



# Social Welfare Report September 2012

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- ▶ Additional Social welfare that could be gained with no network constraints:

**3,2 M€**

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**Social welfare = Producer surplus + Consumer surplus + Congestion rent**

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Producer surplus	19,7 M€
Consumer surplus	-5,2 M€
Congestion Rent	-11,3 M€

*NB: Producer surplus, Consumer surplus and Congestion Rent are calculated as such:*

*Sum of daily ( Value with  $ATC=\infty$ ) - (Historical value)*

*The daily values being a Sum of hourly values.*

*In single hours the producer/consumer gain can be positive or negative. The highlighted value presents the sum of all hours of the respective month.*

# Additional Social welfare that could be gained with no network constraints (*Definition/explanation*)



- ▶ The figure shows the additional social welfare that could be gained with no network constraints inside CWE (borders D-NL, NL-B, B-F, D-F) .
- ▶ This key figure is calculated by hourly simulating/ coupling the CWE-region with  $ATC = \infty$  at the borders D-NL, NL-B, B-F, D-F and comparing to real MC-results:
  - Producer surplus= Producer surplus ( $ATC = \infty$ )- Producer surplus(real ATC)
  - Consumer surplus=Consumer surplus ( $ATC = \infty$ )- Consumer surplus(real ATC)
  - Congestion rent= Congestion rent ( $ATC = \infty$ )- congestion rent(real ATC)
- ▶ NB: The simulations are made with ITVC flows remaining identical.

# Additional Social welfare that could be gained with no network constraints (*Definition/explanation*)



- ▶ The purpose of the welfare reporting is the demonstration of the benefits of CWE ATC Market Coupling and future CWE FB MC.
- ▶ The monthly publishing of this figure was commonly agreed between the CWE Regulators and the CWE Project. It is one part of the welfare reporting.

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## Evolution of social welfare that could be gained with no network constraints

