

The Spanish electricity system receives €27 million from the annual cross-border power capacity allocation for 2020

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Red Eléctrica de España (REE), Réseau de Transport d'Électricité (RTE) and Redes Energéticas Nacionais (REN), operators of the Spanish, French and Portuguese electricity systems, respectively, have allocated electricity exchange capacity for the electricity interconnections for 2020 through explicit capacity auctions, one for each direction of the France-Spain interconnection and another for each direction of the Portugal-Spain interconnection.

The capacity allocation process for 2020 has generated revenues for the Spanish electricity system that amount to €27 million; an amount which will be earmarked for reducing the regulated costs of the system

In the interconnection with France, physical transmission rights have been allocated. The winning bidders, who have paid the auction price, have the option of establishing long-term physical energy exchange schedules through the interconnection, or receiving the positive price difference of the Day-ahead Markets between the zones of Spain and France in the direction of the allocated capacity.

In the interconnection with Portugal, financial transmission rights have been allocated. Participants awarded this capacity, who have paid the auction price, are entitled to receive the positive price difference in the Day-ahead Market between the zones of Spain and Portugal in the direction of the allocated capacity.

In the Spain-France direction, 700 megawatts (MW) were offered and allocated for each hour of the year, establishing a resulting price of 3.40 euros/MWh, with 17 of the 36 participating agents having obtained capacity. On the other hand, in the France-Spain direction, 700 MW were offered and allocated, with a resulting price of 5.25 euros/MWh, with 8 of the 34 participating agents having obtained capacity. The congestion rents (revenues) generated reached a value of €53.2 million, half of which correspond to the Spanish system.

In the Spain-Portugal direction, 350 MW were offered and 348 MW were allocated for each hour of the year, establishing a resulting price of 0.16 euros/MWh, with 10 of the 21 participating agents having obtained capacity. Meanwhile, in the Portugal-Spain direction, 300 MW were offered and 298 MW were allocated, with a resulting price of 0.09 euros/MWh, with 11 of the 21 participating agents having obtained capacity. The congestion rents (revenues) generated amounted to €0.7 million, half of which correspond to the Spanish system.

These annual auctions have been held through the company JAO (Joint Allocation Office), recognised as Europe's Single Allocation Platform (SAP). In addition to these annual auctions, JAO will also hold monthly auctions for 2020 for the interconnection between Spain and France and quarterly and monthly auctions for the interconnection between Spain and Portugal.