

## INTENTION BY THE SWEDISH ENERGY MARKETS INSPECTORATE AND THE DANISH UTILITY REGULATOR REGARDING THE HEDGING OPPORTUNITIES ON THE DANISH – SWEDISH BIDDING ZONE BORDERS PURSUANT TO THE COMMISSION REGULATION (EU) NO 2016/1719

Pursuant to Commission Regulation (EU) no 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (FCA Guideline) the following National Regulatory Authorities (NRAs):

NRA	Country	Contact details
Swedish Energy Markets Inspectorate (Ei)	Sweden	Postal Address: P.O. Box 155 SE-63103 Eskilstuna, Sweden. Phone: +46 016 16 27 00 E-mail: <a href="mailto:registrator@ei.se">registrator@ei.se</a>  Dnr. 2021-100249 (DK1-SE3) Dnr. 2021-100250 (DK2-SE4)
Danish Utility Regulator (DUR)	Denmark	Address: Torvegade 10, DK-3300 Frederiksværk, Denmark. Phone: + 45 4171 5400 E-mail: <a href="mailto:post@forsyningstilsynet.dk">post@forsyningstilsynet.dk</a>

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Hereby consult the proposed coordinated decision on cross-zonal risk hedging opportunities of the relevant Danish–Swedish bidding zone borders (DK1-SE3 and DK2-SE4) as follows:

Article 30(8) of the FCA Guideline obliges either upon a joint request of the TSOs on a bidding zone border or at their own initiative, and at least every 4 years, the competent regulatory authorities of the bidding zone border to perform, in cooperation with the Agency, an assessment pursuant to Article 30 paragraphs 3-5.

Acting in accordance with Article 30(3) of the FCA Guideline, the NRAs have assessed the hedging opportunities in the concerned bidding zones (DK1, SE3, DK2 and SE4). The assessment of the Danish bidding zones indicates that there are insufficient hedging opportunities in DK1 and DK2, while the assessment of the Swedish bidding zones suggests that there are sufficient hedging opportunities in SE3 and SE4.<sup>1</sup>

Pursuant to Articles 30(1), 30(2) and 30(5) of the FCA Guideline, the Danish and the Swedish NRAs intend to request the respective TSOs, Energinet Systemansvar A/S and Affärsverket svenska kraftnät not to issue long-term transmission rights (Art.30.1 FCA Guideline) but to make sure that other long-term cross-zonal hedging products

<sup>1</sup> [Utvärdering av risksäkringsmöjligheter på den svenska elmarknaden – för samråd enligt FCA-förordningen \(ei.se\)](https://www.ei.se/utvardering-av-risksaeringsmojligheter-pa-den-svenska-elmarknaden-for-samrad-enligt-fca-forordningen-ei.se)

are made available to support the functioning of the wholesale electricity markets (Art.30.5 (b) FCA Guideline) on the above-mentioned bidding zone borders.

The relevant TSOs shall develop the necessary arrangements and submit them to the competent regulatory authorities' approval no later than six months after the request by the Danish and Swedish NRAs in accordance with Article 30(6) of the FCA Guideline.

Where regulatory authorities decide that long-term transmission rights shall not be issued by the respective TSOs or that other long-term cross-zonal hedging products shall be made available by the respective TSOs, Articles 16, 28, 29, 31 to 57, 59 and 61 shall not apply to the TSOs of the bidding zone borders.



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