



PRESS RELEASE

European electricity market: Amprion, EnBW TNG and RTE to harmonize access to intraday capacity on the Franco-German interconnector

EPEX Spot offers integrated Franco-German intraday market

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The transmission system operators, Amprion, EnBW TNG in Germany and RTE in France, have started a new project to harmonize their intraday cross-border capacity allocation mechanisms on the Franco-German border. At the same time, the European Power Exchange EPEX Spot will offer to its participants the possibility to access intraday cross-border capacity directly through energy trading. Subject to regulatory approval, the implementation of these major improvements is targeted for Q4 2010 and will allow a full optimization of the cross-border intraday capacity between France and Germany.

With the support of Regulators, and following the recommendations of the last Florence Forum¹ as well as the requests of market participants, the Transmission System Operators will harmonize their cross-border capacity allocation mechanisms using the existing *Intraday Capacity Service*, a platform of capacity allocation already used on four borders (DE-CH, DE-FR, DE-NL, DE-DK1). 6 TSOs (namely Amprion, EnBW TNG, Energinet.dk, TenneT, transpower and swissgrid) are already performing explicit allocation of intraday cross-border capacity in a continuous manner through this platform (see the *Intraday Capacity Service* website: <https://www.intraday-capacity.com>). Explicit capacity allocation (through OTC) will thus be harmonized on the Franco-German border, in both directions.

This harmonization will also enable implicit allocation of cross-border capacity between the French-German intraday markets: RTE, EnBW TNG and Amprion are now leading a new project that aims at enhancing the functionalities of the capacity platform to enable the implicit allocation of cross-border capacity through the connection of Power Exchanges energy trading platforms.

In line with this project, EPEX Spot will be allowed to connect to the capacity platform in a non-exclusive way, and to integrate in a first step the French and German intraday markets. EPEX Spot 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

¹ The Electricity Regulatory Forum, or Florence Forum, was set up in 1998 to discuss the creation of an internal electricity market. It is currently addressing more particularly cross-border trade of electricity. Participants include national regulatory authorities, Member State governments, the European Commission, transmission system operators, electricity traders, consumers, network users, and power exchanges. The Forum meets once or twice a year, formerly in Florence and now in Rome.



EPEX Spot participants can access intraday cross-border capacity directly through energy trading, simplifying cross-border trading and settlement operations. The implicit capacity allocation mechanism will allow a full optimization of the cross-border intraday capacity, thanks to a continuous matching of local and cross-border energy bids on EPEX Spot intraday trading system *ComXerv*. 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.

France and Germany, the first hubs concerned by the cooperation of the TSOs and EPEX Spot, represent together more than 1,000 TWh of yearly power consumption (over 30% of total power consumption in Europe). In 2009, 203 TWh were traded in total on the EPEX Spot power markets, by a community of 185 members; the French and German intraday markets operated by EPEX Spot and cleared by ECC constitute together the most liquid continuous intraday markets in Europe, with a total of more than 8 TWh of energy traded during the last 12 months. The harmonization of the intraday cross-border capacity allocation mechanisms and the implementation of an integrated Franco-German intraday market means better management of close-to-real time volume risks, in particular with respect to the integration of renewable energy into the grid.

Subject to regulatory approval, the implementation of these major improvements is targeted for Q4 2010. Using the existing infrastructure, and with a minimal change of current market rules, the intention is to build an open, flexible and efficient mechanism of intraday capacity allocation.



About the partners

Amprion GmbH operates Germany's longest extra-high voltage grid, with a circuit length of 11,000 km, and is an important transmission system operator in Europe. A population of over 27 million from Lower Saxony down to the Alps is supplied with power via the Amprion grid. Being an innovative service provider, Amprion provides industrial customers and network partners with the utmost 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. Moreover, Amprion is responsible for coordinating the interconnected system within Germany and the Northern section of Europe's extra-high voltage network.

European Commodity Clearing AG (ECC) is a clearing house whose range of services comprises clearing and settlement for exchange and over-the-counter transactions in energy. The Leipzig-based company was established in the year 2006 with the spin-off and transfer of the clearing activities of European Energy Exchange AG (EEX) to this subsidiary. Currently, ECC provides clearing as well as physical and financial settlement of the transactions concluded on APX-EINDEX, CEGH Gas Exchange of Wiener Börse, EEX, EPEX Spot and Powernext.

EnBW Transportnetze AG (EnBW TNG) operates the transmission network in the German Federal State Baden-Württemberg. This network comprises around 3,650 kilometres of 380,000 and 220,000-volt very high-voltage lines connected to the regional 110,000-volt distribution networks via 81 transformers. The EnBW TNG transmission network is integrated in the German and European interconnection system via 36 coupling points. At the borders of the control areas, it is directly connected to the networks within Germany as well as those crossing over into France, Austria and Switzerland. EnBW TNG provides all market participants with access to the transmission network at transparent and non-discriminatory conditions and to ensure the reliable supply of electricity at all times.

EPEX Spot SE is a Paris-based company under European law (Societas Europaea) with a branch in Leipzig. EEX and Powernext each hold 50 percent in the joint company, in which they have integrated their entire spot power trading activities. The product range of EPEX Spot SE encompasses spot power trading for France, Germany/Austria and Switzerland. Together these countries account for more than one third of the European power consumption.

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 45 cross-border lines, the network operated by RTE is the most important in Europe. RTE achieved a turnover of € 4,130 million in 2009 and employs approximately 8,500 persons.



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