

# **Expression of interest for the inclusion of electricity generation or storage facilities in the network reserve according to the German regulation on network reserve (NetzResV)**

**Call for expression of interest  
based on the determination of the network reserve power requirement for the winter of 2022/2023 of the Federal Network Agency (Bundesnetzagentur) from 29/04/2022**

Documents for an expression of interest (EoI) for the inclusion of electricity generation or storage facilities (plants) in the network reserve according to the German regulation on network reserve (NetzResV) with the current version from 13/05/2019 (expression-of-interest procedure documents)

## Expression of interest for the inclusion of plants in the network reserve

Submitted by:

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# 1 Introduction

The documents listed below for the expression of interest to include plants in the network reserve are provided in line with the regulation for the control of the process for the acquisition of a network reserve as well as for the control of the handling of planned decommissioning of energy plants for the guarantee of the safety and reliability of the electricity supply system (German regulation on network reserve - NetzResV) from 27/06/2013, which were last amended by Article 15 of the law of May 13, 2019 (published Federal Law Gazette p. 706).

According to § 2 para. 1 NetzResV, the purpose of the creation of a network reserve is to maintain generating capacities to guarantee the safety and reliability of the electricity supply system especially for the management of grid congestion and for voltage maintenance. In case of an additional demand for generating capacity for the network reserve confirmed by the NRA according to § 3 NetzResV, the concrete requirements for the necessary plant(s) including possible requirements for the location and the technical parameters are published by the transmission system operator respectively affected.

The documents listed below refer **exclusively to the expression-of-interest procedure starting on 02/05/2022 due to the determination of the reserve power requirement for the winter of 2022/2023 (1/10/2022-30/03/2023) of the National Regulatory Agency (also NRA) from 29/04/2022.**

## **2 Process description for the procurement of network reserves via expression-of-interest procedures**

The German transmission system operators jointly proceed an annual system analysis according to § 3 para 2 NetzResV, which respectively has to be submitted to the NRA by 1<sup>st</sup> March each year and according to § 3 para 1 NetzResV for the basis of an subsequent audit by the NRA, which assesses the extent of generation capacity. The system analysis includes a consideration of the guaranteed generating capacities available for selected demand-relevant periods within the next five years. The system analyses indicate the total reserve demand for a safe and reliable operation of the electricity supply system. The comparison of the entire reserve demand with the reserve capacities that are already available possibly results in an additional demand for network reserves for the respective time period in question.

According to § 3 para 1 NetzResV a possibly existing additional demand for network reserves is approved and confirmed if necessary by the NRA and published together with a report about the system analysis results on the internet page of the NRA latest by the 30<sup>th</sup> April of each year.

The transmission system operators jointly start the expression-of-interest procedures for the relevant time periods based on the additional network reserve demand determined by the NRA. According to § 4 para 1 NetzResV this occurs following the publication of the report by the NRA. The transmission system operators publish the requirements, including technical and geographical parameters for the plants as well as the publication documents required.

Such publication and initiation of this process takes place with this document.

There also is the option to start further expression-of-interest procedures during the year aside from the deadlines specified in the NetzResV to be able to react to current developments of the secured generating capacities available.

According to § 4 para 2 NetzResV plant operators then are able to express their interest in the inclusion of their plant(s) into the network reserve for Winter 2022/2023 (1/10/2022-30/03/2023) until 15<sup>th</sup> May of 2022. The fully completed application documents have to be submitted to the responsible transmission system operator electronically as well as in written form for this.

The responsible transmission system operator is:

- for Germany: respectively the connecting transmission system operator
- for Italy and Switzerland: TransnetBW GmbH
- for France and Luxemburg: Amprion GmbH

After the period for the submission has lapsed, the expressions of interest are compiled and assessed by the transmission system operators in coordination with the NRA. The assessment is carried out based on the criteria stated in chapter 5.3. The transmission system operators decide in coordination with the NRA on the plants to be contracted. On this basis the competent transmission system operator initiates contract negotiations with the respective plant operators about the inclusion of the plant(s) for the network reserve. The competent transmission system operator obtains a confirmation of the contractual

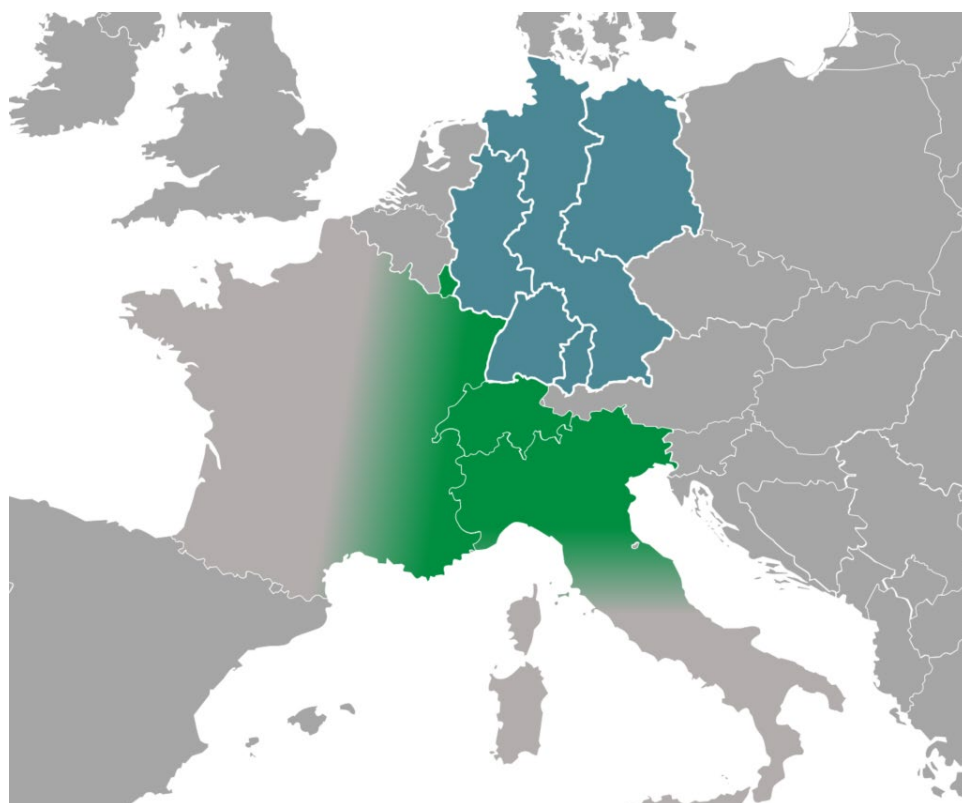
content from the NRA prior to a possible conclusion of the contract. There is no entitlement to a contract conclusion for the plant operator.

### 3 Geographical demand region

The additional network reserve demand is determined by the transmission system operators based on market and grid simulations and determined by the NRA. The extent of the additional demand depends on the network-related effectiveness of the plants submitted in line with the expression-of-interest procedure according to identified congestions in the transmission network. Further options to meet the demand of additional network reserve will be considered. Plants that are in a more favourable location in regards to the network have a higher sensitivity and therewith a higher network-related effect for congestion measures than other plants in a less favourable location.

Accordingly, the transmission system operators publish in line with this expression-of-interest procedure a demand, confirmed by the NRA. The exact acquisition value of the network reserve depends on the expressions of interest submitted and their network-related effect, as well as the evaluation of the proposed offers by the responsible authorities. The final extent of network reserve to be secured contractually will be determined in line with the assessment of the expressions of interest received based on the criteria listed in chapter 5.3.

It is expected, that plants within the following geographical demand region will have a useful network-related effect for congestion measures:



**Countries/Regions outside of Germany, in which power plants are to be considered for the network reserve**

## 4 Requirements for the inclusion in the network reserve

### 4.1 Plants in Germany

According to § 5 para 2 NetzResV, plants in Germany or their operator generally have to meet all of the following requirements to be included in the network reserve:

- The plant must be relevant to the overall system in the sense of § 13b para 2 clause 2 EnWG (German Energy Industry Act [Energiewirtschaftsgesetz]).
- The plant operator commits to no longer use the plant, assigned for the network reserve, on the power market after the expiration of the contract until the final shut-down.
- The period of notice according to § 13b para 1 clause 1 EnWG has lapsed at the planned beginning of the use in the network reserve or the plant has already been closed down provisionally.
- All official and approval-related requirements for the operation of the plant are met for the duration of the contract or the plant is in a materially licensable state.

Requirement fulfilled	Yes O	No O	Comment no. _____	Annex no. _____

Note:

Currently, all German power plants, relevant to the overall system, are transferred into the network reserve wherever technically and legally possible. The compensation occurs according to § 13c EnWG. The demand for the expression-of-interest procedures already considers the German network reserve available. Therefore, German power plants are currently not participating in this expression-of-interest procedure.

### 4.2 Plants in the European internal energy market and in Switzerland

According to § 5 para 3 NetzResV, plants on the European internal energy market and in Switzerland or their operator generally have to meet all of the following requirements to be included in the network reserve:

- The plant is suitable to contribute to the solution for concrete system security problems in Germany, which means that it fulfils the technical suitability criteria according to chapter 5.

- The authorities responsible according to the national law of the country respectively affected do not raise any objections in regards to the guarantee of the security of supply.
- The commitment is secured through a temporary-limited day-ahead capacity option for the required time period. A temporary-limited day-ahead capacity option can be selected by the contracting transmission system operator for relevant situations of demand. For the case, that the selected temporary-limited day-ahead capacity option is not requested the plant can be operated marked based without limitations. Intraday demands should only be provided to the best of their ability and without capacity reservation.
- The guarantee of the contractual commitment across the time period also explicitly includes the acquisition of the necessary crossborder transmission capacities as early as possible. This only applies, if the respective allocation procedures allow the procurement of capacities by the plant operators.

The operators of foreign plants attach a written confirmation of the authorities responsible according to the national law of the country affected to this form as Appendix or submit it subsequently immediately after submitting the documents for the expression of interest.

Requirement fulfilled	Yes <input type="radio"/>	No <input type="radio"/>	Comment no. _____	Annex no. _____
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The obligation to no longer use the plant assigned for the network reserve on the power market after the expiration of the contract until the final shut-down does not apply for operators of foreign plants.

### 4.3 Requirements for the inclusion of plant portfolios

The generating capacities to be provided to the network reserve in order to guarantee the safety and reliability of the energy supply system can also be provided via plant portfolios. The following requirements for this result from the criteria according to § 5 para 2 and 3 NetzResV:

- Plants in Germany: All plants respectively must meet the requirements stated in chapter 4.1.
- Plants on the European internal energy market and in Switzerland: All plants respectively must meet the requirements stated in chapter 4.2. The requirement of the technical suitability according to § 5 para 3 NetzResV thereby has to be applied to the plant portfolio. This especially means that several plants can only then be offered as plant portfolio if they all generate a similar physical effect with regard to the system security problems in Germany.
- The network reserve activation process is uniform for all plants of the portfolio.
- The physical effect of the plant portfolio can be suitably proven upon request.

Requirement fulfilled	Yes O	No O	Comment no. _____	Annex no. _____
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## 5 Technical and economical suitability

Due to the different characteristics of the plants used in line with the NetzResV and the scenarios to be considered,<sup>1</sup> the requirements cannot be standardised such as the ones for the balancing power, for example. This applies to the location of the place of supply of the reserve power plant as well as the technical and procedural minimum requirements. However, the following minimum requirements should be met so that the technical suitability of a plant or a plant portfolio for a participation in the network reserve is generally given.

### 5.1 Minimum requirements

The following technical and procedural minimum requirements must be met by the plants or their operators for an inclusion in the network reserve.

- The place of supply of the reserve power plant ensures that the plant or the plant portfolio can contribute to the solution for the concrete system security problems in Germany as they are described in the report of the NRA. Plant locations expected to be effective in regard to the network are presented in chapter 3.
- The continuous accessibility of the plant personnel is ensured, which means 7 days per week, 24 hours per day. The plant operator provides the competent transmission system operator, with whom the network reserve contract is concluded, with a contact centre in the **network reserve data sheet**, which can always be reached by phone and per email.
- If generating capacity is requested from a plant or a plant portfolio in the network reserve, then the energy is supplied via a balance group in the control area of the connecting transmission system operator. If the plant or the plant portfolio is located outside of Germany in the European internal energy market or in Switzerland, then the plant operator shall ensure the management of balancing groups for the cross-border energy supply to the control area of the contracting transmission system operator. The plant operator especially ensures the acquisition of the necessary cross-border transmission capacities (see further comments in chapter 4.2) and the submission of the associated schedules as early as possible.
- The start-up time in case of a request should not exceed 24 hours.
- The requested power output set-point shall be adjustable and the plant operator must be able to implement it under consideration of possibly existing technical restrictions of the plant.

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<sup>1</sup> See report of the NRA



- The processing language is German or English.

Requirement fulfilled	Yes <input type="radio"/>	No <input type="radio"/>	Comment no. _____	Annex no. _____
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## 5.2 Technical, procedural and economic data

The operator shall designate for each plant and each plan portfolio, for which he expressed interest for inclusion in the network reserve, the associated technical, procedural and economic data and parameters in the **Network Reserve Data Sheet** and submit it along with the available documents.

Requirement fulfilled	Yes <input type="radio"/>	No <input type="radio"/>	Comment no. _____	Annex no. _____
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## 5.3 Assessment of the technical and economic suitability

The respective plant operator(s) with whom further contract negotiations will be initiated is/are selected based on the information provided, amongst others based on the following criteria:

- Technical suitability, especially start-up lead times, start-up time, demand change flexibility and place of performance (geographical location)
- Site of the supply, especially the network sensitivity to the critical congestions according to the demand analysis
- Secured fuel supply
- Economic efficiency under consideration of capacity costs and energy costs
- Other cost-relevant factors such as necessary maintenance and repairs.
- Official or legal marginal conditions and restrictions
- Sufficient transmission capacities

The provider with whom further contract negotiations will be conducted is selected under consideration of the aspects stated above as well as the evaluation of offers by the responsible authorities. First, the generally technically and operatively suitable plants are selected. These plants are sorted after a joint review of the capacity-, start-up- and energy costs. The plants selected this way then undergo a network-related sensitivity analysis in regard to the effect on the grid congestions. The transmission system operators finally select in coordination with the NRA the reserve provider with whom further contract

negotiations should be conducted under consideration of the network sensitivity and the costs if there are no objections from the regional authorities.

## **6 Legally binding declarations of the plant operator**

We herewith declare

- that the information provided by us and the documents submitted are correct, complete and true,
- that the data submitted in electronic form corresponds to the data submitted in written form,
- that we fully agree to the conditions described in these expression-of-interest procedure documents,
- that we will inform the respective transmission system operator immediately in writing if there are essential changes in the company data or details of the service underlying the expression of interest,
- that we will enter the respective contract negotiations immediately after receiving a notification and request from the respective transmission system operator in case of a technical and economic suitability of our plant(s),
- that we consent to the transfer of the information provided and the data sheet attached to the NRA and the other German transmission system operators.

The transmission system operators explicitly points out that the falseness of the above declarations can lead to the exclusion of our company from the ongoing and future expression-of-interest procedures. This can effect the possibility for a participation in expression-of-interest in the future as well. There is no legal entitlement to the conclusion of a contract.

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Place, date

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Company

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(legally binding signature)

Enclosures:

☐ Yes / No ☐ Comments, no. \_\_\_\_\_ to \_\_\_\_\_

☐ Yes / No ☐ Annexes, no . \_\_\_\_\_ to \_\_\_\_\_