

Draft-Methodology on the Use of Congestion Income – Proceedings & Background

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Convener WG Economic Framework

Workshop for Stakeholders
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Ensuring Smooth Proceedings

Today's presentation on the draft-methodology is divided into two 45-minutes sections. After each section, we have foreseen 30 minutes for your questions and contributions. **The WebCo will be recorded both in order to comply with publication-obligations and in order to enhance our ability to perform a more in-depth analysis of your questions and comments after the WebCo.**

Please note that by default all participants in the Webinar are muted by the host.

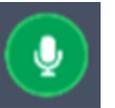


During the presentation (2 x 45 Minutes):

▶ Questions

During the presentation, if you have a question on a particular slide, **please send the following message in the question box: “Slide X: Your Question”**

During the Q&A sessions (2 x 30 Minutes):



- The host will group and prioritize your questions and un-mute the respective participant to ask them.
- ***If there is time left after all questions are answered*** and you would like to react or make a contribution, **please use the “raise hand” feature** available through a button at the top right of your screen. The host will be informed about your wish to speak and un-mute you.
- **In case we cannot answer all questions during the WebCo, a document will be put on the consultation website after the workshop containing both the questions and our answers to them.**
- You can as well raise questions in case of technical issues, we will do our best to solve them.



Economic- and Legal Background

Congestion income represents the revenue transmission system operators collect when allocating cross-zonal capacity. Those revenues amount to approximately € 2 bn. annually.

Within the Regulation (EU) 2019/943 of 5 June 2019 on the internal market for electricity, Article 19 establishes that **revenues resulting from the allocation of cross-zonal capacity shall be used in priority for guaranteeing the actual availability of the allocated capacity, or maintaining or increasing cross-zonal capacities (Article 19(2)).**

Further in the Regulation (EU) 2019/943, Article 19 paragraph 4 refers **mandates that methodology shall be proposed by the transmission system operators (“All-TSOs”) after consulting national regulatory authorities and relevant stakeholders.**

ENTSO-E Supporting All-TSOs

Article 19 (4) thus allocates the responsibility to develop a methodology to All-TSO. In order to ensure an efficient process and the availability of sufficient resources, **All-TSOs have asked ENTSO-E to coordinate the development of a draft methodology.**

Within ENTSO-E, a *Project Team Use of Congestion Income (“PT UCI”)*, consisting of members from several TSOs, had subsequently started the scoping and drafting process for the methodology in June 2019 and has since then regularly updated the relevant ENTSO-E and All-TSO bodies on the content of and progress with the draft methodology.

Between the PT UCI’s inception and today’s workshop, both ACER and National Regulatory Authorities have been approached for comments, feedback and exchange of opinions a several instances.

Official All-TSO clearance for commencing with the consultation process was obtained on 18 March 2020. **The draft-methodology as presented today is unanimously supported by All-TSOs.**

Methodology drafting – High-level timeline

