



KONKURENTSIAMET
Estonian Competition Authority



energiavirasto

Agreement between the Estonian Competition Authority and the Energy Authority of Finland Regarding the Hedging opportunities on the Finnish – Estonian Bidding Zone Border Pursuant to the Commission Regulation (EU) no 2016/1719

Pursuant to Commission Regulation (EU) no 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (FCA Guideline) the following National Regulatory Authorities (NRAs):

NRA	Country	Contact details
Estonian Competition Authority (ECA), (Konkurentsiamet)	Estonia	Address: 6 Auna Street, 10317 Tallinn Phone: +372 667 2400 Fax: +372 667 2401 E-mail: info@konkurentsiamet.ee
Energy Authority (Energiavirasto)	Finland	Address: Lintulahdenkuja 4, 00530 Helsinki, Finland Phone: + 358 29 5050 000 Fax: + 358 9 6221 911 E-mail: kirjaamo@energiavirasto.fi

agree as a coordinated decision on cross-zonal risk hedging opportunities of the Finnish – Estonian (FI-EE) bidding zone border as follows.

The FCA Guideline obliges the TSOs on a bidding zone border to issue long-term transmission rights unless the competent regulatory authorities of the bidding zone border have adopted coordinated decisions not to issue long-term transmission rights on the bidding zone border.

Acting in accordance with Article 30(3) of the FCA Guideline, the NRAs have conducted an assessment on the bidding zone border between the two countries regarding whether the electricity forward market provides sufficient hedging opportunities in the concerned bidding zones. The specifics of the assessment have been agreed in coordination with the NRAs in question, including but not limited to the consultation and an evaluation as defined in Article 30(3) of the FCA Guideline. Pursuant to Article 30(1) of the FCA Guideline, the relevant authorities of the capacity calculation region have been consulted and their opinion has been taken into account.

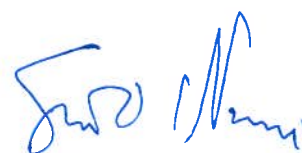
Based on the assessment on the functioning of the wholesale electricity markets, the Finnish and Estonian NRAs agree that there are sufficient hedging opportunities for FI-EE –bidding zone border in the in the concerned bidding zones.

Pursuant to Articles 30(1), 30(2) and 30(5) of the FCA Guideline, the Finnish and Estonian NRAs agree not to request the respective TSOs to issue long-term transmission rights or to make other cross-zonal hedging products available on the FI-EE –bidding zone border.



Märt Ots
Director General
Estonian Competition Authority

Tallinn, 05 April 2017



Simo Nurmi
Director General
Energy Authority

Helsinki, 06 April 2017