
Balticconnector capacity allocation method

Balticconnector capacity allocation method - background

- Finnish and Estonian TSOs proposed in 2019 to NRAs that implicit capacity allocation method would be used in Balticconnector instead of auction.

- Reasoning behind the proposal was following:

  1) TSOs didn't expect continuous congestion to occur in Balticconnector because technical capacity was expected to be higher sooner and it wasn't clear how strongly market would like to utilize the interconnection point.

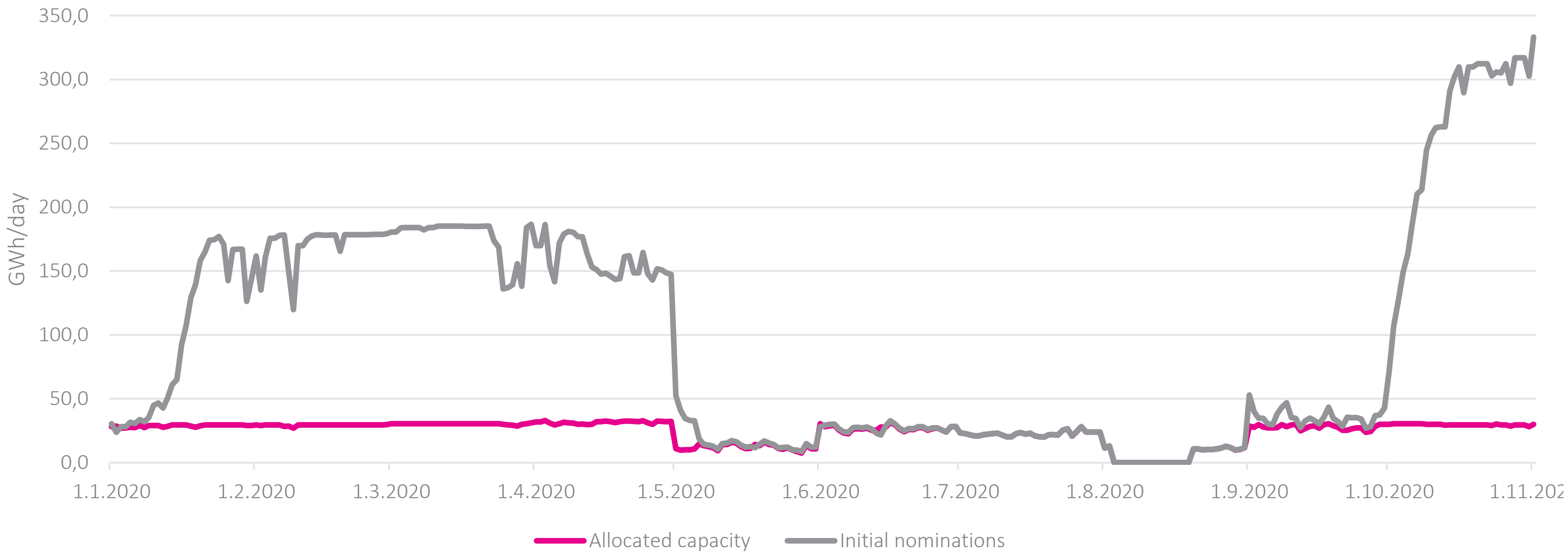
  2) Market integration was expected to become deeper in FIN-EST-LAT are starting from 2022 which would have removed need for capacity allocation in Balticconnector.

  3) Auction would have caused additional cost for the market due to new IT-system and it would have been only temporary solutions before common balancing area.

  4) Auction would have made it more difficult for market participants to operate in Balticconnector due to more complex allocation mechanism.

Now it is important to re-evaluate whether above descripted reasonings are still relevant or not

BC Capacity



NOMRES equals to allocated capacity which is very close to Technical Capacity.

Preliminary capacities for the Balticconnector interconnection point (published 28.10.2020):

Updated values:

11/2020 30 GWh/d
12/2020 28,3 GWh/d (value before 51 GWh/d)
1/2021 28,3 GWh/d (value before 45 GWh/d)
2/2021 46 GWh/d
3/2021 40 GWh/d
4/2021 48 GWh/d
5/2021 53 GWh/d
6/2021 54/12 GWh/d (scheduled maintenance work 25.6-31.7)
7/2021 12 GWh/d
8/2021 52 GWh/d
9/2021 51 GWh/d
10/2021 47 GWh/d
11/2021 47 GWh/d
12/2021 47 GWh/d (value before 57 GWh/d)

Capacity allocation at Balticconnector

- EU regulation (CAM NC) recognizes 2 options for capacity allocation at interconnection points: **implicit capacity allocation and auction**.
- Currently, Balticconnector capacity, which has no price, is allocated implicitly based on confirmed nominations.
- In Europe, there are auction platform service providers (e.g. PRISMA, GSA). Auction procedure is highly regulated (publication of available capacity, auction schedule, auction type, etc.)

Questions supporting discussion:

1) How do you see the current capacity allocation mechanism at Balticconnector?
   a) What are the main challenges/problems/risks?
   b) What are the main opportunities?
2) How do you see the auction procedure at Balticconnector?
   a) What are the main challenges/problems/risks?
   b) What are the main opportunities?
3) What information do you see most valuable what comes to BC capacity? Do you see needs for additional data or information publication (in addition to data already published)?