

12<sup>th</sup> of April 2018

## **Comments from Danish Wind Turbine Owner's Association – Limitations on capacity on the interconnector between Western Denmark and Germany – case no. AT.40461**

Danish Wind Turbine Owner's Association welcomes the Commission's investigation into the limitations on the interconnector between Western Denmark and Germany. Integration of renewable energy into the power system requires a well-functioning internal market and cross-border trade. The European 2030 targets for renewable energy cannot be reached in a cost-efficient way without an efficient internal energy market.

The limitations on the interconnector has restricted the possibility for Danish wind turbines to export to the German market during a period of many years. This has resulted in lower prices in the Danish market, than would have otherwise been the case, and thereby economic losses for the Danish power producers.

The limitations used by TenneT on the Danish German border should be seen as an obstacle for a well-functioning internal market for energy. The Danish Wind Turbine Owner's Association sees it as a prerequisite for a well-functioning internal market that the system operators do not limit capacity on cross-border interconnectors due to internal congestion.

The Commission's investigation should also include the effects on the spot market of the measures used to guarantee a higher trading capacity, i.e. the effects of an increased use of counter trade in Western Denmark as a result of TenneT's commitments. It should not be ignored that the system operator's physical balancing of the power systems to manage a congestion in the grid can have negative consequences for the market.

The construction of new grid reinforcements to relieve congestion should therefore have the highest priority and the use of countertrade should only be seen as a temporary measure.

The interconnector between Western Denmark and Germany is not the only interconnector that in recent years have seen systematic limitation on available trading capacity due to internal congestion in neighboring countries. The interconnector between Western Denmark and Sweden

Kontiskan has also seen increasing limitations imposed by the Swedish system operator Svenska Kraftnät, mainly in the direction from Western Denmark to Sweden.

The average available trading capacity on the Kontiskan interconnector was 528 MW in 2017 and in 2016 641 MW in the direction from Western Denmark to Sweden, which corresponds to an 18 percent decrease from 2016 to 2017.<sup>1</sup>

The limitations on the Kontiskan interconnector have a direct influence on the possibilities for Danish wind power producers to export to Sweden, since the limitations mainly occur during winter months with high levels of wind. The Swedish system operator states that the limitations are necessary due to the internal congestion "the West Coast corridor".

The Danish Wind Turbine Owner's Association therefore encourages the Commission to also include other interconnectors in the investigation, including the Kontiskan interconnector. This widening of the scope could take place as an official evaluation of the agreements between the Commission and Svenska Kraftnät based on the Commission's decision from April 2010 concerning the division of Sweden into four price areas.

It should not be possible for system operators to increasingly and systematically limit available trading capacity on cross-border interconnectors due to internal congestion, regardless of the exception in the Commission's decision from April 2010 regarding the "West coast corridor".

The Danish Wind Turbine Owner's Association is available for further discussions of the comments above.

Best regards

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<sup>1</sup> The net transfer capacity on the interconnector is 740 MW in export direction from Western Denmark to Sweden. Data from Energinet's webpage: [www.energinet.dk](http://www.energinet.dk).