

To All market participants, 12 November 2015

Tonne Kjærsvvej 65
DK-7000 Fredericia
Tel. +45 70 10 22 44
Fax +45 76 24 51 80

info@energinet.dk
www.energinet.dk
VAT no. 28 98 06 71

Market information regarding the postponement of the introduction of financial transmission rights on the German-Danish interconnectors and the interconnector between West and East Denmark

TenneT TSO GmbH, 50Hertz Transmission GmbH and Energinet.dk have been working for and aiming at changing the long term transmission rights from physical transmission rights (PTR) to financial transmission rights (FTR) on the German-Danish borders and the interconnector between West and East Denmark (Great belt).

Uncertainties under the current legal financial regime (MiFID I) have recently been raised by the Danish Financial Service Authority. The uncertainties are related to the financial license requirements for Energinet.dk and EMIR reporting obligation for both the TSOs and the market participants. It is unfortunately not possible to sort out these uncertainties before the yearly capacity auctions take place and therefore it has been agreed by the three TSOs to postpone the introduction of FTRs. The energy regulators concerned, Danish Energy Regulatory Authority and Bundesnetzagentur have taken note of this decision.

Energinet.dk, TenneT TSO GmbH and 50Hertz Transmission GmbH still see FTRs as a better solution for the market participants and all three TSOs are still committed to introduce FTRs. By 2017, the new financial regime (MiFID II) will come into force and all the current uncertainties are expected to be settled. Therefore the three TSOs are planning to implement FTRs for January 2017.

Energinet.dk acknowledges that the postponing of the introduction of FTRs is very unfortunate, especially with the market participants already being informed and implementation plans being published. Nevertheless for Energinet.dk the legal uncertainties are too substantial at the moment.

Until the implementation of FTRs, the current PTRs will continue to be offered on the German-Danish borders (DK1-DE and DK2-DE) and the Great Belt interconnector. Separate information on the long term PTR auctions for the borders DK1-DE and DK2-DE will be published soon.

For further questions please contact us.

Kind regards,
TenneT TSO GmbH
50Hertz Transmission GmbH and
Energinet.dk.