

Join Consultation

Intention by the Swedish Energy Markets Inspectorate and the Danish Energy Regulatory Authority 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	Sweden	Postal Address: P.O. Box 155 SE-63103 Eskilstuna, Sweden. E-mail: registrator@ei.se
Danish Energy Regulatory Authority (Energitilsynet)	Denmark	Address: Carl Jacobsens Vej 35, 2500 Valby, Denmark Phone: + 45 4171 5400 E-mail: post@energitilsynet.dk

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:

The FCA Guideline obliges the TSOs on a bidding zone border to issue long-term transmission rights unless the competent regulatory authorities of the bidding zone border have adopted coordinated decisions not to issue long-term transmission rights on the bidding zone border.

Acting in accordance with Article 30(3) of the FCA Guideline, the NRAs have conducted an assessment on the bidding zone borders between the two countries regarding whether the electricity forward market provides sufficient hedging opportunities in the concerned bidding zones (DK1, SE3, DK2 and SE4). The specifics of the assessment have been agreed in coordination with the NRAs in question, including but not limited to the consultation and an evaluation as defined in Article 30(3) of the FCA Guideline. The assessment on the

functioning of the wholesale electricity markets in the concerned bidding zones indicates that there are insufficient hedging opportunities in the two Danish bidding zones; DK1 and DK2 but sufficient hedging opportunities in the two Swedish bidding zones; SE3 and SE4.

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.dk 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 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.