

## Definition of structural congestion in electricity networks

Brussels, 15 June 2023 - The European Federation of Energy Traders (EFET) welcomes the opportunity to provide comments regarding the ACER survey on the definition of structural congestions in the electricity grids.

We recognise that a threshold might be useful to define a structural congestion. However, we believe that the Internal Market for Electricity Regulation is not the right place to determine the level of this threshold. In case a threshold is to be defined, a detailed methodology should be developed and made public to assess the adequate level of the threshold.

### 1. Do you have any suggestions for improvement of the definition of congestion in Article 2(4) of the Regulation EU 2019/943?

The definition is satisfactory.

### 2. Do you have any suggestions for improvement of the definition of structural congestion in Article 2(6) of the Regulation EU 2019/943?

This should be tackled in CACM 2.0. According to the 2022 consultation:

*Every three years, the ENTSO for Electricity shall issue a technical report on the structural congestions and other major physical congestions between and within bidding zones observed in the current bidding zone configuration, pursuant to Article 14(2) of Regulation (EU) 2019/943. Based on the technical report of ENTSO-E, and the report on the results of the monitoring the wholesale markets in electricity, pursuant to Article 15(1) of Regulation (EU) 2019/942, ACER shall assess the efficiency of current bidding zone configuration.*

For the determination of a structural congestion, all determining factors should always be considered in the respective context. For example, it is essential how geographic stability behaves over time.

The depth of the congestion should also be considered. Although it could be that a congestion occurs frequently, it may be eliminated without major technical or economic effort.

**3. Considering the definitions of congestion and structural congestion provided above, what is in your opinion a minimum percentage of time the congestion should exist between two network areas (which can be bidding zones, or parts of them), in order to define the congestion between these two areas as structural?**

There should not be a predefined percentage.

**4. Please provide any additional input to complement the answer to the previous question.**

The ACER reasoning seems based on the fact that some bidding zones have structural internal (commercial) congestions, but such frequent congestions occur due to very different physical congestions on network elements, which themselves could be infrequent.

This appears to us insufficient to justify a predetermined threshold in the Regulation. At this stage, we think it is more cautious to keep some latitude to determine this threshold in the framework of a subsequent methodology, to be developed after the ENSTO-E technical report and with a subsequent consultation with all stakeholders.

With Flow based, congestion should be measured at the CNEC (i.e. “transmission line”) level and not at the “border” level.

## Contact

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