



Transport Market Update 2022

Electricity market insights

Introduction

The Transport Market update provides a high level on the expenditure of TenneT to ensure secure transmission services.

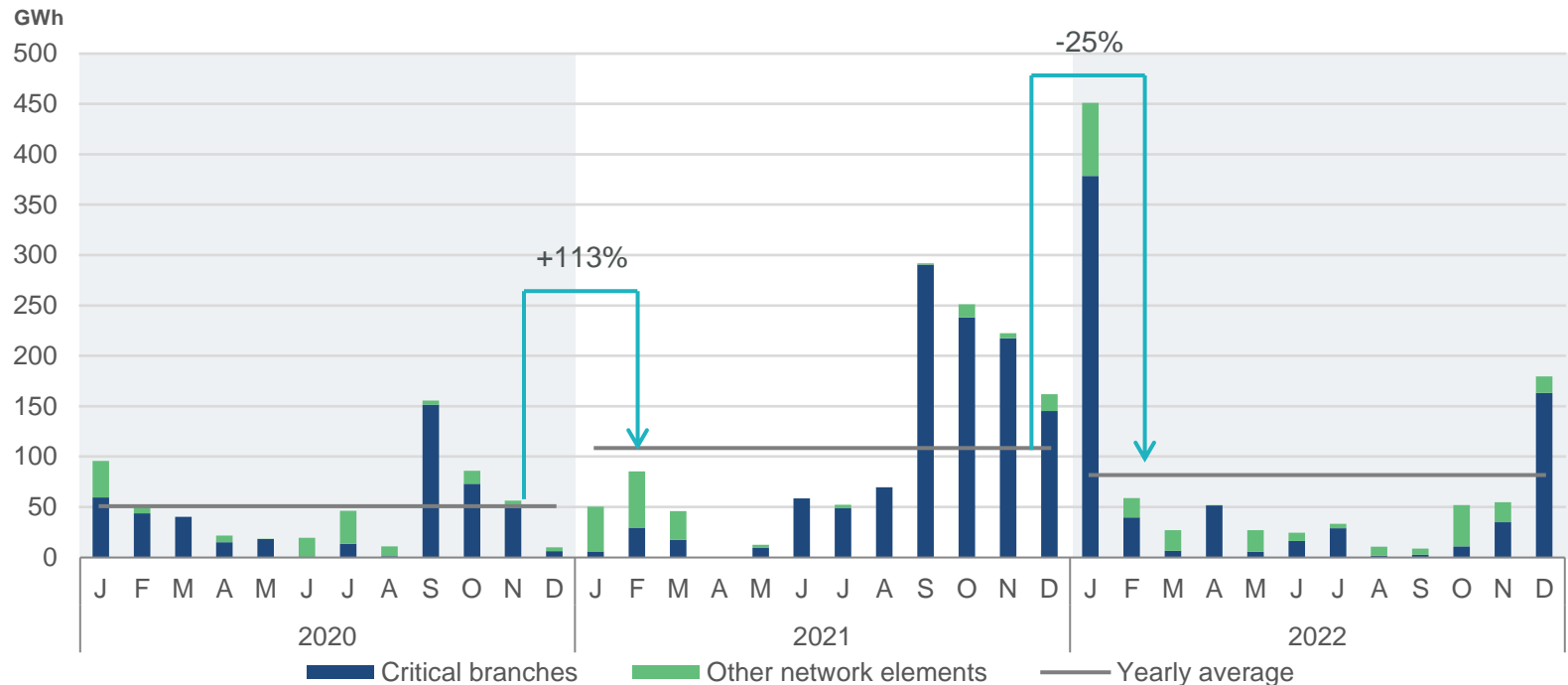
This Transport Market shows two analyses:

1. The volume distribution of redispatch per month for 2020 – 2022, where a classification is made for critical branches and non-critical branches. Here we see for 2022 compared to 2021 a 25% decrease in activated redispatch volumes.
2. The cost distribution of transport management costs per Month for 2020 – 2022. This includes redispatch and restriction contracts for ensuring safe (n-1) transmission services as well as power quality (reactive power). Here we see that cost remained roughly equal in 2022 compared to 2021.

Transport Market Volumes

Transport market volumes in 2022 decreased with 25% compared to 2021
 Most redispatch required on critical branches

Redispatch power upwards and downwards volumes in the Netherlands



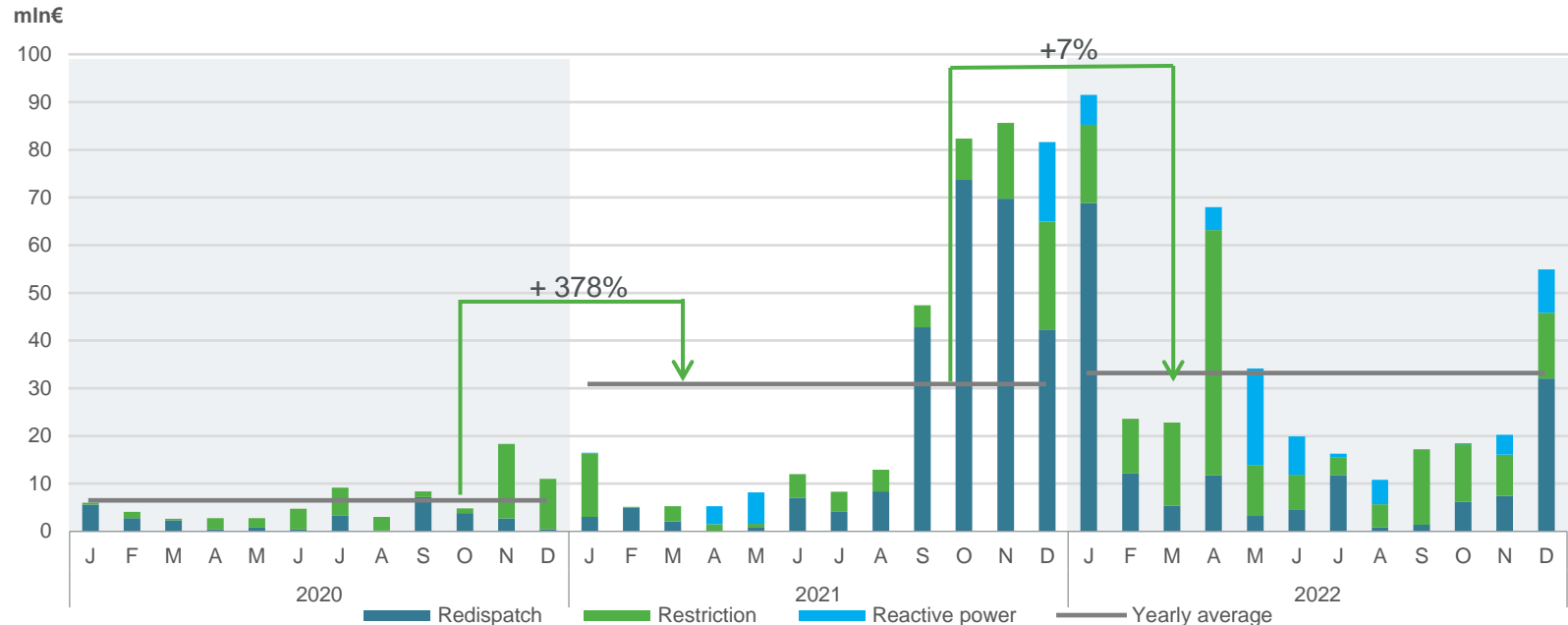
*Note that these are only the volumes for Redispatch, not for restriction contracts and Reactive Power

- Critical branches are lines that are included in CWE flow-based market coupling, as they significantly impact and are impacted by CWE cross-border exchanges. Redispatch takes place to ensure that grid operation remains within operational security limits.
- Redispatch volumes decreased from an average of 108 GWh/month in 2021 towards 81 GWh/month in 2022. The total redispatch, restriction and reactive power volume in 2022 was 979 GWh.

Transport Market Costs NL

Costs for Transport Market slightly increased in 2022 compared to 2021

Redispatch, Restriction and Reactive power Costs in the Netherlands



*Reactive power costs only includes the must run contracts closed for the purpose of Reactive Power, excludes 'regular' reactive power contracts

- This figure shows redispatch, restriction and reactive power agreements in the Netherlands. Restriction agreements concerns contracts with market parties to withhold a share of production for a certain period.
- Total costs slightly increase from € 363 million in 2021 to € 388 million in 2022. The cost stability is the result of a combination of higher day ahead prices, less redispatch volumes, increased restriction agreements and increased required reactive power volume. We see an increase in reactive power need in times of high RES infeed in combination with relatively low loads.
- A majority of the costs from September 2021 till January 2022 are related to the upgrading project of the connection 380kV Lelystad-Diemen which will increase from a 2.500 ampere towards a 4.000 ampere connection.



For questions and comments please contact:
TenneT Customer Care Centre
tennetccc@tennet.eu

Project team:
Anton Tijdink
Mike ten Wolde

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