



European Commission DG Energy and Transport



11th Florence forum

Draft congestion management guidelines

Rome 16.9.2004

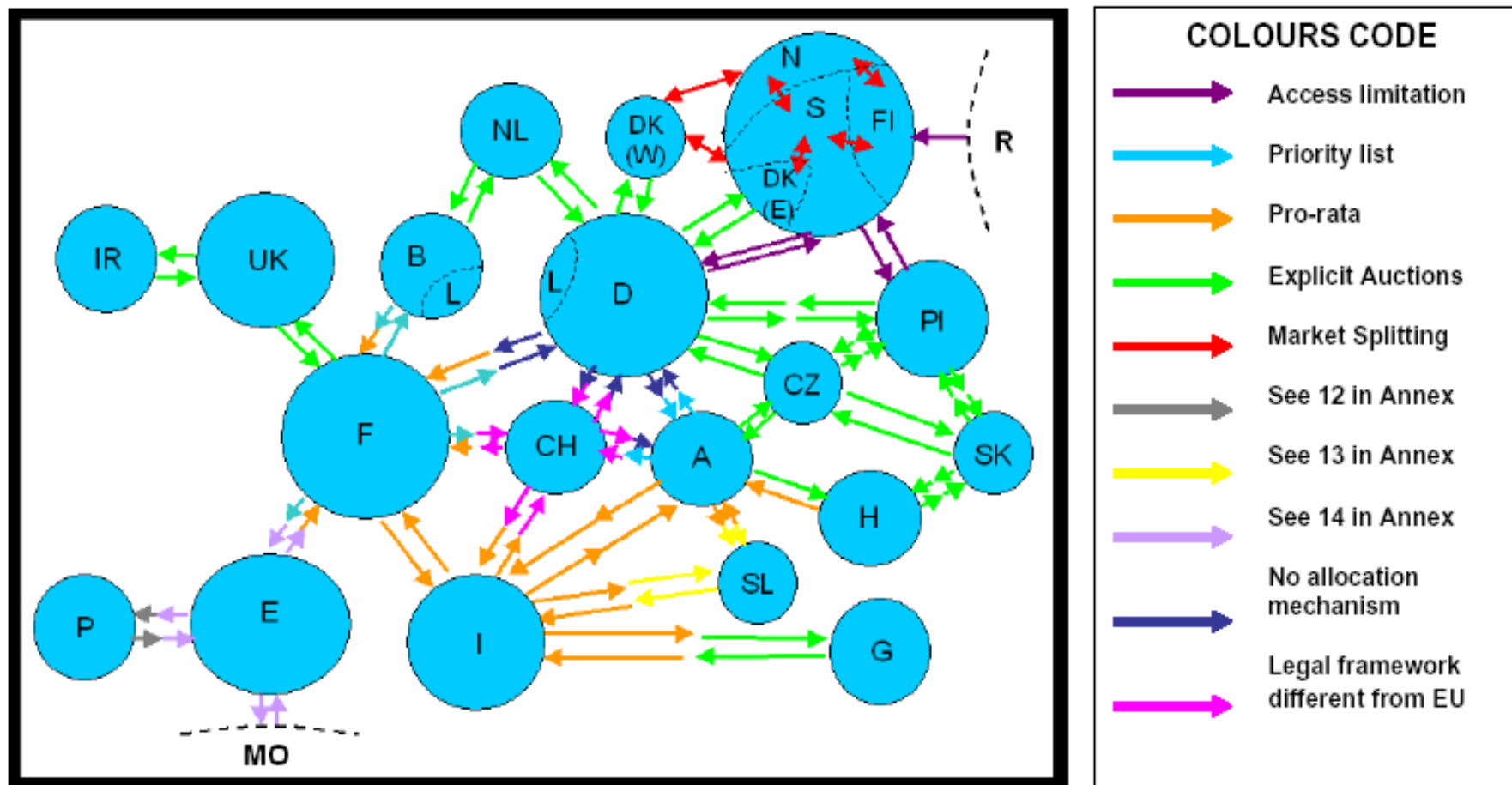
Matti Supponen
Electricity and Gas Unit
Matti.Supponen@cec.eu.int



Directorate General for Energy and Transport



Status of congestion management





Status of congestion management in Europe



On 25 most congested interconnectors:

- 12 interconnectors are managed with market-based methods
 - ◆ 13 with non-market based methods
- 14 interconnectors have a joint method agreed between the TSOs/regulators concerned
 - ◆ In 11 cases:
 - ◆ 50%-50% split of the capacity or
 - ◆ capacity has to be obtained from both TSOs or
 - ◆ allocation is unilateral





Purpose of the congestion management guidelines



- Provide economic efficiency and promote competition
- Maximise available capacity
- Provide transparency
- Allow secure network operation
- Ensure revenue neutrality from the point of view of system operators





Draft guidelines, main issues



- **Choice of the congestion management method**
- **Timeline of the capacity allocation and other congestion management activities**
- **Co-ordination of the congestion management**
- **Transparency**

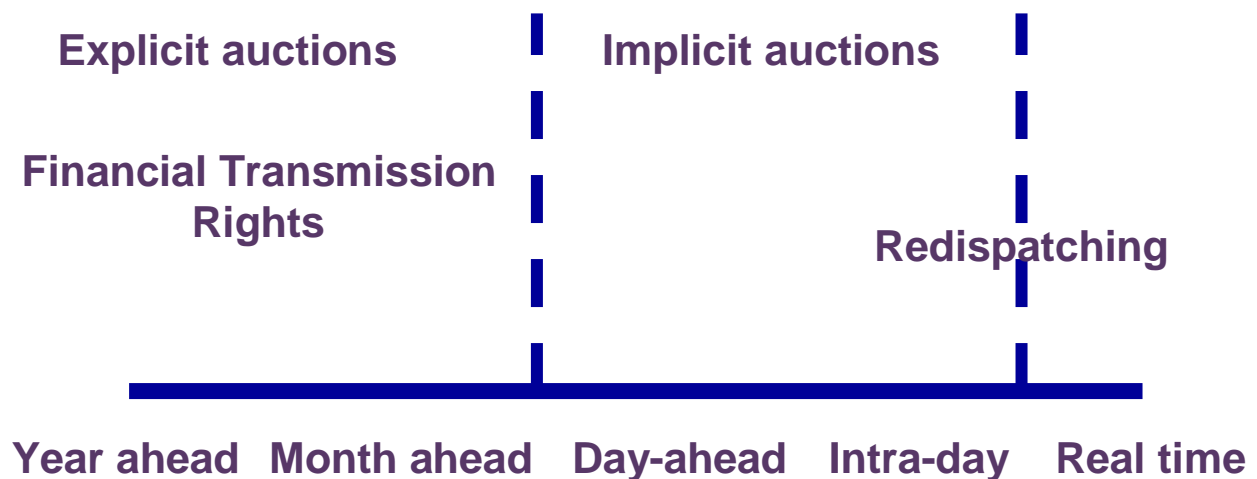




Choice of the congestion management method



- Explicit auctions for longer term capacity allocation
- Implicit auctions for shorter term capacity allocation
- Redispatching for “finetuning” and for secure network operation





Co-ordination of congestion management

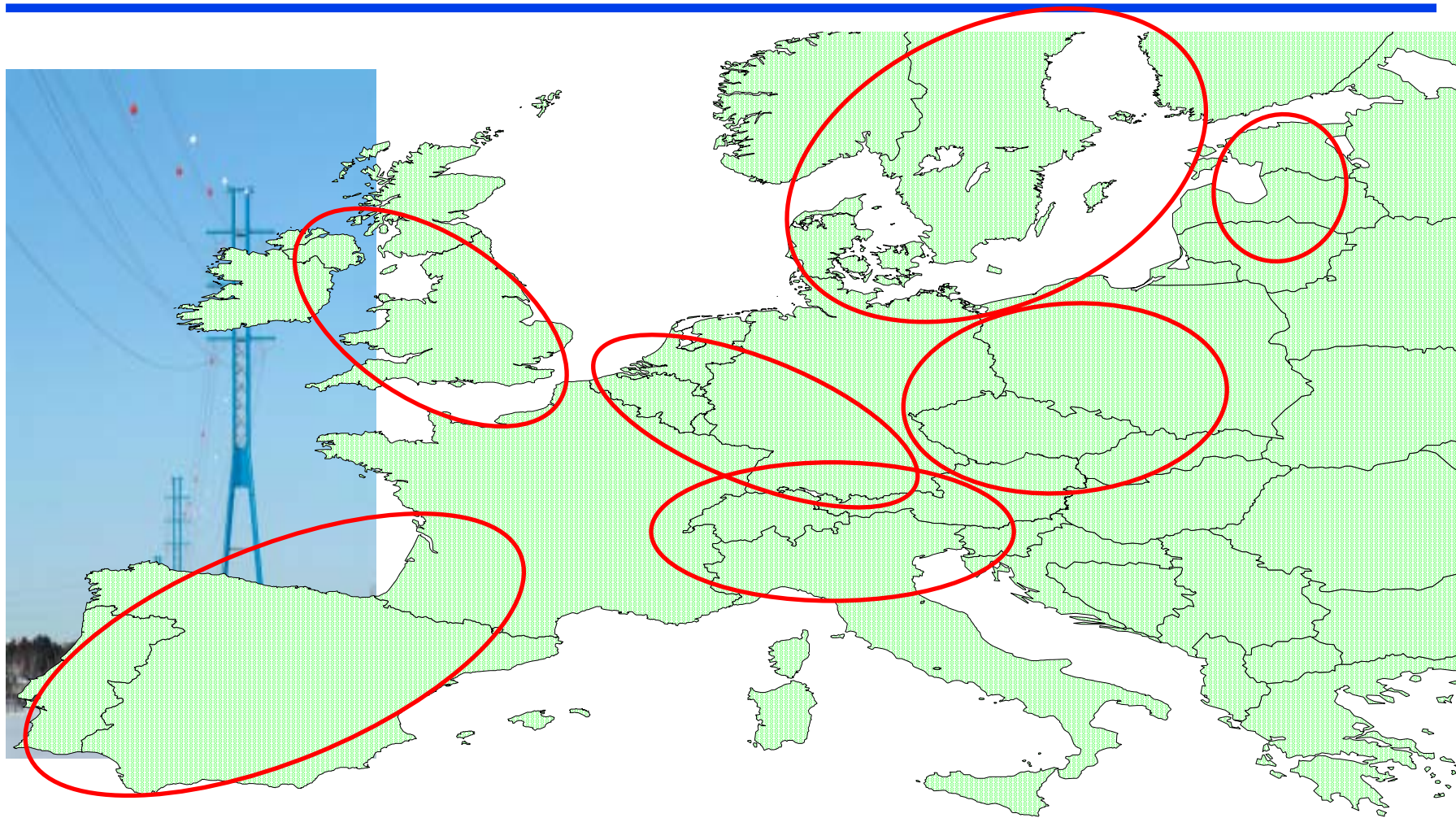


- Clear evidence that flow-based capacity determination/allocation is more efficient than fixed bilateral ATCs
- Co-ordinated explicit auctions
- Market coupling (EuroPEX, ETSO)
- Consentec/Frontier Economics study recommends a hybrid system





Proposed areas with a common multilateral capacity allocation





Issues for discussion



- **Timetable to introduce implicit auctions**
- **Practical implementation of the co-ordinated congestion management**
- **European intra-day, reserve power and balancing markets**
- **Coherence with the security and reliability rules**





Conclusions and Way Forward



- **Market based methods need to be implemented without delay, jointly by the TSOs/regulators concerned**
- **Implementing of draft guidelines will provide a major step forward in efficient use of interconnectors**
- **Solid ideas of further improvements already exist, practical work on their implementation can start**

