

Annual auctions for 2024

The Spanish electricity system receives €79.3 million from the annual cross-border power capacity allocation with France and Portugal

Transmission capacity rights that grant access to cross-border connections and the exchange of energy between neighbouring countries are allocated through these annual auctions

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The Spanish electricity system will receive €79.3 million as a result of the annual auctions for cross-border transmission capacity rights with France and Portugal for 2024, which were held between 4 and 12 December.

These annual auctions represent a management tool for the allocation of transmission capacity rights for cross-border connections between neighbouring countries.

Thus, Red Eléctrica, Réseau de Transport d'Électricité (RTE) and Redes Energéticas Nacionais (REN), operators of the Spanish, French and Portuguese electricity systems, respectively, have held four auctions: one for each direction of the Spain-France interconnection and another for each direction of the Spain-Portugal interconnection.

Interconnection with France

Physical exchange capacity rights have been allocated for the interconnection with France. The successful bidders have the option of either establishing physical energy exchanges throughout the year through the interconnection or receiving the positive price difference of the day-ahead markets between Spain and France in the direction of the allocated capacity.

For 2024, the congestion rents (revenues) generated reach a value of €150 million, to be shared equally between the Spanish and French electricity system operators.

In the Spain-France direction, 690 megawatts (MW) were offered and allocated for each hour of the year. The resulting final price was set at €16.61 per MW and per hour, with 20 of the 59 participating agents having been awarded transmission capacity rights as a result of the auction.

In the France-Spain direction, 820 megawatts (MW) of capacity were offered and allocated, with a resulting final price of €6.85 per MW and per hour, with 23 of the 66 participating agents having been awarded transmission capacity rights as a result of the auction.

Interconnection with Portugal

Regarding the interconnection with Portugal, financial transmission rights to exchange capacity were also allocated. The successful bidders awarded the capacity are entitled to receive throughout the year the positive price difference in the Day-ahead Market between the Spanish and Portuguese bidding zones in the direction of the allocated capacity. The congestion rents (revenues) generated amount to €8.7 million, half of which corresponds to the Spanish electricity system.

In the Spain-Portugal direction, 620 MW have been offered and allocated for each hour of the year, establishing a resulting price of €1.40 per MW and per hour, with 12 of the 42 participating agents having been awarded transmission capacity rights as a result of the auction. In the Portugal-Spain direction, 430 MW were offered and allocated, with a resulting final price of €0.28 per MW and per hour, with 12 of the 37 participating agents having been awarded transmission capacity rights as a result of the auction.