



KONKURENTSIAMET  
Estonian Competition Authority



PUBLIC  
UTILITIES  
COMMISSION

## **Joint Consultation**

### **Intention by the Estonian Competition Authority and the Public Utilities Commission of Latvia Regarding the Hedging opportunities on the Latvian – Estonian Bidding Zone Border direction to Estonia 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):

<b>NRA</b>	<b>Country</b>	<b>Contact details</b>
Estonian Competition Authority (ECA), (Konkurentsiamet)	Estonia	Address: 6 Auna Street, 10317 Tallinn Phone: +372 667 2400 Fax: +372 667 2401 E-mail: <a href="mailto:info@konkurentsiamet.ee">info@konkurentsiamet.ee</a>
Public Utilities Commission (PUC), (Sabiedrisko pakalpojumu regulēšanas komisija)	Latvia	Address: 45 Unijas Street, Riga, LV-1039 Phone: +371 67097200 Fax: +371 67097277 E-mail: <a href="mailto:sprk@sprk.gov.lv">sprk@sprk.gov.lv</a>

agree as a coordinated decision on cross-zonal risk hedging opportunities of the Latvian – Estonian (LV-EE) direction to Estonia 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.

The assessment on the functioning of the wholesale electricity markets in the concerned bidding zones indicates that there are sufficient hedging opportunities in the Estonian bidding zone EE and sufficient hedging opportunities in the Latvian bidding zone LV.

Long term transmission rights existed on LV-EE bidding zone border direction to Latvia at the entry into force of the FCA Guideline (Article 30(2)), the Estonian and

Latvian NRAs agree for LV-EE bidding zone border direction to Estonia that there are sufficient hedging opportunities.

Pursuant to Articles 30(1), 30(2) and 30(5) of the FCA Guideline, the Estonian and Latvian 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 LV-EE –bidding zone border direction to Estonia.