



## Press Information

### **Germany and Austria: Congestion management successfully launched**

*Berlin, Bayreuth, Dortmund, Stuttgart, 1 October 2018.* Today, congestion management for electricity trading at the German-Austrian border launched punctually and successfully. At the behest of the German regulatory authority the four German transmission system operators, namely 50Hertz, Amprion, TenneT and TransnetBW, have been working on this project in close cooperation with the market players and authorities in both countries as well as at the regional and European levels.

Congestion management secures electricity trading at the German-Austrian border and at the same time ensures grid stability and thus security of supply in Germany and Austria: Previously, there was unrestricted electricity trading due to the common bidding zone. This led to bottlenecks in the heavily loaded power grid that could only be stabilized with extensive measures. The transmission system operators expect a significant improvement in the capacity constraint situation between Germany and Austria and, accordingly, a reduced need for grid stabilization measures, especially at this border, as well as a relief of neighboring transmission grids, especially in Poland and the Czech Republic. In the long term, this could also have a positive effect on grid charges and thus the costs for electricity consumers.

Congestion management is in line with the objectives of the European Network Codes. According to the requirements of the German regulatory authority, market participants receive long-term transmission capacities of at least 4.9 gigawatts. As agreed with the German and Austrian regulatory authorities, the Austrian transmission system operator will ensure this capacity through power station capacity for grid stabilization measures. In case it is temporarily not available, the available transmission capacity at the German-Austrian border will be reduced accordingly. Long-term transmission capacities for the launch of congestion management were already successfully auctioned in mid-September, and the allocation in the day-ahead and intraday time frame also happened without complications. The daily calculation of capacities will be included in the regional Central West European capacity calculation. The electricity exchange takes place via the so-called flow-based market coupling.

#### Background:

Germany and Austria have so far formed a common bidding zone in the European energy market. The trade volume between the two countries has been rising steadily in recent years. However, since the physical transport capacity of the transmission grid is limited, this resulted in power supply overload over many hours throughout the year. As a result, the secure operation of the transmission grid in Germany, Austria and other neighboring countries has become increasingly complex resulting in the need for grid stabilizing measures. At the end of 2016, the European Agency for the Cooperation of Energy Regulators (ACER) decided to divide the joint bidding zone

between Germany and Austria. As a result, the German regulatory authority commissioned German transmission system operators to prepare congestion management systems at the German-Austrian border by 2018. In the spring of 2017, the German and Austrian regulatory authorities agreed to the required level of long-term transmission capacity and the guarantee of sufficiently secured power station capacity for grid stabilizing measures by the Austrian transmission system operator.

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