



Press Release

Bonn, 15 May 2017
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Austria and Germany: agreement on common framework for congestion management

Jochen Homann: "Exchange of electricity between Austria and Germany will remain possible on a large scale in the future"

The Austrian regulatory authority E-Control and the Bundesnetzagentur have agreed on the introduction of a congestion management scheme for the exchange of electricity at the border between Austria and Germany as from 1 October 2018.

"The introduction of a congestion management scheme will relieve the strain for our neighbours. We have been able to reach a good outcome and I am very happy that we can now push forward together with this project – naturally taking into account the interests of our neighbours as well," said Jochen Homann, Bundesnetzagentur President. "We expect the congestion management scheme to provide noticeable relief in the context of redispatch actions. This will also lead to a decrease in the costs for measures to stabilise the network."

Negotiations successfully concluded

On 28 October 2016 the Bundesnetzagentur had called upon the German transmission system operators to lay down the groundwork for a congestion management scheme at the Austrian-German border. At the same time, the two regulatory authorities entered into negotiations, which both sides have now been able to conclude successfully.

The agreement guarantees that the exchange of electricity between the well-integrated markets will still be possible in future on a large scale. Long-term capacity amounting to at least 4.9 GW is to be made available for the market players for exchanges between Austria and Germany. In return, the Austrian transmission system operator will ensure that sufficient guaranteed plant capacity is available to the German transmission system operators for network stability measures. If the minimum amount of capacity cannot be provided to the German transmission system operators, the exchange capacity of 4.9GW will be reduced by the same amount, without there being any negative economic consequences for traders in such cases on account of their binding rights.

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Following consultation with the transmission system operators and in consideration of the market players' wishes, the date for the introduction of the congestion management scheme was set for 1 October 2018.

A decision for Europe

In the past, unrestricted trade between Austria and Germany had frequently contributed to measures being needed to maintain the stability of the network and to restrictions in trade with other neighbouring countries. Since the exchange capacity will not be sufficient long term to accommodate peaks in trade between Austria and Germany – even after the planned network expansion – the introduction of congestion management is a sensible and forward-looking measure. The solution worked out by the regulators will now be consulted on with our European neighbours and the European Commission.

Integration in Central Western Europe

The joint aim is integration in the regional Central Western Europe (CWE) capacity calculation region (currently comprising the borders between Germany/Luxembourg and the Netherlands, the Netherlands and Belgium, Belgium and France, and Germany/Luxembourg and France). Capacity at the borders would then be calculated on a daily basis and made available to the nominated electricity market operators (NEMOs). The exchange of electricity takes place in the context of market coupling by means of electricity trading on the relevant day-ahead exchanges. This project is the blueprint for the planned introduction from 2019 of the flow-based capacity calculation methodology for day-ahead trading in the whole of central Europe.