

European Federation of Energy Traders (EFET)

ASSESSMENT OF CONGESTION MANAGEMENT AT EUROPEAN BORDERS (AUG 04)										
Country 1	Country 2	NTC (MW) Winter 2004*	Conventional Transmission Capacity of the Interconnection (MVA Thermal)**	Allocation method: RET Retention PR Pro-rata FF first-come-first serve EA Explicit Auctions JEA Joint Explicit Auctions CEA Co-ordinated Explicit Auctions IA Implicit Auctions MS Market Splitting R Reserve price	Allocation frequency (y yearly, s semi- annually, q quarterly, m monthly, w weekly, d daily)	Capacity tradability	Use it or loose it	Long term contracts exist?*** Y = yes N = no P = probably	Congested	Date of introduction of the Allocation system
UK	IE	330	1250 (1)	EA/R	y	yes	yes	?	seldom	Apr/00
IE	UK	70	1250 (1)	EA/R	y	yes	yes	?	seldom	Apr/00
FR	UK	2000	2000	JEA/R (1a)	y,s,q,m,w,d	yes (2)	yes (2a)	N	frequently	Mar/01
UK	FR	2000	2000	JEA/R (1a)	y,s,q,m,w,d	yes (2)	yes (2a)	N	frequently	Mar/01
NO	SE	3350	4855	MS (3)	d	n.a.	n.a.	N	occasionally	Jan/96
SE	NO	3150	4855	MS (3)	d	n.a.	n.a.	N	occasionally	Jan/96
SE	FI	2050	2230	MS (3)	d	n.a.	n.a.	N	occasionally	Jul/99
FI	SE	1400	2230	MS (3)	d	n.a.	n.a.	N	occasionally	Jul/99
DK-E	SE	1700	2010	MS (3)	d	n.a.	n.a.	N	occasionally	Okt/00
SE	DK-E	1300	2010	MS (3)	d	n.a.	n.a.	N	occasionally	Okt/00
DK-W	NO	950	1040	MS (3)	d	n.a.	n.a.	N	frequently	Jul/99
NO	DK-W	1000	1040	MS (3)	d	n.a.	n.a.	N	occasionally	Jul/99
DK-W	SE	490	670	MS (3)	d	n.a.	n.a.	N	occasionally	Jul/99
SE	DK-W	460	670	MS (3)	d	n.a.	n.a.	N	occasionally	Jul/99
SE	PL	600	600	RET/JEA/R (4)	y	n.a.	n.a.	P	seldom	2001
PL	SE	500	600	RET/JEA/R (4)	y	n.a.	n.a.	P	frequently	2001
DK-E	DE	550	600	RET/JEA/R (5)	d	no	no	100%	frequently	Jan/02
DE	DK-E	550	600	RET/JEA/R (5)	m,d	no	yes	36%	occasionally	Jan/02

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DE	SE	370	600	RET/FF/R (6)	d	no	yes	100%	occasionally	Jan/02
SE	DE	460	600	RET/FF/R (6)	d	no	yes	100%	frequently	Jan/02
DK-W	DE	1200	3428	JEA (7)	y,m,d	yes	yes	N	frequently	Sep/00
DE	DK-W	800	3428	JEA (7)	y,m,d	yes	yes	N	occasionally	Sep/00
RU	FI	1300	1600	FF/RET/R (8)	10y, y	no	n.a.	Y	occasionally	2001
FI	NO	100	120	MS	d	n.a.	n.a.	N		
NO	FI	70	120	MS	d	n.a.	n.a.	N		
DE	NL	(9) 3900	9687	JEA (9a)	y,m,d	yes	yes	(10) Y 28%	frequently	Nov/00
NL	DE	(9) 2700	9687	JEA	y,m,d	yes	yes	N	seldom	Nov/00
BE	NL	(9) 2450	5568	JEA (9a)	y,m,d	yes	yes	(10) Y 31%	seldom	Nov/00
NL	BE	(9) 2350	5568	JEA	y,m,d	yes	yes	N	seldom	Nov/00
FR	BE	(11) 2250	2980	FF (12)	m,d	no	yes	(13) Y 45%	frequently	2001
BE	FR	2750	2980	FF (12)	m	no	n.a.	(14) N	never	2001
FR	DE	(11) 2250	4684	FF (12a)	d	no	yes	(15) Y 54%	frequently	2001
DE	FR	4600	4684	FF (12a)	d	no	no		never	2001
FR	CH	(11) 5350 (16)	8357	FF	d	no	n.a.	Y (16a)	frequently	
CH	FR	no realistic limit	8357	RET	d	no	n.a.	Y	seldom	
FR	ES	1400	2963	FF (17)	d	no	yes	Y 40% (17a)	frequently	Jan/98
ES	FR	600 (17b)	2963	PR/IA (17)	d	no	no		seldom	Jan/98
PT	ES	700	2637	n.a. (18)	d	no	no		occasionally	Jan/03?

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ES	PT	850	2637	PR/IA	d	no	no		occasionally	Jan/98
CH	IT	2800 (19)	3971	RET/PR (20)	y	no	yes	Y (19a)	always	2001
IT	CH	under study	3971	PR (20)	d	no	n.a.		never	2001
FR	IT	2650 (19)	3514	PR (20)	Y,d	yes	yes	Y (20)	always	2001
IT	FR	under study	3514	PR (20)	d	no	no		never	2001
AT	IT	under study	257	FF/PR (20a)	y, m, w, d	no	(21)	Y 50% (20a)	always	2001
IT	AT	under study	257	PR (20)	d	no	no		never	2001
AT	CH	no value	3957	FF/PR	y, m, d	no	(21)		never	
CH	AT	no realistic limit	3957	FF/RET	d	no	n.a.		never	
CH	DE	3500	12293	FF/RET	d	no	n.a.		never	
DE	CH	3000	12293	FF	d	no	n.a.		never	
DE	AT	1200	11142	FF/PR	y, m, d	no	no		never	
AT	DE	1500	11142	FF/PR	y, m, d	no	no (21)		never	
AT	SLO	450 (22)	3379	FF/PR	y,m,d	no	no (21)	P	always	
SLO	AT	no realis. limit (22)	3379	FF/RET	y,m, w, d	no		N	seldom	
IT	SLO	under study (22)	2042	PR (20)	d	no		Y (>= 200 MW)	never	
SLO	IT	under study (22)	2042	PR/RET (22)	y	no	yes	P (38)	always	
HR	SLO	(23) >1000	4816	FF		no	?	?	never	
SLO	HR	(23) >1000	4816	FF		no	?	?	never	
GR	IT	350	500	RET (24)	y,d	no	Yes	N	frequently	May/02

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IT	GR	500	500	EA/PR (25)	y,d	no	Yes	N	occasionally	May/02
FYROM	GR	(26) 350	1420	RET/EA (27)	y,d	no	Yes	N	occasionally	May/02
BU	GR	(26) 500	1300	RET/EA (27)	y,d	no			occasionally	May/02
CZ	DE	2295	5843	JEA (28)	y,m,d	yes	yes	Y	always	Jan/02
DE	CZ	700	5843	JEA (28)	y,m,d	yes	yes	N	seldom	Jan/02
PL	DE	2000	3638	EA (28)	y,m,d	yes	yes	P (38)	frequently	Jan/02
DE	PL	2000	3638	n.a. (28)	n.a.	n.a.	n.a.	N	never	n.a.
PL	DECZSK	2000	9730	RET/EA (29)	m	no	yes	P	frequently	May/04
DECZSK	PL	2000	9730	RET/EA (29)	m	no	yes	N	seldom	May/04
SK	CZ	1400	5266	JEA (30)	y,m,d	yes	yes	P (38)	seldom	Jan/04
CZ	SK	1910	5266	JEA (30)	y,m,d	yes	yes	N	seldom	Jan/04
PL	CZ	1870	3224	cancelled (30)	d	n.a.	n.a.	Y	frequently	Jan/04
CZ	PL	800	3224	Cancelled (30)	d	n.a.	n.a.	N	never	Jan/04
PL	SK	1600	2868	EA (31)	y,m,d	yes	yes	P (38)	occasionally	jan/04
SK	PL	800	2868	EA (31)	y,m,d	no	no	?	never	jan/04
AT	CZ	400	2249	JEA	y,m,d	yes	yes	N	Seldom	Jan/04
CZ	AT	1010	2249	JEA	y,m,d	yes	Yes	Y	frequently	Jan/04
AT	HU	150	2124	EA by MAVIR (32)	y,m	no	no (21)		frequently	Jan/03
HU	AT	700	2124	FF/PR (33)	y,m,w,d	no	no (21)		always	Jan/03
SK	HU	1000	2492	JEA (34)	y,m	yes/no (34)	yes (34)	P (38)	always	Jan/03

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HU	SK	0	2492	JEA (34)	y,m	yes/no (34)	yes (34)		seldom	Jan/03
HU	UA	no value	6185	RET		no	n.a.			
UA	HU	425	6185	EA	y, m	no		Y		
HU	SCG	(35) 200	1332	EA (36)	y,m,d	no				Jan/03
SCG	HU	0	1332			no				
HU	RO	(35) 50	1246	EA (36)	y,m,d	no				Jan/03
RO	HU	0	1246			no				
HU	HR	600	2688	EA (37)	y, m	no				Jan/03
HR	HU	300	2688	EA (37)	y,m	no				Jan/03

*Source NTC value = ETSO Winter 2003/2004, unless otherwise mentioned; as a general remark, the ETSO published NTC values may vary considerably even between successive same seasons, without any explanations from TSOs, which increases the non-transparency of this data; in a number of cases neighboring TSO mention different values on one border (for same direction), in that case the highest value is retained and the source is mentioned

** The conventional transmission capacity of cross-frontier tie-lines is based upon parameters standardised within UCTE for the calculation of the thermal load capability of each line. For aerial lines these are : ambient temperature of +35 °C, wind velocity of 0,56 m/s at a right angle to the line as well as the nominal voltage values. Because the real allowable load capability of the line depends on many other factors, such as load flow distribution, upholding of voltage, real ambient conditions, limits of stability, n-1 security, limitations of transformers capacity, etc., the conventional transmission capacity has no relevance from the point of view of system operation or economics but allows just a comparison of order of magnitude of the various lines.

*** Percent Calculations based on NTC value

Non-compliant with CM Guidelines



Non-compliant but either no congestion or non-EU member



Footnotes

(1) This is not the Scotland / Northern Ireland (DC cable), the so-called “Moyle” inter-connector, as actually this is not a real connector belonging to this report, because it is a connector between UK and UK; the UK/IE connector is a double circuit AC (275 kV line) between Northern Ireland (UK) and The Irish Republic.

(1a) Jointly organised by RTE/NGT

(2) only through the RTE/NGT auction office and after the rest of the capacity is sold

(2a) UIOLI, but completed with a UIOMB : “Use it or money back” under condition you voluntary decide (and inform TSO) before the daily 9:00 auction, you won't use it; (nomination at 14:00) (money back = the lowest value of the daily auction)

(3) each NORDEL TSO defines the congestion zones within its respective area

(4) 550 MW reserved by VATTENFALL only 50 available for Auction at Reserve Price. Actually only flows just from PL to SE are observed.

(5) This is the “Kontek” cable owned by Elkraft Transmission and has a capacity of 600 MW. Of this 50 MW are reserved for system operation. Southbound, Vattenfall has an agreement regarding the transport of 200MW. Another agreement between Vattenfall Transmission and Energi E2 concerns the transport of up to 350MW. However, that second agreement is not accompanied by a stringent use-it-or-lose-it principle, and Energi E2 in effect keeps control of these 350MW. Northbound, Vattenfall has access to 200MW of transmission capacity through a long-term contract. The capacity that is available on the daily auction is what has not been allocated of the 350MW in the monthly auction, plus the share of the 200MW of capacity unused by Vattenfall, following the use-it-or-lose-it principle. Kontek cable long term capacity reservations : 350 MW up to 2006, 200 MW for the life time of the cable, 50 MW for system services.

(6) Capacity is owned by E.On, Statkraft and Sydkraft. The cable is operated by Sydkraft. Baltic Cable is only able to offer in case of free physical capacity, on request, transmission short term on the link day-by-day.

(7) The available capacity is allocated at three auctions: an annual auction (25%), a monthly auction (50%) and a daily auction (25%). DE →DK-W : $y=200$, $m=400$, daily = lost capacity (UIOLI) + 200 + nominated volumes $y+m$ in the other direction (netting principle) ; DK-W → DE : $y=450$, $m=450$, daily = lost capacity (UIOLI)+ 300 + nominated volumes $y+m$ in the other direction (netting principle).

(8) Some 1300MW out of the 1400MW link are commercially available, on a bilateral long-term contract basis. Fingrid uses the remaining 100MW share for power system management purpose. Fingrid defines the transfer payments, and capacity allocation is not based on an auction, but on a reservation process that is open to all parties operating in the Nordic electricity market. More precisely, each year, Fingrid announces the amount of capacity becoming available. Companies interested in some capacity make a reservation, which gets confirmed by the Russian network company (RAO-FGC). Contract periods can range from one to ten years, with the smallest unit that can be reserved being 50MW. Fees are broken down between a fixed price of €6,500/MW-year to reserve capacity and a variable price of €1/MWh when using the cable.

(9) NTC Limited by value of total imports/exports to NL, bringing the NL/GE borders at about 2400 MW and NL/BE at 1200 MW

(9a) All daily-obtained import capacity must be offered on the APX power exchange, and a market party (including its affiliates) may not have more than 400 MW import capacity

(10) Long term contracts : 300 MW DE-NL up to 2005 and 750 MW FR-NL up to 2009, half of the capacity which is assumed to be reserved on the interconnector BE – NL and half on the interconnector DE – NL; the percentages are calculated taking into account the limited NTC values as mentioned in (9).

(11) NTCs nominated at each border are inter-dependent on what is allocated on the other borders.

(12) Capacity is allocated on a daily-basis and in blocks of 25 MW based on a priority list subject to satisfying usage factors. ELIA allocates also monthly capacity in blocks of 25 MW, based on a priority list to satisfying usage factors. ELIA and RTE recognise each others allocations. For exports from France towards Belgium, ELIA charges a congestion fee. Exports from Belgium to France are only possible for monthly contracts based on a priority list subject to satisfying usage factors; nominations have to be made before 8h00; it is not possible to decide exports from BE to FR without monthly contracts (i.e. on a daily basis). In fact, the Use it or lose it principle doesn't make any sense on this border because it is not possible to make export nominations on daily basis.

(12a) RTE offers capacity from FR to DE for free, but the last ranked daily contracts that can cross the border may be charged with a congestion fee (which is not known beforehand!)

(13) Assumption based on participation of Belgian companies outside Belgium (+/- 650 MW) and on taking half of the long term contract FR/NL (750 MW) to this interconnector

(14) The participation of French companies in Belgian power plants (Tihange) has been reviewed and doesn't occupy that border anymore.

(15) 750 MW long term contract FR/NL, half of the capacity is assumed to this interconnector, and German participation in French powerplants as it may be deduced from internet publications for an amount of 835MW , together 1210 MW

(16) 5450 MW is a joint capacity from the FR to CH + IT

(16a) Based on internet publications (e.g. annual reports) EGL, EOS, BKW and NOK, it can be concluded that there is about an occupation of 1650 MW long term contracts; in the EFET Zurich meeting (01/2004), a VSE slide mentioned 16 TWh "Bezugsrechte" which is quite in line with the figures in the annual reports. During 2003, the long term contract nomination (after netting with export from CH→FR) were about 20 TWh, which would mean more than the 1650 MW. On the daily allocation mechanism from FR→ CH, there hasn't been allocated any MW. This gives the result that the long term contracts occupy for 100 % the FR→ CH border.

(17) On the French side export capacity is allocated on a daily basis and in blocks of 25 MW based on a priority list subject to satisfying minimum using factors to maintain the position in the list, and the allocation of import capacity is based on pro-rata method. On the Spanish side the capacity is shared between bilateral contracts and market transactions, and after that, implicit auctions organised by OMEL are applied.

(17a) The calculated percentage is based on the observed used long-term contract capacity of 550 MW.

(17b) Despite the value published in the ETSO- web page, the NTC in the winter 03/04 has been 600 MW in working days peak hours.

(18) In fact, Rede Electrica Nacional, the Portuguese System Operator, is currently the only Portuguese exporter, and adjusts the exported power to the existing capacity. No conflicts have risen until now, so no allocation methods have been defined.

(19) Value by the Italian regulator. CH and F borders are considered together with 5450 MW (2650 + 2800 MW). More detailed information for 2004 is available on the RTE website, where the yearly allocation mechanisms are described, giving also a more detailed view on the NTC variations:

	North West Border	France-Italy Border	Switzerland-Italy Border
Winter Day Value	5450 MW	2650 MW	2800 MW
Winter Night Value	4050 MW	2450 MW	1600 MW
Summer Day Value	4350 MW	2400 MW	1950 MW
Summer Night Value	3800 MW	2250 MW	1550 MW

The Operators consider that the following capacities shall be construed as Reserved Capacity pre-allocated.

2.1.1 Long-Term Capacity

According to the Agreement, the Long-Term Capacity is:

One thousand and four hundreds (1400) MW from France to Italy;

Fifty-five (55) MW from France to Italy for electricity transit through the Italian grid from continental France to Corsica;

Six hundreds (600) MW from Switzerland to Italy.

2.1.2 Capacity autonomously allocated by the Swiss operators (= retention); (*)

This capacity is equal to:

Winter Day: one thousand one hundred (1100) MW;

Winter Night: five hundreds (500) MW;

Summer Day: six hundred and seventy five (675) MW;
Summer Night: four hundred and seventy five (475) MW.

2.1.3 Third states capacity

According to the Agreement, some capacities to third states have been pre-allocated to two (2) states embedded in the Italian territory, namely:

For electricity import into the Republic of San Marino: forty four (44) MW;

For electricity import into the State of Città Del Vaticano: fifty (50) MW;

Note : the document doesn't specify on which border FR/IT or CH/IT the San Marino and Vaticano capacity are reserved.

Remaining capacity on FR/IT and CH/IT border has been allocated on a pro rata mechanism by GRTN.

(19a) There is a historical contract of 600 MW from CH towards IT

(20) The allocation from FR to IT is in fact yearly (pro rata, long term), Joint Pro-rata allocation procedure on a yearly basis: managed by GRTN, accepted by RTE. Long term contracts (1400 MW from FR → IT) must be nominated prior to D-1 8h00; remaining capacity will be allocated through a pro-rata mechanism on a daily basis. From CH to IT, there is not a daily allocation mechanism. For export from IT to CH, FR, AT and SLO, an authorization by GRTN is required, the deadline (when this authorization should be requested) is not clear and seems rather arbitrary). In theory the GRTN capacity value is considered for both directions, even if export capacity is not used and never congested. The allocation-procedure is the same (PR) for both directions.

(20a) From AT to IT, 50 % of the capacity is allocated by GRTN on a pro rata mechanism. The APG website mentions for the other 50% from AT to IT (being 110 MW) as permanent allocated before 19/2/1999 or between 19/2/1999 and 1/10/2001); therefore they are considered in the table as a long term contract, while they were concluded after the publication of the first Electricity Market Directive (96/92/EG). (*) see website e-control, Sonstige Marktregeln; Kapitel 3, point 4; for APG grid between 19/2/1999 and 1/10/2001; for Tirag and VKW grid : between 19/2/1999 31/12/2002.

(21) A penalty of € 1/MWh is charged if capacity is allocated and not used.; this could be considered as a Use It Or Pay It principle (UIOPI); it is not very clear whether this UIOPI principle is applied for the reserved contracts AT/SLO (footnote 22) and AT/IT (footnote 20a), but most probably is not.

(22) Allocation from SLO to IT is for 50 % in hands of SLO TSO ELES (allocation FF/RET) and 50% in hands of GRTN (pro rata). Slovenia has been issued with a derogation to comply with CM guidelines until 2007. More detailed NTC information is available on the website of UPO (Slovenian TSO):

	SLO to IT	SLO to AT	IT to SLO	AT to SLO
Winter Day Value	380 MW	650 MW	380 MW	650 MW
Winter Night Value	340 MW	450 MW	340 MW	450 MW
Summer Day Value	300 MW	650 MW	300 MW	650 MW
Summer Night Value	270 MW	450 MW	270 MW	450 MW

(23) No defined NTC but based on EFET experience more than 1000 MW and never congested

(24) 50% of the Capacity (175 MW) are allocated by the Greek TSO but only PPC can export from Greece (and thus gain capacity) as the sole Generator. 50% of import capacity is allocated by GRTN on pro-rata basis. Unused capacity is allocated free "pro-rata" on daily basis.

(25) 50% of the Capacity (250 MW) are allocated by annual auctions by the Greek TSO and 50% by GRTN on pro-rata basis. Unused capacity is allocated free "pro-rata" on daily basis.

(26) One common value of 500 MW for total imports from FYROM, Albania and Bulgaria (200 MW allocated on a yearly basis, 160 short term, 240 MW retained by PPC)

(27) Import Capacity not retained by PPC is allocated by annual auctions by Greek HTSO. PPC then has to pay the auction price for the capacity retained by her. Unused annual capacity is allocated daily on pro-rata basis. Minimum Usage factors apply.

(28) Joint explicit auctions organised by CEPS, VATTENFALL, and EON. There are however two separate simultaneous auctions (CEPS – EON and CEPS – VATTENFALL). Poland is not yet participating, thus a common value is allocated for total imports from Czech-Poland to Germany (but allocated per specific border) and exports from Germany are only towards Czech. Unused capacity is allocated in next stage (m,d) auctions. Allocation is not recognised by Poland. Note : the TSO CEPS, PSE, SEPS, VE-T, APG and (Eon) are discussing the allocation mechanism, a jointly coordinated auction is expected to be known in September 2004 and implemented 2005.

(29) Allocation only on Polish side, organised as explicit auctions by PSE and recognised only by PSE. One value of capacity is allocated for total imports and one value for total exports (from all three borders with DE-SK-CZ). Note : the TSO CEPS, PSE, SEPS, VE-T, APG and (Eon) are discussing the allocation mechanism, a jointly coordinated auction is expected to be known in September 2004 and implemented 2005.

(30) Organised by CEPS (the Czech-Polish auctions are cancelled except for daily allocations if possible)

(31) Organised by SEPS not recognised on the Polish side. Polish held their own auctions as mentioned above.

(32) Yearly and monthly auctions organized by MAVIR.

(33) Allocated by the Austrian Auction Office (100 MW base load plus 100 MW Austrian peak) on F-c-F-s and Pro-Rata basis to those who first apply for available capacity and for a period of up to 1 year. If unused such allocated capacity incurs a cost of E 1/MWh

(34) Yearly and monthly auctions organized by MAVIR, and SEPS. Capacity is split 50-50% and allocated on the basis of explicit auctions, in two separate auctions (in Budapest and Bratislava) but the clearing rules differ. Capacity bought at Hungarian auctions can be returned in the monthly auctions without the requirement to pay for it. Both sides recognise the results of the other. The Hungarian bought capacity can not be traded in secondary trading, however this is possible with the Slovakian Capacity

(35) The SCG and RO borders are considered as one, in island operation.

(36) Small quantities allowed by MAVIR are allocated by explicit auctions on an island operation. Confirmation by ERS necessary.

(37) Capacity allocated 50-50% on the basis of explicit auctions by CROISMO and by MAVIR. Both sides recognise the results of the other.

(38) EFET has strong indications about long term contracts on the following borders :

AT/SLO and SLO/AT

SLO/HR

CZ/DE

PL/DECZSK: In a document distributed by PSE TSO, 360 MW of capacity is allocated on several borders till the end of 2004.

SK/CZ

PL/CZ and PL/SK: while the NTC value is 1870 MW, EFET observes that only 400 MW yearly and 600 MW monthly capacity are auctioned (prior to the recent calculation), there isn't a daily auction as well: It is not clear what then happens with the remaining capacity. In a document distributed by PSE TSO, 400 MW (1.6 TWh/year) is allocated to a nominated owner between 1/1/1993 and 31/8/2010 and another 42 MW is allocated for the same period of time to CEZ in order to compensate the costs of the previous contract.

CZ/AT: while the NTC value is 1010 MW, EFET observes that only about 250 MW on yearly basis are auctioned; the monthly offered capacity is 0 MW, except in July and August, and there is not daily capacity : it is not clear what then happens with the remaining capacity.

SK/HU: while the NTC value HU/SK is 0 MW, the Hungarian TSO offers 600 MW capacity from HU towards SK on year basis, because there is already 600 MW allocated from SK towards HU, EFET concludes that there is thus a long term contract from SK towards HU.

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