

The implementation of the German-Austrian bidding zone split should be transparent and not before 1 January 2019

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“Any alteration of bidding zone delineation, even if it only affects two zones or countries, must be transparently organised and objectively implemented.”- says Peter Styles, Chair of the European Federation of Energy Traders (EFET)¹ Electricity Committee and Member of the EFET Board, in reaction to the German regulator Bundesnetzagentur (BNetzA) decision to split the German-Austrian bidding zone.

In a [statement](#) communicated to the German regulator and other relevant stakeholders yesterday, EFET emphasises that the BNetzA decision requesting TSOs to allocate cross-border transmission capacity at the German-Austrian border must be implemented with sufficient lead time and in a way that minimises the effects of the re-delineation on trading activities. The implementation of this decision could have the adverse effect of damaging market liquidity and competition. Therefore we call on BNetzA for **more transparency** on the main elements of the split, **including a precise timeline, detailed information on the day-ahead capacity calculation methodology expected to be used for the day-ahead timeframe, and its impact on forward and intraday capacity allocation.**

Moreover, **we recommend that BNetzA amends its decision of 28 October 2016 and sets the date of the split to 1 January 2019** instead of the initially planned date of 3 July 2018. Enacting a split in the middle of the year 2018 would effectively nullify calendar (yearly) contracts that have already been exchanged for 2018, and force market participants to re-arrange their hedging strategies for 2018 at short notice, at the expense, once again, of the consumer. Moving the date of the split to 1 January 2019 will allow **sufficient time for preparation, TSO testing and acclimation of market participants to the new capacity calculation and allocation methodologies in the different timeframes** at the future German-Austrian bidding zone border, as well as **limit negative effects on existing contracts.**

Any review of the delineation of bidding zones should be backed by a thorough analysis, taking into account not only network congestion but also market efficiency. That is why EFET continues to support the ongoing ENTSO-E review of bidding zones delineation according to articles 32 to 34 of the CACM Regulation, which allows for in depth analysis and exchange of views between regulators, TSOs and market participants.

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¹ The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and a competitive economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.