



Department for tariff regulation
Lena Jaakonantti
+46 16 162774
lena.jaakonantti@ei.se

Amount and use of Congestion Revenues, Report according to point 6.5 of the Congestion Management Guidelines

Background

According to the Regulation (EC) No 1228/2003 on conditions for access to the network for cross-border exchanges in electricity, point 6.5 in the amended congestion management guidelines, Energy Markets Inspectorate is required to publish a report by 31 of July every year. The report should be setting out the amount and the use of the congestion revenues that have been collected by the TSO (Affärsverket svenska kraftnät, www.svk.se) between 1 of July the preceding year until 30 June of the current year.

At the interconnections between the Nordic countries, price mechanisms are used to relieve grid congestion (bottlenecks), by introducing different Elspot area prices. The method used is implicit auctions through Nord Pool Spot, called market splitting. The market splitting will give the TSO an income when there is congestion. The congestion revenues are published for every month at Nord Pool Spot (currency EUR). (For more information, please see Nord Pool Spot www.nordpoolspot.com)

Congestion Revenue for Affärsverket svenska kraftnät between July 1st 2008 and June 30th 2009

Month	Revenue [kSEK]
July 2008	119 068
August 2008	87 541
September 2008	59 403
October 2008	27 340
November 2008	23 457
December 2008	22 444
January 2009	14 432
February 2009	11 413
March 2009	8 804
April 2009	10 025
May 2009	11 403
June 2009	8 812
Total	404 142

Use of Congestion Revenue

Affärsverket svenska kraftnät has, together with the other Nordic TSO's, launched a comprehensive investment program in extended and new interconnections. The investments will considerably improve the trading capacity between the Nordic countries and improve the security of supply. Affärsverket svenska kraftnät uses the congestion revenues to reduce the increase in network tariff which the investments will imply.

Affärsverket svenska kraftnät also states that the revenues from congestion management are used for investments in new capacity over a period of time (years). As a state authority they are not allowed to make consolidations according to Swedish law. This revenue is not used for any purpose outside these alternatives but there is no method that makes it possible to establish percentages.

More information

More information about congestion revenues can be found in the NordREG reports Congestion Management in the Nordic Region, A common regulatory opinion on congestion management, Report 2/2007 and Congestion Management Guidelines, Compliance report, Report 8/2007. (NordREG www.nordreg.org)