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TenneT and EU Commission jointly develop solutions for cross-border electricity trading in Europe

- **TenneT proposes to extend the coordinated trade program at the German-Danish border**
- **Competitive procedure with market consultation offers opportunity for legally secure interim solution until the entry into force of the new legal framework for European electricity trading**
- **German-Danish border particularly affected by transport bottlenecks**

The Directorate-General for Competition of the European Commission is looking into the regulations concerning cross-border electricity transmission in Europe. The background to this is that transmission capacities in Europe have meanwhile reached their limits during the course of market liberalisation and the energy transition. The Commission is now examining, by way of example, the calculation methodology for the capacities allocated on the interconnections between Germany and West Denmark, which is currently applied at all borders with transmission bottlenecks in Europe. This involves whether the calculation of capacities approved under European law puts foreign providers at an unfair disadvantage. The examination can therefore set a precedent for all border connections in Europe.

In the run-up to the procedure, there has been constructive cooperation in recent months between the Directorate-General for Competition of the European Commission and TenneT as the transmission system operator, in whose control area this interconnector falls. As part of this collaboration, TenneT has developed concrete solutions and will submit them today to the Commission. Among other things, TenneT proposes to extend the coordinated trading program, which has been gradually increasing the transmission capacity available between Germany and Western Denmark since the middle of last year. The Commission will conduct a market consultation based on the proposed solutions. From TenneT's point of view, the competition procedure with market consultation offers an opportunity for a legally secure interim solution pending the entry into force of the new regulatory framework for European electricity trading.

Today's process of capacity calculation and its underlying methodology are based on European energy law and are confirmed by the national regulatory authorities. They are basically utilised by all European transmission system operators in order to calculate the capacity at the interconnectors between states suffering from bottlenecks. Thus, the examination by the Directorate-General for Competition is of fundamental importance for the current development of the legal framework for European electricity trading in the framework of the so-called Clean Energy Package.

TenneT has already enacted numerous measures together with the Danish transmission system operator Energinet, in order to utilise the cross-border lines optimally: Besides improved calculation methods, this includes an across-the-board increase in the dynamic grid capacity in Schleswig-Holstein by the use of weather-dependent cooling effects at the lines (temperature monitoring) as

well as the use of modern power electronics for the optimal distribution of electricity flows in the existing border lines. At the beginning of July 2017, both transmission system operators also began to gradually increase transmission capacity available for the market between Germany and West Denmark through coordinated commercial transactions. This allows them to meet the wishes of the governments in Germany and Denmark (<https://www.tennet.eu/news/detail/capacity-on-germany-denmark-west-border-will-increase-to-1100-mw/>).

TenneT

TenneT is a leading European electricity transmission system operator with its main activities in the Netherlands and Germany. With almost 23,000 kilometres of high-voltage connections we ensure a secure supply of electricity to 41 million end-users. We employ approximately 4,000 people, have a turnover of EUR 3.9 billion and an asset value totalling EUR 20.4 billion. TenneT is one of Europe's major investors in national and cross-border grid connections on land and at sea, bringing together the Northwest European energy markets and enabling the energy transition. We make every effort to meet the needs of society by being responsible, engaged and connected.

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