Electricity transmission rights
SEE CAO - Introduction

- Auctions for CBC allocation:
  - PTR
  - NTC approach
  - Explicit auctions:
    - Long term (Y,M)
    - Daily
Allocation of transmission rights

- Forward markets
- PTR/FTR
- Explicit allocation
- HAR

- DA & ID
- Implicit allocation

- Real-time
- Balancing energy market
- Balancing capacity market
FCA in SEE

EU Member States
• FCA binding from Oct 2016
• FCA early implementation EU
  • Jan 2016 with EU HAR

Non-EU countries:
• FCA still not binding
• FCA early implementation SEE
  • Jan 2018 with SEE CAO HAR set of rules
Harmonised Allocation Rules

• Key derivative of FCA GL
  • ONLY forward markets -
    • yearly and monthly auctions
  • Secondary market:
    • transfer, return - optional
    • UIOSI - automated
  • Compensation regimes (curtailments)
SEE CAO HAR set of rules
LT products

**Base product**
- Separate auction per each period, different MCPs

**Pro rata**
- Single auction, unique MCP (as it is base product)
- Maintenance periods: Proportional reduction of allocated capacity for all participants

**Allocation periods**

**Multiple products**
- Separate auction per each product, different MCPs;
- Products cover entire time horizon, with zero and non-zero periods
Daily allocation in SEE CAO

Until CACM implementation:
• Explicit daily auctions
  • Performed by SEE CAO

Upon CACM implementation:
• Implicit daily auctions (PX/MC)
• ‘Shadow’ explicit D auctions
• CID
Auction process

TSO

SEE CAO

NTC/ATC

Auction Participant

Offered Capacity

Bids

Auction Participant

Auction Participant

Auction Participant

Bids

Bids

Bids

Clearing algorithm – Marginal price

Auction Results

Auction Process
Calculation of offered capacities

**Yearly**

Final Offered Capacity = NTCy

**Monthly**

Final Offered Capacity = NTCm + AAC + Forced return + Resale

**Daily**

Daily ATC (DIR) = NTC (DIR) - LT nomination (DIR) + Netting Coefficient (DIR) x LT Nomination (OPP)

The available capacity for the daily auction for one Border Direction

Net Transfer Capacity for Border Direction

The summary long-term nomination on one Border Direction

The netting coefficient defined for individual border direction. In case of 100% netting, the coefficient will have the value of 1. In case the netting is not applied, the coefficient will have the value of 0.

The summary long-term nomination on opposite Border Direction
Auction process

- Offered capacity (OC): MW
- Bids:
  - Requested capacity (RC): MW
  - Bid price: €/MWh

- RC < OC
- Marginal Price = 0
- No congestion
- No incomes for TSOs
Auction process

- Offered capacity (OC): MW
- Bids:
  - Requested capacity (RC): MW
  - Bid price: €/MWh
- Congestion → Marginal Price
Example – Price curve

**Total allocated Transmission Rights:** 181 MW

**Bidding price:** 1.16 EUR/MWh, Number of bids: 23
Effective usage of LT TR

LT nominated (A->B)

LT nominated (B->A)

LT nominated + reacquired

LT nominated + reacquired
Covid impact on congestion incomes

Monthly auctions revenues
Average vs 2020

Jan  Feb  Mar  Apr  May  June

Average  2020
Thank you for your attention!