

TenneT responds to competition authority's ruling on Eemsmond Energie

The Netherlands Competition Authority (NMa) has ruled that transmission system operator TenneT must make further efforts to provide capacity in 2013 on the national high-voltage grid for Eemsmond Energie's new electricity station in the north of the country.

NMa said TenneT should not have refused at this time to provide Eemsmond Energie with transmission capacity. The competition authority held that TenneT should have taken into account the code change that NMa will lay down in 2010 in response to the Ministerial Order on Improved Utilisation. The code change was said to give TenneT greater possibilities for dealing with congestion and if possible accommodate Eemsmond Energie in 2013.

TenneT is of the opinion that the enormous demand for transmission capacity imposes limits on capacity currently available in the high-voltage grid and therefore the definitive grid expansions should be awaited. Grid expansions in the north of the Netherlands are scheduled to be ready in 2016, depending on the procedures being followed.

TenneT rejected Eemsmond Energie's request for capacity prior to completion of the grid expansions. TenneT maintains that even with application of the NMa Vision Document it would still structurally need to ask one of the three new baseload stations to accept payment for refraining from production. TenneT asserts that under prevailing legislation the structural costs that this would create for managing congestion would be passed on in the national transmission and system service tariffs payable by companies and members of the public. Under a new Sustainability Priority Act the Minister of Economic Affairs intends to assign these costs to producers of grey electricity in congested areas in future. TenneT is considering filing an objection or appeal against the NMa ruling.

Demand for 36,000 MW connections

Demand for grid connections has risen sharply over the past years. TenneT's latest figures indicate that demand totals 36,000 MW, more than double the present production capacity in the Netherlands. These are not just plans. Nationwide more than 9,000 MW of new production is due to come on stream in the TenneT national high-voltage grid. On top of this approximately 2,000 MW of interconnection capacity is being created (the BritNed link between the UK and the Netherlands and Doetinchem-Wesel between the Netherlands and Germany). This does not include plans for the Wind at Sea programme. The Dutch government wants to install 6,000 MW of offshore wind energy.

While the growing production capacity is good for security of supply in the Netherlands and Europe, the grid expansions require extra transmission capacity to meet the big demand for transporting electricity. That is why TenneT is vigorously expanding the high-voltage grid in the north, east, south and west of the Netherlands to meet the rising demand. In the coming seven years TenneT will invest approximately €3 billion on expanding and strengthening the high-voltage grid.

Use of hard shoulder and access control

It often takes longer to expand the grid than to build a power station because of the procedures that must be followed. A Ministerial Order passed last year has widened possibilities for utilising transmission capacity already in place in the existing high-voltage grid. The order allows more intensive use of the grid, similar to permitting use of the hard shoulder on busy motorways, pending definitive grid expansions and reinforcements. At places where capacity falls short it is now also possible to use congestion management. This temporary system is akin to controlling access to motorways. Where too much electricity enters the grid, the available capacity is redistributed. In return for payment, producers are asked to refrain from using the high-voltage grid.

How does congestion management work? View the animation on:

www.tennet.org/congestiemanagement

Where are the most capacity requests? (in MW)

North of the Netherlands	:	5,800
South Holland province	:	7,000
Zeeland/West Brabant:	:	10,000
Central Netherlands	:	5,600
Other	:	7,600