

PRESS RELEASE

The CNMC fines Endesa Generación, S.A. 5.8 million euros for presenting high prices in its offers to the electricity market, altering the dispatch of generation

- It presented offers for two plants in the daily market above its marginal cost, forcing the operator to schedule them due to technical restrictions, which increased the price of electricity.
- The behaviour took place between October 2016 and January 2017 at two combined cycle plants in Catalonia: Besós 3 and Besós 5.
- Presenting offers with abnormal or disproportionate values in order to unduly alter the dispatch of generation is considered a "serious infraction" under the Electricity Sector Law.

Madrid, 14 May 2019 - The CNMC (National Commission on Markets and Competition) has imposed a fine of 5.8 million euros on Endesa Generación for two serious violations of the Electricity Sector Law. Specifically, it presented high prices in its offers to the electricity market that altered the dispatch of generation. The events occurred between October 2016 and January 2017 at the combined cycle plants of Besós 3 and Besós 5 in Catalonia (SNC/DE/174/17).

The offers presented by Endesa Generación at these plants were higher than those presented in the same period for combined cycle plants with similar characteristics belonging to other operators, and were higher than their marginal costs. This action resulted in abnormal and disproportionate values that altered the dispatch of electricity generation. These offers prevented scheduling the plants in the daily market for several days during this period, despite the prevailing high prices at the time, which should have led to the opposite situation.

This behaviour by Endesa Generación occurred even taking into account the characteristics of the area in which Besós 3 and Besós 5 are located. The area of Catalonia usually exhibits zonal security problems. As a result, between October 2016 and January 2017, the technical restriction process was in effect every day.

Consequently, during several days in the period between October 2016 and January 2017 when the plants were available, the bids were not matched in the daily market. This made it necessary to schedule them later, during the technical restriction process, which produced an alteration in the dispatch of generation that allowed Endesa Generación to obtain higher revenues.

The CNMC is of the opinion that there were two serious violations of Article 65.34 of Law 24/2013 of 26 December on the Electricity Sector, as a consequence of the

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offers made in the daily market for generation units Besós 3 and Besós 5 at the Besós combined cycle power plant. As a result, it has decided to impose a fine of 5.8 million euros on Endesa Generación for altering prices in the electricity generation market.

Pursuant to Law 29/1998 of 13 July, this Resolution may be directly appealed to the National Court through administrative channels within two months after the day the Resolution is filed.

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