



PSE-Operator S.A.

VATTENFALL 

Information on cross-border capacities allocation principles for 2005

CEPS, PSE-Operator and Vattenfall Europe Transmission (VE-T) have agreed principles of the coordinated cross-border transmission capacities allocation procedure for the year 2005.

This coordinated congestion management mechanism is designed as explicit cross-border capacity auction to be valid in the year 2005. The allocation methodology will be market-based and is aiming at the maximization of the available cross-border capacity while ensuring security and reliability standards.

The coordinated procedure will be applied for common network interfaces on the basis of cross-border technical profiles derived from technical constraints between: PSE and VE-T/CEPS/SEPS; VE-T and CEPS/PSE; CEPS and PSE; CEPS and VE-T. Market Participants will bid for commercial profiles between the two Transmission System Operators (TSO) operating the neighbouring systems.

Since the Slovakian TSO SEPS will not take part in the first move, capacities for the commercial profiles PSE – SEPS and SEPS – PSE will be allocated unilaterally.

Auctions will be held for yearly, monthly and daily periods. The capacity will be tendered taking into consideration bid prices and technical availability. Auctions will be administered by an Auction Office which represents the three TSO involved in the process of cross-border capacities allocation. In the year 2005, the Auction Office will be located at CEPS in Prague.

TSO have committed themselves to give highest priority to the development of an optimal solution for congestion management in order to diminish barriers in cross-border power exchange in accordance to EU directive 1228/2003. The solution is not limited to these three transmission systems but is also open for the participation of other synchronously connected systems.

CEPS, PSE-Operator and VE-T have the pleasure to present the result of their intensive common work on the coordinated congestion management mechanism on presentation meetings which will be held:

- on **7th of October 2004, 1.00 p.m.:**
 - ⇒ by PSE-Operator in the Hotel Gromada, sala Malwa, Pl. Powstanców Warszawy 2, Warszawa (Polish language)
- on **12th of October 2004, 10:00 a.m.:**
 - ⇒ by CEPS, Elektrarenska 774, 10152 Praha (Czech language) and
 - ⇒ by VE-T, Chausseestraße 23, 10115 Berlin (German language)

The presentation materials (including executive summary of rules) will be published on the web pages of involved TSO in English language on 13th of October 2004.