

# Exchange Information no. 13/2004

## New method for better use of available trade capacity in Elspot

Svenska Kraftnät introduces new treatment for distributing available trade capacity in the Swedish cut 2

As of 15 March 2004 the distribution of available trade capacity for interconnectors South of the Swedish cut 2 will be done in a partially new way. The purpose is to improve the possibilities for maximum usage of cut 2 in Sweden when there is a need for it in the market.

The setting of trade capacities associated with cut 2 will be done in the following manner:

- Available trade capacity south of the cut 2 is calculated, as before, based on the current operating situation.
- Available trade capacity is divided proportionally as before between the connections in relation to the thermal transmission capacity on each connection.
- Capacity is allocated as before separately for Swe-Pol link, Baltic Cable and Fenno-Skan, while the Hasle connection (NO1; Norway), Kontiskan (West Denmark, DK1) and the Öresund connection (East Denmark, DK2) is given aggregated to Nord Pool Spot (NPS) for further allocation.

### Allocation principles in Elspot and information regarding trade capacities on NPS's website

The aggregated trade capacity for export on the connections in Elspot south of cut 2 (Hasle, KontiSkan, Öresund) will, through the new optimization method, always be used to the full before a "bottleneck" occurs.

The trade capacity for export on these connections will be set to the same as maximum trade capacity, on condition that no other limitations exist. In the spot calculation the new optimization method will ensure that the sum trade on these connections does not exceed Elspot's total allocated share of cut 2.

Elspot's hourly share of the cut 2 as well as total available trade capacity in cut 2 (i.e. including shares that have been allocated to other connections) will be published daily on NPS's website before price setting.

The optimization method, which is now introduced does not represent any changes to the principles for calculating either System price or Area prices, but is a method that guarantees maximum usage of available trade capacity in limited sections.

### Optimization of section B in West Denmark (Jutland, DK1)

Corresponding optimization method will also be introduced to manage cut B in West Denmark (Jutland, DK1). The new optimization means that the prorata allocation, which today is initially done between Skagerakk and Konti Skan, is no longer needed. Provided that no other limitations exist, the trade capacities per connection will be set to maximum trade capacity. The optimization will, like for cut 2, make sure that the trade capacity for export/import from Area DK1 to Areas NO1 and SE in cut B is not exceeded.

Lysaker, 19 February 2004

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