

Congestion revenues management report

Background

1. According to Regulation (EC) No 943/2019 of the European Parliament and of the Council of 5th June 2019 on the internal market for electricity, and in particular article 19 of the Regulation, the Greek Regulatory Authority for Energy (RAE) shall by 1st March each year publish a report presenting the amount and the use of the congestion revenues collected for the 12-month period ending on 31 December of the previous year.
2. The following objectives shall have priority with the respect to the allocation of any revenues resulting from the allocation of cross-zonal capacity:
 - a) guaranteeing the actual availability of the allocated capacity including firmness compensation; or
 - b) maintaining or increasing cross-zonal capacities through optimisation of the usage of existing interconnectors by means of coordinated remedial actions, where applicable, or covering costs resulting from network investments that are relevant to reduce interconnector congestion.
3. Where the priority objectives set out in paragraph 2 have been adequately fulfilled, the revenues may be used as income to be taken into account by RAE when approving the methodology for calculating network tariffs or fixing network tariffs, or both. The residual revenues shall be placed on a separate internal account line until such a time as it can be spent for the purposes set out in paragraph 2.

The use of revenues in accordance with point (a) or (b) of paragraph 2 shall be subject to a methodology proposed by the transmission system operators after consulting regulatory authorities and relevant stakeholders and after approval by ACER.

4. 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

¹ <http://www.jao.eu/main>

² <http://www.secao.com/>

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.

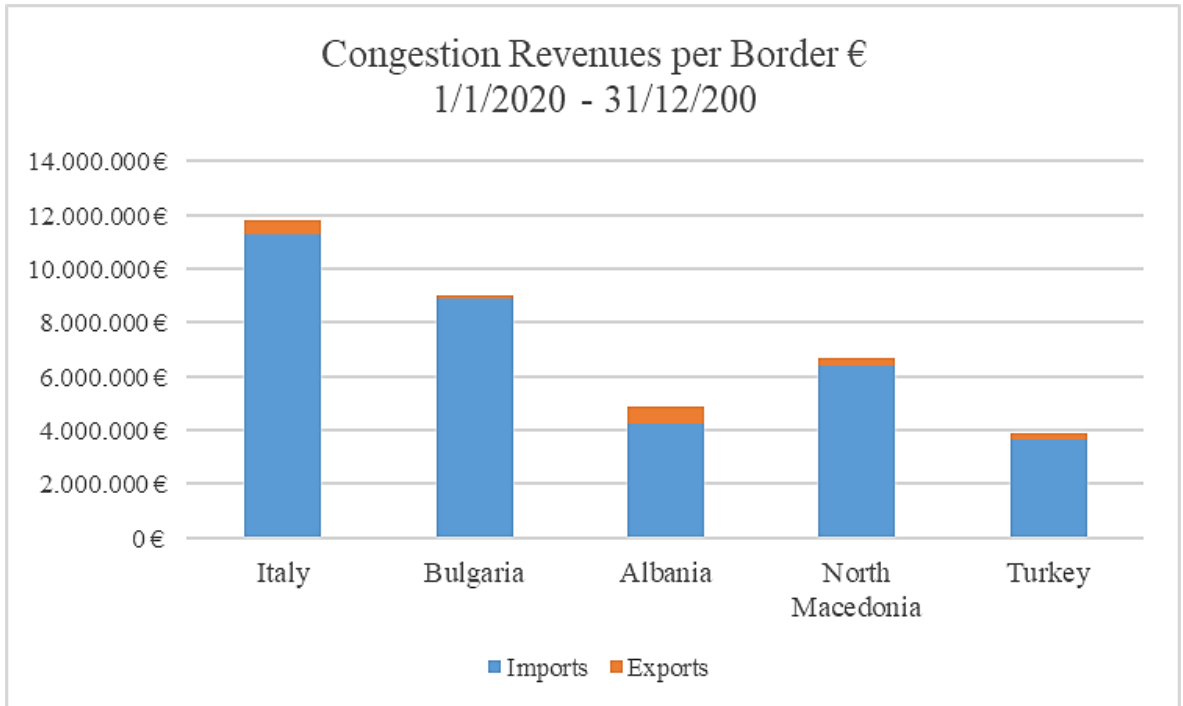
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- c) Each year ADMIE provides RAE with a detailed analysis of the amount of revenues earned through the auctions. The table below presents the revenues per border of the year 2020.

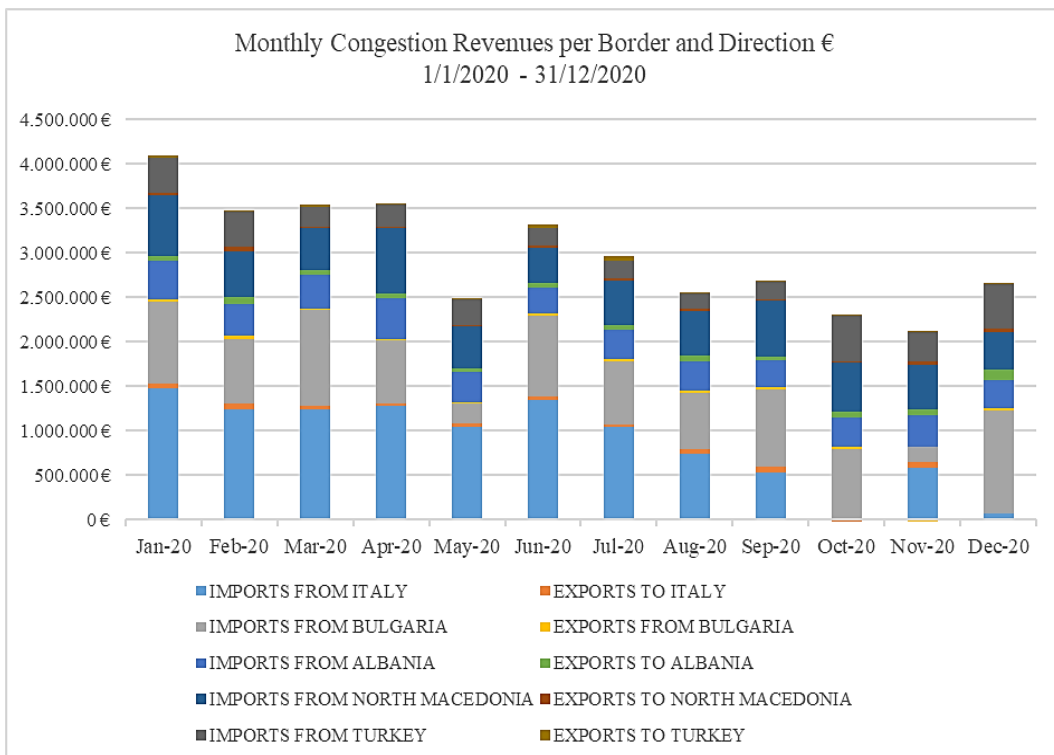
TRANSMISSION RIGHTS NET REVENUES* (€)	IMPORTS FROM ITALY	EXPORTS TO ITALY	IMPORTS FROM BULGARIA	EXPORTS TO BULGARIA	IMPORTS FROM ALBANIA	EXPORTS TO ALBANIA	IMPORTS FROM NORTH MACEDONIA	EXPORTS TO NORTH MACEDONIA	IMPORTS FROM TURKEY	EXPORTS TO TURKEY	TOTAL
Jan-20	1.473.929	50.523	922.243	31.218	426.834	59.649	678.334	31.284	395.446	17.819	4.087.278
Feb-20	1.240.926	61.468	731.638	30.346	363.073	72.898	517.631	48.018	389.461	13.713	3.469.173
Mar-20	1.238.471	45.697	1.072.458	17.397	377.696	49.689	478.596	15.776	215.524	31.479	3.542.772
Apr-20	1.278.871	33.721	701.021	13.943	459.705	48.785	737.402	15.110	248.578	21.206	3.558.342
May-20	1.046.601	41.717	219.104	6.497	340.503	51.326	462.335	16.148	288.075	18.862	2.491.169
Jun-20	1.342.118	37.312	911.064	24.094	292.953	52.232	388.576	29.167	194.428	40.609	3.312.554
Jul-20	1.038.481	37.251	706.980	26.359	326.169	54.711	496.988	27.914	190.120	52.040	2.957.011
Aug-20	735.743	53.375	640.323	15.999	339.418	54.749	507.461	18.767	170.855	10.972	2.547.662
Sep-20	533.811	57.432	879.083	16.007	301.141	50.604	621.194	18.381	198.040	13.311	2.689.002
Oct-20	10.179	58.702	788.430	26.062	327.538	57.054	554.320	15.535	509.387	6.837	2.236.639
Nov-20	586.775	67.064	168.994	105.765	357.816	59.856	497.720	45.430	329.239	9.299	2.016.429
Dec-20	65.315	5.765	1.161.604	21.405	310.168	118.830	425.879	33.692	505.278	7.594	2.655.530
Market Coupling Dec-20	699.557	106.754	-	-	-	-	-	-	-	-	806.311
Year 2020	11.290.776	539.375	8.902.942	123.561	4.223.015	670.735	6.366.426	315.220	3.634.430	243.742	36.310.223
PERCENTAGE PER INTERCONNECTION AND DIRECTION	31,1%	1,5%	24,5%	0,3%	11,6%	1,8%	17,5%	0,9%	10,0%	0,7%	100,0%
Year 2020	11.830.151,15		9.026.503,02		4.893.750,27		6.681.646,65		3.878.171,46		36.310.222,54
PERCENTAGE PER INTERCONNECTION	32,6%		24,9%		13,5%		18,4%		10,7%		100,0%

The congestion revenues received from January 2020 until December 2020 amounted to 36,3 million €, decreasing by 43,6% compared to the revenues received between January 2019 and December 2019, due to the increase in revenues from imports.

5. The analysis of the revenues shows that 94.8% of the revenues comes from auctions for capacity for imports and only 5.2% for exports. The analysis per border shows that 24.9% of the revenues comes from capacity auctions between Greece and Bulgaria, 18.4% from auctions between Greece and North Macedonia, 32.6% from auctions between Greece and Italy, 13.5% from auctions between Greece and Albania, and 10.7% from auctions between Greece and Turkey. Moreover, it should be mentioned that the shares for exports to Bulgaria and Turkey are almost zero.



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



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6. With the Decision 868, issued on 18/09/2019, RAE set the amount of € **70,000,000**, as the maximum that could be withdrawn from the yearly congestion revenues, when approving network tariffs.
7. In addition, according to the Grid Code, subsection 11.11:
“In the Account Λ-E is registered as revenue the amount collected by the Greek Transmission System Operator, ADMIE, for the allocation of the capacity of interconnections. The total amount collected is available exclusively for the purposes set out in the provisions of the Regulation (EC) No 943/201.”
8. With the Decision **178/2021**, RAE approved the usage of €36.369.871,74 respectively, for the reduction of Required Revenue and Transmission Tariffs.