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Turkish Electricity Transmission Corporation (TEIAS)

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Chairman of the Board of Directors and CEO
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CC:

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Mr Christophe Gence - Creux

Head of Department – Electricity
Agency for the Cooperation of Energy Regulators, ACER

7 October 2021

EFET¹ reaction to the announcement of curtailment of net transfer capacity on the Turkish – Greek border from 8 to 14 November 2021

Dear Sir or Madam

Upon instructions of the Turkish Electricity Transmission Corporation (TEIAS) and the Independent Power Transmission Operator (IPTO), the Coordinated Auction Office in South East Europe (SEE CAO)

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org

announced on 1 October 2021² that net transfer capacity (NTC) on the Turkish – Greek border will be curtailed to 0 MW for the period of 8 November to 14 November 2021.

This means that holders of the yearly physical transmission rights (PTRs) will be compensated by the initial marginal price of the yearly auction (15.38 euro per megawatt hours - EUR/MWh) and their transmission rights will be cut to 0 MW. There will be losses of more than 150 EUR/MWh (based on the current Turkish and Greek power prices for November) for the holders of the yearly PTRs who have already hedged the Turkey – Greece market spread at the time of winning the yearly auction.

SEE CAO states that the announced curtailment will be performed to *ensure operation remains within Operational Security Limits*, that is due to necessary annual maintenance works. Maintenance works were initially planned for the period of 13 September to 19 September 2021 but were cancelled. Yearly offered capacity was 0 MW for that period.

EFET believes that the intention to change the date of the long-term planned annual maintenance works does not comply with the Transmission System Operators' (TSOs') statement about ensuring *that operation remains within Operational Security Limits*, as defined in Article 56 point 1 of the Harmonised Allocation Rules or as amended by the Specific Annex (both attached). This means that there were no triggering events which would justify the curtailment from 8 to 14 November 2021. Therefore, SEE CAO, and, consequently, TEIAS and IPTO, must honour the original yearly PTRs on the Turkish – Greek border for the remainder of the year.

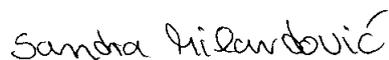
EFET recommends postponing maintenance works into the new calendar year 2022, so that traders bidding for the yearly PTRs would be able to price in the newly set maintenance works time interval.

SEE CAO should also consider that from a social benefit perspective, maintenance conducted in September 2021 is a completely different issue compared to maintenance conducted in November 2021, when the whole EU will most probably live under the constraint of supply shortage – and the TSOs would be cutting down extra 50MW on the supply side.

On top of that, in a sign of the disparity of SEE CAO's proceedings, the newly available PTRs for the cancelled maintenance works between 13 September and 19 September 2021 were not assigned to the yearly PTR holders for the initial marginal price (15.38 EUR/MWh) and were rather auctioned amongst all interested auction participants, resulting to a different marginal price of 46.67 EUR/MWh.

Yours sincerely,

On behalf of the European Federation of Energy Traders



Sandra Milardovic,

Manager

EFET TF Eastern Europe Electricit

² <https://www.seecao.com/news/announcement-curtailment-tr-gr-border-08-14112021>