



Press release

Bonn, 3 April 2020
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Additional capacity for the future German gas market area Trading Hub Europe

Use of new market-based instruments will strengthen liquid trading

The Bundesnetzagentur has approved the oversubscription and buy-back scheme proposed by the transmission system operators (TSOs) with some substantive changes. This will enable additional capacity to be offered in the single German market area Trading Hub Europe.

"In approving the oversubscription and buy-back scheme, the Bundesnetzagentur is enabling new, intelligent market-based instruments to be used and their effectiveness to be tested. This will strengthen liquid gas trading in the centre of Europe," said Jochen Homann, Bundesnetzagentur President.

Single German market area

As of 1 October 2021, the TSOs will merge the two current market areas into the single German market area Trading Hub Europe. In Trading Hub Europe, it will only be technically possible with the existing infrastructure to offer a considerably reduced amount of firm, freely allocable capacity. This is due in particular to the technical exchange capacity of the two market areas and the uncertainty about the future use of the new market area Trading Hub Europe.

Offer of additional capacity in the annual auction in 2020

The TSOs therefore proposed an oversubscription and buy-back scheme using market-based instruments. The aim is to offer additional capacity in the annual auction on 6 July 2020 so as to adequately close the gap from the reduction in technical capacity.

Bundesnetzagentur
Tulpenfeld 4
53113 Bonn

[bundesnetzagentur.de](https://www.bundesnetzagentur.de)
twitter.com/bnetza

Press contact person
Fiete Wulff
Head of Press and Public Relations

Tel. +49 228 14 - 9921
pressestelle@bnetza.de



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The Bundesnetzagentur has approved the proposed concept, including substantive changes, in its "KAP+" decision, following consultation with the market and the regulatory authorities of the adjacent Member States.

The use of the oversubscription and buy-back scheme is limited to the period up to the 2024/2025 gas year. From the 2024/2025 gas year, the sufficient amount of firm, freely allocable capacity previously calculated is to be offered for Trading Hub Europe.

Cost determination for market-based instruments and capacity buy-backs

The Bundesnetzagentur's "KOMBI" decision supplements the "KAP+" decision with respect to the network charges. It determines the costs incurred for market-based instruments and for capacity buy-backs as so-called volatile costs. This enables the TSOs to recover these costs for the period of application of the "KAP+" decision without delay and in full.

The Bundesnetzagentur is an authority under the responsibility of the Federal Ministry for Economic Affairs and Energy. Its core tasks include supervising the energy, telecommunications, postal and railway markets.

As part of its mandate, the Bundesnetzagentur ensures that as many undertakings as possible can use the infrastructure in these sectors so that consumers benefit from competition and favourable prices.

The authority employs over 2,900 people at its headquarters in Bonn and Mainz and its 46 regional offices.