

T-XR

Comments on “ERI Convergence and Coherence Report”

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Vattenfall Europe Transmission welcomes and supports the attempts to develop the Internal Electricity Market. Notwithstanding we have to make some comments to the report.

General comments:

The efforts of each REM concerning coordinated activities for Security of Supply and planning of investments for the development of the transmission system are also important components for the successful and efficient market integration. Especially in this respect the work in the Electricity Regional Initiatives should play an important role also in the future.

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Comments on special points:

2.2 Congestion management

The topic of Capacity Calculation has been analyzed very carefully. However, we are permanently facing loop flows and uncertainties of external influences. There should be more attention to these aspects. The exchange of information with TSOs outside the relevant region could be an improved way for the creation of the common regional network model [ref. 38].

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The PTDF-based calculation contains further uncertainties concerning its sources (e.g. power stations) and drain (loads). Due to the lack of information at that point for calculation these uncertainties will, in accordance with the UCTE Operation Handbook, be distributed to all nodes with power stations of the respective control area. Certainty about the future topology is also not given. Taking the above mentioned into account we think PTDF-based methods will not bring more realistic results than NTC-based methods [ref. 41].

[ref. 47] Gives the wrong impression that the application of a common model for capacity calculation would fail because of not given goodwill of the TSOs. In this respect two aspects have to be added here:

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- Difficulties on the creation of network models describing the same scenario for all affected TSOs and
- Forecasting errors especially for Wind power infeed and scheduled power exchanges for medium and long term scenarios.

As already informed in the newspaper the start up of the day ahead Market Coupling over German-Danish interconnectors is not possible in the fourth quarter of this year [ref. 63, appendix 31, 36, 44, 47].

The effective usage of the advantages of market Coupling is only possible, if there is a sufficient liquidity in the respective market places of the trading zones [ref. 66].

2.4 Transparency and other topics

We think the items describing under this issues go partly beyond the present guidelines [ref. 104].

3.3 Day ahead

Experience from CEE region shows that implementation of the Market Coupling is not the first step for the day ahead allocation. The TSOs of the CEE are developing common implicit auction rules for the whole region. In the next step intraday between neighbouring TSOs should be realized. This is already practiced between ČEPS and SEPS and will be tested between ČEPS and VE Transmission soon [ref. 121 and appendix 133].

3.4 Intraday

The planned implementation of intraday between ČEPS and VE Transmission on trial basis as well as the ongoing intraday trade between ČEPS and SEPS are not yet included in this report [appendix 133].

3.6 Transparency

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The statement is very superficial. It does not take into consideration the different development (the status) of the respective market regions. For example there often is no power exchange in Eastern regions.

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The common auction office for the CEE region is planned to be located in Freising near Munich [appendix 125].