

To the attention of

Dr. Athanasios Dagoumas

President

Regulatory Authority for Energy (RAE)

Mr. Manousos Manousakis

Chairman of the Board of Directors and CEO

Independent Power Transmission Operator (IPTO)

1 March 2022

Subject: EFET¹ concerns regarding balancing market fees charged by IPTO to traders

The European Federation of Energy Traders (EFET) would like to express our concerns about the methodology for the calculation of balancing market fees imposed on traders holding interconnector capacity in Greece².

The balancing fee is inconsistent with facilitating efficient cross border trade

Efficient cross border trade is a cornerstone of the Internal Market in Electricity (IEM). The IEM is designed to maximise competition by removing barriers to efficient competition between Member States. The EU regulatory framework is clear that the imposition of discriminatory fees on electricity traders for the import or export of cross-border electricity flows is impermissible. Article 18 (6) of Regulation 2019/943 on charges for access to networks, states: “use of networks and reinforcement requires that no specific network charge shall be applied on individual transactions for cross-zonal trading of electricity.”

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org

² Decision no 854/2021 (Government Gazette B' 5418-22.11.2021) by the Regulatory Authority for Energy of Greece (RAE) and provisions of article 25 of the Balancing Market Rulebook of the Independent Transmission System Operator (IPTO).

Furthermore, the design of the Auctioning Rules for allocation of transmission rights allows for remuneration of those TSOs involved in cross-border trade. This way, it ensures that the unobstructed movement of energy, from one country to another, and from one country to another via an intermediary country, is preserved, since the cost of it is calculated uniformly across Europe.

We consider that the proposed balancing charges do not meet the above two principles, as they fall upon exporters and importers using their already acquired cross-border transfer capacity (CBTC) to make physical nominations at borders, even in the case that they do not have any imbalance to their schedule.

Specific concerns with the ‘energy component’

We are moreover particularly concerned by the “*energy component*” of the methodology set out in Article 25B of the IPTO Balancing Market Rulebook. Our understanding is that this could lead to a trader – which is in balance – being charged³.

The timing of the announcement creates unnecessary uncertainty

We would also like to point to the fact that the fee methodology was announced after the long-term (yearly) capacity auctions were concluded. This change is clearly something which parties would have reflected in bidding strategies and is therefore something which would have an adverse impact.

We would welcome a conversation about the rationale for the proposal, its design and its timing. We would also like to reiterate our view that this approach is inconsistent with creating a well-functioning market at national and regional level.

Yours sincerely,

On behalf of the European Federation of Energy Traders



Sandra Milardovic,

Manager

EFET TF Eastern Europe Electricity

³ Based on power exports into and out of Greece.