



PRESS RELEASE

Implementation and results of the joint auction of interconnection capacity between Spain and Portugal

In the 15th March took place the seventeenth joint auction of electricity interconnection capacity between Spain and Portugal.

The auction aims to provide market participants with financial hedging regarding the risk of market price differences between Spain and Portugal as a result of interconnection congestion.

Under the legal framework for electricity interconnection management in each country, the national regulatory authorities of Spain (CNMC - Comisión Nacional de los Mercados y la Competencia) and Portugal (ERSE - Entidade Reguladora dos Serviços Energéticos) are responsible for setting the harmonized and coordinated auction.

The product auctioned was a financial transmission rights (FTR) with two specific contracts for the second quarter of 2018 – one for each interconnection flow – and with a capacity volume of 300 MW and two specific contracts for the third quarter of 2018 – one for each interconnection flow – and with a capacity volume of 200 MW.

The auction was attended in total by 10 market participants, 9 of them with assigned FTR contracts.

For the second quarter of 2018, in the interconnection flow from Spain to Portugal (FTR P-E) 300 MW of capacity rights were assigned, at a price of 0,11 €/MW. In the flow from Portugal to Spain (FTR E-P) 300 MW of capacity rights were assigned at a price of 0,12 €/MW.

For the third quarter of 2018, in the interconnection flow from Spain to Portugal (FTR P-E) 200 MW of capacity rights were assigned, at a price of 0,07 €/MW. In the flow from Portugal to Spain (FTR E-P) 200 MW of capacity rights were assigned at a price of 0,05 €/MW.

The auction took place in the derivatives market platform managed by OMIP and the clearing is ensured in OMIClear clearing house, as defined by the MIBEL Council of Regulators (CR) and under the specific rules registered by CMVM - Comissão de Mercado de Valores Mobiliários, the Portuguese Securities Commission, upon discussion in MIBEL CR.



The issuers in the auction were both the system operators of Spain (REE - Red Eléctrica de España) and Portugal (REN - Rede Eléctrica Nacional), in equivalent volume.

Under the legal framework, the national regulatory authorities of Spain and Portugal confirmed the results of the auction.

For further information on the auction and the rules for capacity allocation, please visit:

www.cnmc.es

www.erse.pt

MIBEL Council of Regulators
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