

Public Consultation 02.07.2021 - 30.08.2021

THE METHODOLOGY FOR PROCUREMENT OF COUNTERTRADE ENERGY - CONSULTATION ANSWERS

First of all, Energinet thanks everyone who has submitted consultation responses. A number of consultation responses revolve around the same topics, in particular the proposed model's price impact and compliance with EU regulation. These two topics are addressed extensively in two general replies from Energinet below. In the detailed consultation replies from Energinet to each individually received consultation response, references are made to those general replies on these topics while more specific points in the responses are addressed separately. Danish versions of these general replies are found in annex 1.

The consultation responses have triggered a number of changes to the methodology:

- The trading strategy for the procurement of countertrade energy has been changed from an auction like strategy to an active trading strategy. This has triggered a rewrite of chapter 4 since an active trading strategy implies that the procurement of countertrade energy takes place in a longer period of time. In line with an active trading strategy Energinet bid prices and market timing is no longer published.
- Netting of countertrade requests with opposite signs (e.g. a request for reduced export on one border in the same market time unit as a request for increased export on another border in the same bidding zone) will be implemented, such that only the net volume is produced in the market.
- A number of market participants have emphasized that Energinet has not been able to show a socioeconomic benefit from the intraday methodology. Energinet has revisited the socioeconomic analyses and have identified mistakes in the previous calculations, which have been corrected, and have nuanced the reported results more. A mistake in the identification of hours affected by countertrade had led to an underestimation of the effects of the intraday model. However, in the process, Energinet has reduced the geographical scope for the calculation of the socioeconomic effect since the original approach most likely led to an overestimation of the effect of the intraday methodology. Further, the reporting of the effect of the current practice is now to a larger extent interval-based reflecting better the underlying uncertainty due to the limited knowledge with Energinet about the physical changes in the power- and heating system that result from the current practice. This has had a significant impact on

the calculated effects but does not change the overall conclusion that the intraday model cannot be conclusively shown to lead to higher socioeconomic welfare. Finally, the estimated price effect of the intraday model has also been updated and now shows a larger price impact than previously assessed. This is a consequence of identified mistakes and not of a changed approach to the calculations.

- Energinet has reassessed its interpretation of its obligation under REMIT to publish countertrade volumes and bid prices
- The risk of insufficient bids has been removed from the considerations of security of supply since Energinet will not accept countertrade if such acceptance would endanger Danish security of supply. Instead, the risk of insufficient bids has been included under the obligation of Energinet imposed by EU legislation to accept countertrade to the largest degree possible while still respecting the principle of proportionality.

In agreement with TenneT Germany:

- The new capacity adjustment solution on DK1-DE/LU (also described in the public consultation) has been agreed on, and it is now integrated into the methodology.

The methodology will be submitted in Danish including annex 5. All other annexes are kept in English. An English version of the methodology will be published on Energinets homepage to service international stakeholders.

General reply on the economic and market impact of the intraday model

Several market participants argue that the proposed intraday model creates distortions in the day-ahead market and that the expected changes (in particular) to the day-ahead price and the price of balancing energy are undesirable for various reasons, e.g. investments in flexible and renewable energy.

Firstly, as stated by Energinet in the consultation material, Energinet recognizes that the effects described are likely to materialize. However, Energinet does not find that the effects described can be considered market distortion but should rather be seen as a result of effective competition. Secondly, Energinet is committed by EU regulation to accept countertrade requests if there is no legal justification for rejection (e.g. system security or security of supply risks). Finally, Energinet further argues that there are no alternatives to the intraday model (in one form or the other) as the current model cannot continue after November 2022, and a new model must be in place by then.

None of the consultation responses argue that security of supply is threatened by accepting countertrade or that a different technical set-up of the intraday model could reduce the effects described of the intraday model. As such, Energinet considers these consequences a result of effective competition.

The economic and market impact of the intraday model described in the consultation material thus solely provides a perspective on the foreseen consequences of a shift to the intraday model. The same applies to the below replies to the consultation responses, addressing this impact.

A distortion is a term from economics for something in a market which prevents the market from reaching the equilibrium between load and generation, which creates the highest possible social welfare. Some distortions are natural, for example when very significant economies of scale create natural monopolies where the monopolist could take advantage of its customers in the absence of regulation. Other distortions are created by regulation, for example capital requirements for banks which are intended to increase trust in financial institutions through increased robustness. Distortions typically lead to price increases because they tend to limit competition.

Whether the proposed intraday model creates distortions in the day-ahead market depends on whether the proposed model reduces the possibility of the market reaching the most efficient equilibrium between load and generation. In the present model, only participants in the Nordic power regulation market (NPRM) located in Denmark (DK1 or DK2) can compete for countertrade energy, while the intraday model holds no such restrictions in relation to geography (bidding zones) or prequalification for participation in the NRPM.

With the above common definition of distortion, the current model could rather be labelled distortionary, which has also been pointed out in some consultation answers, while the intraday model is non-distortionary (or at least less distortionary than the current model). The price impact of shifting from the current model to the intraday model thus represents a correction of power prices, bringing these closer to their natural level based on the level of supply and demand in the market. The derived consequences of this, for example on the revenue of power producers, the electricity bills of households and enterprises, and subsidy payments from the government, are thus beneficial from a societal point of view, even though the parties sustaining losses may not see it this way.

Whether the intraday model is distortionary or not obviously depends on the definition of distortion if this is not defined by the efficiency effect. If wholesale power markets (day-ahead and intraday) are strictly reserved, so to speak, for commercial trade only, obviously the intraday model breaks with this reservation, since the intraday model will make TSO countertrade energy a substantial volume in the intraday market. Such a definition implicitly argues that countertrade energy is something different from the energy traded in wholesale power markets and should therefore be excluded from these markets to allow the wholesale power price to reflect the price of commercial energy. Energinet does not find this argumentation, and therefore definition, sound.

The purpose of power markets is fundamentally to create a balance between load and generation within the physical constraints in the power grid so that the power system can be operated with the highest possible efficiency in the short and long run. Due to the need for balance between load and generation in the short run, the day of operation is planned on the day-ahead and intraday markets. These plans and developments after the closure of these markets form the basis for the TSO using the balancing markets to achieve a real-time balance between load and generation. In that regard, there is no difference between structural countertrade energy and commercially traded energy which should somehow justify that structural countertrade volumes known well in advance of the operational hour should not be traded well in advance of the operational hour, i.e. in practice in the intraday market.

Apart from creating the highest degree of efficiency possible through a higher degree of market coupling and less restricted access to trading the countertrade energy, the intraday model also removes a wrong incentive for Danish market participants in the NRPM as described below. Removing this wrong incentive is expected to lead to higher social welfare in the Nordic bidding zones.

The present model creates a de-facto market for countertrade energy in Denmark where activated NRPM bids are settled according to their bid price (pay-as-bid) and not according to the marginal price in the market. This incentivises Danish market participants to bid according to their expectation of the marginal bid price instead of bidding according to their marginal costs. This creates a risk that competitive Danish assets are not activated in the NRPM because these assets prefer the expected higher profits from the “countertrade market”. This distorts the RK-price, meaning that flexibility is not priced correctly in the NRPM. Further, to the extent that these competitive assets are ultimately not activated for countertrade, their flexibility will not be used, while less effective assets are used instead to provide the necessary regulation, thus leading to a socio-economic loss. With the intraday model, this wrong incentive disappears.

EU regulation interpretation

Energinet’s interpretation of the 70% rule is included in the background section of the methodology to explain why the current countertrade volumes on DK1-DE are not expected to decrease when the TenneT Commitment expires; and why it is likely that other TSOs’ countertrade needs may increase in the future. No consultation answers are read to contest that this is, in general, a justified expectation stemming from the 70% rule.

Several consultations responses suggest the 70% rule is to be read as applying to intraday. Energinet maintains its understanding of the rule as set out in the methodology submitted for public consultation as all relevant aspects in relation to the proper interpretation have been considered. If it is established that the rule also applies to the intraday timeframe, Energinet will re-evaluate the methodology.

Several consultation responses suggest that Energinet accepts countertrade requests on DK1-DE in a way that is not consistent with EU legislation.

It is important to note that the methodology only deals with the process for procurement of countertrade energy (“how to”). Establishing the circumstances under which TSOs will be obliged to countertrade or refrain from using that tool (“when and why to countertrade”) is out of scope of the methodology. That is a legislative matter, and no legal basis exists for Energinet to submit for approval, or for DUR to approve Energinet’s interpretation thereof.

For that reason, the methodology document does not include an analysis of the legal basis for rejecting or accepting countertrade requests. For the same reason, said suggestions do not give rise to alterations or supplements to the methodology notice in this respect.

Further, the suggestions do not impact the methodology itself, i.e. the procedure for procuring countertrade energy.

Energinet wishes to stress that suggestions that imply inconsistency with EU legislation have been noted, even though this does not, for the reasons provided above, appear from the methodology document submitted.



Consultation answer	Energinet reply
<p>Finn Grønkjær, Effektmarked ApS, 09.07.2021</p> <p>Jeg anmoder om at få tilsendt høringsmaterialet på dansk, således at jeg kan forstå sproget og kun bruge min energi på at forstå det tekniske indhold.</p> <p>Jeg vil gøre opmærksom på, at Energinet har pligt til at agere gennemsigtigt og ikke diskriminerende i markedet som dansk monopol TSO.</p> <p>Da jeg ikke vil være i stand til at levere et høringssvar, med udgangspunkt i det udsendte materiale, opfatter jeg jeres valg af sprog for værende ikke gennemsigtigt og i høj grad diskriminerende.</p>	<p>#1 Da metoden også er relevant for udenlandske aktører, så har Energinet valgt at sende metodeanmeldelsen i høring på engelsk for ikke at diskriminere nogen markedsaktører.</p> <p>Selve modhandelsmetoden indsendes til Forsyningstilsynet på dansk. Forsyningstilsynet afholder også en offentlig høring, hvor der er mulighed for at kommentere på metoden.</p>
<p>Energy Norway Toini Løvseth, Director Market, Electrification and Customers, Per Arne Vada, Industry Policy Advisor, 23.08.2021</p>	
<p>Energy Norway welcomes the opportunity to contribute to this public consultation, as provided by Energinet. Our main input can be summarized as follows:</p> <ul style="list-style-type: none"> - Energy Norway is of the general opinion that a well-functioning, open and competitive markets will deliver the most cost-effective solutions to the challenges that the European power system faces in the green transition. - We agree with Energinet that the application of the current NRPM and special regulations for countertrading does not provide efficient competition, and that it is a challenge that the procurement is done in the close-to-real-time operation phase. - We agree with Energinet that the planned Nordic mFFR EAM will not be suited for handling planned procurement of countertrading. 	

- For these reasons, we support the need for alternative models for countertrade, and we agree that the intraday model as proposed by Energinet is the most suitable model.

The NRPM is not fit for countertrading

In effect, and as documented by Energinet, the application of the NRPM (Nordic regulating power market) for countertrading has resulted in significantly reduced production in DK1 from wind turbines at negative prices, with economic and environmental consequences. Due to the manual operations needed to carry out countertrading in the NRPM, effectively, only market participants in DK1 has been able to participate. It would have been more effective, for example, to down regulate hydro power in Norway or Sweden, saving the water for later, instead of reducing wind power production, which is then lost forever. This has not been possible in the current setup, apart from some hours where the volume could be netted against the balancing needs of the Nordic synchronous system. While netting of imbalances is practical in the operation phase, it in no way ensures that the cheapest available resources are used to meet demand.

From an economic efficiency point-of-view, the new Nordic mFRR EAM with the Automatic Optimization Function (AOF) and, in time, the European MARI-platform could provide an acceptable solution, but this would not distance the procurement process from the close-to-operation phase. If the AOF was to fail in a situation where a TSO wanted to countertrade a significant volume close to real-time, the consequences with regards to system security could be significant. Overall, our understanding is that no TSOs envisage applying future balancing platforms for planned countertrading.

For these reasons, our opinion is that neither the NRPM nor the Nordic mFRR EAM/MARI-platforms are suited for procurement of planned countertrading. If a need for countertrading should arise close to real-time, the platforms that are available at that time should be applied.

In the workshops Energinet has facilitated before this consultation, the subject of continued special regulation within the new, Nordic mFRR EAM by Statnett in Norway has come up. It is worth noting, in that context, that the issues Statnett will solve by continued special regulation to are quite different than the issues Energinet are trying to solve. First, the special regulation taking place in Norway is mainly within bidding zones, and as such, neither SDAC nor SIDC can be applied. Second, the countertrade volumes are significantly lower, and they arise much more sporadic. For these reasons, the direct

comparison of Energinets and Statnetts issues at hand is not relevant. On a separate note, indirectly linked to this consultation, Energy Norway would like to see Statnett and other TSOs implement intraday models for planned countertrading between bidding zones, if deemed efficient, on for example NordLink, NSL and Skagerak interconnectors.

The proposed intraday model is the best option available

Applying the intraday model to countertrading allows the TSOs to procure resources outside of either of the BZs involved in the bidding zone border for which the countertrading is carried out. If transmission capacity is available in the relevant direction towards other BZs, countertrading volumes could be procured from those bidding zones. Effectively, this opens the market and would significantly increase the supply-side and allow for a cost-effective utilization of the cheapest resources available across more BZs.

If the 70 % rule is applied to the intraday timeframe as well as to the day-ahead timeframe, TSOs cannot countertrade in the intraday time frame. This could be seen as a way of providing the market with more cross-zonal capacity, increasing cross-zonal trade and provide more efficient, open markets. However, if that capacity is not actually available it would need to be countertraded at some point, regardless. This would mean that TSOs would have to countertrade using various intelligible, closed local or regional markets with potentially low liquidity and low transparency, while also increasing the operational security risk. This would lower the overall economic efficiency and for that reason the 70 % rule should not be applied to the intraday market timeframe.

Given that the European-wide and Nordic balancing platforms of today and the future are not suitable or efficient for planned countertrading between bidding zones, and that the issues to be solved arise from the SDAC, the only feasible, efficient and transparent model which also provides system security available is the intraday model. We therefore support the model that Energinet has proposed.

About Energy Norway

Energy Norway represents the entire electricity chain in Norway. In other words, our members include electricity producers, distributors, and retailers. Our members produce 130-140 TWh annually, which is around 95 percent of all power production in Norway. Our members have approximately 2.5 million grid customers, which is about 90 percent of Norway's grid customers. Norwegian power production is almost 100% renewable and emission-free. 95 percent of the power production stems from the 1600 hydropower plants, and 3,5 percent is generated from wind power.

<p>Silkeborg Forsyning, Jacob Hvidberg, 26.08.2021</p>	
<p>Silkeborg Varme har udarbejdet hørings svar til Energinet vedr. forslag til modhandelsmodel.</p> <p>Silkeborg Varme har læst "THE METHODOLOGY FOR PROCUREMENT OF COUNTERTRADE ENERGY" (herefter kaldet notatet) med en stor forundring. For der er mange punkter i notatet, hvor argumentationen synes at halte gevaldig. Det kan selvfølgelig skyldes, at vi bare er en lille deltager i det store marked og dermed ikke kan se det "store billede". Men en ting ved vi dog, og det er, at det foreslåede system skaber et meget mudret billede af fremtiden. En fremtid hvor vi skal investere massivt i nye kapacitetsformer, som bør/skal understøtte den grønne omstilling. Investeringer som formodentlig vil være baseret på el, og som derfor skal være med til at hjælpe el-markedets udfordringer med fluktuerende energi-produktion fra sol og vind. Vores kritikpunkter går blandt andet på:</p> <p>- Energinet viser med alt tydelighed, at de ikke værdsætter de små aktører i elmarkedet. Meget af reguleringen kommer fra små og mellemstore fjernvarmeværker, som med deres elkedler og gasmotorer hjælper med at balancere elnettet. Men disse aktører kommunikerer ikke på engelsk overfor ret mange af deres samarbejdspartnere, hvis nogen overhovedet. Så hvorfor vælger Energinet udelukkende at skrive på engelsk, når man er en dansk TSO, som henvender sig til aktører på det danske marked? Det virker fra et mindre varmeværks synsvinkel direkte arrogant, og sender et af to signaler. Enten: 1) At man er ligeglade med disse aktører og regner dem ikke for en del af fremtidens elmarked. 2) Eller også har Energinet fuldstændig overset at de eksisterer og derfor glemt, at en dansk version var på sin plads.</p> <p>Hvilken af de to signaler der er værst for Energinet er nok svært at svare på, men under alle omstændigheder må det være meget problematisk for Energinet, når den nuværende og fremtidig samarbejdspartner føler sig så lidt værdsat og overset. Det må og bør give anledning til alvorlig selvransagelse hos Energinet, hvis man rent faktisk ønsker fjernvarmeværkernes hjælp i forbindelse med den grønne omstilling af elmarkedet.</p>	<p>Ift. brugen af engelsk henvises til svar #1</p>
<p>Den foreslåede markedsmode o Flaskehalsproblematikken mellem Nordtyskland og resten af Tyskland er det helt grundlæggende problem, som notatet ikke formår at forholde sig til på en fornuftig og konstruktiv måde. Hele årsagen til, at Energinet føler behov for at ændre</p>	<p>Energinet henviser til det generelle svar om EU lovgivningen.</p>

<p>modellen, er jo netop, at Tennet har haft stigende køb af specialreguleringsydelse i Danmark. Var specialregulering kun noget, der skete ved kabelnedbrud og lignende (dvs. få gange om året), så var dette notat aldrig blevet udarbejdet.</p> <p>o Argumentationens hos Energinet synes til tider direkte problematisk og ude af trit med virkeligheden og/eller gense økonomiske teorier. For hvordan kan Energinet komme frem til at:</p>	
<ul style="list-style-type: none"> - Der kommer til at mangle bud til at klare efterspørgslen (se side 8) - Energinet kunne jo passende se på udviklingen i mængderne. <p>Fra 2018 til 2020 er (kilde Nord Pool samt notatet):</p> <ul style="list-style-type: none"> o Nedreguleringen i det danske marked øget med ca. 174 % o Det faktiske antal timer om året, hvor der er sket nedregulering, er øget med 82 % o Og det simple gennemsnit i disse timer er øget med 50 % <p>- Energinet bør også kunne se i krystalkuglen over forventede og allerede planlagte forbrugsenheder på strøm. Alt andet lige bør regulerbart forbrug i Danmark kunne holde trit med størrelserne på kabelforbindelserne mod/fra Tyskland.</p> <p>- Argumentet omkring manglende bud synes derfor mere at være bundet i økonomiske årsagen end i faktiske fysiske forhold.</p>	<p>Energinet har ændret beskrivelsen af budvolumener til at have et fokus på økonomisk efficiens i relation til risiko for at måtte afvise modhandel frem for forsyningssikkerhed.</p>
<ul style="list-style-type: none"> - Flere markedsdeltager, som benytter brændsler, vil give et nedadgående prispres (side 14) - Det er svært at se, hvor disse aktører skulle komme fra på DK1. - F.eks. har der været 26 timer i 2020, hvor reguleringsmængderne har være højere eller lig med forbruget på DK1 - Behovet for nedregulering sker jo typisk når vindproduktionen er høj, og deraf følgende lave priser og dermed lav termisk produktion. 	<p>Energinet henviser med formuleringerne til, at intradaymodellen giver aktører i udlandet mulighed for at deltage. Som analyserne af intradaymodellen viser, sker størstedelen af reguleringerne på grund af modhandel i intradaymodellen uden for Danmark, hvilket viser, at der oftest er ledig plads på udlandsforbindelserne.</p>

<ul style="list-style-type: none"> - Når den gennemsnitlige nedregulering ligger på ca. 850 MWh, så kræver det mindst 3 kraftværksblokke på 400 MW. Men kører de i forvejen på minimumslast, så skal reguleringen komme fra vind og regulerbare forbrugsenheder (typisk elkedler). - Nogle af deltagerne kan selvfølgelig komme fra nabolandene, men forventelig må kablerne vende forkert i mange af timerne. Dette synes dog ikke undersøgt notatet, hvorved argumentet derfor virker mere som "opfundet til lejligheden" end noget der bunder i den virkelige fysiske verden. 	
<p>At vi er forpligtet til at kunne levere ydelser til Tyskland (side 14)</p> <ul style="list-style-type: none"> - Notatet kunne jo passende også vende, hvad Tyskland rent faktisk selv gør for at regulere på deres side. I notatet får man det indtryk at ansvaret 100 % ligger hos den Danske TSO. Men hovedansvaret ligger vel hos Tennet? For de kan lige så godt regulere på deres side? - Skulle argumentet holde, så bør Energinet som minimum forklare, hvordan Danmark kan være forpligtet til at levere støtte til nabolande, som overstiger vores samlede forbrug. (eksempelvis har vi reguleret over 2700 MWh i nattetimer, hvor forbruget på DK1 har udgjort 85 % af denne mængde). Der må være en naturlig grænse for denne forpligtelse. 	<p>Metodeanmeldelsens afsnit 2 og 3 redegør for det retlige grundlag for at bistå nabo TSOer med modhandel</p>
<ul style="list-style-type: none"> - Der argumenteres for, at IT-systemerne ikke kan håndtere den nuværende model. Men Energinet kan vel ikke i fuld alvor mene, at IT-udfordringer er en gyldig grund til at ændre markedsdesign? 	<p>Energinets IT-systemer, der skal håndtere mFRR aktiveringer under AOFen, er ikke indrettet til at håndtere specialregulering af hensyn til modhandel. En sådan funktionalitet vil forventeligt medføre en betydelig og på nuværende tidspunkt, ikke afdækket kompleksitet, som vil udløse omfattende IT-udvikling. Da specialregulering af hensyn til modhandel under MARI, altså fra Q2 2024, ikke længere vil være lovligt, vurderer Energinet, at det i</p>

	praksis ikke er muligt at fortsætte den nuværende model.
<p>- Energinets bekymringer omkring Klima og miljø (side 18) synes ikke belyst korrekt. En sådan analyse bør se på summen af de forskellige ændringer og sammenholde disse i en simulationsmodel. Flaskehalse i systemet vil i hvert fald få en kraftig påvirkning. Desuden synes forholdet omkring CO2-kvoter ikke at være medtaget i analysen. Mange af de brændselsfyrede anlæg er jo også underlagt CO2-kvoter, hvor et reduceret forbrug i f.eks. Danmark frigiver kvoter til forbrug andre steder i CO2-kvotestystemet. Notatet vælger da også at kalde det "bekymringer", så de kan tillade sig at tage argument med, selvom dette ikke er velunderbygget.</p>	<p>Energinet er enig i, at en modellering alt andet lige vil give et mere systematisk grundlag for vurdering af de miljømæssige vurderinger. De modelleringsmæssige vanskeligheder betyder imidlertid også, at det er meget svært at lave en sådan modellering, i særdeleshed for den nuværende model.</p>
<p>- Den foreslåede model ser indirekte ud til at lave et nyt prisområde (lad os kalde det Tennes-Nord), hvor de faktiske fysiske kabelrestriktioner genberegnes i en ny "prissimulation". Modsat algoritmer, hvor alle bud ligger inde, og der køres en optimeringsmodel, så fungerer den foreslåede model uden en børs. I mangel af bedre kan man sammenligne den foreslåede model med et "kræmmermarked", hvor der kun er en køber, og hvor køberen kender alle sælgerne og deres priser. Det er svært at se, at en sådan model på nogen måde kan være hensigtsmæssigt, da den strider imod hele grundtanken om et sammenhængende elnet. Konsekvenserne et Tennes-Nord prisområde frygter vi bliver:</p> <p>To forskellige købspriser på strøm på DK1</p> <ul style="list-style-type: none"> - DK1 spotprisen - Tennes-Nord prisen, som de facto kun vil gælde intradaymarkedet i DK1 	<p>I intradaymodellen handles modhandelsenergien i intradaymarkedet gennem børserne. På sigt forventes intraday-auktioner at blive benyttet, hvor energien således vil blive handlet i en auktion og ikke i det kontinuerte intradaymarked.</p>
<p>Fysiske anlæg vil tøve med at købe i intradaymarkedet (for stor usikkerhed)</p> <ul style="list-style-type: none"> - Finansielle spekulanter tiltrækkes. - Konsekvens: Når spekulanterne regner forkert, går det rigtig galt 	<p>Se det generelle hørings svar vedr. økonomisk og markeds mæssig påvirkning.</p>

<ul style="list-style-type: none"> - Modellen sikrer ikke, at værdien af reguleringsegenskaberne prissættes korrekt - Konsekvens: Investerings-signalet til regulerbare enheder kommer ikke til markedets kendskab 	<p>Se det generelle høringssvar vedr. økonomisk og markedsmæssig påvirkning ift. prisfastsættelse af reguleringsegenskaber.</p>
<p>o Helt generelt tvivler Silkeborg Varme på lovligheden af den foreslåede model. Påfaldende bliver det derfor også, når Energinet føler det nødvendigt at skrive, at det er deres vurdering, at article 4,1 under REMIT bliver overholdt. Som minimum bør Energinet da sikre, at indførelsen af en ny model overholder gældende lovgivning. Silkeborg Varme kan derfor kun opfordre Energinet til at få dette forhold klarlagt inden modellen indføres.</p> <p>Samlet set finder Silkeborg Varme, at den foreslåede model vil være et skridt i den forkerte retning, da den nye model ikke løser det grundlæggende problem i markedet, men tvært imod påvirker elmarkedet i negativ retning. En model, til håndtering af designfejl i markedet, bør designes på en sådan måde, at markedspåvirkningerne reduceres mest mulig. Den nuværende model for specialregulering er måske ikke optimal, men indførelsen af en ny model bør som minimum sikre, at markedet ikke påvirkes med negative signaler, hvilket den foreslåede model netop synes at gøre. Silkeborg Varme mener derfor, at Energinet bør gå tilbage til tegnebrættet og gentænke en hel ny løsning. Et muligt løsningsforslag kunne jo være, at den nuværende "pay-as-bid" betaling for specialregulering erstattes af en klarende pris for alle på specialregulering, som dermed også er offentlig tilgængelig. Systemet skal så kunne håndtere to forskellige regulerkraftspriser i samme time. Men eftersom aktørerne på markedet ikke ved, hvornår de forskellige situationer opstår, vil de melde deres marginale priser ind. Markedspåvirkningen bør derfor være minimal, samtidig med at prissignalerne gøres offentlig tilgængelige og dermed tiltrækker investeringer. Silkeborg Varme uddyber gerne ovenstående tanker om en model, hvis Energinet er interesseret.</p>	<p>Se det generelle svar om EU lovgivningen</p> <p>I udviklingen af den fælleseuropæiske balanceringsplatform (MARI) havde TSOerne oprindeligt forslået et to-pris-system, så balancering blev afregnet til marginalprisen, og at bud der ikke blev aktiveret til balancering kunne aktiveres og afregnes til indmeldte pris. Men da ACER har truffet en beslutning om at alle mFRR bud der indsendes til MARI skal afregnes til marginalprisen, så er den Nordiske AOF blevet udviklet til at passe med dette, og derfor gør det sig gældende at der efter den nordiske AOF ikke længere er mulighed for at "efter-aktivere" overskydende mFRR (balance) bud til andre formål.</p>
<p>Statkraft Energi, Aslak Mæland, 27.08.2021</p>	
<p>Energinet have proposed an intraday-based methodology to replace the current countertrade practice. Statkraft is a major power generator and trader in the Nordic power market and welcomes the opportunity to participate in this public</p>	<p>See the general consultation answer regarding economic and market impact</p>

consultation. Both the current countertrade practice based on Danish special regulation and the proposed intraday-based methodology does not only impact the Danish market both also the wider Nordic market. This is the basis for our response.

Statkraft believes that well-functioning, open and competitive markets will deliver the most cost-effective solutions to the challenges that the Nordic and European power system is facing. We share Energinet's view that the current special regulations for countertrading does not provide efficient competition. Further, the current methodology has had substantial negative economic and environmental effects due to significantly reduced wind power production in DK1. We believe that a significant part of wind power reduction could have been replaced with cheaper and more environmentally friendly alternatives in Norway and Sweden.

We therefore support the need for an alternative model for countertrade, and we agree that the intraday model as proposed by Energinet is the most suitable model. This allows the TSOs to procure resources outside of either of the bidding zones (BZ) involved. If transmission capacity is available in the relevant direction towards other BZs, countertrading volumes could be procured from those bidding zones. Effectively, this opens the market and would significantly increase the supply-side and allow for a cost-effective utilization of the cheapest resources available across more BZs.

In a workshop Energinet facilitated the 16th of August the question was asked whether the planned first trading window at 15:02 was suitable for market participants. We find that 15:02 is appropriate given current requirements and arrangements.

Eurowind Energy, Joachim Steenstrup, 27.08.2021

Mens, vi forstå behovet for en ændring af den nuværende model, så støtter Eurowind Energy ikke op om og er uforstående overfor Energinets foreslåede model, hvor modhandel indkøbes i intraday-markedet, da det vil fordreje og influere den fri prisdannelse i elmarkedet negativt. Det vil skade de eksisterende ejere og projektudviklere af vedvarende energianlæg i en grad, der vil påvirke investovilkårene negativ i betydelig grad.

Den foreslåede nye model for indkøb af modhandel i intraday markedet vil medføre et konkurrerende statsligt salg af energi på en kommerciel handelsplatform i konkurrence med spotmarkedet, hvor den danske vindenergi bliver solgt. Et

Se det generelle høringssvar vedr. økonomisk og markeds-mæssig påvirkning.

statsligt salg af elektricitet på en kommerciel handelsplatform i en størrelsesorden som til tider vil svare til hele elforbruget i Vestdanmark vil være forvridende for prisdannelsen i spotmarkedet i en grad, som vil fordyre den grønne omstilling og skabe en betydelig usikkerhed om reguleringen af den danske elsektor. Dette vil få betydelige konsekvenser for investorevilligheden til at bidrage til den grønne omstilling i Danmark.

Eurowind Energy vurderer, at en eventuel implementering af Energinets forslag kan forventes at medføre et prisfald på cirka 2 øre per kWh i intraday-markedet. Ved det teknologineutrale udbud i 2019 vandt Eurowind Energy to tredjedele af puljen med et pristillæg på 1,48 øre per kWh. Det betyder, at en uigennemtænkt metodeændring hos Energinet i realiteten mere end ophæver gevinsten fra de teknologineutrale udbud. Et prisfald i den størrelsesorden vil også give flere perioder, hvor vestdanske vindmøller vil stoppe produktion pga. negative spotpriser.

Det er Energinets egen forventning, at den nye indkøbsmodel vil medføre, at elforbrugerne vil få et mindre incitament til at deltage i spotmarkedet i Vestdanmark. Dette vil ifølge Energinet ske ved spekulativ adfærd fra aktører i elmarkedet, som vil flytte elforbrug fra spot- til intra-day markedet. Et mindre incitament for elforbrugerene til at deltage i spotmarkedet i Vestdanmark vil fjerne effekten af den øgede handelskapacitet på forbindelsen mellem Vestdanmark og Tyskland. Energinets forslag vil derfor underminere hensigten om et velfungerende spotmarked og indre marked for energi, som bl.a. er et bærende element i EU-Kommissionens "Vinterpakke". Hensynet til et velfungerende spotmarked er en afgørende bevæggrund bag TenneT's aftale med EU-Kommissionen om handelskapaciteten på forbindelsen mellem Vestdanmark og Tyskland. Samtidigt vil den foreslåede model i høj grad fjerne incitamentet for den tyske stat til at løse de store udfordringer med transmissionsnettet i Tyskland.

<p>Et bemærkelsesværdigt fald i prissætningen i spotmarkedet i Vestdanmark i perioder med betydelige produktioner af vindenergi vil samtidig få en negativ indvirkning på den danske stats udgifter til CfD-kontrakter til vedvarende energi. Dette vil yderligere få betydelig negativ indvirkning på allerede foretagne investeringer i vindenergi, som er afhængig af spotprisen, f.eks. anlæg opført efter allerede gennemførte teknologineutrale udbud. Ligeledes vil det få en betydelig negativ indvirkning på driftsøkonomien i eksisterende vindmøller, ikke mindst for de mølleejere, der allerede har foretaget investering i opgradering af ældre møller med nye styresystemer, som gør det muligt for dem at deltage i specialreguleringen.</p> <p>Energinet har desuden valgt en aggressiv tidslinje for at gennemføre ændringen. Uklare rammebetingelser eller pludselige ændringer af eksisterende vilkår skaber betydelige udfordringer i en branche, hvor projektudvikling i reglen strækker sig over 3-5 år. Det betyder, at en række strømproducenter har truffet investeringsbeslutninger for eksisterende anlæg eller anlæg under opførelse, hvor der i beslutningen er medregnet en indtægt fra at tilbyde fleksibilitet til markedet.</p>	<p>Energinet kommunikerende med konsekvensvurderingen fra 2017 (impact assessment), at det i 2020 skulle undersøges, om specialreguleringsmodellen fortsat var en hensigtsmæssig model, blandt andet på baggrund af bekymringer om modellens efficiens som ville få større betydning ved større volumener. På den baggrund vurderer Energinet, at danske aktører løbende har haft den relevante information fra Energinet til at kunne træffe investeringsbeslutninger.</p>
<p>Eurowind Energy anerkender behovet for at justere den aktuelle model til indkøb af modhandel, men de alvorlige markedskonsekvenser forbundet med Energinets foreslåede model bør føre til, at Energinet afsøger og aktivt arbejder for alternative modeller, herunder en TSO-TSO model. En model, der hverken fordrejer prisdannelsen i spotmarkedet eller underminere det indre marked for energi, samtidig med at modhandelsproblematikken løses efficient og markedsbaseret.</p>	<p>Energinet har igennem over et år diskuteret mulige modeller med branchen og har løbende diskuteret interessen for en Nordisk TSO-TSO model med de øvrige nordiske TSO'er, hvor der jf. høringsmaterialet ikke har været opbakning til at iværksætte et arbejde med en sådan model.</p>

<p>I valget af model til håndtering af modhandelsudfordringen, foranlediget af interne tyske flaskehalse, er der bredere hensyn end lavest mulige omkostninger for den anmodende TSO TenneT – navnlig hensynet til det indre marked for energi, markeds- og pris forvridding, balanceringsomkostninger samt omkostninger for den danske statskasse. Skulle ovenstående give anledning til spørgsmål, står Eurowind Energy til rådighed for evt. uddybning og dialog om de afgivne kommentarer.</p>	
<p>Dansk Fjernvarme, Nina Detlefsen; Aalborg Forsyning, Simon Nødgaard Hansen; Helsingør kraftvarmeværk, Hans Peter Balle, 30.08.2021</p>	
<p>Dansk Fjernvarme har udarbejdet høringsvar til Energinet vedr. forslag til modhandelsmodel. Indledningsvist vil vi takke Energinet for muligheden for at komme med høringsvar. Dansk Fjernvarme har, som flere af vores medlemmer, deltaget på de af Energinet afholdte workshops og dialogmøder.</p> <p>Hovedproblemstilling</p> <p>Energinet ønsker en ny platform til handel af modhandel som skal afløse den nuværende platform hvor modhandel handles som specialregulering og nærliggende forslag er at modhandel skal handles i intraday markedet. Dette vil have en række konsekvenser for Dansk Fjernvarmes medlemmer.</p> <p>Dansk Fjernvarme føler ikke de har været inddraget i særlig grad i processen med at finde alternative løsninger. Ikke mindst det at hele processen og materialet er på engelsk gør det svært for mange medlemmer at deltage.</p> <p>Konklusion</p> <p>Dansk Fjernvarme er uenig i flere aspekter af det materiale som Energinet har sendt til høring, men Dansk Fjernvarme mener at det fundamentale problem i materialet består i Energinets fortolkning af 70% reglen.</p> <p>Opsummerende er Dansk Fjernvarme af den opfattelse af der skal findes en metode som overholder 70% reglen også i intraday markedet.</p> <p>Udgangspunktet for det som Energinet kalder det strukturelle modhandel, er at fysikken ikke er i orden grundet interne flaskehalse i Tyskland. I den sammenhæng kan man stille sig selv det spørgsmål om hvad der skal bruges til at modhandle. Derfor mener Dansk Fjernvarme at modhandel skal ske så tæt på driftsøjeblikket som muligt.</p> <p>Generelt</p>	<p>Energinet henviser til det generelle svar om EU lovgivningen</p>

Dansk Fjernvarme mener at det fundamentale problem i materialet består i Energinets fortolkning af 70% reglen.

Af elmarkedsforordningen (2019/943) artikel 16(8) fremgår følgende

“Transmissionssystemoperatører må ikke begrænse den mængde af kapacitet på samkørbingslinjerne, der skal stilles til rådighed for markedsdeltagere som et middel til at løse kapacitetsbegrænsninger inden for deres eget budområde eller som et middel til at styre strømme, der er resultat af transaktioner inden for samme budområde.”

Det kræves nærmere af forordningen at minimum 70% af transmissionskapaciteten skal allokeres til handel på tværs af zoner (70% reglen).

Intraday løsningen baserer sig på at begrænse overførselskapacitet (CZC) på DK1-DE grænsen for aktørerne og derfor mener Dansk Fjernvarme at den af Energinet foreslåede løsning ikke er i overensstemmelse med 70% reglen. Det er Energinets overbevisning at kravet kun skal være overholdt i Day-ahead markedet. Energinet skriver i materialet der er sendt til høring:

“It follows from the recommendation that ACER monitors TSOs compliance with the 70% rule, in so far, only in the day-ahead time frame. This, in turn, indicates that ACER find that the 70% rule is complied with if 70% commercial capacity is made available to the market in the day-ahead time frame (and only the day-ahead time frame).”

Dansk Fjernvarme fortolker at det udelukkende er et udtryk for at Acer på nuværende tidspunkt ikke har fokuseret på Intraday markedet og ikke at det skal fortolkes som Energinet gør, at det kun er gældende for Day-ahead markedet.

Hvor Energinet er af den opfattelse at når der ikke står noget helt specifikt omkring øvrige markeder gælder det kun i Day-ahead markedet, er Dansk Fjernvarme klart af den overbevisning at det må betyde at det skal gælde i alle markeder.

Hvis 70% reglen udelukkende skulle tolkes som værende gældende i Day-ahead markedet og når Energinet i deres oplæg vil åbne op for modhandel i Intraday umiddelbart efter at Day-ahead er clearret, betyder det de facto at man igen har flyttet begrænsningen fra interne flaskehalse til grænsen.

Dansk fjernvarme henleder i denne henseende opmærksomheden på, at der i elmarkedsforordningen (2019/943) intet sted står at 70% reglen ikke gælder i Intraday markedet. Det er Dansk Fjernvarmes opfattelse at Intraday markedet kun bliver endnu vigtigere i fremtiden. I præamblen til elmarkedsforordningen (2019/943) står

”Mens dekarbonisering af elektricitetssektoren, hvor energi fra vedvarende energikilder bliver en væsentlig del af markedet, er et af målene for energiunionen, er det afgørende, at markedet fjerner de eksisterende hindringer for handel på tværs af landegrænser og tilskynder til investeringer i infrastruktur som f.eks. mere fleksibel produktion, samkøringslinjer, fleksibelt elforbrug og energilagring. For at understøtte denne omstilling til variabel og decentral produktion og sikre, at energimarkedets principper danner grundlaget for Unionens fremtidige elektricitetsmarkeder, er det afgørende at sætte fornyet fokus på korttidsmarkeder og prisfastsættelse på grundlag af knaphed.”

I præamblen til elmarkedsforordningen (2019/943) sidestilles Intraday og Day-ahead markedet *”Kommissionens forordning (EU) 2015/1222 (7) fastsætter detaljerede retningslinjer for fordeling af overførselskapacitet og håndtering af kapacitetsbegrænsninger på day-ahead- og intraday-markedet, herunder kravene til fastlæggelse af fælles metoder til bestemmelse af de kapacitetsmængder, der er tilgængelige på samme tid på tværs af budområder, kriterier for vurdering af effektivitet og en revisionsprocedure for fastlæggelsen af budområder.”*

Desuden står der i elmarkedsforordningen (2019/943) artikel 17(2)

”Transmissionssystemoperatørerne foreslår en passende struktur for fordeling af overførselskapacitet på tværs af tidsrammer, herunder day-ahead, intraday og balance.”

Dansk Fjernvarme mener opsummerende altså at der ikke står at 70% reglen ikke skal gælde i Intraday, men er modsat overbevist om at 70% reglen ligeledes skal overholdes her.

Dansk Fjernvarme ønsker desuden at henlede opmærksomheden på Tennesse Decision, hvor det fremgår at engrosmarkedet skal prioriteres og hvis formål må være at sikre fri konkurrence og ikke at flytte interne begrænsninger til grænsen. Hvis dette formål skal opfyldes skal der være fuld kapacitet alle timer også i intraday markedet.

Den tyske statssekretær for økonomi og energi, Rainer Baake (Bundesministerium für Wirtschaft und Energie), udtalte i 2017:

“The agreement is an important step towards deepening the internal energy market and the cooperation with our neighbours. Denmark is one of our closest allies in improving the functioning of the internal energy market and fostering energy transition. I am therefore particularly pleased that we have found a common solution for the trade capacities between our countries. This agreement sends two important signals: First, Germany addresses the challenges related to its huge grid development in close cooperation with its neighbours and aims to limit possible negative implications for cross-border trade. European electricity trade is one of the building blocks for European energy transition, cost-efficient security of supply and market integration of renewable energies. We need to make sure that neighbours can rely on cross-border trade with us and we can rely on cross-border trade with them. [...] Germany is making considerable efforts to solve existing problems and limit the effects of the internal grid congestions on neighboring countries. In this context, we can neither reduce electricity trade at one border to zero, nor can we ignore the limits of electricity trade of another border.”

Hvis kapaciteten fjernes umiddelbart efter day-ahead markedet er clearet er det Dansk Fjernvarmes opfattelse at aktørerne ikke kan stole på handel på tværs af grænser, da det de facto svarer til at fjerne kapaciteten. Der skal være fuld kapacitet for at sikre fri konkurrence og vi henleder opmærksomheden på nedenstående udtalelse fra Margrethe Vestager:

"Energy should flow freely in Europe so that the electricity produced by a wind mill in one country can reach the consumers in another. Our investigation into TenneT is part of our efforts to ensure that electricity grid operators do not unjustifiably restrict the free flow of electricity between Member States, to the detriment of European energy consumers. Ensuring that electricity interconnectors remain fully open to cross-border trade is essential to achieve our overall objective of an efficient, sustainable and competitive energy market ".

Vi mener ikke det var hensigten fra hverken den tyske eller danske energiminister, eller kommissionen med Margrethe Vestager i front, at TSO'erne de facto fjerner kapaciteten umiddelbart efter day-ahead er clearet.

Vi opfordrer derfor Energinet til at stadfæste om den foreslåede model overholder 70%-reglen, understøtter de vedtagne europæiske forordninger og ånden i de internationale principper for udvikling af elektricitetsmarkeder.

Dansk Fjernvarme takker for muligheden for at kommentere på forslaget.	
Ørsted, Martin Schrøder, 30.08.2021	
<p>Ørsted welcomes the opportunity to comment on Energinet's proposed countertrade model.</p> <p>The proposed model seeks to address transmission constraints in Danish or neighboring bidding zones through countertrade carried out in the commercial intraday market. The model relies on reducing commercial cross-zonal capacities, which has significant distortive impacts on the wholesale markets and can be questioned from a legal perspective. Ørsted questions whether the proposed model is compliant with core internal market regulations and Ørsted therefore suggests Energinet to withdraw the proposed model.</p> <p>As an alternative solution - either permanently or until a legally compliant model has been identified – German TSO Tennet (Tennet) should primarily resolve internal grid congestion through its own measures, for instance by making use of the ample redispatch potential in Germany, after the phase-out of the current special regulation model.</p>	
<p>Scope of the proposal</p> <p>Ørsted finds it crucial to distinguish between congestions occurring on the actual border and congestions occurring within the internal grid of a bidding zone. While congestion between bidding zones can be alleviated through remedial actions, such as countertrade, that effectively reduces cross-zonal capacity on the border, internal congestions occurring within a bidding zone should not be addressed through remedial actions that move these to a bidding zone border, as this is contrary to the aim of an internal energy market where energy should flow freely in Europe.</p> <p><i>Application of proposed model to address congestions on bidding zone borders</i></p> <p>Should Energinet wish to use the proposed model to address congestions on the actual border, Ørsted suggests that this type of remedial action is agreed upon with neighbouring TSOs and submitted separately to relevant NRAs for approval under the Capacity Calculation Region Hansa Redispatch and Countertrade Methodology¹. Subject to approval, this remedial action can then be implemented by the Hansa Regional Security Coordinator and recommended to TSOs as per the process set out in the articles and methodologies of the System Operations Guideline. Ørsted has no further comments on this use of the model.</p>	<p>Energinet finds no support for the view that a TSO should ensure that a "TSO's own remedial actions are applied first". Rather, Article 16(1) of the Electricity Market Regulation requires "Network congestion problems shall be addressed with non-discriminatory market-based solutions which give efficient economic signals to the market participants and transmission system operators involved.", which directly contradicts that a TSO should always use its own remedial actions first.</p>

Application of proposed model on DK1-DE to address internal German congestions

The actual subject of this consultation is the application of the model on DK1-DE in order to resolve internal congestions in the north-south direction of the German transmission grid. Special regulation requests from Germany on this border practically accounts for all special down regulation in Denmark (3048GWh in 2020) and constitutes the volumes expected to be traded with the proposed model. Countertrade needs on DK1-DE are thus the primary reason for the new market setup and that the model is developed for primarily for this border is also evident from Energinet stakeholder dialogue in 2020-21.

Further, Article 22(2) of the SOGL does not mention TSOs shall apply a “local” criterion when selecting appropriate remedial actions. Rather this article states that TSOs shall activate “the most effective and economically efficient remedial actions” which directly contradicts a “local first”-approach as suggested in the consultation response.

The German countertrade requests originate from internal grid congestions

Ørsted understands that the countertrade requests from German TSO Tennet (Tennet) to Energinet originate from internal congestions in the German transmission grid. However, as a result of recent German grid expansions, transmission capacity from the border to Schleswig-Holstein and Hamburg and across the Elbe (recently expanded to 9,6GW) by far exceeds capacity on the DK1-DE border. Hence the congestions most likely occur south of Hamburg in the Lower-Saxony region. According to the German Federal Ministry of Economic Affairs and Energy Schleswig-Holstein has 9.1GW installed wind and solar capacity, 1.1GW thermal capacity, and 1.4GW nuclear capacity. As the countertrade needs are highly correlated with wind generation in Northern Germany – which causes the congestion issues - it is Ørsted’s assessment that there will always be sufficient redispatch opportunities within Schleswig-Holstein to address internal grid congestions. Furthermore, German TSOs have improved options for redispatch from October 2021 when the Redispatch 2.0 regulation enters into force. This allows TSOs to redispatch all generation assets with an effect of >100kW.

While Ørsted acknowledges that Energinet is obliged to cooperate with its neighboring TSOs, including Tennet, such obligation does not supersede other principles and legal requirements in the internal market legislation.

The proposed model manages internal congestions by reducing commercial capacity on the border

Energinet refers to the general reply on EU legislation

In the proposed model countertrade in the intraday market is used to resolve internal German congestion. With the model, Tennet will push surplus German generation into the DK1 bidding zone while simultaneously removing cross-zonal capacity on the DK1-DE border. This de facto prevents Danish or other Nordic production from accessing the German market.

This process is described in section 4.3.1.2 of the proposed model (own mark-up):

TenneT allocates a reduced NTC due to the countertrade to the intraday market. *If NTC in day-ahead is fully utilised in the day-ahead market flow direction, SIDC then calculates negative ATC by subtracting the already allocated capacity (AACDA). This only allows trade in the opposite direction of the day-ahead flow. The set-up in SIDC only allows market participants to see zero ATC in the system, even if calculated capacity is negative.*

The current approach described above to allocating capacity to the intraday market in case of countertrade results in a negative ATC which is not visible to the market, and it also prevents new capacity from being released to the intraday market if trades against the market flow direction have been done in the market after the countertrade has been done.

General principles of European internal energy market rules

As Ørsted argues below, a model in which commercial capacity, whether in the day-ahead or intraday market, is withheld from the market is contrary to the objectives of the internal energy market.

TSOs are obliged to offer available cross-zonal capacity to the commercial markets to avoid undue discrimination. This follows from the Treaty of the Functioning of the European Union (TEUF) in which the general principle of Article 18 prohibits any discrimination on the basis of nationality. Moreover, Article 34 expressly prohibits quantitative restrictions on imports and all measures having equivalent effect. It is thus clear that a Member State should not restrict imports of electricity in order to give preference to domestic producers.

Compliance with the Electricity Regulation (2019/943)

The Electricity Regulation (2019/943) regulates the internal electricity market in the European Union. The preamble lists amongst the main objectives of the regulation the promotion of cross-border electricity trade and the efficient functioning of wholesale markets – with a particular emphasis on the increasingly important intraday market.

The new capacity adjustment solution agreed upon on the DK1-DE/LU border is a better alternative than the current and addresses the concerns highlighted by Ørsted

<p>Ørsted does not find support in the Electricity Regulation 2019/943 to introduce different principles on the day-ahead and intraday markets. The articles and preamble have focus on the wholesale market in general and the articles should be read in the context of securing the free movement of electricity where any exemptions or limitations has to be interpreted narrowly.</p> <p>Article 16 obliges TSOs to ensure that the maximum level of capacity of the interconnections and the transmission networks affected by cross-border capacity shall be made available to market participants complying with the safety standards of secure network operation.</p>	
<p>However, the proposed model describes no mechanism to ensure that only volumes needed to comply with safety standards and secure network operations are countertraded. There are no explicit safeguards in the model preventing neighboring TSOs from off-loading internal congestions on Energinet regardless of their geographical location nor is there any requirement that a neighboring TSO's own remedial actions are applied first.</p> <p>Ørsted is concerned that the model, which inherently restricts cross-border competition by removing cross-zonal capacity, will not be applied proportionally by the TSOs demanding countertrade.</p> <p>Ørsted encourages Energinet to seek further dialogue with Tennet in order to better understand the options for managing internal congestions without reducing cross zonal capacities and the expected future demand for countertrade from Denmark.</p> <p>The proposed model provides concerns comparable to the concerns found by the Commission in relation to the Tennet Commitment decision</p> <p>The principles of the TEUF were in 2017-2018 tested on Tennet's behaviour on the DK1-DE border by the European Commission. This led to the Tennet Commitment decision in 2018 also described in Energinet's proposal. In the preliminary assessment of 19 March 2018, the Commission came to the preliminary conclusion that Tennet had significantly limited the commercial capacity on the DE-DK1 interconnector, which resulted in partitioning of the internal market and discrimination between network users based on their place of residence.</p>	<p>Energinet refer to the general reply on EU Regulation</p> <p>Also, if TenneT were to request countertrade in situations where there is no justifiable concern about compliance with the safety standards of secure network operation, TenneT is imposing costs on German consumers for no reason. Energinet expects that TenneT only requests countertrade when there is a good reason for doing so but has no way of determining whether or not this is the case, and considers it a task for the German NRA to ensure that such practice does not happen.</p>

The decision puts obligations on Tennet – the Tennet Commitments - to ensure non-discriminatory access to markets. As per the decision these obligations cover *commercial markets*, also described as *wholesale supply of electricity*, encompassing both day-ahead and intraday markets according to the CACM regulation (2015/1222) and Regulation (EU) 2019/943. The commitment decision states that (Ørsted highlights):

*(36) The significant **limitation of the commercial capacity on the DE-DK1 interconnector in the southbound direction has contributed to the maintenance of the price difference** between West Denmark and Germany by limiting trading possibilities between the two zones. As a consequence of that limitation of trading possibilities, relatively more expensive plants have been running in Germany to meet domestic demand, which in the absence of that limitation could have been supplied by less expensive power plants in Denmark.*

5.1.3. Conclusion on the relevant markets

*(50) Against this background, the view of the Commission is that for the purpose of this case the relevant markets are: (i) the **wholesale supply of electricity** in West Denmark, and **the wholesale supply of electricity** in Germany, Luxembourg and Austria (until 30 September 2018) and (ii) the transmission of electricity on TenneT's network including the DE-DK1 interconnector connected to it.*

*(60) TenneT gives priority access to its network to domestic electricity production, in particular during the hours when the domestic wind-based electricity production is high, by limiting access of the electricity coming from West Denmark via the DE-DK1 interconnector (see recitals (29)-(31)). **This has been implemented by significantly limiting the commercial capacity of the DE-DK1 interconnector (see recitals (32)-(33)). In the preliminary assessment the Commission concluded that that behaviour may have resulted in partitioning of the internal market and discrimination between network users based on their place of residence** in breach of Article 102 of the Treaty and Article 54 of the EEA Agreement.*

*(65) First, the limitation of trading possibilities on the DE-DK1 interconnector means that **electricity generators in Western Denmark and more generally in the Nordic countries are at a competitive disadvantage compared to those in Germany. They are therefore prevented from reaping the benefits of the internal market by exporting electricity to the German, Luxembourg and Austrian (until 30 September 2018) bidding zone when this would be in their interest.***

Ørsted has concerns in relation to the proposed model similar to the concerns raised by the Commission in the Tennet Commitment decision. The Tennet action of concern in the decision – removal of transmission capacity from the commercial markets – is similar to the action proposed in the new model, where the TSO requesting countertrade will reduce the southbound commercial capacity on the intraday market according to section 4.3.1.2 of the consultation documents.

The model does not solve the concerns raised by the Commission in the Tennet commitment decision. The counter trading will entail that relatively more expensive electricity will be produced in Germany to meet domestic demand, which in the absence of the reduction of commercial capacity on the intraday market could have been supplied by less expensive power production in the Nordics, including Denmark. As a consequence, German energy consumers residing north of the bottlenecks must pay an artificially high price for their electricity consumption when bottlenecks occur favoring German producers of electricity. In reality, this is done by moving the internal German congestion problem to the bidding zone border to Denmark creating an artificial border congestion issue contrary to the aim of an internal energy market.

In this context, we also find it relevant to refer to the Swedish Interconnectors decision³ by the European Commission on Svenska Kraftnäts conduct in Sweden.

These concerns have not been addressed in the consultation documents and Ørsted encourages Energinet to address them.

In the concrete case on the DK1-DE/LU border, structural countertrade as a result of the TenneT Commitment to provide minimum capacities to the Day ahead market, has always been performed in the intraday market on the German side of the border. Do to this, the reduction in capacity provided to the intraday market has taken place since 2017.

The big change in the countertrade model is therefore that the countertrade energy will be bought in the intraday market where Danish producers will have to compete with producers from neighboring countries. Energinet finds it cost-efficient, environmentally prudent, and compliant with the Hansa Countertrade and Re-dispatch methodology that TenneT requests countertrade in Denmark

	<p>(where also thermal power and hydro power can be reduced when trading in intraday) instead of curtailing the wind in Germany. Remember that the electricity cannot physically flow in the internal northern German grid, why the reasoning that providing full capacity to intraday and countertrading in the balancing timeframe would enable cheaper power to the German consumer, is simply not correct.</p>
<p>TSO activity in the intraday market</p> <p>With the proposed model Energinet will become an active market participant in the intraday market. This is unprecedented in the Nordics and Ørsted is of the basic view that TSOs should not intervene or participate directly in the commercial markets.</p> <p>The German TSOs have historically been active in the intraday markets. However, due to the relatively small TSO intraday market share in Germany, this is not comparable to Energinet's proposed participation in the Danish intraday market.</p> <p>Tennet requested 4 TWh countertrade from Energinet in 2020. If these volumes were to be traded in the intraday markets in both Germany and Denmark, it would result in a Tennet market share in the German intraday market of 7 % and an Energinet share of the DK1 intraday market of 72 %4. In Ørsted' assessment, the DK1 intraday market will de facto be turned into a TSO market similar to various reserve markets. This is not the purpose of the intraday market.</p> <p>The expected Energinet intraday market share gives rise to REMIT considerations that could be addressed by Energinet in more detail.</p>	<p>As described in section 5.9.1, it is a fundamental requirement that Energinet uses market-based solutions to procure energy needed to fulfil its obligations as certified TSO.</p> <p>Energinet also purchases grid loss in the (commercial) day ahead market today.</p> <p>The intraday market enables market participants to bring themselves in balance prior to the balancing timeframe. Likewise, Energinet will proactively trade before the balancing timeframe. The countertrade volumes are significant, and just as they today have a big</p>

	<p>impact where they are handled just before the operational hour, it will also have an impact on the intraday market.</p> <p>As written section 5.9.1. TSOs trading in the intraday market is not in conflict with the REMIT regulation.</p>
<p>Estimated market impacts of the proposed model show clear distortionary and discriminatory effects</p> <p>The internal market rules generally seek to facilitate well-functioning markets providing correct and efficient price signals to consumers, generators and TSOs. A misguided TSO intervention in the market, with the systematic use of large amounts of countertrade and reduction of cross zonal capacities in a relatively small market such as DK1, can lead to distortion of wholesale market prices in conflict with the objectives of the internal energy market. As such, price distortions serve as a litmus test as to whether a model or intervention fulfills the internal energy market rules or not. This is also stressed by the European Commission when referring to distorted electricity prices in (66) of the Tennet Commitment decision.</p> <p><i>(66) Second, TenneT's behaviour contributes to the maintenance of price differences between the German, Luxembourg and Austrian (until 30 September 2018) bidding zone and West Denmark in an artificial manner, which could have resulted in higher prices for electricity consumers in the first area. In the long term, distorted electricity prices provide the market with distorted signals and thereby lead to inefficient investment both in generation and transmission capacity. Overall TenneT's behaviour therefore undermines the Union's efforts to achieve an integrated internal electricity market.</i></p> <p>The findings of Energinet's own analysis show that the model, in which wholesale market cross zonal capacity is removed from the border at request of the TSOs, will result in discrimination against Danish producers by artificially reducing wholesale electricity prices. The simulation conducted by Energinet on historical data from 2019 and 2020 shows an average annual price distortion of 1-1.5 EUR/MWh compared to the historical market prices. The actual distortionary effect may be significantly larger as:</p>	<p>Energinet refers to the general response regarding the economic and market impact of the intraday model.</p>

<p>- Historical market prices are already somewhat distorted due to use of the special regulation for netting of Nordic imbalances. If the intraday model is compared to a situation without netting of special regulation the price effect will be higher.</p> <p>- The distortionary effect will be significantly larger in hours with high volumes of countertrade. As countertrade and wind generation levels are highly correlated, this translates to a strong down-lift on wind capture prices in DK1.</p> <p>The proposed model will result in an annual loss of around 20-30 mEUR for power producers in DK1, assuming annual generation of 18-20 TWh and a price effect of -1,5 EUR/MWh in DK1 as suggested by Energinet. Conversely, German consumers will face artificially high prices as competitive Nordic power generation is prevented from accessing the German market in order to replace more expensive German generation. The price distortions identified could indicate that the proposed model is at odds with the objectives of internal market regulations and the Tennet Commitment decision.</p> <p>As highlighted in the above Ørsted is concerned that the model for countertrading suggested by Energinet potentially could lead to infringements of EU law by removing commercial capacities from the market, i.e. the Electricity Regulation (2019/943), the EC Decision on Tennet Commitments and possibly the EU competition rules. The legal assessment in Energinet's proposal does not provide sufficient basis for determining the legality of the model.</p> <p>As a result of the above concerns, Ørsted urges Energinet to withdraw the proposal. Ørsted instead suggests that Tennet primarily solves internal grid congestion through own measures after the phase-out of the current special regulation model.</p> <p>Ørsted remains available for further comments.</p>	<p>Energinet agrees that the effect on capture prices for wind power will be higher than the general price effect but refers to the general response regarding the economic and market impact of the intraday model which argues that this effect is a correction of the price such that it better reflects actual supply and demand situation.</p>
<p>Dansk Energi, Carsten Chachah, 30.08.2021</p>	
<p>Dansk Energi welcomes Energinet's consultation on the methodology for procurement of so-called countertrade energy.</p> <p>Energinet has highlighted several issues driving the proposed methodology over the past year.</p>	<p>Energinet refers to the general response regarding the economic and market impact of the intraday model.</p>

However, the central task of a TSO is not to arrange a border specific market setup according to climate effects or according to the costs of specific market dispatches. The central task of a TSO is to facilitate markets that provides correct price and investments signals in compliance with EU-regulation.

Energinet's proposed methodology seeks to address an internal German issue – lack of capacity in TenneT's transmission grid – which has previously resulted in heavy reduction of capacity on the Dan-ish-German border. While this was solved with the Joint Declaration and TenneT Commitments in 2017-2018, Energinet's proposed methodology rolls back these advances. The proposed methodology will sustain a distorted day-ahead market price formation in Denmark, an intraday market in DK1 with no export capacity towards Germany and an intraday market in Denmark where Energinet directly or through a third party is by far the largest market participant.

These are not efficient elements in a well-functioning wholesale market and Dansk Energi does not consider it compliant with EU-regulation, nor do we consider it a proportional solution to address the internal German grid congestion.

At this stage, Dansk Energi would like to highlight the following concerns and objections:

1. Dansk Energi does not consider the proposed methodology compliant with the Regulation on the internal market for electricity [Regulation (EU) 2019/943]
2. Dansk Energi does not consider the proposed methodology compliant with the general principles of the Treaty of the Functioning of the European Union
3. The combination of the proposed methodology and the requested countertrade volumes would have a disproportionate market impact on DK1 and give rise to distorted price and investment signals in DK1

The concerns and objectives are elaborated in the following:

The proposed methodology will – like the current way of countertrading – continue to enable TenneT to live up to TenneT commitments and provide the minimum capacity to the day ahead market on the border.

The proposed methodology will – also like currently – continue to affect the capacity given to the intraday market. The reason for this being that TenneT already today uses the intraday market for countertrading, why the ID capacity on the border ever since the Joint declaration and TenneT commitments has been adjusted to the flow which is calculated to be possible to flow on the border and further in the internal German grid.

<p>1. Dansk Energi does not consider the proposed methodology compliant with the Regulation on the internal market for electricity [Regulation (EU) 2019/943]</p> <p>Regulation (EU) 2019/943 on the internal market for electricity aims to avoid the reduction in cross zonal capacity due to internal congestion in one bidding zone.</p> <p>In the proposed methodology, Energinet claims that reduction in cross-zonal capacity is only a valid consideration for the day-ahead market and not the intraday market.</p> <p>Dansk Energi does not see a basis for the claim that the day-ahead and intraday markets should be treated differently regarding the principles of allocation of cross-border capacity in Regulation 943. The regulation identifies principles and rules for allocation of cross-border capacity highlighting that it should be non-discriminatory, give efficient economic signals to market participants and TSO involved and maximise the opportunities for market participants to participate in cross-zonal trade.</p> <p>Furthermore, article 16.8 in Regulation 943 explicitly states that <i>“Transmission system operators shall not limit the volume of interconnection capacity to be made available to market participants as a means of solving congestion inside their own bidding zone”</i>. The regulation does not state that this principle only applies to the day-ahead market.</p> <p>Energinet’s proposed model would allow TenneT to force a large local surplus of German generation into the DK1 bidding zone through the application of a predefined forced market outcome consisting of a large TSO driven offer of electricity combined with the simultaneous removal of cross zonal capacity.</p>	<p>Energinet refers to the general reply on the EU regulation</p>

<p>This practice would take place during a market timeframe purposed for commercial trade among market participants and across borders, and it would prevent Danish or Nordic generation from using cross zonal capacity on the Danish-German border to access the German market. Furthermore, this practice would entail a magnitude that in comparison with the volumes in the Danish day-ahead and intraday markets would render it significant in the price formation.</p> <p>Finally, Regulation 943 advocates a “renewed focus on short-term markets” (preamble 23) and highlights that “The integration of balancing energy markets should facilitate the efficient functioning of the intraday market in order to provide the possibility for market participants to balance themselves as closely as possible to real time” (preamble 13)</p> <p>Given that the Single Intraday Coupling (SIDC) was established only a few years ago after a decade long European harmonization process, Dansk Energi is highly concerned over such a large step-back in the ability to trade across borders in the intraday market as Energinet’s methodology would imply.</p> <p>Dansk Energi does not consider the proposed model compliant with the Regulation on the internal market for electricity.</p>	
<p>2. Dansk Energi does not consider the proposed methodology compliant with the general principles of the Treaty of the Functioning of the European Union</p> <p>In the legal assessment of:</p> <p><i>“COMMISSION DECISION of 7.12.2018 relating to a proceeding under Article 102 of the Treaty on the Functioning of the European Union and Article 54 of the EEA Agreement Case AT.40461 – DE/DK Interconnector”</i></p> <p>the European Commission states in paragraph 5.5:</p> <p><i>“In its preliminary assessment, the Commission concluded that TenneT's behaviour of limiting commercial capacity on the DE-DK1 interconnector is capable of having anticompetitive effects.</i></p>	<p>Energinet refers to the general reply on the EU regulation</p>

“First, the limitation of trading possibilities on the DE-DK1 interconnector means that electricity generators in Western Denmark and more generally in the Nordic countries are at a competitive disadvantage compared to those in Germany. They are therefore prevented from reaping the benefits of the internal market by exporting electricity to the German, Luxembourg and Austrian (until 30 September 2018) bidding zone when this would be in their interest.”

“Second, TenneT’s behaviour contributes to the maintenance of price differences between the German, Luxembourg and Austrian (until 30 September 2018) bidding zone and West Denmark in an artificial manner, which could have resulted in higher prices for electricity consumers in the first area. In the long term, distorted electricity prices provide the market with distorted signals and thereby lead to inefficient investment both in generation and transmission capacity. Overall TenneT’s behaviour therefore undermines the Union’s efforts to achieve an integrated internal electricity market.”

The European Commission thus operates with the term ‘commercial capacity’ in terms of cross-zonal transmission capacity. Furthermore, in paragraph 5.1, the European Commission defines the relevant product market for the assessment of discrimination between network users based on their place of residence as *“the market for the wholesale supply of electricity”*.

The definition ‘the market for the wholesale supply of electricity’ is not exclusively defined as the Single Day-ahead Coupling (SDAC) and therefore does not exclude the Single Intraday Coupling (SIDC) in its consideration. The term ‘commercial capacity’ is not defined exclusively as day-ahead cross-border transmission capacity and therefore does not exclude intraday cross-border transmission capacity in its consideration. Dansk Energi subsequently does not consider Energinet’s proposed methodology compliant with the antitrust principles supporting the existing conclusion in the European Commission’s preliminary assessment of anticompetitive effects in the AT.40461 – DE/DK Interconnector case.

Additionally, Energinet has in the past stakeholder dialogues labelled their proposed model as the true or most correct market outcome, as it is the market outcome that reflects the grid constraints in the German grid. However, it is the market outcome where an internal German grid congestion is reflected directly as a reduction of cross-border capacity on the Danish-German border as the trade between Denmark and Germany over the two market timeframes (day-ahead and the intraday) combined is actively reduced in a manner that gives preference in the German electricity grid to domestic German electricity generation over Danish electricity generation.

A consequence of countertrade – both in the current special regulation model and in the future intraday model, is that the physical power flow on the border is reduced. TenneT chooses to request for countertrade (assistance to downward regulate the import in the

<p>Such preference to domestic German electricity generation in the German electricity grid could also be argued based on article 34 and 35 of the Treaty of the Functioning of the European Union which prohibits quantitative restrictions on imports/export and all measures having equivalent effect.</p>	<p>German grid) as they cannot physically transport the power from north to south in their internal grid. The capacity provided to intraday by TenneT today is also the physical capacity (as they countertrade in intraday).</p>
<p>3. The combination of the proposed methodology and the requested countertrade volumes would have a disproportionate market impact on DK1 and give rise to distorted price and investment signals in DK1</p> <p>In the stakeholder dialogue meeting 17th August, Energinet argued that it is not of importance where the internal German grid congestion originates and that Energinet would accept and attempt to handle any magnitude of countertrade request from TenneT.</p> <p>Energinet further stated that a distortive effect of the Danish day-ahead market price formation arising from the countertrade - regardless of its size - is not part of the decision drivers for the proposed methodology.</p> <p>Dansk Energi finds this line of argumentation deeply concerning as the net result over the combined time frame of the day-ahead and the intraday market is that no electricity is allowed to be traded from Denmark to Germany as a 'collateral damage' in the effort to solve any internal congestion anywhere in Germany. Dansk Energi finds such a condition to be an unacceptable and disproportionate outcome for Danish market participants in a solution to an internal German grid congestion problem.</p> <p>Energinet is not obliged by European regulation to accept an hourly down regulation request from TenneT the size of the entire Danish demand and Energinet cannot disregard, that they themselves calculate an average annual price distortion of 1-1.5 EUR/MWh.</p> <p>The underlying principles of access to neighboring markets and correct price and investment signals cannot be disregarded. However, the combination of the proposed methodology and the requested countertrade volumes would do just</p>	<p>Energinet refers to the general response regarding the economic and market impact of the intraday model.</p>

<p>that by forcing a predefined trade of power against the price direction in a market timeframe purposed for commercial trade among market participants and across borders.</p> <p>Dansk Energi remains available for further elaboration.</p>	
<p>Wind Denmark, Morten Yde Petersen, 30.08.2021</p>	
<p>Wind Denmark takker for muligheden for at afgive høringssvar til Energinets forslag til ny model for håndtering af modhandel. Wind Denmark anerkender behovet for ny model til håndtering af modhandel, men ser den foreslåede model som i konflikt med den europæiske regulering af det indre marked for energi og som et statsligt indgreb i elmarkedet, som vil være forvridende for prisdannelsen i uacceptabel grad.</p> <p>Wind Denmark anerkender Energinets grundlæggende behov for at justere den aktuelle model til indkøb af modhandel i forbindelse med implementering af MARI-plattformen på europæisk plan. En fortsat aktivering af specialregulering til indkøb af modhandel er ikke mulig i det fælles nordiske regulerkraftmarked på sigt, da overgangen til MARI-plattformen besværliggør dette.</p> <p>Wind Denmark påpeger, at antallet af leverandører til Energinet vil kunne øges via andre metoder end et indkøb i intraday markedet. Wind Denmark opfordrer til, at Energinet gennemfører en reel undersøgelse af flere løsningsmodeller end den foreslåede intraday model.</p> <p>Det er Wind Denmarks opfattelse, at en TSO-TSO-model som en udvikling af det nuværende samarbejde mellem de nordiske TSO'er i det fælles nordiske regulerkraftmarked bør inddrages i Energinets videre evaluering af modeller til håndtering af modhandel, som sendes til Forsyningstilsynet.</p>	<p>Energinet bemærker, at Forsyningstilsynets godkendelse af modhandelsmodellen ikke forhindrer Energinet i af dække alternative modeller fremadrettet. Energinet igangsætter et bredt langsigtet nordisk arbejde vedrørende modhandel i norden.</p> <p>P.t. eksisterer der imidlertid ikke andre løsninger, som vil kunne implementeres inden november 2022.</p>

<p>Wind Denmark støtter ikke op om og er uforstående overfor Energinets foreslåede model, hvor modhandel indkøbes i intradaymarkedet, da det vil forvride og influere den fri prisdannelse i elmarkedet negativt. Det vil skade de eksisterende elproducenter i Danmark og projektudviklere af vedvarende energianlæg i en grad, der vil påvirke investovilkårene negativt.</p> <p>En konsekvens af den foreslåede intradaymodel vil således være, at man vanskeliggør indfrielsen af 70 %-målsætningen og den politiske målsætning om udbygning af vedvarende energi på markedsvilkår.</p> <p>Wind Danmark hæfter sig ved, at Energinets foreslåede model er uden påviselig samfundsøkonomisk gevinst, har en negativ klimaeffekt i Danmark, samtidig med at priseffekten for spotmarkedet og de kommercielle aktører negligeres. Det er samtidig en model som går imod en enig branches anbefaling om en alternativ håndtering af modhandel, som imødekommer de nødvendige behov om en mere efficient håndtering af modhandel uden den negative påvirkning af elmarkedet.</p> <p>Wind Denmark gør desuden opmærksom på, at når Energinet henviser til, at intraday modellen i dag anvendes i Tyskland til modhandel har den tyske TSO's aktivering af opregulering til modhandel ingen indvirkning på prisdannelsen i spotmarkedet i Tyskland. Dette vil være i modsætning til Energinets eventuelle anvendelse af intraday modellen i Vestdanmark, som vil være forvridende for prisdannelsen i spotmarkedet. Wind Denmark henviser her til, at størrelsen på modhandlen i Vestdanmark i perioder vil svare til det vstdanske elforbrug.</p> <p>Wind Denmark opfordrer derfor til, at Energinet belyser konsekvenserne af anvendelsen af intraday modellen i Tyskland og perspektiverer dette i forhold til konsekvenserne af anvendelsen af intraday modellen i Vestdanmark.</p> <p>Wind Denmark anbefaler en TSO-TSO-model til håndtering af modhandel.</p>	<p>Se det generelle høringssvar vedr. økonomisk og markedsmæssig påvirkning.</p>
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Frem for den foreslåede intradaymodel har Wind Denmark løbende argumenteret for en TSO-TSO-model, hvor modhandelen håndteres indenfor en model lignende det fælles nordiske regulerkraftmarked, som allerede i dag håndterer specialregulering og modhandel.

Man vil således kunne udvide et allerede velfungerende samarbejde til også at omfatte modhandel, uden påvirkning af prisdannelsen på de kommercielle markeder og uden et statsligt salg af el i konkurrence med kommercielle aktører. Wind Denmark efterlyser, at Energinet forholder sig konkret til, hvordan en sådan model vil kunne implementeres ved siden af den europæiske MARI-plattform.

Wind Denmark anfægter Energinets udlægning af, at man har afsøgt mulighederne for at indgå i et nordisk TSO-TSO-samarbejde med begrundelsen, at den norske TSO ikke har tilstrækkelig interesse i modellen.

Det er Wind Danmarks opfattelse, at Energinet ikke i tilstrækkelig grad har arbejdet for hverken alternative modeller eller en TSO-TSO-model - en model, der vil kunne imødekomme de nødvendige behov uden negative konsekvenser for markedet. Wind Denmark henviser til, at den svenske TSO tidligere ikke har afvist at indgå i et TSO-TSO-samarbejde omkring modhandel.

Yderligere argumenterer Energinet med, at det ikke vil være tilrådeligt at udvikle et *nyt nordisk marked* med en TSO-TSO-model – dette er imidlertid ikke tilfældet. Da der, som just beskrevet, allerede i dag er et velfungerende samarbejde på det fælles nordiske regulerkraftmarked, som vil kunne udvides til at omfatte modhandel. Dermed er det ikke en nyudvikling af et marked eller samarbejde, men en udvikling af en eksisterende handelsplatform. Den foreslåede intradaymodel vil også medføre udvikling og tilpasning af IT på samme vis som en TSO-TSO-model.

Endelig afviser Energinet TSO-TSO modellen med:

"It was assessed that the Nordic TSO-TSO CT model would not offer better solutions to the challenges in Danish countertrade practice than an intraday-based solution, nor provide a better competitive basis"

Fra Wind Danmarks og branchens synspunkt, leverer TSO-TSO-modellen, hverken bedre eller ringere løsninger på de grundlæggende behov, der nødvendiggør implementeringen af en ny model for modhandel.

Energinet har, som beskrevet i høringsmaterialet, undersøgt interessen blandt de nordiske TSOer for en nordisk TSO-TSO model og har ikke fundet, at der har været interesse i at etablere en sådan model.

Jf. beskrivelsen omkring MARI, mener Energinet ikke, at det efter Energinets tiltræden til MARI vil være muligt for Energinet (eller andre TSOer tiltrådt MARI) at benytte mFRR bud til modhandel, da modhandel ikke falder under nogen af kategorierne for systembegrænsninger (system constraints) jf. metoden for aktiveringsformål udarbejdet i forlængelse af artikel 29(3).

<p>TSO-TSO-modellen har imidlertid de samme nødvendige egenskaber og løsninger som intradaymodellen, men med den helt afgørende forskel, at man hverken underminerer det indre marked for energi eller forvrider og influerer prisdannelsen i et kommercielt marked.</p> <p>Wind Denmark efterspørger, at Energinet forholder sig til de negative konsekvenser ved intradaymodellen og lader de negative konsekvenser ved modellen indgå som evalueringsparametre i ansøgningen om metodegodkendelse hos Forsyningstilsynet.</p>	<p>Energinet henviser til det generelle svar vedrørende markedspåvirkning.</p>
<p>Intradaymodellen er indgribende i et kommercielt marked og har yderst tvivlsomme gevinster</p> <p><i>Samfundsøkonomiske beregning</i></p> <p>Energinet har tidligere for det politiske system og branchen begrundet sit valg af model med, at intradaymodellen var samfundsøkonomisk fordelagtig. Imidlertid har man først i forbindelse med indeværende høring fremlagt beregninger herfor, hvor det ikke kan konstateres, at der ved en overgang til intradaymodellen vil være en samfundsøkonomisk gevinst i forhold til den gamle model.</p> <p>Det beskrives på side 41: <i>"... the intraday methodology cannot quantitatively be shown to be socioeconomically more efficient than the current Danish countertrade practice."</i></p> <p>Wind Denmark finder det kritisabelt, at man fra Energinets side har argumenteret for og lagt sig fast på en model på baggrund af en ikke dokumenterbar samfundsøkonomisk gevinst.</p>	<p>Energinet vurderer, at der ikke findes alternativer til intradaymodellen som er mulige at implementere før november 2022, hvor den nuværende model ikke længere kan benyttes.</p> <p>Energinet har redegjort for, at der er betydelige usikkerheder forbundet med opgørelsen af de samfundsøkonomiske effekter, da Energinet ikke besidder information om de underliggende alternativomkostninger ved den nuværende metode. Energinet rapporterer spænd for de estimerede effekter, som på grund af usikkerheden er så brede, at en entydig konklusion ikke er mulig. Den teoretiske analyse er dog entydig til fordel for intradaymodellen. Energinet bemærker, at høringssvaret ikke</p>

	<p>påpeger fejl eller udeladelser i den teoretiske analyse.</p> <p>Den samfundsøkonomiske påvirkning af intradaymodellen i forhold til en ikke-mulig specialreguleringsmodel er således irrelevant for intradaymodellen som metode.</p> <p>De rapporterede tal for samfundsøkonomi skal således udelukkende betragtes som information, og ikke som en del af beslutningsgrundlaget for valget af intraday-modellen.</p>
<p>Endvidere er en samfundsøkonomiske beregning, hvor man sammenligner med den aktuelle model for modhandel, som man er forpligtiget til at ændre, i bedste tilfælde irrelevant. Den relevante samfundsøkonomisk beregning af Energinets foreslåede model bør sammenlignes med alternative modeller og gerne en reference, hvor Tennes selv håndterer den interne netbegrænsning. Dette har Energinet desværre undladt og det er Wind Denmarks opfattelse, at en fyldestgørende ansøgning om metodegodkendelse vil indeholde en evaluering af flere alternative løsninger - herunder TSO-TSO-modellen.</p> <p>Wind Denmark opfordrer til, at man afsøger alternative modeller til den foreslåede intradaymodel. Hvor de enkelte modellens effekt på både producenter, elmarkedet og statskassen (i form af øget udgifter til CfD-kontrakter) indarbejdes i den samfundsøkonomiske beregning.</p>	<p>Energinets modhandelsmodel omhandler håndtering af den energi, som TenneT ønsker at afsætte i Danmark, og som Energinet sikkert kan håndtere. Omkostningerne ved intern håndtering for TenneT er i den henseende principielt ligegyldige. TenneT må dog antages ikke at søge modhandel, hvis omkostningerne herved overstiger omkostningerne ved en intern håndtering.</p> <p>I øvrigt har Energinet præciseret, at metoden ikke omfatter den volumen,</p>

	<p>som andre TSOer måtte efterspørge, men hvordan den accepterede volumen håndteres.</p>
<p><i>Tvivlsom klimagevinst</i></p> <p>Energinet beror desuden sit valg af model på baggrund af en klimagevinst, som fra Wind Denmarks opfattelse kan betegnes som værende tvivlsom. Tilbage fra Energinets klimaeffektsberegning står, at intradaymodellen unægtelig skader den danske 70 %-målsætning gennem en øget dansk nettoudledning, mens den europæiske klimagevinst, som teoretisk vil finde sted i Tyskland overvurderes.</p>	<p>Klimapåvirkning er ét af de hensyn, det påhviler Energinet at varetage i sin opgaveløsning. Derfor redegør Energinet i metodeanmeldelsen for sin vurdering af modellens påvirkning på klima.</p> <p>Energinet har i rapportering omkring forventet klimagevinst anlagt en europæisk betragtning, ligesom Energinet også har anlagt en europæisk betragtning angående informationen omkring samfundsøkonomi.</p>
<p><i>Negative konsekvenser for elmarkedet og dets aktører</i></p> <p>Den af Energinet foreslåede model har en række betydelige negative konsekvenser for elmarkedet og de kommercielle aktører, som udfoldes herunder, og omfatter:</p> <ol style="list-style-type: none"> 1. Statsligt salg af strøm i konkurrence med private aktører 2. Underminering af det indre marked for elektricitet 3. Åbne ordrebøger med offentlige priser og mængder 4. Negativt prispres på spotmarkedet negligeres 5. Prisfald vil medføre meromkostning for statskassen 6. Øget omkostninger til balancering 7. Usikre rammer for investeringer i fleksibilitet 	<p>Energinet henviser til den generelle replik vedrørende vedr. økonomisk og markedsræssig påvirkning på pkt. 1, 2, 4, 5, 6 og 7.</p> <p>Vedr. pkt. 3 har Energinet har lavet ændringer i metoden, så budpriser ikke længere er synlige for markedet.</p>

1. Statsligt salg af strøm i konkurrence med private aktører:

Den foreslåede model for indkøb af modhandel i intradaymarkedet indebærer et de facto statsligt salg af energi på en kommerciel handelsplatform i konkurrence med spotmarkedet, hvor den danske vindenergi bliver solgt af Wind Denmarks medlemmer. Et konkurrenceforvridende statsligt elsalg, som kan betegnes som egentlig prisdumping. Dette udfoldes yderligere i punkt 3. *Åbne ordrebøger med offentlige priser og mængder.*

Det er Energinets egen vurdering, at den nye indkøbsmodel vil medføre, at elforbrugerne vil få et mindre incitament til at deltage i spotmarkedet i Vestdanmark samt medfører spekulativ adfærd fra aktører, der vil flytte elforbrug fra spot- til intradaymarkedet. Dette vil underminere det indre marked for energi og forvride prisdannelsen i sportmarkedet. Disse to aspekter udfoldes yderligere i punkt 2 og 3 herunder.

Wind Denmark efterspørger en modhandelsmodel, som hverken indebærer et statsligt salg af strøm i konkurrence med private aktører, eller forvridning af prisdannelsen i spotmarkedet.

2. Underminering af det indre marked for elektricitet:

Hensynet til et velfungerende spotmarked ser Wind Denmark som et afgørende argument for at søge alternative løsninger til den foreslåede model. Det forhold, at den foreslåede model bygger på at fjerne kapaciteten i intradaymarkedet er ikke alene i strid med forordningen om det indre marked for elektricitet (2019/943) det står også i skærende kontrast til bevæggrunden bag den tyske systemoperatør TenneT's aftale med EU-Kommissionen om at sikre handelskapaciteten på minimum 70 % på forbindelsen mellem Jylland og Tyskland.

Et mindre incitament for elforbrugerne til at deltage i spotmarkedet i Vestdanmark vil fjerne effekten af den øgede handelskapacitet på forbindelsen mellem Jylland og Tyskland. Intradaymodellen vil derfor underminere hensigten om et velfungerende spotmarked og det indre marked for energi, som er et bærende element i EU-Kommissionens "Clean Energy Package".

Energinet henviser til den generelle replik vedrørende vedr. økonomisk og markedsræssig påvirkning

<p>Wind Denmark hæfter sig ved, at en af de grundlæggende hensigter med intradaymarkedet er, at aktører kan handle mindre ubalancer på plads inden driftstimen. Men ved den foreslåede intradaymodel vil man flytte store forbrugsmængder fra spotmarkedet til intradaymarkedet – herved risikerer man fra Wind Denmarks synspunkt at indføre større usikkerheder og fordyre ubalancer i elsystemet og for den enkelte aktør, som utilsigtet bivirkning.</p>	
<p>Håndteringen af modhandelsbehovet fra Tyskland, der er foranlediget af interne tyske flaskehalse, har under den gældende model ført til nedregulering af dansk produktion, som har kunnet levere billigere nedreguleringen, end hvis man internt i Tyskland havde reduceret egen produktion. Ved at implementere en model, hvis formål i særdeleshed sigter efter at levere billigst mulig nedregulering til den tyske TSO på bekostning af det indre marked, fjerner man incitamentet for den tyske TSO til at forstærke eget net og løse egne kapacitetsudfordringer.</p>	<p>Energinet henviser til det generelle juridiske svar, og fremhæver i øvrigt at Energinet har ikke valgt intradaymodellen af hensyn til omkostningerne for TenneT, men fordi intradaymodellen jf. høringsmaterialet er det eneste andet alternativ – og at modellen i øvrigt er et bedre alternativ.</p>
<p>Dermed indebærer den foreslåede model fra Energinet en de facto eksport af en intern tysk kapacitetsbegrænsning til Danmark på bekostning af danske producenter. Det burde dermed ikke være muligt for TenneT at afsætte en større modhandelsvolumen end, hvad der præcist er påkrævet for at modgå et sydgående flow - som er blevet fastsat i spotmarkedet - fra Danmark til Tyskland på grænsen DK1-DE. Wind Danmark finder det afgørende af skelne mellem modhandelsbehov foranlediget af interne tyske flaskehalse eller en flaskehals på den dansk-tyske grænse.</p>	<p>Energinet henviser til det generelle svar om juridisk compliance.</p>
<p>3. Åbne ordrebøger med offentlige priser og mængder</p> <p>Wind Denmark hæfter sig ved, at Energinet lægger op til en model, hvor modhandel handles på intradaymarkedet med åbne ordrebøger, hvor mængder og priser er offentliggjort. Wind Danmark er meget bekymret for Energinets foreslåede praksis, hvor man med Energinets egne ord: ” ... enters with a price that is generally more attractive than the market level on the specific day” Man vil således tilbyde en lavere og mere attraktiv pris end den markedsfastsatte.</p> <p>Som Energinet skriver i høringsmaterialet: ” Most countertrade will be structural in nature, ie. it can be identified well before the operational hour;”</p>	<p>I forlængelse af høringen har Energinet ændret modellen, sådan energien nu vil blive handlet i intradaymarkedet uden at prisen og det præcise handletidspunkt publiceres inden handletidspunktet.</p>

Det er ikke blot i god tid inden driftstimen, men længe inden spotmarkedet lukker, at professionelle aktører kan estimere behovet for strukturel modhandel med stor sikkerhed. Det betyder at store forbrugsmængder vil flytte til intraday, da man her kan indkøbe strøm til priser under den markedsfastsatte. Et resultat heraf vil være et betydeligt prisfald i spotmarkedet i timer med modhandel. Modhandel sker primært i timer med høj vindproduktion, hvor Wind Denmark's medlemmer producerer og sælger strøm i spotmarkedet i Vestdanmark.

De betydelige forbrugsmængder, der vil gå fra spotmarkedet til intraday, er ifølge Wind Denmark yderst bekymrende og et fundamentalt problem ved den foreslåede model, som udfordrer de grundlæggende mekanismer og hensigter med elmarkedets opbygning.

Det er uforståeligt, at en statslig virksomhed som Energinet aktivt vil søge forvridding af prisdannelsen i et kommercielt marked på bekostning af danske aktører med henblik på at opnå en besparelse på driften af elsystemet for den tyske TSO.

4. Negativt prispres på spotmarkedet negligeres:

Energinet anerkender, at den strukturelle modhandels behov er forudsigelig og vil bevirke, at forbrug vil flytte fra spot- til intradaymarkedet.

Energinet har tidligere oplyst til Folketinget, at effekten af den nye modhandelsmodel på den generelle elpris fremadrettet vil være i størrelsesordenen 0,1-0,2 øre/kWh.

Med et modhandels behov i størrelsesordenen, som i perioder vil svare til hele elforbruget i Vestdanmark er det Wind Denmark's vurdering, at en eventuel implementering af Energinets foreslåede model, vil medføre et uacceptabelt nedadgående prispres i spotmarkedet i Vestdanmark pga. en mindre deltagelse fra forbrugssiden i perioder med betydelige produktioner af vindenergi.

I øvrigt henviser Energinet til den generelle replik vedr. intradaymodellens økonomiske og markeds-mæssige påvirkning.

Energinet har tilføjet beregninger for den vindvægtede pris. Energinet gør desuden opmærksom på, at opdaterede beregninger viser en større prispåvirkning end tidligere rapporteret. Usikkerhed omkring omfanget af prisudligning mellem day-ahead og intraday-markedet gør det imidlertid svært for Energinet præcist at vurdere, hvor stor prispåvirkningen vil være. Energinet har rapporteret prispåvirkningen ud fra perfekt prisudligning, selvom dette må antages at over urealistisk.

I 2020 oplevede man i forbindelse med coronakrisen store udsving i elforbruget, hvor bl.a. et betydeligt fald i elforbruget i første kvartal og andet kvartal medførte meget store fald i elprisen på spotmarkedet. Det er Wind Danmarks opfattelse, at det er en uundgåelig konsekvens af Energinets forslag, at når store dele af forbruget i Vestdanmark vil forlade spotmarkedet, vil dette medføre en betydelig priseffekt på vindens afregningspris.

Wind Denmark er bekymret for, at Energinet negligerer priseffekten og konsekvensen for elmarkedet i deres foreslåede model til indkøb af modhandel, hvor effekt modelleres som en eksport begrænsning i spotmarkedet frem for fald i forbruget.

Et prisfald i spotmarkedet i Vestdanmark vil få en betydelig negativ indvirkning på driftsøkonomien i eksisterende vindprojekter og gøre det vanskeligere at imødekomme de politiske ambitioner for udbygning af vedvarende energi på markedsvilkår.

Wind Denmark henviser til formålsbestemmelsen i lov om Energinet, som Wind Denmark ser som værende i strid med Energinets forslag om indførelsen af en intradaymodel, da man med den foreslåede model lader lavest mulige omkostninger til modhandel (for den tyske TSO) være afgørende for valg af model, frem for en helhedsorienteret og efficient håndtering af modhandelsudfordringen.

Wind Denmark hæfter sig ved at man på side 49 i høringsmaterialet anfører: "*... the increased market size in the intraday methodology also ensures competitive efficient consumer prices...*". At der er tale om mere effektive forbrugerpriser stiller Wind Denmark sig kritisk overfor da modellen forvrider prissætning i elmarkedet og dermed i modstrid med hensigten om, at der i et velfungerende marked for energi, skal prisen i spotmarkedet afspejle handelskapaciteten på grænsen mellem prisområderne.

Dermed skaber Energinets model tvivl ved en af de helt centrale mekanismer i det indre marked for elektricitet – prissætningen.

Wind Denmark er bekymret for, at Energinets forslag reelt vil medføre diskrimination af vstdanske elproducenter, da Energinets forslag medfører, at vstdanske elproducenter vil blive udsat for en prissætning i spotmarkedet, som afspejler

den fysiske flaskehals ved Hamborg. Dette vil være i modsætning til tyske elproducenter i Schleswig-Holstein som vil blive udsat for en prissætning i spotmarkedet som afspejler handelskapaciteten på grænsen mellem Vestdanmark og Tyskland.

5. Prisfald vil medføre meromkostning for statskassen

Det er Wind Denmarks opfattelse, at et statsligt salg af elektricitet på en kommerciel handelsplatform i en størrelsesorden, som i perioder vil svare til hele elforbruget i Vestdanmark, vil være forvridende for prisdannelsen i spotmarkedet i en grad, der vil fordyre den grønne omstilling unødigt, med en priseffekt, der langt overstiger Energinets beregninger.

Et betydeligt fald i prissætningen i spotmarkedet i Vestdanmark i perioder med betydelig produktion af vindenergi vil samtidig få en negativ indvirkning på den danske stats udgifter til CfD-kontrakter til vedvarende energi. Dette vil yderligere få betydelig negativ indvirkning på allerede gennemførte investeringer i vindenergi, som er afhængig af spotprisen, f.eks. anlæg opført efter teknologineutrale udbud.

Et beregningseksempel udført af Wind Denmark baseret på et overslag over en mulig priseffekt på 2-5 øre/kWh pr. år, viser at den foreslåede intradaymodel kan medføre en øget årlig omkostning for statskassen til CfD-kontrakter i størrelsesordenen 121-277 mio. kr. i perioden frem mod 2030. Det er derfor Wind Denmarks opfattelse, at det er uundgåeligt, at Energinets forslag vil få indvirkning på den danske stats udgifter til CfD-støttet havvind.

Denne omkostning til øget statsstøtte af VE via CfD-kontrakter er ifølge Wind Denmark være essentiel del af en relevant samfundsøkonomiske beregning, se særskilt afsnit herom, og underbelyst i Energinets høringsmateriale.

6. Øget omkostninger til balancering for danske aktører

Wind Denmark hæfter sig ved, at den foreslåede model vil medføre en øget pris og samlet udgift for balanceafregning til opregulering, da modhandelsmængderne ikke længe vil kunne blive udlignet med modsatrettede ubalancer i balance-markedet. Det er ikke efficient, at modhandelsvolumener ikke længere vil kunne udlignes med modsatrettede ubalancer i nettet, da dette vil bidrage til at minimere balanceomkostningerne samlet set.

Da modhandelsenergi ikke er udtryk for en ubalance ser Energinet ingen konflikt med Artikel 22 i EBGL.

I forhold til efficiensbetragtningen er det korrekt, at det ikke vil være muligt

Dermed står den foreslåede model i modsætning til hensigten i Kommissionens forordning (2017/2195) artikel 22 om fastsættelse af samarbejde for udligning af modsatrettede ubalancer, som har til formål at sikre en omkostningseffektiv balancering af det fælles europæiske elsystem. Wind Denmark efterlyser, at Energinet redegør for, hvordan den foreslåede intraday model opfylder den europæiske lovgivning også på dette område.

En TSO-TSO-model muliggør udligning af modsatrettede ubalancer, hvilket vil være mere efficient løsning end Energinets foreslåede model – i overensstemmelse med forordningen - samtidige med, at alle øvrige behov imødekommes.

7. Usikre rammer for investeringer i fleksibilitet

Med Energinets foreslåede model ændrer man grundlæggende på indkøb af modhandelsydelse ved at flytte håndteringen fra balancemarkedet til intradaymarkedet. Danske aktører, der har fortaget dyre millioninvesteringer i IT-løsninger, for at kunne levere en reguleringsydelse til Energinet, for at kunne afhjælpe en intern tysk netproblematik, har med kort sigt udsigt til at få fjernet grundlaget for de gennemførte investeringer, hvormed værdien af investeringen udhules.

Wind Denmark finder det yderst problematisk at grundlaget for de gennemførte investeringer og dermed investortilkår ændres fundamentalt, både med kort varsel og uden grund - i særdeleshed da der er andre og bedre modeller end den foreslåede.

Modhandel giver behov for ned- ikke opregulering:

Wind Denmark hæfter sig ved, at Energinet i afsnit 2.3 kæder et manglende udbud af opregulering, sammen behov for en ny model. Den foreslåede model er tiltænkt at håndtere den strukturelle modhandel, som i alle praktiske henseender vedrører nedregulering af produktion i Danmark. Et behov der afstedkommer af en intern flaskehals i det tyske elsystem, hvor det primært er i timer med stor produktion af vindenergi, at behovet for modhandel og deraf nedregulering af dansk produktion opstår. Dermed er den aktuelle mangel på aktivering af opregulering ikke et argument for den foreslåede intradaymodel frem for andre modeller.

at udligne modhandelsenergi med systemubalancen, men i stedet vil day-ahead prisen formentlig være lavere, hvilket vil frigøre ressourcer til at levere opregulering til en lavere omkostning. Efficiensmæssigt vil der således næppe være forskel på modhandelsenergien, der udlignes med systemubalancen i den nuværende model, og håndteringen af modhandelsenergien i intradaymodellen. Af denne årsag er udligning værdisat med den gennemsnitlige værdi estimeret for intradaymodellen.

I øvrigt henviser Energinet til det generelle svar omkring økonomisk og markedsfølsom påvirkning af intradaymodellen.

Energinet har ændret beskrivelsen af de begrænsede budmængder til at afspejle en efficiensrisiko, hvor utilstrækkelige bud i Danmark i den nuværende model på grund af den begrænsede markedsstørrelse vil medføre et behov for at afvise modhandelsønsker fra TenneT.

<p>Wind Denmark påpeger, at hvis den foreslåede model medfører, at Energinet kan aktivere opregulering i en driftstime, hvor man samtidig har solgt store mængder strøm i intraday markedet, vil dette ikke være udtryk for en effektiv drift af elsystemet i Danmark. Wind Denmark opfordrer derfor til, at Energinet belyser, hvorvidt den foreslåede løsning er i overensstemmelse med forordning 2017/2195 artikel 22.</p>	<p>Energinet henviser til det generelle svar om økonomisk og markedsræssig påvirkning af intradaymodellen.</p> <p>Da modhandelsenergi ikke er udtryk for en ubalance ser Energinet ingen konflikt med Artikel 22 i EBGL.</p>
<p>Problematisk udlægning af EU-lovgivning: Wind Denmark hæfter sig ved at Energinet i sin principielle gennemgang af EU-lovgivningen udlægger en ganske ensidig tolkning af EU-lovgivningens hensigter, som man ser som direkte understøttende for Energinets foreslåede intradaymodel.</p> <p>Wind Denmark ser ikke dette som en retvisende gennemgang af det lovgivningsmæssige grundlag for en ny model for modhandel. Et krav om effektive løsninger i den europæiske lovgivning kan argumentere for flere modeller, herunder også en TSO-TSO-model. Energinet bør som nævnt tidligere inddrage flere modeller for modhandel i evalueringskriterierne.</p> <p>Energinets foreslåede model er ifølge Wind Denmark et udtryk for en uhensigtsmæssig indblanding i markedet, der skader elmarkedet og går imod hensigten med det indre marked for elektricitet. Som det formuleres i præamblen punkt 6 i forordningen om det indre marked for elektricitet (2019/943):</p> <p><i>” Statslige indgreb, ofte udformet på en ukoordineret måde, har ført til øget forvridding af engroselectricitetsmarkedet, hvilket har haft negativ indvirkning på investeringerne og handelen på tværs af grænserne.”</i></p> <p>Den foreslåede model fra Energinet, har en forvriddende effekt og negativ indvirkning på prissætning i elmarkedet og underminerer aftalen om minimum 70 % tilgængelig handelskapacitet på udveksling af el mellem Danmark og Tyskland i</p>	<p>Energinet henviser til det generelle svar vedr. EU lovgivningen</p>

spotmarkedet. Dette skyldes, at den foreslåede model vil resultere i, at store forbrugsmængder flyttes fra netop spotmarkedet til intradaymarkedet og at transmissionskapaciteten mod Tyskland reduceres tilsvarende.

Derfor fjernes den sydgående kapacitet på DK1-DE fra intraday, hvormed den fulde kapacitet ikke er til rådighed for markedet og dermed begrænses udvekslingen af elektricitet på grænsen og intradaymodellen bliver en hindring for et velfungerende indre marked for elektricitet.

Den foreslåede intradaymodel er dermed i modstrid med elmarkedsforordningen (forordning 2019/943) artikel 16 stk. 8.

Det er Wind Denmark's synspunkt, at Energinet med den foreslåede model begrænser handelskapaciteten, som skal stilles til rådighed for det indre marked for energi og samtidig bidrager til at løse en intern tysk kapacitetsbegrænsning på bekostning af et ellers velfungerende elmarked i Vestdanmark.

Ved at indfører den foreslåede model er Energinet med til at mindske det økonomiske incitament for den tyske TSO til at løse egne interne flaskehalse.

Energinet begrundet sit valg af model af med, at den europæiske elmarkedsregulering tilsiger, at kapacitetsudfordringer skal løses med effektive markedssignaler til markedsaktører og TSO'er. Energinets vurdering af dette fremgår af side 37 i høringsmaterialet:

“Energinet’s assessment, that the intraday methodology should result in the lowest possible socio-economic costs based on a competitive price setting, and that this should be reflected in the price of the countertrade energy which is to be paid by the requesting TSO.”

Energinet tager dermed i sin vurdering af økonomisk efficiens et utilstrækkeligt evalueringskriterie da vurderingen alene beror på lavest mulige driftsomkostninger for TSO'en, som anmoder om modhandel. At vurderingen i sidste ende udelukkende forholder sig til den tyske TSOs omkostninger til modhandel er stærkt kritisabelt.

Energinet har ikke valgt intradaymodellen af hensyn til omkostningerne for TenneT, men fordi intradaymodellen jf.

<p>Fra Wind Danmarks synspunkt er det ikke alene i modstrid med formålsbestemmelserne i lov om Energinet og kravet om åben og lige adgang til elnettet for alle brugere, det er desuden en utilstrækkelig vurdering af de økonomiske konsekvenser af den valgt model.</p>	<p>høringsmaterialet er den eneste model der kan implementeres inden november 2022– og den er et bedre alternativ end den nuværende. De økonomiske betragtninger præsenteret i høringsmaterialet bidrager med en forståelse for de ændringer det vil medføre at skifte til en intraday model.</p>
<p>Opfordring til at afsøge alternative modeller</p> <p>Wind Denmark anerkender behovet for at justere den aktuelle model til indkøb af modhandel, men de alvorlige markeds-konsekvenser forbundet med Energinets foreslåede model bør føre til, at Energinet afsøger og aktivt arbejder for alternative modeller, herunder den omtalte TSO-TSO model. En model, der hverken forvrider prisdannelsen i spotmarkedet eller underminere det indre marked for energi, samtidig med at modhandelsproblematikken løses efficient og markedsbase-ret.</p> <p>I valget af model til håndtering af modhandelsudfordringen, foranlediget at interne tyske flaskehalse, er der bredere hensyn end lavest mulige omkostninger for den tyske TSO TenneT – navnlig hensynet til det indre marked for energi, mar-keds- og prisforvridding, balanceringsomkostninger samt omkostninger for den danske stat.</p> <p>Skulle ovenstående give anledning til spørgsmål, står Wind Denmark til rådighed for evt. uddybning om de afgivne kom-mentarer.</p>	
<p>TenneT Germany, Malte Drerup, Carsten Pflanz, 30.08.2021</p>	

Please find below the response of TenneT to the public consultation of Energinet's foreseen methodology for the procurement of countertrade energy in the Danish continuous intraday power market.

First of all we thank you for consulting us on the matter not only by means of the public consultation but even more during the whole process of development.

Furthermore, we acknowledge and very much appreciate the effort taken by Energinet to develop an advanced countertrading methodology, which is for the benefit of Denmark as well as the neighbouring countries.

Although we consider the proposed methodology an improvement compared to the current practice of making use of resources from 'special regulation' for the application of countertrade, we suggest considering the following aspects.

First and foremost, with regard to section 4.3.1.2, we suggest a more active trading approach. Placing the

whole volume in a single order per trading window (with a single price limit) poses two risks from TenneT perspective. Depending on the price limit you risk to end up with significant open positions (if the price limit turned out to be too low and there are not sufficient orders to match all countertrade orders), or with a high costs (if liquidity/supply was low, and the countertrade orders are matched with high priced orders). If your position was not fully covered in the first trading window, order limits have to be rather high in the second trading window to ensure sufficient countertrade energy. An active trading strategy, placing bids and setting limits depending on market situation during a longer trading session, in our view results in less impact on the market (e.g. prices from within the trading windows might be outliers distorting the price signal) and more favourable prices (i.e. lower costs of countertrade), which is in the interest of all grid users.

Also, we think there are disadvantages of trading the full volume of structural countertrade far in advance of delivery, since congestion forecast change when moving closer to delivery. Allowing for structural countertrade requests closer to delivery – in order to leave a (small) fraction of the initial countertrade need open and only request it when still necessary according to intraday congestion forecast – will increase efficiency and will avoid unnecessary market impact. This might be achieved either by continuous trades (at least during regular business hours) or a third trading window in the morning of the delivery day.

Regarding section 4.3.1.1. "Netting", we stress that not providing for netting will result in higher transaction costs (exchange fees) and might result in clearing at extreme prices (e.g. worst case if unlimited orders of two TSOs are matched the price will be +/- 9999 €/MWh to the disadvantage of the TSO whose order was entered second). Matching two TSO orders at extreme prices will result in inadequate high costs for one TSO and unjustified windfall profits for the other TSO plus an avoidable distortion of price signals to the market. We rather suggest to apply netting at a commonly accepted reference price like the hourly

Regarding section 4.3.1.2 "Capacity submission to SIDC (Single Intraday Coupling)", we would like to clarify that TenneT does not reduce the NTC (Net Transfer Capacity) due to the countertrade but just provides the 'true' NTC (i.e. the operationally secure NTC without any minimum capacity included) to SIDC. Due to the minimum capacity offered and potentially allocated in the day-ahead timeframe, the AAC (Already Allocated

Based on consultation answers Energinet will switch to an active trading strategy. Trading time and price will not be published.

The structural countertrade will be possible to trade in 2-3 trading slots (some of which will be closer to delivery hour than the second window originally suggested in the public consultation) with the changes that has been made in relation to the switch to a more active trading strategy.

To keep the operational burden at a reasonable level, the structural countertrade will not be possible to trade continuously. Potential updates of CT volumes, adjustments of external TSO schedules and capacities every MTU on all Danish borders is simply too time consuming for the operators

Energinet agrees that the NTC provided to ID in the current process of adjusting the capacities is the true physical capacity, whereas the NTC provided to DA has been increased to comply with

Capacity) of SDAC (Single Day-Ahead Coupling) can exceed the true NTC resulting in the need for countertrade and a negative ATC (Available Transmission Capacity; $ATC = NTC - AAC$) in SIDC. Besides, considering the countertrade in the AAC only after the countertrade was fully executed and confirmed prevents the need to temporarily close the border in SIDC as mentioned in section 4.6.3.

Regarding section 4.3.2.3 "Publication of volumes and bid prices", the publication of the countertrade volume might have an adverse effect on the price formation. Although it might attract sufficient supply and foster competition, it might as well lead to a kind of pay-as-cleared pricing. If market participants see the total volume, they know the marginal order in the current order book that is needed to meet the full demand. They will adjust the ask price of their orders to (or just below) the ask price of the expected marginal order to capture the surplus. This will result in higher average prices for the requesting TSO compared to an approach with hidden demand for countertrade. The publication of the bid prices (order limits) might result in a more severe effect if the potential market supply is below the requested volume. If market participants foresee such a situation, they might place orders at the bid price of the TSO. Publishing only the forecasted volume of countertrade which might change when moving closer to real time (better forecasts) and for which it is unclear in which trading window (potential more than just two) it is placed in the SIDC order books,

TenneT commitments. The description of the current solution applied for capacity adjustment has been revised. Energinet and TenneT has together found a new capacity solution for the DK1-DE/LU border which is a part of the methodology.

The price will not be published with the changes made to the methodology based on consultation answers.

However, the demand for CT (CT volumes) will be published prior to trading.

<p>could reduce such risks. Our recommendation to Energinet is to actively monitor the effect of publication of volumes and bid prices, and to adjust the approach in case significant adverse effects on the price formation are observed.</p> <p>We hope this input is helpful for Energinet to further improve the countertrade methodology. In case of questions to the feedback provided via this letter, feel free to get in touch. We again thank Energinet for the consultation and the effort taken with regard to the countertrade methodology. In any case we are looking forward to continue our good cooperation.</p>	
<p>Lyngby Kraftvarmeværk A/S, Jakob Bendixen, 30.08.2021</p>	
<p>Lyngby Kraftvarmeværk A/S takker for muligheden for at afgive høringssvar.</p> <p>GENERELT</p> <p>Den fremlagt høring og Energinets ageren optil høringens offentliggørelse giver en oplevelse af at Energinet (ENDK) er underlagt en alternativ dagsorden, som ikke er en del af det fremlagte materiale. Vores frygt er at det kan være noget så dumt, som silotænkning og statistisk metode.</p>	<p>Energinet anerkender, at et skifte til intradaymodellen vil påvirke elsystemet på mange måder. Energinet henviser til den generelle replik vedrørende intradaymodellens økonomiske og markeds-mæssige påvirkning. Dette generelle svar redegør for, at påvirkningen af de mangeartede forhold, som høringssvaret oplister (omkostningen for TenneT, tarifindtægter for Energinet, den grønne omstilling, etc.) er resultatet af almindelig, sund konkurrence og</p>

således er at betragte som hensigtsmæssige. Hvis markedets prissignaler opfattes som utilstrækkelige ift. en given målsætning, er det Energinets opfattelse, at målsætningen bør understøttes gennem politiske tiltag frem for tiltag, der forvrider prisdannelsen i el-markedet.

DET KOSTER TENNET MANGE PENGE?

Energinets medarbejdere har ved flere lejligheder (aktørmøder, oplæg hos Dansk Fjernvarme, m.v.) fremført argument om, at den nuværende metode for specialregulering med TenneT DE koster mange penge.

	2021/6 MDR	2020	2019	2018	2017
Modtaget fra TenneT (GWh)	2.156	3.901	1.914	1.598	1.210
Nedreguleret hos danske aktører (GWh)	1.556	3.048	1.312	1.114	781
- Stop/reduktion af produktion fra termiske anlæg	44%	35%	46%	53%	64%
- Start af elkedler	22%	17%	22%	21%	22%
- Stop af vindmøller	34%	48%	32%	26%	14%
Gns. pris for al indenlandsk nedregulering (kr/MWh)	-122	-174	-92	-69	-57
Anvendt til ooregulering i bal.marked, netting (GWh)	600	853	602	484	429
Netting i % af overført mængde fra TenneT	28%	22%	31%	30%	35%
Gns. pris for netting i balancemarked (kr/MWh)	372	127	284	280	199

Det er derfor relevant at gennemgå fakta omkring økonomien i specialreguleringen med TenneT DE. Energinets egne tal viser klart, at nettobetalingen for special regulering går FRA ENERGINET TIL TENNET i 4 ud af de seneste 5 perioder, undtagelsen er år 2020, hvor Corona situationens ekstremt lave elpriser fik vendt betalingsflowet. Allerede i første del af 2021 er betalingsflowet tilbage i TenneT DE's favør, på baggrund af det normaliserede prisniveau.

Derudover skal det jo understreges, at TenneT DE jo kun vælger at benytte specialregulering i Danmark, fordi det er den billigste løsning, som de har til rådighed. Det er ikke noget de bliver tvunget til, det er et tilbud fra dansk side som TenneT DE helt frivilligt vælger at benytte.

Energinet har ikke argumenteret for, at det er den absolutte omkostning for TenneT, der spiller en rolle, men derimod at den pris, som TenneT modtager for modhandelsenergien ikke sættes under utilstrækkelig konkurrence og således er udtryk for en inefficent håndtering af modhandelsenergien. Fortegnet på prisen er i den henseende ligegyldigt.

		2021 6mdr	2020	2019	2018	2017
Modtaget fra TenneT	GWh	2.156	3.901	1.914	1.598	1.210
Nedreguleret hos DK Aktører	GWh	1.556	3.048	1.312	1.114	781
- reduktion termisk prod.		44%	35%	46%	53%	64%
- start elkedler		22%	17%	22%	21%	22%
- Stop vindmøller		34%	48%	32%	26%	14%
Gns. Pris for DK nedreg.	DKK/MWh	-122,00	-174,00	-92,00	-69,00	-57,00
Anvendt til opreg. Balance (netting)	GWh	600,00	853,00	602,00	484,00	429,00
%-del til netting		28%	22%	31%	30%	35%
Gns. Pris for netting		372,00	127,00	284,00	280,00	199,00
Cash flow fra TenneT til ENDK	mio. DKK	-190	-530	-121	-77	-45
Cash flow fra ENDK til TenneT	mio. DKK	223	108	171	136	85
Sum fra TENNET til ENDK	mio. DKK	33	-422	50	59	41

DET KOSTER ENERGINET MANGE PENGE?

Det Energinet, der faciliterer handlen mellem TenneT DE og de danske aktører, så det koster nogle ressourcer hos Energinet, omkostningen er ikke kendt. Men når man ser at specialreguleringen år efter år, har bidraget med 2 cifrede millionbeløb i indtægter til Energinet, så er det helt klart, at specialreguleringen er en betydelig overskudsforretning for Energinet.

Forøget forbrug		2021 6mdr	2020	2019	2018	2017
Elkedler	GWh	342	518	289	234	172
ENDK forbrugstarif (2021-niv.)	DKK/MWh	108	109	110	110	110
ENDK indtægt på forbrugstarif	mio. DKK	37	56	32	26	19
Reduceret produktion						
- reduktion termisk prod.	GWh	685	1.067	604	590	500
- Stop vindmøller	GWh	685	1.067	289	234	172
I alt	GWh	1.369	2.134	892	824	672
ENDKs provenu tab på reduceret produktion		1.369	2.134	892	824	672
ENDK Produktionstrif (2021-niv.)		7	8	10	11	12
	mio. DKK	10	17	9	9	8
ENDK selskabsøkonomi		27	39	23	17	11

Dette vil altså være det beløb, som på anden vis skal opkræves hos de danske forbrugere og producenter.

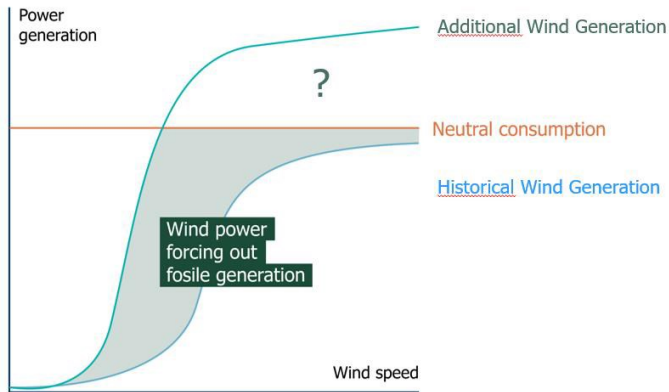
DEN GRØNNE BUSINESS CASE

Samlet set er specialreguleringen, et marked, hvor danske aktører kan hente omsætning og dermed forbedre business cases for investering i vindmøller, solceller, elkedler og varmepumper. Uden omsætningen fra specialregulering vil mange af disse investeringer ikke kunne foretages, og derved går Danmark glip af muligheden for yderligere kommercielt drevet grøn omstilling uden tilskud.

Som beskrevet i høringsmaterialet, vurderer Energinet, at Energinet skal anlægge et europæisk samfundsøkonomisk perspektiv, når modellen for håndtering af modhandelsenergi skal vælges. De lokale effekter for Danmark fx i forhold til tariffbetalinger er dermed underordnede.

Energinet anerkender denne påvirkning, men da Energinet jf. den juridiske analyse skal anlægge et europæisk og

	ikke et dansk samfundsøkonomisk perspektiv, er den beskrevne effekt underordnet.
<p>DEN GRØNNE OMSTILLING</p> <p>I høringsmaterialet er der lavet nogle statiske beregninger omkring CO2 betydning af special regulering.</p> <p>I stedet for at kigge på nogle beregninger, som ikke tager højde for, at vi er midt i en grøn omstilling, så bør vi i stedet for kigge på pengene (follow the money).</p> <p>I Danmark har vi sat os betydelige mål omkring grøn omstilling og CO2-neutralitet og her er samarbejdet med TenneT DE en del af det puslespil, der skal få det hele til at få op en grønner enhed.</p> <p>Det er vigtigt at understrege, at specialregulering betyder, at TenneT DE har et overskud af produktion fra vindmøller og solceller og derfor sender den grønne strøm ind i Danmark – understreget GRØN STRØM!</p> <p>Vi ser på Energinets data, at en betydelig del af specialreguleringen, leveres fra elkedler som benytter den grønne strøm fra TenneT DE til at reducere forbruget af naturgas (og evt. biomasse) i fjernvarmeproduktionen, dette ses også ved, at den termiske produktion lukkes ned, hvilket igen i stor udstrækning er fjernvarmeproduktion som reducerer CO2 udslippet.</p> <p>Udover elkedler og termisk produktion kommer den sidste og store del af specialreguleringen kommer fra vindmøller. Vindmøller i Danmark kan kun levere systemydelse (herunder specialregulering), hvis de er på markedsvilkår. Den specialregulering, der leveres fra vindmøller, er således kommercielt drevet, altså vindmøllerne leverer kun specialregulering, hvis der er en bedre økonomi i at gøre det, i forhold til alle andre muligheder.</p> <p>Hvis man forstår, at el har meget forskellig værdi fra periode til periode, så vil man indse, at de danske vindmøller kun lukkes ned, når værdien af den strøm de producerer, er meget lav og derfor ligeså godt kan leveres fra nordtyske vindmøller hos TenneT DE. Effektive danske reguleringsmarkeder gør det billigere at stoppe danske møller end tyske møller.</p>	<p>Overudbud resulterer generelt i en meget lav værdi af den givne vare. Dette gør sig også gældende i elsystemet.</p> <p>Anmodninger om strukturel modhandel er netop udtryk for et lokalt overudbud, som TSOen forsøger at løse mest effektivt.</p> <p>TSOen kunne løse overudbuddet lokalt ved at nedregulere lokal produktion, som ofte vil være VE-baseret og dermed have meget lave omkostninger. Med argumenterne anført i høringssvaret vil dette være en god løsning. Energinet er uenig i en sådan betragtning.</p> <p>Ved modhandel kan den nuværende model løse overbuddet ved at afsætte den overskydende energi i et større marked, i praksis i Danmark. Dette reducerer behovet for at nedregulere VE-produktion med meget lave omkostninger, men vil på grund af den relativt lille størrelse af det danske marked</p>



Figuren her viser power curve for vindmøller, arealet under den orange linje, er den produktion, som giver direkte grønt impact, her kan hele vindkraftproduktionen udnyttes. På kurven "Additional Wind Generation" ses, at denne udbygning af vindkraft bidrager til at fortrænge CO₂ under i situationer med lave eller mellemkraftige vindforhold, men i situationer med kraftig blæst, så er der en betydelig overproduktion fra vindmøllerne, fordi kapaciteten er udvidet for at opnå CO₂ reduktion under lavere vindhastigheder.

Dette forhold gør sig gældende i både Danmark og i Nordtyskland. Samlet set vil vi gerne have stor vindmøllekapacitet, så vi har grøn strøm til rådighed, når vi skal bruge det. Men det betyder også, at vi i nogle situationer, vil have en overproduktion (indtil der kommer nok PtX kapacitet) og her er det vi har specialreguleringen, som en simpel og enkelt metode til at værdisætte produktionen således, at den samlede værdi er størst.

Overkapacitet er helt naturligt og kendes fra mange brancher – vi har ambulancer, der er investeret mange millioner DKK i, som holder stille næste hele tiden, fordi vi gerne vil have kapaciteten, når vi skal bruge den. Bilka har mange kasser i kasselinien, som er lukkede næsten altid, men de skal bruges lørdag efter lønningdag. Og vi har vindmøller som står stille i nogle perioder, det er helt naturligt.

fortsat resultere i en potentielt omfattende nedlukning af VE-produktion, sådan som det skete i især 2020. I den nuværende model vil der således fortsat være et overudbud af energi.

Ved modhandel i intradaymodellen kan det lokale overudbud afsættes i et endnu større marked, hvormed behovet for nedregulering af VE-produktion minimeres. Dermed forventes overbuddet i størst muligt omfang at blive løst effektivt.

Dette ses tydeligt ved sammenligningen af priserne på nedregulering i den nuværende model, som har været meget lave (endda meget negative), med de simulerede priser for intradaymodellen i samme periode, som generelt er langt højere.

Nedlukningen af dansk vind er således udelukkende udtryk for en lokal overkapacitet, ligesom nedlukning af tysk ville være det, hvis der ikke fandtes

	bedre modeller. Energinet argumenterer for, at intradaymodellen netop er en sådan model.
<p>ELSYSTEMETS DRIFT</p> <p>Energinet har ved flere lejligheder beklaget sig over, at man finder det udfordrende at håndtere de store mængder af energi i specialregulering.</p> <p>Som nævnt ovenfor er der ikke tvivl om, at håndteringen af specialreguleringen kræver ressourcer hos Energinet, men at bruge det som argument for at fjerne specialreguleringen er i bedste fald et udtryk for samfundsskadelig silotænkning.</p> <p>Energinet er formentlig den TSO i verden, der råder over, den største mængde af frivillige ressourcer. Reguleringsressourcer, som der udviklet og investeret i med henblik på at kunne levere systemydelse til Energinet – herunder specialregulering. Fjernelse af specialregulering vil være groft misbrug af disse investorers tillid.</p>	<p>Energinet har påpeget, at håndteringen af de til tider meget store modhandelsvolumener udgør en driftsmæssig risiko, da volumenerne kunne håndteres tidligere i en anden model som fx intradaymodellen, hvilket ville reducere denne risiko.</p>
<p>Den store mængde af frivillige og billige reguleringsressourcer (herunder også den del som neutraliseres med TenneT DE) betyder, at ubalanceomkostningerne i Danmark er meget lave og dermed også medvirkende til at reducere risikoen ved at investere i vedvarende energi.</p> <p>Når vi omtaler dette som et <i>Silotækningsproblem</i>, så er det fordi Energinet ikke afholder omkostninger til ubalancer, her sendes omkostningerne blot videre til aktørerne og dermed fremgår balanceomkostninger, som omkostninger i Energinets regnskab, mest det for aktørerne er en helt reel omkostning.</p> <p>Balanceomkostninger betales af alle danske forbrugere og producenter, også hr. og fru Danmark over deres almindelig elregning.</p>	<p>Energinet anerkender, at ubalanceomkostningerne pålægges markedsdeltagere og således i sidste ende betales af elforbrugerne.</p> <p>Jf. den juridiske analyse skal Energinet anlægge et europæisk samfundsøkonomisk perspektiv, når modellen for håndtering af modhandelsenergi skal vælges. De lokale effekter for Danmark fx i forhold til balanceringsomkostninger er dermed underordnede.</p>
<p>DEN SAMLEDE ØKONOMI</p> <p>Specialreguleringen er samlet et betydeligt bidrag til den grønne omstilling:</p>	<p>Energinet anerkender, at den nuværende model er samfundsøkonomisk</p>

<ul style="list-style-type: none"> - Bidrager til grøn omstilling i Nordtyskland ved at være et håndtag TenneT kan benytte til at sikre balancering af mere VE - Bidrager til Energinets virksomhedsøkonomi og holder dermed tarifferne nede <p>Bidrager direkte med omsætning til grøn elproduktion solceller og særligt vindmøller i Danmark</p> <ul style="list-style-type: none"> - Bidrager til grøn varmeproduktionen i elkedler og varmepumper - Bidrager til holde balanceomkostningerne nede for danske forbrugere og producenter 	<p>mere effektiv end alternativet i form af nedlukning af tysk VE produktion, da der i den nuværende model sker nedregulering af termisk produktion, opstart af elkedler og udligning med ubalancer, som alt sammen skaber større værdi end nedregulering af VE produktion.</p> <p>Energinet vurderer dog, at intradaymodellen vil være endnu mere effektiv.</p> <p>Energinet anerkender, at den nuværende model kan have positive effekter set alene med danske briller, men vurderer jf. den juridiske analyse, at det ikke er et rent dansk samfundsøkonomisk perspektiv, men et europæisk perspektiv, der skal anlægges. De lokale effekter for Danmark er dermed underordnede.</p>
<p>DEN MANGLEDE SAMFUNDSØKONOMI I DANMARK</p> <p>Energinet vil med det fremsendte forslag, ikke afskaffe Specialregulering som koncept, men ændre metoden hvormed ubalancer fra TenneT DE udlignes.</p> <p>Det er Lyngby kraftvarmeværks opfattelse, at for at Energinet, som TSO i Danmark, kan foretage en metodeændring, skal der fremlægges samfundsøkonomiske beregninger, som viser forbedret samfundsøkonomi I DANMARK ved ændringen.</p>	<p>Energinet har fremlagt en juridisk analyse, der peger på, at det er europæisk lovgivning, der fastlægger rammerne for denne beslutning.</p>

På baggrund af ovenstående gennemgang, er det ikke sandsynligt, at der kan laves sådanne samfundsøkonomiske beregninger, og det må derfor være klart, at den nuværende metode til udligning af ubalancer med TenneT DE ikke kan ændres til det fremlagte.

Som nævnt i indledningen er vores frygt, at det korstog som Energinet har sat i gang mod specialreguleringen, dels skyldes solitænkning og dels statistisk metode.

Der er nemlig den statistisk uheldighed, at der Energinet (og politikerne) godt kan lide at fortælle, hvor meget grøn strøm, der bliver **produceret** i Danmark.

Måske kunne vi være sluppet for alt denne kamp om specialregulering, hvis man i stedet for gik op i hvor meget grøn strøm, der blev **brugt i Danmark**. Da specialreguleringen betyder, at danske møller lukker før tyske møller, så tæller produktionen med i Tyskland, mens strømmen forbruges i Danmark, da den erstatter de danske møllers produktion. Men for den globale opvarmning har det ingen betydning om møllerne står på den danske eller den tyske side af grænsen

For så vidt, at det måtte være korrekt, at det ikke er muligt at lave sådanne samfundsøkonomiske beregninger, er den eneste mulighed at basere en vurdering af de samfundsøkonomiske effekter på en teoretisk analyse. Energinet har fremlagt en sådan analyse, som er simpel og entydigt peger på, at intradaymodellen er bedst på grund af især den større grad af markedskobling.

Dansk industri, Louise Bank, 30.08.2021

DI takker for muligheden for at kommentere på Energinets udkast til ny metode for håndtering af modhandel.

DI bemærker indledningsvist, at vi overordnet set ikke finder udbredt brug af specialreguleringer hensigtsmæssigt. DI ser gerne, at specialreguleringer begrænses til de områder, hvor det er strengt nødvendigt, og hvor der ikke andre muligheder. DI ser således gerne, at mest muligt håndteres på frie kommercielle markeder, med god likviditet og bred adgang til deltagelse.

DI har noteret sig, at de modhandlede mængder el over den dansk-tyske grænse og prisen herfor er steget betragteligt i de senere år, med stor nedregulering på dansk side til følge. Der er således tale om, at handel med store mængder el håndteres uden for det frie kommercielle elmarked, og i stedet handles i et specialmarked med begrænset adgang kun for (relativt få) danske aktører – ovenikøbet til en høj pris.

<p>DI noterer sig endvidere, at modhandlen fint kan håndteres i det frie kommercielle elmarked, og yderligere vil kunne have den gavnlige effekt, at forbrugerpriserne falder. Et sådant nedadgående pres på forbrugerpriserne vil være til gavn for både de danske virksomheders konkurrenceevne og for elektrificeringen.</p> <p>DI ser således positivt på Energinets forslag til ny metode for modhandel.</p>	
<p>Centrica, Jan Gibbert, 30.08.2021</p>	
<p>In reference to Energinet's proposal on the methodology for procurement of countertrade energy, Centrica plc welcomes the possibility to provide the following comment.</p> <p>Centrica believes that the transition to trade balancing energy on the European balancing platform MARI does not require Energinet to implement the proposal. Instead, we strongly advise Energinet to rethink its methodological framework as it will create negative welfare effects for Danish consumers.</p> <p>We are happy to elaborate on our assessment in the following paragraphs and will engage actively over the coming months to ensure that an efficient framework is chosen.</p>	
<p>Centrica Comment</p> <p>As one of the largest energy trading companies in Denmark, Centrica is particularly exposed to changes to the availability of cross-border capacity with bordering countries. This is due to the fact that we actively optimize the positions of our renewable energy portfolio in the Danish short-term markets. We are, therefore, dependent on strong and undistorted price signals both in the day-ahead and intra-day market timeframe.</p> <p>However, we fear that Energinet's proposal would have quite the opposite effect. Firstly, it is our belief that the system will make it more difficult to forecast market behaviour and wholesale prices. As the TSO (or a third party) is required to procure large volumes of countertrading energy within a constrained intraday market. Particularly as the export capacity</p>	<p>Energinet refers to the general response regarding the economic and market impact of the intraday model.</p>

<p>between the market zones DK1 and DE/LU will be restricted during these situations. Secondly, the limitation of cross-border capacity between DK1 and DE/LU will reduce positive welfare effects for consumers and hurt flexible assets, since the functioning of the Single Intraday Coupling regime (SIDC) is strongly disturbed. Therefore, this intervention into the Danish wholesale market and the European Single Intraday Coupling regime (SIDC) should be more convincingly assessed by Energinet. Also, regarding its proportionality, given the fact that it's a mere consequence of internal German grid congestions.</p>	
<p>On a more general note, it is surprising to us that even after the EU Commission's antitrust decision from December 2018, Energinet proposes to establish a regime which would restrict the capacity on the DE-DK1 interconnector. An action by German TSO Tennet that was deemed to have anticompetitive effects on electricity generators in Western Denmark and the Nordics. We would be interested to understand if the implications of Energinet's proposal on German electricity generators have already been discussed with the DG Competition, and if any preliminary assessment can be shared with market parties.</p> <p>Lastly, and besides the wider concerns regarding its impact on the overall market functioning, we believe that the proposal does not comply with the EU regulatory framework for the availability of cross-border capacity. According to Regulation (EU) 2019/943, the reduction in cross zonal capacity due to internal congestion in one bidding zone should be avoided. We therefore disagree with Energinet's elaboration that this principal only applies to the day-ahead market and not the intraday market. Instead, Regulation (EU) 2019/943 provides clear principles for the allocation of cross-border capacity, in which it emphasizes that it should be non-discriminatory, give efficient economic signals to market participants, and maximise the opportunities for market participants to participate in cross-zonal trade.</p> <p>Centrica encourages Energinet and the Danish regulator to thoroughly assess the outlined arguments before taking a final decision. In addition, we would also like to point to the learnings of other European markets, in which TSOs received larger mandates to become active on the intraday market and which later proved to have a distortive impact on wholesale markets.</p> <p>We look forward to engage with Energinet on the points highlighted in the letter and remain available for discussion.</p>	<p>Energinet refers to the general reply on EU regulation.</p> <p>Energinet would also like to highlight that the practice with adjusting the intraday capacity when countertrading has been performed by TenneT since 2017 (as they procure countertrade energy in the intraday market). As such, the capacity provided to the intraday market will not be changed with the new intraday model and therefore poses no change to the fact that TenneT complies with the TenneT commitments when providing minimum capacities to the day ahead market.</p>
<p>Vattenfall, Esben Baltzer Nielsen, 30.08.2021</p>	

Vattenfall welcomes the opportunity to comment on Energinet's proposal for a new intraday countertrade model.

Vattenfall's high level position is that market-based solutions which maximizes competition and efficiency should be prioritized. Hence Vattenfall welcomes Energinet's proposal to use the intraday market as a means of ensuring capacity on the Danish (DK1) and German interconnector rather than the current situation with special regulation.

Shifting the countertrade to the intraday market will allow more actors to participate with increased market liquidity and competition as a direct consequence. This will result in more efficient prices to the competitive markets and ultimately more system- and socioeconomical efficiency to the benefit of society and climate.

In short the suggested model will offer the same qualities as the existing model when it comes to securing the capacity on the interconnector, but with the added benefit of increasing the efficiency.

Vattenfall perceive countertrading through the intraday market as a promising model for handling capacity on interconnectors, and would thus like to see it in use on other cross border flows going forward. It's a pragmatic way of solving challenges at hand, but also a new model where the prudent approach is to trade and test small volumes within the model and ramp up volumes with time and experience. We look forward to contributing to refining the model.

Concerns have been raised that the new model will distort wholesale market prices. Although this might be the case in the short term, we do not believe the model will have a significant impact in the long term on the Day-A-Head-volumes or prices. Already in the current model the potential risk of market players utilising countertrade for speculation exist. The difference is that trading takes place in the smaller regulation power market. Thus, we expect that this risk will diminish since the suggested model will substantially increase competition for these countertrade volumes.

Access to additional market liquidity and flexibility in Denmark and neighbouring countries will have a positive climate effect. When there is available trading capacity to nearby areas it will be possible to for instance decrease hydro power in Norway or Sweden instead of curtailing wind power in DK. That means storing water and saving valuable flexibility which can be utilised in other delivery periods when there is power shortage instead, decreasing the need for heat based power creating positive CO2-effects.

With regards to the timing of the trade we don't see a major challenge with Energinets proposal to execute these countertrades at 15:02, given current TSO-deadlines before 16:00. Postponing with some minutes (e.g. to 15:15) would give some extra margin for market participants to adjust their bids according to Intraday capacities published by the TSOs at latest 15:00. But since market players can place their bids beforehand (from 14:00) the additional benefit from such postponement is limited and must be compared to TSO deadlines and needs.

However, the regulatory framework and oversight emphasise the importance of Nordic TSOs always meeting the final deadline for publishing Intraday-capacities (before 15:00), and we expect the relevant authorities to take action if this would not be the case.

Energinet has changed the description in the methodology on behalf of consultation answers and a check of availability of cross border capacity will be performed before trading.

<p>We believe that This strategy has some clear advantages since it enables outsourcing of trade execution to a 3rd party and in theory it may also have positive impact from a market liquidity perspective. However, liquidity is a common issue in the Nordic Intraday market especially short term (if you need to trade large volumes at a short time period), but when there is a concrete buy or sell need (with high payment power) then the additional volume will arise over time.</p>	<p>Energinet finds that active trading also can be done automatically with an algorithm, which is why it may be possible to outsource the trade execution to a third party even under an active trading approach. This will be explored with a market study prior to a tender process.</p>
<p>PowerMart, MFT Energy, InCommodities, Emil Kildegaard Gerhardt, 31.08.2021</p>	
<p>As a preliminary matter, we appreciate how inclusive Energinet has been in its dialogue with stakeholders, and how thorough it has been in continuing to call for workshops to help ensure that all stakeholder views and opinions have been discussed openly. In our view, this transparent and nondiscriminatory approach gives the best foundation for Energinet's work and for the market to operate as efficiently as possible.</p> <p>On the proposed Intraday Methodology, we welcome a market-based approach, where all participants can contribute to offering flexibility. In our opinion, this motion supports both the European Single Market and Clean Energy Package. The motion also values the contributions of all market participants to achieve a more flexible, fair, economic and environmental solution than the current methodology.</p> <p>We reference some of the elements that we consider relevant in the final evaluation of the proposal by Energinet below:</p>	

Trading windows

In the proposed model, the countertrading windows take place immediately following the release of the Nordic XBID ATC and subsequent Continental XBID ATC, which we consider very important for obtaining the maximum liquidity for the countertrades.

We are, however, concerned as to how much trading costs could suffer, should the capacities release timing change, so we would recommend that Energinet has the option to change timing on the trading windows in order to peg them to the capacity releases.

We are not particularly concerned about delayed capacities, as our observation is that they are released punctually. However, in the past, there were, on occasion, frequent delays when one or more TSOs forgot to release their capacities or suffered from technical issues. Should such behaviour occur again, we would expect market efficiency to suffer significantly, though it would still be superior to current countertrade model. Our view is that, whatever instability has been experienced in the past, it seems to have been dealt with. Further, we consider that poor behavioural outcomes should be governed by legislation, ensuring timely release in the future.

Energinet has changed the methodology such that cross border capacity must be available before countertrade energy is procured in the ID market.

Publication of volumes and prices

In general, we believe that market transparency enhances market efficiency, and there is vast support in both academia and European TSO studies to support this belief.

As for publishing the *bid price* (Energinet's price limit for selling the energy), we expect this information to impact the price discovery of the markets.

It can be argued that publishing this *bid price* imposes a pricing bias, as market participants might be motivated to place their orders close to the bid price rather than their own marginal price, resulting in an adverse impact on trading costs. However, there are counter arguments to this behaviour, and we believe that these outweigh the possible adverse impact.

Energinet has changed the proposed methodology and will not publish the price prior to trading.

These include:

1. publishing the *bid price* will make it efficient for the participants to assess if their flexibility is relevant for the countertrade on the given day, and so should yield a higher participation (enhanced liquidity and price competition)
2. in lack of a proper expectation of the marginal selling price, there is a risk that some bids are placed below the *bid price*, in an attempt to increase the revenue of offering the downward flexibility. With price clarity this risk is mitigated, which increases liquidity and price competition

As Energinet has changed the trading strategy to an active trading strategy it is more likely that all countertrade volumes can be traded without exposing the max/min prices. However, if there are not enough bids in the market, the trading algorithm will ultimately bid at

3. competitive forces should ensure that market participants are motivated to adjust their prices according to other participants' bidding, and not the *bid price*, thus competing to be traded towards Energinet's countertrades
4. it would not be unexpected to see Energinet's residual order in the market occasionally, when exhausting the immediately available liquidity in the trading windows, thus disclosing the *bid price*. Had the *bid price* not been disclosed, this information would only be available to the very active participants, and so disfavour those who are just offering their assets' flexibility to this specific model. In other words, publishing the price will distribute the information fairly.

If publication of the *bid price* gives rise to concern, we would recommend that Energinet implement the publication on an experimental basis for some period, with discretionary power to establish it as a permanent action. With this, Energinet would be able to act, should the adverse impact outweigh the beneficial effects.

Discrimination

We believe that the current countertrade participants can, and will, continue to contribute their flexibility and, presumably, at more competitive prices. Under the proposed model, with the market rules being non-discriminatory in Denmark allowing Danish and foreign participants on the Danish market, whether holding assets or not, we believe this motion is supportive of the EU Single Market non-discrimination principle.

Market efficiency and technologies

With the proposed model, we would expect the countertrading to extrude polluting technologies to a much larger extent than today. Such polluting technologies are more expensive and so have higher marginal costs than less polluting technologies. In effect, the proposed model benefits the environment. In addition, market efficiency will help ensure that the proposed model is economically superior to the current implementation of countertrading, which in turn supports further integration of renewables.

its max/min settings thus revealing these.

The upsides with the very transparent approach of also publishing the price is unfortunately not relevant anymore, however the publication of the CT volumes will ensure that the market knows the need – which will also attract liquidity.

<p>Non-netting</p> <p>We understand that, in case of opposing countertrading interests from different TSOs, Energinet will not be able to match these before going to the market. We would encourage Energinet to consider if, whatever the obstacles, a solution could be implemented. We are particularly concerned that nonoffset opposing countertrading interests will increase the balancing costs and could help sponsor “unenvironmental” operation of assets (e.g. starting up a gas turbine to deliver upwards flexibility for Statnett, while stopping wind turbines delivering downwards flexibility for Tennet). We propose that Energinet retains the optionality to implement a netting function before marketing the countertrade volumes on the Intraday market.</p>	<p>After input from consultation answers Energinet has decided that countertrade needs shall be netted before trading.</p>
<p>Landbrug & Fødevarer, Jens Astrup Madsen, 31.08.2021</p>	
<p>Landbrug og Fødevarer takker for udkastet til en ny model for modhandel og vores mulighed for at kommentere på udkastet.</p> <p>Landbrug & Fødevarer er enig i, at der er behov for at få udarbejdet en ny modhandelsmodel i stedet for den nuværende specialregulering. Den nuværende model har som effekt, at der i perioder kan forekomme en markant nedlukning – som også de sidste års omfattende modhandel viser - af dansk vindproduktion. Det har en negativ indvirkning på de overordnede mål i forhold til den grønne omstilling i Danmark, ligesom det kan påvirke elprisen uheldigt set fra et forbrugerperspektiv.</p> <p>En specialregulering kan dog være nødvendigt i forhold til områder, hvor der ikke er andre muligheder. Vi noterer os, at for en ny model også taler, at den nuværende model ikke kan benyttes efter overgangen til europæiske balanceringsplatforme i 2023-2024.</p>	

I forhold til den foreslåede model, så tror vi på, at der overordnet kan være gevinster – ikke mindst set fra et forbrugersynsvinkel, herunder vores virksomheders konkurrenceevne - og i forhold til den grønne omstilling - ved at få modhandlen fremadrettet håndteret i et mere kommercielt elmarked.

Vores umiddelbare opfattelse er, at ved at lade modhandlen fremadrettet blive foretaget i det europæiske intraday-marked fås både et større og mere efficient marked med flere aktører, som alt andet lige vil øge konkurrencen og dermed sænke prisen for modhandlen.

Vi har forståelse for, at det kan blive nødvendigt med en gradvis indfasning af den nye model.

Landbrug & Fødevarer finder, at det aktuelt, og ud fra det foreliggende grundlag, er svært konkret at vurdere de mere tekniske og økonomiske konsekvenser, herunder priseffekter, forsyningsikkerheden og systemdriften, af den foreslåede model. Vi håber derfor, at Energinet forsat vil arbejde på at tydeliggøre disse forhold og inddrager relevante interessenter i dette arbejde. På den baggrund vil Landbrug & Fødevarer også gerne forbeholde os muligheden for at vende tilbage med yderligere kommentarer, hvis vi får behov for dette.

Selv om der nu bliver lavet en ny model, vil Landbrug & Fødevarer forsat gerne advokere for, at Energinet arbejder på at få de tyske energiselskaber til at få løst flaskehalsproblematikkerne i Nordtyskland, så modhandelen på sigt kan minimeres ganske meget.

Nord pool, Rickard Nilsson, 31.08.2021

Nord Pool EMCO welcomes this opportunity to share views on this Energinet (ENDK) consultation on the proposed shift of countertrading (CT) solution from the current solution via (Balancing) Special Regulation isolated to parties in DK1 to a solution via the SIDC (XBID) – thereby opening also for support from market parties in adjacent bidding zones and even BZs far away from DK1.

We have followed closely and contributed to the very constructive series of workshops and dialogue meetings that ENDK has carried out on this matter in the past year. In that context we have given oral support for the general shift of direction from a closed DK1 CT model to a geographically etc. more open and transparent solution for CT in DK1 via SIDC XBID.

We have in that dialogue also reflected on some key market design caveats that we find need to be considered in any CT solution via SIDC to work efficiently from both a market and power (grid) system perspective, including in terms of overall competition, liquidity, and price formation efficiency.

In this consultation response we address some of those previously mainly orally stated inputs and we also add some more specifics linked to the material provided by ENDK in this consultation process.

We are happy to further discuss and align on these and possibly more detailed practical market/trading design matters directly with ENDK, and in whatever further process ENDK proposes together with relevant authorities and all market stakeholders in the coming months.

4.1 Scope of the intraday methodology

In this chapter we suggest a few changes to the table to make it more precise. In the table's left columns, it is written "Countertrade needs arising later than half an hour before window 2 (cannot be handled in intraday under the methodology)". Our understanding is that this is only true for Structural countertrade (CT), as unexpected CT can be traded continuously (i.e. later than half an hour before window 2) as long as it happens "more than half an hour before GCT" (as is written in the right column).

One option would be to write "Countertrade needs arising later than half an hour before GCT (cannot be handled in intraday under the methodology)". Similarly, in the cell below, "Countertrade needs arising after day-ahead closure or at least half an hour before GCT (can be handled in intraday under the methodology)" in the cell below. However, this will not distinguish between structural and unexpected CT. Our understanding is that ENDK propose that structural CT in DK1 (e.g., TSO CT requests linked to the DK1-DE border) only will be traded during the given windows, and not continuously until the (local) GCT for Intraday (SIDC) trading for the given delivery period (MTU). An alternative approach could be to change the table structure to something like this:

		Trading in windows 1 and 2	Trading after Window 2
Structural	Tennet Commitment	Yes	No
	70 % Rule	Yes	No

Unexpected	IC trip less than 30 min before GCT	No	...
	IC trip less than 30 min before GCT	...	Yes

It is correct that unexpected countertrade will be handled continuously. However, the first two hours right after a trip will result be handled in the regulating power market as there is not sufficient time to trade on intraday. Adjustments have been made in the methodology to make this more clear.

It is correct that structural countertrade shall take place in the windows (or with the shift to an active trading strategy in trading slots)

4.3.1 Methodology design basics

The methodology defines two trading windows. Nord Pool suggest that Energinet ensure that the placing of their CT orders in DK1 happens only after the cross zonal capacity has been opened - as a minimum on all interconnectors linked to DK1 that today according to IDCZGT Methodology shall be opened by respectively 15:00 and 18:00 CET on day D for MTUs on day D+1. This could be added in chapter 4.3.4. Also, it would be beneficial to give market participants outside DK1 some minutes to adjust their orders depending on whether there is capacity to/from DK1 or not, before ENDK place CT orders in the market.

For several reasons, Nord Pool would recommend not to place orders at exactly the same time each day. We believe this would increase the risk of energy hoarding, as described in 5.9.4 and Annex 2, as this makes it possible to set algorithms to hit on competing orders in the millisecond before Energinet's orders are placed in the market. Reference is also made to decision by Bundesnetzagentur on 2019.02.201, where a market participant did market manipulation by using iceberg orders to block other market participants from trading with the market area manager. Our understanding is that such a strategy would be less likely to occur if orders are not placed exactly at the same time each day. Nord Pool therefore recommends starting by placing the CT orders at a random point in time within a 10-minute interval. After a period, this practice could be evaluated with feedback from market stakeholders, and relevant NRAs and NEMOs.

Furthermore, when combining these risks of gaming/manipulation with the criticality of having cross zonal capacities to/from DK1 and beyond available BEFORE ENDK places their CT orders, we recommend that the normal timing of placing orders would be around 15:15 and 18:15 CET plus/minus 5 minutes respectively. Based on that the Trading Windows should be counted from when the CT orders were placed by ENDK (e.g. if CT orders placed at 15:14 the time window lasts until 15:44 and if CT orders are placed at 15:10 the time window lasts until 15:40 CET). This section could also specify what type of orders Energinet intends to use in the intraday market and what will happen if the order is not immediately, completely matched.

Energinet has changed the trading strategy to an active trading where neither the trading time nor the trading slots will not be published. Furthermore, Energinet expects to be able to trade with an algorithm, and will therefore include in the algorithm requirements, that trade can be initiated once capacity has been released on the borders.

4.3.1.1 Netting

To get a market-based price for countertrading volumes, we agree that Energinet should not do netting between the different needs of different TSOs. However, one could image that Energinet themselves have both a need for selling and

Based on consultation answers the methodology has been changed to include netting between countertrade needs (not with the system imbalance).

buying CT volumes in the same hour. We cannot see that it is defined whether netting would occur in such a situation. Our recommendation is that Energinet nets their own needs before taking it to the market to reduce costs.

4.3.2.4.2 Energinet requesting (own countertrade needs)

With regards to the pricing strategy, Nord Pool would like to suggest two alternative approaches for Energinet to consider. Our main suggestion is that Energinet could base their CT order prices on the SDAC prices in DK1 and take in to account the prevailing market-based bid/ask spread for possible matching within and linked to DK1 in SIDC. Energinet would then take the current market situation into account when placing orders in the market. This will secure a fair and cost-efficient trading price, and make sure that also other market participants with the same needs as Energinet can trade at a market relevant price. If Energinet does not manage to trade their intended volume in the first Trading Window, the order price can be adjusted before the second Trading Window.

If Energinet insists on basing the pricing strategy on historical data, an alternative to historical intraday prices would be to use the price Energinet historically has paid for CT in the balancing market. As the traded volume per delivery period in the intraday market in DK1 typically range from 0 to 1000 MWh/h (5.9.2.2), it may not be representative when Energinet would seek to in a very short timeframe (2 Trading Windows of 30 minutes each) trade up to 3000 MWh per delivery period (MTU) in DK1.

As pointed out before we could also see it as fit for purpose that (A) if the requested CT needs in DK1 are not covered in the 1st Trading Window then the ENDK price level for the remaining part could be adjusted when in SIDC placing remaining CT needs in the 2nd Trading Window according to then prevailing market bid/ask spread, and (B) ENDK also could consider opening additional Trading Windows for trading of their remaining DK1-DE border related CT needs in DK1, e.g. considerably closer to actual SIDC GCT for the given delivery (MTU) period.

Energinet wishes to use an algorithm to trade. In order to avoid unexpected/manipulative behaviour by the algorithm the volumes requested in the same BZ will be netted if possible. Note that the full requested volume will be published beforehand. Netted countertrade needs will be settled at the day-ahead price of the bidding zone in which needs are netted.

With the switch to an active trading strategy the requesting TSO and Energinet can decide on a max./min sell/buy price, and this will not be published. The algorithm shall be able to take the current order depth and trading statistics into consideration, to ensure a continuous fit with market development.

4.3.2.3 Publication of volumes and bid prices

To our knowledge, Energinet does not in advance publish their willingness to pay nor even the requested volume for CT in the current procurement process via the Special Regulation linked to existing TSO balancing mechanisms. Simply by moving to an intraday model, the market will become much more transparent – giving market participant more information on how the CT volumes are secured and at what prices such volumes are matched in the market.

We recognize that there could be some benefits of publishing ENDK's CT volume needs prior to opening of the Trading Windows, but we fail to see any added value of publishing the CT order prices. We do, however, see several disadvantages, namely such prior publication of order prices would (1) unduly influence the order prices placed within and linked to DK1 by regular SIDC market participants – thereby increasing the risk of market manipulation, and (2) severely increase the risk that ENDK's CT volumes in DK1 would not be settled at levels which contributes to overall welfare optimization - that is a critical component in all open markets in CACM and also EB GL.

The methodology defines the conditions that neighbouring TSOs need to approve to request CT volumes with(in) Denmark. Energinet in this sense acts as a single seller/buyer of such CT volumes and an aggregator for this requested service. In Nord Pool's view, it is problematic that neighbouring TSOs directly (via ENDK's publication of CT order prices) before the actual trading would have to reveal their willingness to pay to be allowed to do countertrading. This may negatively affect their cost from ENDK's procurement of CT volumes in DK1. It may also impact their trading results (e.g., CT procurement costs) in other bidding zones and markets, as their willingness to pay has become public information.

Energinet has adjusted the methodology and will only publish volumes in advance.

As an alternative approach, Energinet could (A) limit their pre-SIDC trading (i.e. prior to placing orders) publication to the expected CT volumes they will procure in DK1 for all MTUs tomorrow via SIDC, and then (B) after the CT trading in DK1 has been completed for the given delivery date, ENDK would publish a daily/weekly trading report containing e.g. traded CT volumes in DK1 per MTU, average price (preferably volume weighted) and also max/min price or price quantiles for the CT trades per MTU in SIDC. In our opinion, this would give the market participants the correct market signals without the disadvantage of sharing sensitive bidding information (individual TSOs willingness to pay) which inevitably would influence the bidding strategy of market participants, and severely risk to undermine the integrity of the price formation in and linked to DK1 in the intraday timeframe. Consequently, such potential reduction of welfare optimization and efficiency can simply be avoided by ENDK directly placing bid/ask prices for CT volume needs in the SIDC XBID system during the given Trading Windows for ENDK CT trades in DK1 linked to the DK1-DE border.

The volumes countertraded will be published on the transparency platform.

The price will not be published, since Energinet has changed to an active trading strategy.

The general price information from the intraday market provides market participants with the relevant information on the pricing of countertrade. Energinet does not expect to publish specific information on the price of countertrade energy.

5.9.1 Energinet as a market participant in the intraday market

This chapter defines Energinet as a market participant under REMIT and make references to the obligation in article 4 to publish inside information. It is written that Energinet assesses that REMIT Article 4.1 “requires that Energinet publish, in advance of trading, the volume it intends to trade”. Nord Pool supports the publication of requested CT volume prior to trading, but we do not interpret REMIT in the same manner. Reference is made to REMIT Recital 12 where it is stated that “Information regarding the market participant’s own plans and strategies for trading should not be considered as inside information”. We consider the exact volume intended to trade would be Energinet’s own plans and strategies and would therefore not qualify as inside information which must be disclosed prior to trading.

Finally, we agree with Energinet’s assessment that the risk of market manipulation does not make the intraday methodology less attractive, since such gaming/manipulation risks in principle will be significantly decreased due to the expanded pool of participants and geographical areas (e.g Bidding Zones/countries) that can lend support to cover the given ENDK CT needs in DK1 via SIDC XBID in comparison with only parties situated in DK1 in the current CT solution via Special Regulation. In that respect we also in large parts, while not on all accounts, share the conclusions on (our wording) “supportive evidence” for the shift to SIDC XBID for ENDK’s procurement of CT needs in DK1 that is presented in the consultation Annexes 1-3.

Energinet has considered the suggested REMIT interpretation. However, even if Noord Pool rightly assumes Energinet is under no legal obligation to publish volumes in advance, Energinet deems it a prudent approach, taking into consideration the large volumes concerned. For that reason, Energinet maintains its intent to publish volumes in advance.

Lars Kristiansen, Bramming fjernvarme, 21.09.2021

Jeg har agere, som aktør i DK1 og har været aktiv i el-markedet i mange år. Jeg er et varmeværk, der skal levere billig varme til mine varmekunder. Jeg har foretaget investeringer, så jeg har kunne producere og forbruge el samt have fleksibilitet, der er nødvendigt for elmarkedet.

Mange værker står over for at skulle foretage fremtid investeringer. De omtalte ændringer, der bliver diskuteret omkring specialregulering, gør det umuligt for CHP-værkerne at foretage en investering, der vil gavne de danske varme forbruger. Vi er a.m.b.a selskaber, der ikke må påtage investeringer, der ikke er samfundsøkonomisk korrekt. Vi tvivler på at elmarkedet, ser os som aktive spiller i den grønne omstilling, hvor varme-sektoren og elsektoren kan gavne hinanden, når de konstant ændre markedsvilkårene.

Energinet forsøger gennem sin kommunikation generelt at give markedsaktørerne mulighed for at inddrage fremtidige markedsændringer i deres beslutninger. Her henviser Energinet fx til den “impact assessment”, der blev udarbejdet i 2017, som pegede på, at valget af modhandelsmodel skulle genbesøges i 2020, da den dengang valgte model havde udfordringer i forhold til økonomisk efficiens.

Bramming fjernvarme og andre nuværende og potentielle aktører i elmarkedet skal foretage investeringer, hvis disse investeringer af investoren vurderes at være hensigtsmæssige givet. Energinet ser det som sin opgave at sikre, at markedspriserne er konkurrencedygtige, hvorefter markedsdeltagerne må indrette sig derefter.

Energinet henviser i øvrigt til den generelle replik vedrørende intradaymodellens økonomiske og markedsmæssige påvirkning.

