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# Webinar Network Reserve Tender Austria 2026/27

Maximilian Rock, Christian Spindler

# Agenda

- ▶ Timeline for tender process
- ▶ Expression of interest
- ▶ Offer phase
- ▶ Cost based procurement
- ▶ Penalties
- ▶ Redispatch requests
- ▶ Important documents and links



# Overview



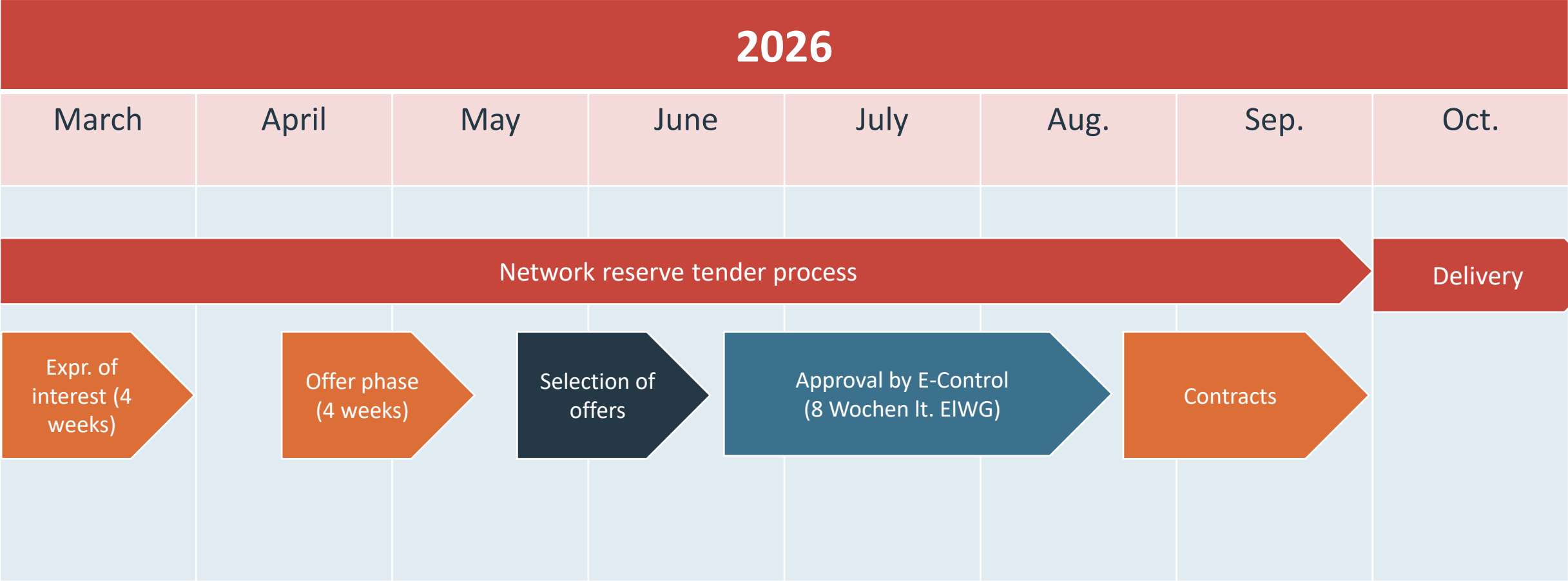
## New notification of the Austrian network reserve

- ▶ The European Commission approved the state aid for the Austrian network reserve for another 5 years in autumn 2025.
- ▶ Legal framework:
  - ▶ Approval of the state aid (Number: SA.113090)
  - ▶ ElWG § 143 ff (Austrian electricity law)
  - ▶ Network reserve ordinance by E-Control according to § 146 Para. 4 ElWG (This presentation is based on the current draft for public consultation as of January 2026)

## Network reserve

- ▶ Goal: Assurance of enough flexible capacity (via generation or DSR) for redispatch -> capacity payments for availability of flexible plants
- ▶ Definition of need and procurement:
  - ▶ Yearly definition of the need of network reserve via a system analysis
  - ▶ Yearly procurement process via a transparent, non-discriminatory and market based tender process
    - Exception: if some criteria for liquidity of the market are not met -> cost-based procurement

Timeline



Operators

APG (TSO)

E-Control (NRA)

## Expression of interest phase



- ▶ **Start:** planned end of February
- ▶ **Duration:** 4 Weeks
  
- ▶ **Expression of interest by submission of the forms available on the website of APG**
  - ▶ via E-Mail to [netzreserve@apg.at](mailto:netzreserve@apg.at)
  
- ▶ **The capacity of the plant must be available at any time, no deviations due to external factors like temperature are allowed, therefore:**
  - ▶ during the winter months the reference temperature for the provided capacity is 20°C and
  - ▶ during the summer months the reference temperature is 35°C.
  - ▶ (This was solved before by an increase of the network reserve need during the summer months.)
  
- ▶ **APG checks the plants for fulfilment of the participation criteria**
- ▶ **If the check is positive, the operator can place a bid for the unit in the second phase (offer phase)**

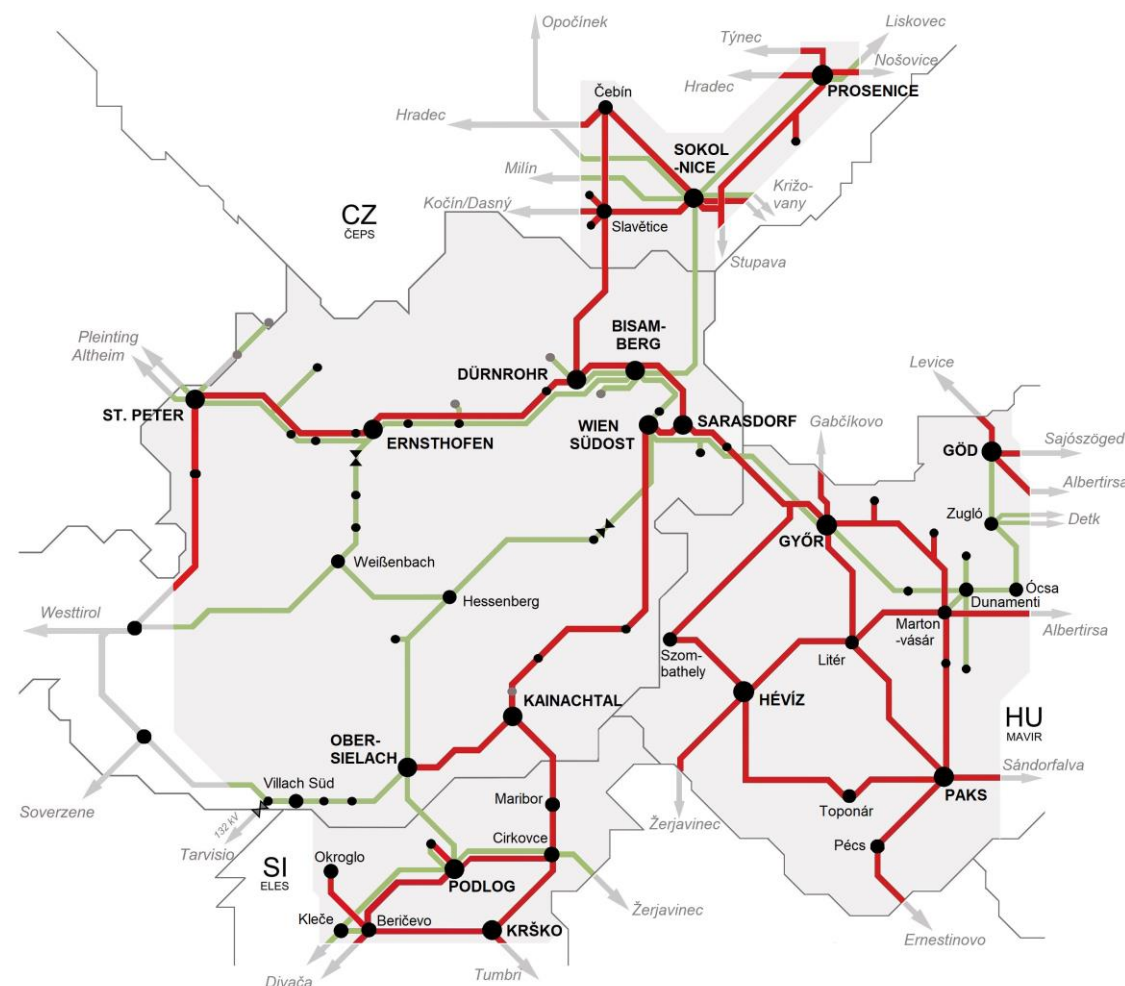


# Eligibility Criteria I/II



## Grid connection / location, minimum capacity & technology

- ▶ The feed-in and feed-out needs to be predominantly (> two thirds) in the highlighted grid area (map)
- ▶ Pooled units: location-criterion applies for every partial unit
- ▶ Minimum size is 1MW
- ▶ No technological restrictions



## Eligibility Criteria II/II



### Requirements

- ▶ Lead time: max. 10h (time until the requested redispatch capacity is reached)
- ▶ Minimum run-time: 1h (also for repeated activations), will be increased depending on the chosen de-rating value
- ▶ Repeated activations: within max. 18h (shut down + minimum down time + ramping to grid reserve capacity)
- ▶ CO<sub>2</sub> limits according to ElWG and no radioactive waste
- ▶ Confirmation of connection network operator about the exclusion of possible grid restrictions

### Additional requirements for generation units

- ▶ Generation plants >1 MW: valid decommissioning notification

### Additional requirements for foreign generation units

- ▶ Reporting of decommissioning comparable to the procedure in Austria
- ▶ Confirmation of the foreign NRA, TSO and if applicable DSO about the participation in the network reserve and a commitment declaration regarding the non-participation in the energy market to their NRA
  - ▶ A foreign TSO can activate the facility for redispatch purposes only via APG

## De-Rating of facilities



- ▶ Units will be de-rated according to their maximum run-time
  - ▶ The maximum run-time must be available for repeated activations.
  
- ▶ Background:
  - ▶ Requirement for notification from European Commission
  - ▶ The aim is to increase the target group for the tender
  - ▶ Current minimum run-time of 6h is omitted (replaced by maximum run-time according to the de-rating)
  
- ▶ The factors per maximum run-time will be published with the documents for the expression of interest phase.
  - ▶ Facilities with continuous output will set the standard for the factors
  
- ▶ The tender process will use the de-rated capacity (winter, summer) of the facility for all calculations and for the bids in the offer phase.



## Offer Phase



- ▶ Invitations will be sent out to the operators that concluded the expression of interest phase successfully
- ▶ Bids can be made via the procurement platform with providing the following details:
  - ▶ Product (next slide)
  - ▶ Facility
    - Offers will be made on the de-rated capacity
  - ▶ times for planned non-availability and required flexibility
  - ▶ Bid price
  - ▶ If offers are made for the yearly or seasonal products, there also must be offers for all products within the duration of the product
  - ▶ Combination offer
    - Single offers can be combined to a combination offer with a total price
    - the single offers will remain for the tender process
- ▶ **Duration:** 4 Weeks (usually starting in mid April)
- ▶ A second round will be held if the network reserve need cannot be fulfilled with the accepted offers in the first rounds. The second round only allows a correction of the offer price from the first round. No new offers will be accepted.

## Products\*



### ▶ Yearly product

- ▶ 1<sup>st</sup> October 2026 until 30<sup>th</sup> September 2027
- ▶ Temporary or permanent closure notification

### ▶ Winter product

- ▶ 1<sup>st</sup> October 2026 until 31<sup>st</sup> March 2027
- ▶ Temporary or permanent closure notification
- ▶ No tolerance months

### ▶ Summer product

- ▶ 1<sup>st</sup> April 2027 until 30<sup>th</sup> September 2027
- ▶ Temporary or permanent closure notification
- ▶ No tolerance months

### ▶ Seasonal summer product

- ▶ 1<sup>st</sup> April 2027 until 31<sup>st</sup> October 2027
- ▶ Temporary seasonal closure notification
- ▶ Tolerance months available

### ▶ Monthly products

- ▶ 12x with the length of a calendar month (October 2026 until September 2027)
- ▶ Temporary/seasonal temporary/permanent closure notification
- ▶ Tolerance months available

## Tolerance months



- ▶ Facilities with a **temporary seasonal closure notification** can use the tolerance months available with the **seasonal summer product and monthly products**
- ▶ Facilities can stay in the market during the tolerance months if APG is notified within the deadline but must stay available for redispatch.
  - ▶ The contract duration (=obligation for availability) always includes all tolerance months.
- ▶ **Tolerance months are:**
  - ▶ Seasonal summer product: April, May, September, October 2027
  - ▶ Monthly product: October 2026, April, May, September 2027
- ▶ **Use of tolerance months:**
  - ▶ During the offer phase via selection of the duration of the non-participation in the energy market.
    - No reduction of the network reserve remuneration
  - ▶ Notification until the first day of the month before the tolerance month
    - Participation in the energy market possible during the tolerance month
    - Total network reserve remuneration will be reduced by the fraction of remuneration paid during the month.
    - The duration for non-participation in the energy market can only be reduced

# Planned and unplanned non-availability



## ▶ Planned non-availability

- ▶ Non-availability that has been notified during the offer phase via the procurement platform
- ▶ For example: maintenance work, maintenance by the connecting network provider, ...
- ▶ Planned non-availability >2 weeks must be provided with the required flexibility, otherwise the offer will be rejected:
  - Minimum of 3 timeslots for the planned non-availability
  - Enough flexibility for moving the non-availability within the timeslots
- ▶ Planned non-availability is affecting the offer value (=corrected offer value) and therefore the probability being selected for the network reserve
- ▶ The total sum of network reserve remuneration will not be reduced for planned non-availability

## ▶ Unplanned non-availability:

- ▶ Non-availability that has not been notified during the offer phase
- ▶ For example: maintenance work, extension of the duration of maintenance work, maintenance by the connecting network provider, ...
- ▶ There are penalties if the non-availability is a result of culpable conduct (details following on next slides).
- ▶ In every case, there will be no remuneration during the time of unplanned non-availability.

## Selection of offers



- ▶ The selection is made on the principle: “Covering the network reserve need in the respective periods at least cost.”
  - ▶ Selection is based on the corrected offer values
  - ▶ The network reserve need will be covered with the de-rated capacity of facilities
  - ▶ During the winter period the units will be covering the need with their winter-capacity, during the summer period with the summer capacity (20°C and 35°C)
  - ▶ If the corrected offer values are the same, the offer with higher total availability is chosen, if the availability is the same, the unit with less specific CO<sub>2</sub>-emissions will be selected first
  
- ▶ Offers will be rejected if:
  - ▶ the reference value of the product category [€/MW/Monat] is significantly exceeded,
    - The reference values represent an average for a product category, without 10% of the most expensive capacity
  - ▶ not enough flexibility is provided for durations of planned non-availability
  - ▶ planned non-availability is too long (>50% for yearly/winter/summer product; >7 days for monthly products).
  
- ▶ Facilities for which offers are rejected can be subject of a decommissioning ban by E-Control (availability only cost based):
  - ▶ Requirement is, that the network reserve need cannot be covered otherwise,
  - ▶ or the whole procurement will be done cost based. (see next slide)

## Cost based procurement



- ▶ In case of illiquidity of the market, the procurement of the network reserve will be done cost based. Indicators for a switch to cost based are:
  - ▶ Less than 3 offers by 3 participants
  - ▶ The network reserve need cannot be covered with the submitted offers.
  - ▶ There is a pivotal offer, which must be selected to cover the network reserve need.
  - ▶ The fraction of closure notifications to network reserve need doesn't exceed a predefined value (according to network reserve ordinance by E-Control).
  
- ▶ All facilities that placed a closure notification are requested to submit their costs for availability during the period of the closure notification to E-Control. The costs will be reviewed by E-Control and cannot be exceeded during the actual availability period in case of selection for a decommissioning ban.
  
- ▶ The network reserve need will be covered via decommissioning bans on a least cost approach.



# Penalties



- ▶ Facilities are subject to penalties in case of unplanned non-availability because of culpable conduct.

## Types of penalties:

- ▶ (a) Duly notification of APG:
  - ▶  $\text{Penalty} = \text{duration [h]} * \text{missing capacity [MW]} * \text{VoLL [€/MWh]} * \text{Factor [\%]}$
  - ▶ The factor will be set in such a size, that the penalty will represent twice the daily remuneration for every day of non-availability.
  - ▶ Duly = following transparency obligations and via e-mail to [netzreserve@apg.at](mailto:netzreserve@apg.at) as well as notification of the operational planning team (system operations)
- ▶ (b) Without duly notification of APG/non-delivery of requested redispatch:
  - ▶  $\text{Penalty} = \text{duration [h]} * \text{missing capacity [MW]} * \text{VoLL [€/MWh]} * \text{Factor [\%]}$
  - ▶ The factor will be set in such a size, that the penalty will represent the monthly remuneration for every day of non-availability
- ▶ The determination of whether a penalty applies (question of culpable conduct) is done by consulting an independent expert above a certain penalty threshold (in €) as well as in consultation with E-Control.
- ▶ APG will retain the penalty until the final decision upon the question of culpable conduct.

# Redispatch



- ▶ Redispatch requests will be handled via a separate redispatch contract:
  - ▶ No costs that are remunerated via the network reserve are allowed to be included in the costs of the redispatch activation.
  - ▶ Only variable costs
  - ▶ There is an obligation to follow redispatch requests by APG (non-delivery or rejection of request = penalty (b))
  - ▶ Energy from ramping will be sold by the operator, proceeds must be balanced against the cost of redispatch.
  
- ▶ It is obligatory to use the redispatch communication method defined by APG.
  
- ▶ APG has the possibility to test the availability of facilities up to 5x each year
  
- ▶ Participants are allowed to test their units without prior redispatch request by APG. For example, in case of maintenance work or official requirements.
  - ▶ Tests must be done in coordination with APG
  - ▶ Any profits from test runs must be balanced against the network reserve remuneration

## Important links, documents and contacts



- ▶ Questions and Answers to the network reserve from the previous years (Q&A as download):
  - ▶ Regular updates (new questions from the webinars will be included in future version)
  - ▶ <https://markt.apg.at/en/power-grid/network-reserve/>
  
- ▶ Link for expression of interest phase (information and documents/forms):
  - ▶ Forms will be uploaded end of February at the latest
  - ▶ <https://markt.apg.at/en/power-grid/network-reserve/expression-of-interest/>
  
- ▶ Link for information for the offer phase:
  - ▶ Documents will be available after the expression of interest phase
  - ▶ <https://markt.apg.at/en/power-grid/network-reserve/offer-phase/>
  
- ▶ ElWG (Austrian Electricity Law): [German](#) (so far German only)
  
- ▶ Notification: <https://competition-cases.ec.europa.eu/cases/SA.113090>
  
- ▶ General questions/contact: [netzreserve@apg.at](mailto:netzreserve@apg.at)



# Thank You!

Questions may also be sent to [netzreserve@apg.at](mailto:netzreserve@apg.at)!



