

Information regarding the implementation of a new calculation mechanism of the daily available transfer capacities by taking into account the netted values of yearly and monthly cross border nominations

In order to improve the usage of available transfer capacities (ATC) in day-ahead on the Netherlands-Belgium and Netherlands - German interconnections, the joined TSOs TenneT, RWE, EON and Elia are preparing the implementation of a new calculation mechanism of daily available transfer capacities (ATC) in respect with the netting principle.

The netted ATC will be used in the explicit auctions on the German –Netherlands borders and in the market coupling on the border between the Netherlands and Belgium.

To determine the daily available transfer capacity (ATC), the netted values of the effective nominations of the yearly and monthly capacities will be taken into account.

In other words, the available transfer capacity (ATC) for one day in one direction will be the difference between:

- the net transfer capacity (NTC) in this direction and
- the difference between:
 - the long term (yearly and monthly) total nominated value in this direction
 - the long term (yearly and monthly) total nominated value in the other direction

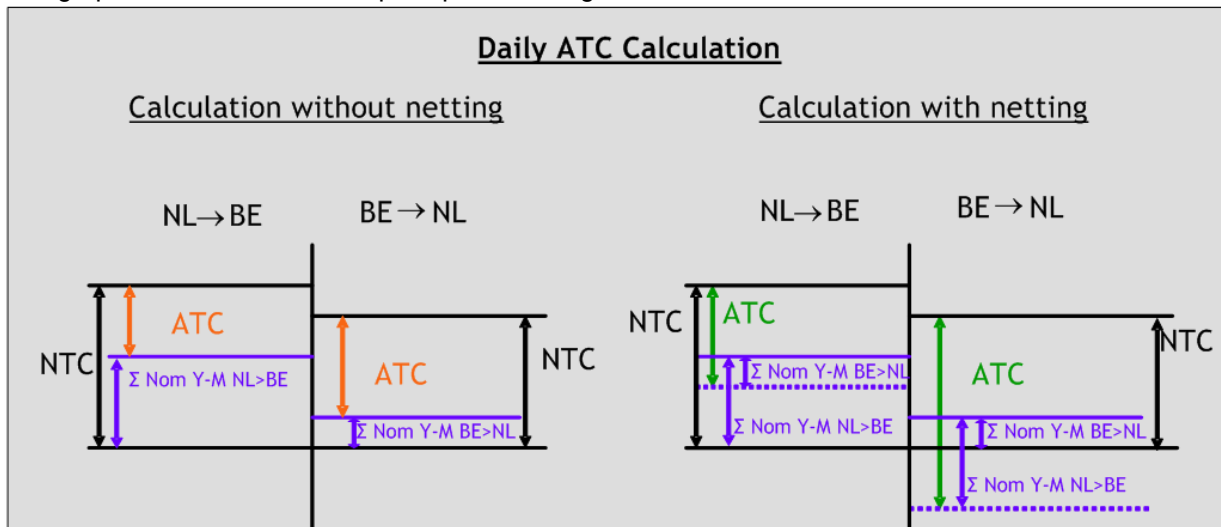
Introducing netting means a gain for the market as the daily ATC increases when there are bidirectional flows.

The joined TSOs intent to start with this new mechanism of ATC calculation on 25th September 2008 (for execution date 26th September 2008).

For further information you can contact your local TSO.

For example:

The graph below illustrates this principle of netting



The netted ATC is calculated with the following formulas:

$$ATC_{BE-NL} = NTC_{BE-NL} - \Sigma \text{ Yearly } BE-NL \text{ nominations} - \Sigma \text{ Monthly } BE-NL \text{ nominations} + \Sigma \text{ Yearly } NL-BE \text{ nominations} + \Sigma \text{ Monthly } NL-BE \text{ nominations}$$

$$ATC_{NL-BE} = NTC_{NL-BE} - \Sigma \text{ Yearly } NL-BE \text{ nominations} - \Sigma \text{ Monthly } NL-BE \text{ nominations} + \Sigma \text{ Yearly } BE-NL \text{ nominations} + \Sigma \text{ Monthly } BE-NL \text{ nominations}$$