



JOINT DECLARATION

COOPERATION OF TRANSMISSION SYSTEM OPERATORS AND EUROPEAN POWER EXCHANGE EPEX SPOT ALLOWS FOR INTEGRATED SWISS INTRADAY MARKET

Dortmund / Frick / Leipzig / Stuttgart / Paris, 16/11/2012 – The Transmission System Operators (TSOs) Amprion and TransnetBW in Germany, RTE in France and Swissgrid in Switzerland are currently harmonizing their Intraday cross-border capacity allocation mechanisms on the Franco-German, Franco-Swiss and German-Swiss borders.

In parallel, the European Power Exchange EPEX SPOT is planning to launch a Swiss Intraday market and offer its members the possibility to access Intraday cross-border capacity directly through trading on the Exchange platform.

The implementation of these improvements will allow a fully optimized use of the cross-border Intraday capacity between France, Germany/Austria and Switzerland. An integrated Franco-German/Austrian-Swiss Intraday market also enables better management of close-to-real time volume risks, in particular with respect to the integration of renewable energy into the grid. It aims also at raising the liquidity of the connected Intraday markets.

Many European TSOs have already harmonized their Intraday cross-border capacity allocation mechanisms using the existing Intraday Capacity Service, a platform of capacity allocation currently used on five borders (FR-CH, DE-CH, DE-FR, DE-NL, DE-DK1) by eight different TSOs in total. The TSOs explicitly allocate Intraday cross-border capacity in a continuous manner through this platform (see website: <https://www.intraday-capacity.com>). Based on the solution already implemented end of 2010 on the Franco-German border, Amprion, TransnetBW, RTE and Swissgrid will enable the implicit allocation of cross-border capacity by offering a non-exclusive connection of Power Exchanges' trading systems to the capacity platform also for the Franco-Swiss and German-Swiss borders. The implicit capacity allocation system will be running in parallel to the explicit capacity allocation (OTC), ensuring a non-discriminatory access to the cross-border capacity according to the applicable allocation rules for each border.



Additionally, TSOs will update the capacity platform to offer the Intraday cross-border capacity at the Franco-German border and the Franco-Swiss border in units of 0.01 MW, instead of 1 MW as today, offering more flexibility to market participants (on the German-Swiss border units of 0.001 MW remain).

EPEX SPOT, when launching a Swiss Intraday market, will therefore be able to connect to the capacity platform in a non-exclusive way, and to integrate the French, Swiss and German/Austrian Intraday markets. EPEX SPOT's continuous cross-border trading system (ComXerv) will be connected to the Intraday Capacity Service, while the clearing and the cross-border shipping of the energy traded will be performed by European Commodity Clearing AG (ECC AG), the clearing house for the EPEX SPOT markets. In this way, EPEX SPOT members can access Intraday cross-border capacity directly through the Exchange, simplifying cross-border trading and settlement operations. Thanks to a continuous matching of local and cross-border energy bids on EPEX SPOT Intraday trading system ComXerv, the implicit capacity allocation mechanism will fully optimize the use of cross-border Intraday capacity.

The respective national regulators are supporting this project, the implementation of these improvements is targeted for Q2 2013, pending to regulatory and EPEX SPOT Exchange Council approval. Using the existing infrastructure with minimal adaptations for existing market rules, the intention is to extend the open, flexible and efficient mechanism of Intraday capacity allocation fulfilling the needs of market participants. Consequently, the mechanism to be implemented will also offer the flexibility to smoothly migrate into the European Intraday solution currently being adopted by the NWE project.



COMPANY PROFILES & CONTACTS

Amprion GmbH operates Germany's longest extra-high voltage grid, with a circuit length of 11,000 km, and is an important transmission systems operator in Europe. The Amprion grid supplies power to a population of over 27 million from Lower Saxony to the Alps. As an innovative service provider, Amprion provides industrial customers and network partners with maximum security of supply. Its network, with voltage levels of 380,000 and 220,000 volts, is accessible to all players in the electricity market on a non-discriminatory basis and on competitive and transparent terms. Amprion is also responsible for coordinating the interconnected system within Germany and the Northern section of Europe's extra-high voltage network.

EPEX SPOT SE operates the power spot markets for France, Germany, Austria and Switzerland (Day-Ahead and Intraday). Together these countries account for more than one third of the European electricity consumption. EPEX SPOT SE is a European company (Societas Europaea) based in Paris with a branch in Leipzig. 280.8 TWh have been traded from 1 January to 31 October 2012 on EPEX SPOT's power markets, of which 14.8 TWh on the Intraday markets. EPEX SPOT's members number 199.

European Commodity Clearing AG (ECC) is the central clearing house for energy and related products in Europe. In its function as the central counterparty ECC assumes clearing as well as physical and financial settlement of transactions concluded on APX-ENDEX, the CEGH Gas Exchange of the Vienna Stock Exchange, EEX, EPEX SPOT, HUPX and Powernext or registered for OTC clearing on these exchanges.

RTE is the operator of the French electricity transmission grid. Company of public service, RTE is responsible of the high and very high voltage grid operation, maintenance, and development. RTE guarantees the right operation of the power system and its reliability. RTE transports electricity between electricity suppliers (French and European) and consumers, who are either electricity distribution operators or industrial consumers directly connected to the transmission grid. With 100,000 km of lines between 63 000 and 400 000 volts and 46 cross-border lines, the network operated by RTE is the most important in Europe. RTE achieved a turnover of € 4,229 million in 2011 and employs approximately 8,400 persons.

Swissgrid is the national grid company, and in its capacity as transmission system operator it ensures the secure, reliable and cost-effective operation of the Swiss high-voltage grid. Swissgrid employs more than 370 highly qualified people from sixteen countries at its sites in Frick, Laufenburg and Vevey. As a member of the European Network of Transmission System Operators for Electricity (ENTSO-E), it is also responsible for coordination and grid usage in the cross-border exchange of electricity in Europe. Swissgrid is wholly owned by the seven Swiss electricity companies Alpiq AG, Alpiq Suisse SA, Axpo, BKW FMB Energie AG, CKW AG, ewz and Repower.

TransnetBW GmbH operates the transmission network in Baden-Württemberg. Its legal task is to guarantee system security at all times. TransnetBW monitors and continually operates the electricity flows within Baden-Württemberg as well as the electricity exchange with neighbouring distribution and transmission network operators. The company is the owner of the transmission network infrastructure and is responsible for maintenance and the development of the network in line with requirements. The 380/220-kV transmission network owned by TransnetBW is about 3,239 kilometres long and extends over an area of 34,600 km². It is available to all players in the electricity market without discrimination and at fair and transparent conditions. With around 380 employees in the future, TransnetBW will achieve an annual turnover in excess of three billion Euros.



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