



New ITC 2010

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ITC 2010 – What is new?

ENTSO-E ITC 2010

- ITC treatment for 2010
- based on a voluntary agreement between 39 TSOs



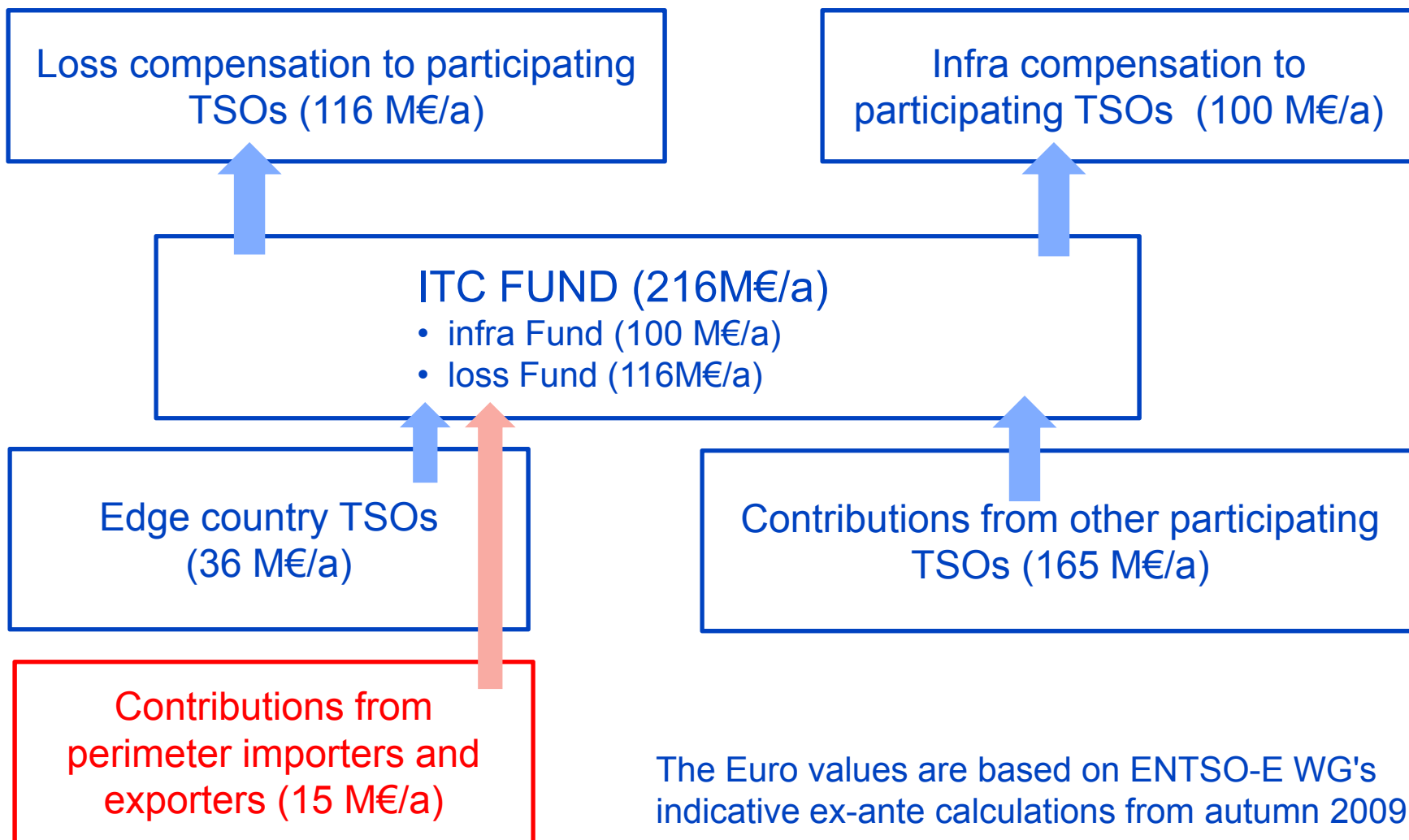
ITC Guidelines

- approved by member states in Comitology in spring 2011
- expected to be in operation late 2010 or early 2011

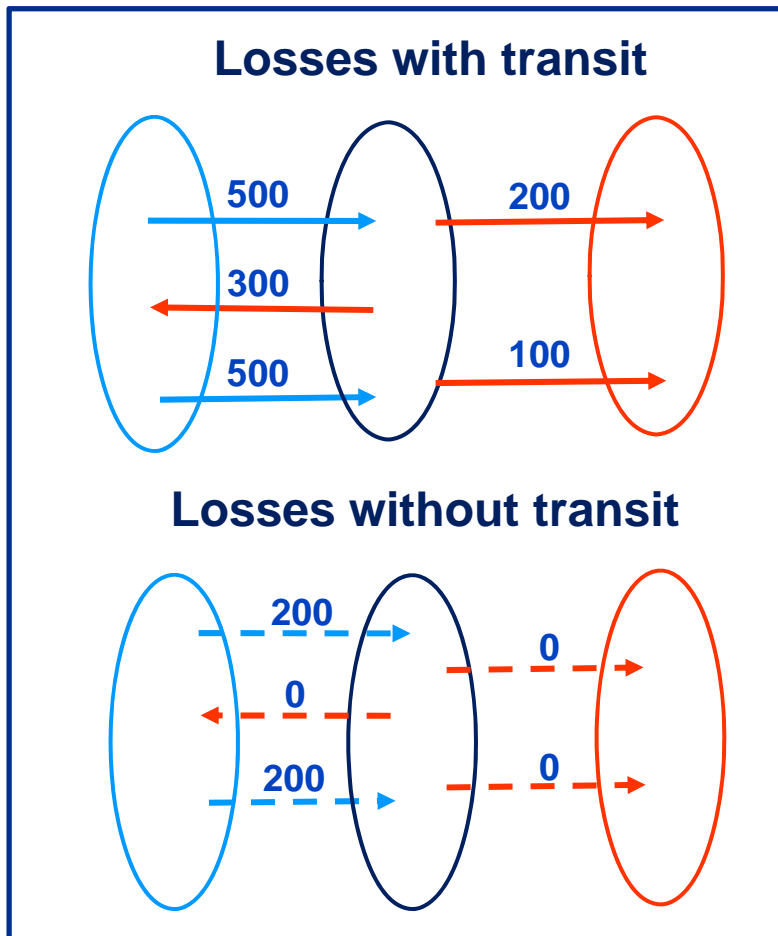


New ITC 2010 is a compromise and a result of ten years' hard work

Structure of ITC 2010



Transit compensation for losses



Losses are compensated based on the "with and without" model

- proved and widely accepted
- first time used between Nordic TSOs 2002-2003
- further developed by ETSO
- applied in ITC Guidelines 2010

The total size of the loss compensation is dependent on price of electricity and transit flows

Transit compensation for network infra



Infra is compensated based on a "compromise"

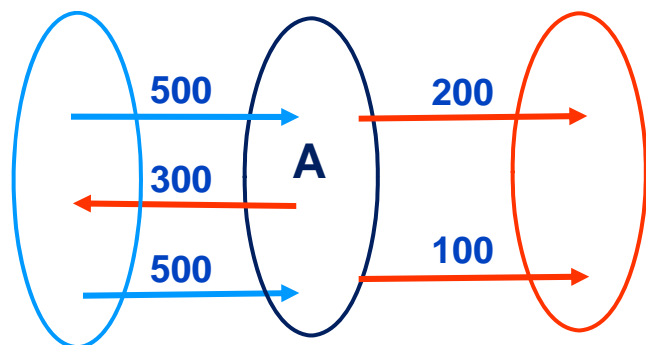
- there is no cost-based infra compensation
- fixed amount of 100 M€/a
- balanced compromise, result of 10 years' work
- ACER should create a cost methodology for infra compensation
- compensation is paid based on transit and adjusted based on load

Size of infra fund is fixed at least for some next years

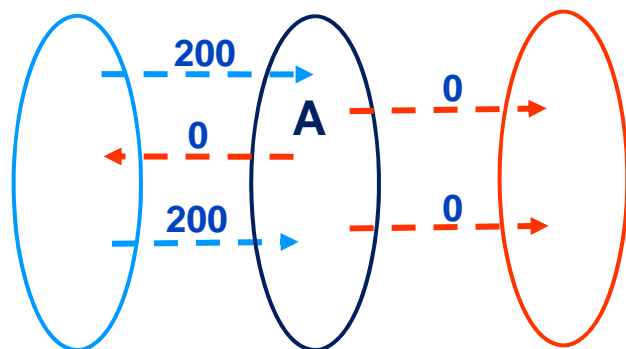
Contributions from participating TSOs

Financing ITC Fund

Transmission situation



Netflow (net import / net export)



Netflow for TSO A = 400 MW

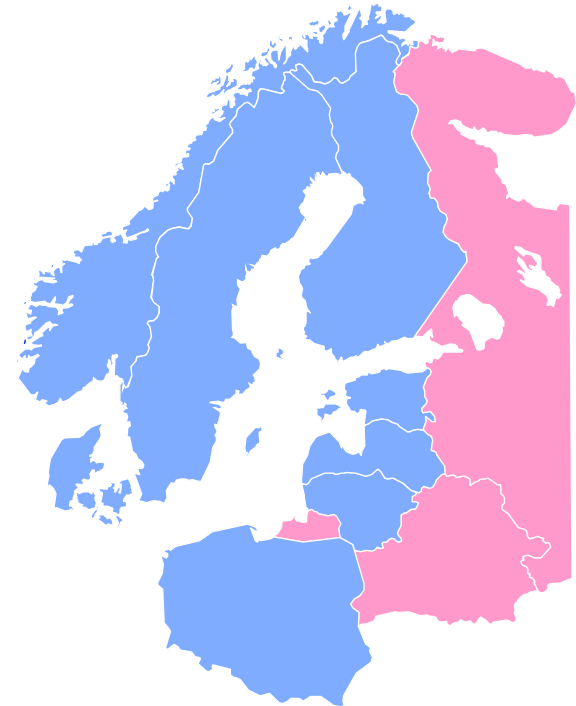
TSOs contribute to the ITC Fund in proportions to the net flows onto and from their national system

- contribution is paid based on net export or net import
- the infra Fund and the loss Fund are contributed in a same way

Contributions from perimeter importers and exporters

Financing ITC Fund

- All countries connected to the "ITC area" will be perimeter countries
- Import and export from perimeter countries contributes based on scheduled flows
- The perimeter fee equals the ex-ante internal netflow-fee
- The edge country TSO collects the perimeter payment
 - no double payments at the perimeter country border => edge country TSO reduction
- No compensations shall be paid to the perimeter countries.

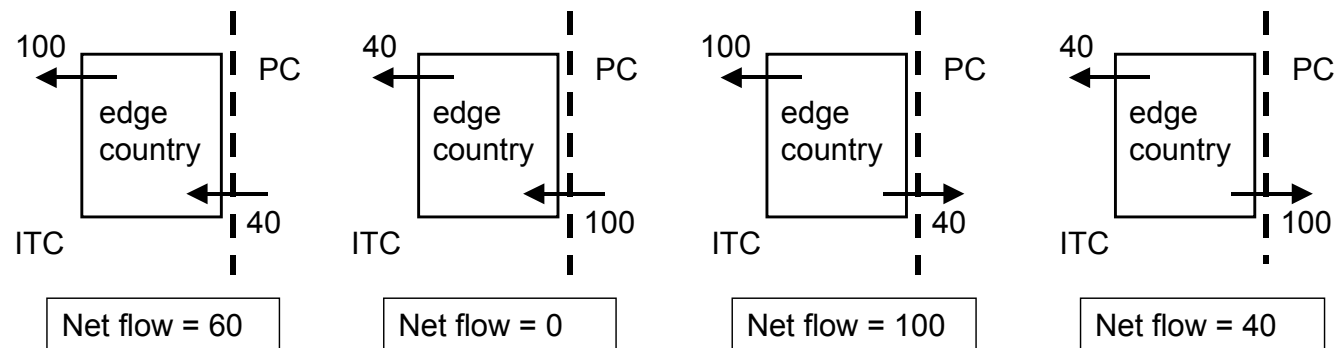


Edge country TSO reduction

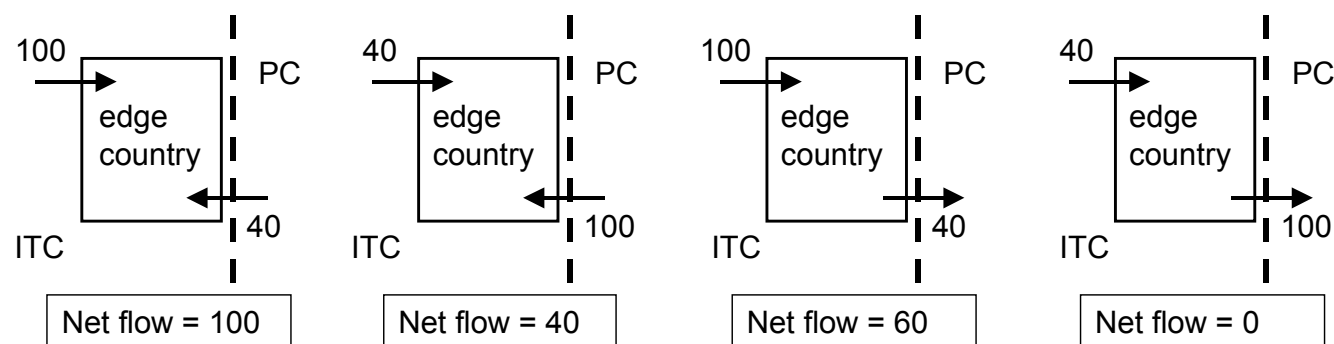
Edge TSO is a TSO with perimeter border

Net flow of an edge country is reduced by the edge country reduction rules

Export direction (from edge country to ITC area)



Import direction (from ITC area to edge country)



No double payments at the perimeter country border thanks for the edge TSO net flow reduction

Conclusion

- new ITC 2010 seems to be the end of a "*never ending story*"
- ITC 2010 is not so bad for edge countries
 - contributions based on scheduled flow instead of real flows
 - edge country reduction – no double payment at the perimeter country border
- ITC Guidelines is the first step when creating a common EU position on non-EEA third country border

Keeping the lights on in Finland

