



Stadtwerke München GmbH
Büro München:
Emmy-Noether-Straße 2
80287 München

Kontaktbüro Brüssel:
Regus EU Parliament, Square de Meeûs 37,
1000 Brüssel

Ihr Ansprechpartner:

Sonja Trausch

Telefon: D: 089/23 61-5018

B: +32 (0) 2 791 75 23

Telefax: D: 089/23 61-705-018

B: +32 (0) 2 791 7900

trausch.sonja@swm.de

www.swm.de

Position Paper of Stadtwerke München GmbH

Draft Revised ERGEG Guidelines of Good Practice for Electricity Balancing Markets Integration (GGP-EBMI)

Ref:E08-ENM-07-03

The Stadtwerke Munich GmbH is the major municipal utility company of the Bavarian capital city of Munich and has around 6,600 employees. The Group sales is totalled to € 4.7 billion in 2007. The Stadtwerke Munich GmbH uses a mix of energy generation, based on combined heat and power (CHP) and renewable electricity generation. According to the national law the electricity and gas network is legally unbundled in the SWM infrastructure GmbH.

Part I With general considerations:

First of all we want to stress, that we agree with the position set out under cipher 1.1 that balancing markets integration is a relevant issue for an internal electricity market. Therefore we appreciate to comment on the draft revised ERGEG Guidelines of Good Practice for Electricity Balancing Markets Integration (GGP-EBMI) and the possibility to support the European Commission and the national authorities in developing and implementing appropriate policies towards the integration of balancing markets in the EU. As non functioning balancing markets would endanger immediately the system stability, technical aspects must be taken into account already in the conception phase of an integrated balancing market.

On the one hand we agree with the position of the consultation paper that balancing market integration will allow to procure balancing services more efficiently and avoid inefficient concomitant up- and down regulation in adjacent control areas. This is a challenging task as balancing issues are a key element of system stability. But on the other hand we want to stress as well, that the intended cross border balancing system will have impacts on the cross border energy trade: The reservation of transmission capacity for balancing purposes is a significant hurdle to the further evolution of the needed intra-day trading and the necessary cross border energy trade which is the main goal of the liberalisation of the European energy markets. A compulsive reservation of balancing capacity, without substantiation of its necessity for true emergency situations, would reduce the interconnection capacity for other market players (e.g. trading) significantly. This would lead to a limitation of the cross border trade, which is necessary and intended by the EU. Anyway, the necessity of immediate provision of balancing energy in case of system troubles suggests a local/regional provision instead of a wide area transport of balancing energy crossing country/control area borders.