly congestion revenues, when approving network tariffs.
6. 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-Π, 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-Π, 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.”
7. In July 2016 ADMIE reported to RAE that the revenues received during the second half of year 2016 and the first half of 2017 amounted to € 46.002.191,61. With the Decision **394/2016**, RAE approved the usage of € **46.002.191,61** for the reduction of the Required Revenue of Transmission for 2017.
8. A Decision from RAE is expected to be issued in autumn 2017 regarding the use of the revenues accumulated from July 2016 until June 2017. The decision will depend on the inclusion of any new interconnector projects in the approved ADMIE Ten Year Network Development Plan (TYNDP).