

**NATIONAL ENERGY REGULATORY COUNCIL**  
**GAS AND ELECTRICITY DEPARTMENT**  
**ELECTRICITY DIVISION**

**CONGESTION INCOME REPORT FOR 2022**

9 of February 2023 Nr. O13-5  
Vilnius

National Energy Regulatory Council (hereinafter – the NERC), in accordance with Article 19(5) of Regulation (EU) 2019/943 of the European Parliament and of the Council on the internal market for electricity (hereinafter – the Regulation), prepares and publishes the congestion income report for 2022 (hereinafter – Report), and submits the Report to the Agency for the Cooperation of Energy Regulators (hereinafter – ACER). The report has been prepared on the basis of the data submitted to the NERC by the transmission system operator LITGRID AB provided in letter No. 23SD-482 on 30 January 2022 (hereinafter – Data).

1. In accordance with Article 19(5)(a) of the Regulation, information is provided on the amount of congestion income collected for the 12-month period ending on 31 December of the previous year, i.e. from 01-01-2022 till 31-12-2022.

Table 1. The amount of congestion income collected for 01-01-2022 – 31-12-2022 period.

Interconnector	The amount of income, Eur
Lithuania – Latvia	12 120 906
Lithuania – Poland	42 097 640
Lithuania – Sweden	213 077 548
<b>Total</b>	<b>267 296 094</b>

2. In accordance with Article 19 (5)(b) of the Regulation, information is provided on how that revenue was used pursuant to paragraph 2, including the specific projects the income has been used for, and the amount placed on a separate account line. In the Data, LITGRID AB pointed out that congestion income is used in accordance with Article 19 (2)(a) of the Regulation, guaranteeing the actual availability of the allocated capacity including firmness compensation, and in accordance with Article 19 (2)(b) of the Regulation, maintaining or increasing cross-zonal capacities through optimisation of the usage of existing interconnectors by means of coordinated remedial actions, where applicable, or covering costs resulting from network investments that are relevant to reduce interconnector congestion. Detailed information on the use of the received congestion income for the period from 01-01-2022 till 31-12-2022 is provided in table 2.

Table 2. The use of the received congestion income.

	Income used, Eur
<b>Ensuring the actual availability of the allocated capacity in accordance with Article 19 (2a) of the Regulation</b>	<b>1 896 071</b>
<b>Network investments in accordance with Article 19 (2b) of the Regulation</b>	<b>22 991 915</b>
Construction of 330 kV OHL Kruonio HAE – Bitėnai	5 314 666
Construction of Harmony link	906 298
Construction of 330 kV OHL Darbėnai – Bitėnai	7 639 463
Construction of new 330 kV OHL Vilnius – Neris	4 765 651
Installation of synchronous condensers	2 705 709
Construction of new 330 kV Mūša substation	132 377
Construction of new 330 kV Darbėnai substation	328 421
Implementation of the Frequency Stability Assessment System (FSAS)	195 613
Implementation of automatic generation control	1 003 717
<b>The amount that was used to calculate network rates</b>	<b>0</b>
<b>Residual revenues transferred to a separate internal account line.</b>	<b>242 408 109</b>
<b>Total</b>	<b>267 296 094</b>

3. In accordance with Article 19 (5)(c) of the Regulation, information must be provided on the amount that was used when calculating network tariffs.

It should be noted that part of the accumulated congestion income (142.3 milion, Eur) was used to set the transmission service price cap for 2023, that is, to amortize the growth of the transmission tariff (to cover higher costs in technological devices).

4. In accordance with Article 19 (5)(d) of the Regulation, information shall be provided on the verification that the amount referred to in point (c) complies with this Regulation and the methodology developed pursuant to paragraphs 3 and 4. Article 19 (3) of the Regulation provides that if the priority objectives set out in paragraph 2 have been adequately fulfilled, the revenue may be used as income to be taken into account by the regulatory authorities when approving the methodology for calculating network tariffs and/or fixing network tariffs. The residual revenues shall be transferred to a separate internal account line until such a time as it can be spent for the purposes set out in paragraph 2. Article 19 (4) of the Regulation, also stipulates that the use of revenues in accordance with point (a) or (b) of paragraph 2 shall be subject to a methodology proposed by the transmission system operators after consulting regulatory authorities and relevant stakeholders and after approval by ACER. The methodology shall set out at least the conditions under which the revenues can be used for the purposes referred to in paragraph 2, the conditions under which those revenues may be placed on a separate internal account line for future use for those purposes, and for how long those revenues may be placed on such an account line.

The congestion income has not been used in accordance with Article (5)(c) of Regulation and therefore no further assessment in accordance with Article 19 (5)(d) of Regulation is made.

5. A part of the accumulated congestion income balance (31 December 2022) – 117 982 974 euros has been connected to the account of UAB EPSO-G Group (table 3).

Table 3. The use of accrued congestion income

	Income used, Eur
Accumulated income at the beginning of the period	109 087 029
Accumulated income at the end of the period	351 495 138
Accumulated balance of funds at the end of the period*	350 489 895
<b>In that number: connected to the account of UAB EPSO-G group - temporarily used to finance the Company's activities</b>	<b>117 982 974</b>

\* The difference between the balance of the funds and the accumulated income is due to the mismatch between the income (accounts) and the income/ expenses.

It should be noted that the LITGRID AB should annually provide the NERC with a forecast of the use of congestion income and a cash flow forecast for the next few years together with an annual report on congestion income received and used during the previous year and the balance of such accumulated funds.

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