

Intention by the Swedish Energy Markets Inspectorate and the Energy Authority of Finland Regarding the Hedging opportunities on the Finnish – Swedish Bidding Zone Borders 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
Swedish Energy Markets Inspectorate	Sweden	Postal address: P.O. Box 155 SE-63103 Eskilstuna, Sweden Phone:+46 16 162700 E-mail: registrator@ei.se
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

Have the intention to take coordinated decisions on cross-zonal risk hedging opportunities of the relevant Finnish – Swedish bidding zone borders (FI-SE3 and FI-SE1) 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 borders 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 Swedish NRAs agree with the analysis that there are sufficient hedging opportunities in bidding zone FI and in bidding zone SE1 and in bidding zone SE3.

Pursuant to Articles 30(1) and 30(2) of the FCA Guideline, the Finnish and Swedish NRAs intend to adopt a coordinated decisions not to issue long-term transmission rights (Art. 30.1 FCA Guideline) on the above mentioned bidding zone borders.

Where regulatory authorities decide that long-term transmission rights shall not be issued by the respective TSOs or that other long-term cross-zonal hedging products shall be made available by the respective TSOs, Articles 16, 28, 29, 31 to 57, 59 and 61 shall not apply to the TSOs of the bidding zone borders.

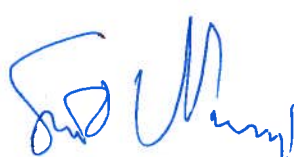
Eskilstuna, 5 April 2017



Caroline Törnqvist
Director

Swedish Energy Markets Inspectorate

Helsinki, 5 April 2017



Simo Nurmi
Director General
Energy Authority