

## 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” (JAO<sup>1</sup>) 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 CAO<sup>2</sup>). 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.

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<sup>1</sup> <http://www.jao.eu/main>

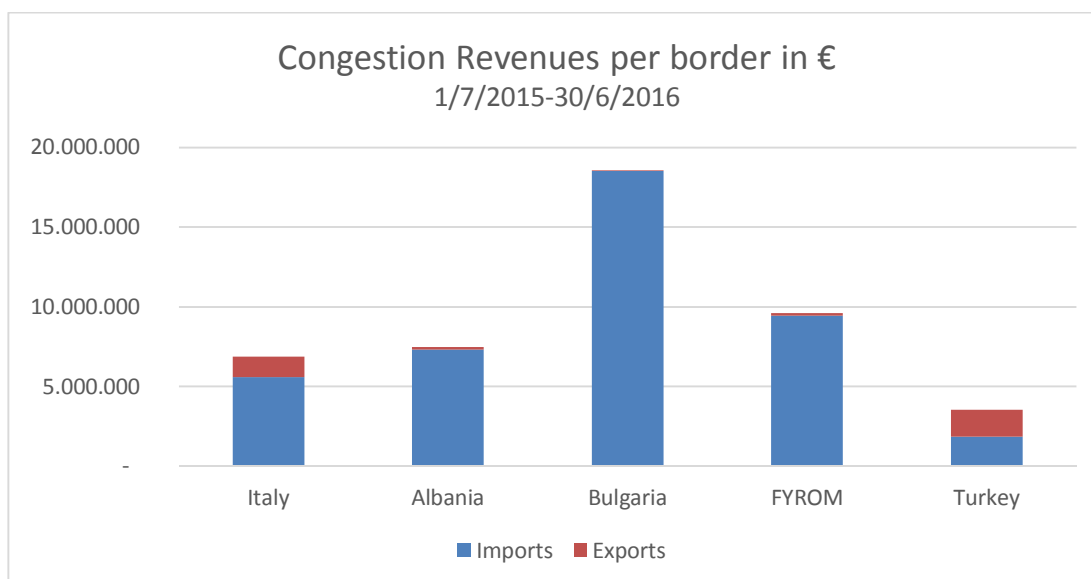
<sup>2</sup> <http://www.secao.com/>

## Congestion revenues

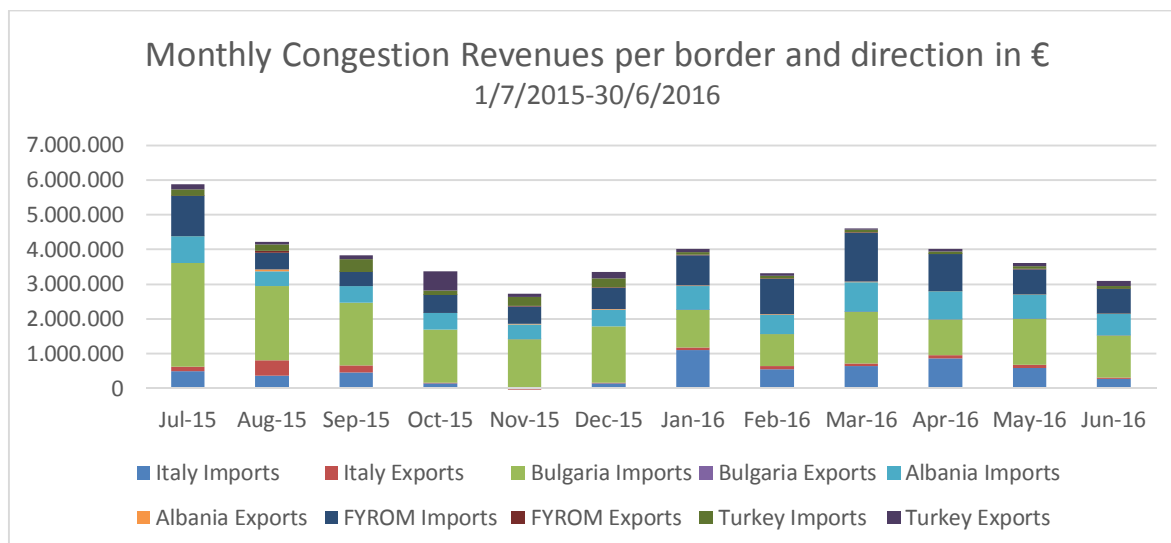
4. Each year ADMIE provides RAE with a detailed analysis of the amount of revenues earned through the auctions. The table below presents the revenues per border of the second half of the year 2015 and the first half of the year 2016.

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-15	497.641	115.373	3.004.383		763.287	1.629	1.161.221	2.018	189.579	140.296	5.875.427
Aug-15	363.603	439.286	2.144.732		416.955	61.521	471.580	61.166	185.874	73.797	4.218.514
Sep-15	449.285	218.196	1.793.967		485.931	3.249	393.546	6.320	374.316	100.816	3.825.626
Oct-15	134.999	31.975	1.519.033		492.278	2.135	504.184	4.254	134.652	554.246	3.377.756
Nov-15	-23.228	-1.870	1.419.684	42	418.503	13.149	509.507	11.142	257.977	90.001	2.694.907
Dec-15	132.978	31.626	1.613.289		491.355	8.325	618.219	8.156	261.936	182.014	3.347.898
Jan-16	1.100.069	78.575	1.078.308	596	687.766	17.560	870.930	9.378	75.848	102.984	4.022.014
Feb-16	540.755	105.222	909.630	531	555.973	14.522	1.024.607	11.286	75.119	86.305	3.323.950
Mar-16	648.212	70.747	1.488.014	531	848.959	11.834	1.414.343	7.145	72.096	46.707	4.608.588
Apr-16	869.566	76.411	1.040.838	629	809.424	11.426	1.058.508	8.208	72.453	61.098	4.008.561
May-16	592.594	78.976	1.333.745	531	694.788	10.718	724.453	7.704	74.042	95.499	3.613.050
Jun-16	262.403	54.106	1.202.060	1.431	630.866	10.346	707.922	8.208	73.244	135.316	3.085.902
<b>Total</b>	<b>5.568.877</b>	<b>1.298.623</b>	<b>18.547.683</b>	<b>4.291</b>	<b>7.296.085</b>	<b>166.414</b>	<b>9.459.020</b>	<b>144.985</b>	<b>1.847.136</b>	<b>1.669.079</b>	<b>46.002.193</b>
<b>% per Border and Direction</b>	<b>12,1%</b>	<b>2,8%</b>	<b>40,3%</b>	<b>0,0%</b>	<b>15,9%</b>	<b>0,4%</b>	<b>20,6%</b>	<b>0,3%</b>	<b>4,0%</b>	<b>3,6%</b>	<b>100,0%</b>
<b>Total</b>	<b>6.867.500</b>		<b>18.551.974</b>		<b>7.462.499</b>		<b>9.604.005</b>		<b>3.516.215</b>		<b>46.002.193</b>
<b>% per Border</b>	<b>14,9%</b>		<b>40,3%</b>		<b>16,2%</b>		<b>20,9%</b>		<b>7,6%</b>		<b>100,0%</b>

The congestion revenues received from July 2015 until June 2016 amounted to 46 million €, decreasing by 29% compared to the revenues received between July 2015 and June 2016. The analysis of the revenues shows that 93% of the revenues comes from auctions for capacity for imports and only 7% for exports. The analysis per border shows that 40.3% of the revenues comes from capacity auctions between Greece and Bulgaria, 20.9% from auctions between Greece and FYROM, 16.2% from auctions between Greece and Albania, 14.9% from auctions between Greece and Italy, and 7.6% 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.



## Congestion revenues management

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 2015 ADMIE reported to RAE that the revenues received during the second half of year 2014 and the first half of 2015 amounted to € 64.628.412,72. With the Decision **425/2015**, RAE approved the usage of € **60.128.412,72** for the reduction of the Required Revenue of Transmission for 2016 and the entry of € **4,500,000 in a separate internal account**, in order to be used for the new interconnection between Greece - Bulgaria. The abovementioned amounts derives from the sum of the congestion revenues from the second half of 2014 and the first half of 2015.
8. A Decision from RAE is expected to be issued in autumn 2016 regarding the use of the revenues accumulated from July 2015 until June 2016. The decision will depend on the inclusion of any new interconnector projects in the approved ADMIE Ten Year Network Development Plan (TYNDP).