

TenneT GmbH, Energienet

Your reference

Our reference

MPP-Nordenergi 2017-017

Handled by

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Date

Subject

Request for transparency on capacity variations on the German-Danish border (DE-DK1) in spring 2017 and the relationship between these variations and the recent agreement on a minimum capacity from July 2017 to 2020

Dear TenneT TSO GmbH and Energinet

The available capacity of the Danish-German interconnector between Denmark West and Germany has been in general been low. Recently (spring 2017) market participants in Northwestern Europe have observed a significant increase in the south bound allocated capacity on the DK1-DE interconnector compared to both the general level of available capacity of the past years and the specific level of available capacity in the spring in previous years<sup>1</sup>.

These developments are very welcome, as they increase trading opportunities leading potentially to higher market efficiency and welfare.

As further new development we have seen a press release from the Danish and German governments guaranteeing a minimum available capacity as of July 2017 with a stepwise increase to 1100 MW as of 2020. This capacity is guaranteed with countertrade and/or redispatch actions

### **Transparency needed**

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<sup>1</sup> The months March, April and May 2017 have averaged around 35% availability (of the nominal capacity of 1780 MW) from Denmark to Germany. This is significantly different from the average spring capacities in 2015 of approximately 15-20% and the average spring capacities in 2016 of approximately 10%.

Unfortunately, market participants active in the Nordic and CWE regional market are unable to assess whether the observed capacity increase in the spring 2017 is a structural increase or only a temporarily improvement. In addition, the reasons behind this increase in capacity, not being weather driven or related to maintenances are unknown to us, leaving market participants unable to predict the consequences. In order to act efficiently on the market, market parties need a system that is predictable.

Therefore, we are very interested to learn whether the observed change in allocated capacity in the spring 2017 is related to changes in operational practices, changes in practices concerning remedial actions, grid developments, changes in generation and load patterns or other conditions in congestion management practices.

Moreover, we would like to know the relationship between this observed variation in capacity and the recent agreement between German and Danish energy ministries, stipulating planned minimum capacities going forward from July 2017 to 2020.

We appreciate further information whether the observed increases in the spring 2017 will be included in this planned minimum capacity or if they will be on top of the planned minimum capacity? How can market parties predict these variations?

Obviously, these developments affect the flow based calculation in the CWE region and the coordinated ATC calculation in the Nordic region affected. An impact assessment would be very welcome.

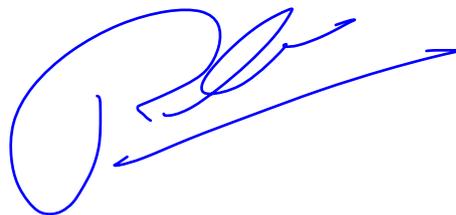
Since the cross-border capacity on this interconnector significantly affects the ability to trade in the overall market area, Nordenergi and the Market Parties Platform would like to TenneT TSO GmbH and Energinet to disclose all related information and consequences for the capacity calculation in the Nordic and CWE region.

Please don't hesitate to contact us for further information.

Yours Sincerely,



Mr. Oluf Ulseth  
Chairman of Nordenergi



Mr. Ruud Otter  
Chairman Market Parties Platform

A copy of this letter is sent to:

- ACER
- European Commission, DG Energy
- Bundesnetzagentur
- Danish Energy Regulatory Authority
- Danish Ministry of Energy, Utilities and Climate
- German Federal Ministry for Economic Affairs and Energy
- ENTSO-E