05.02.2025

Grid Reserve Procurement 2025

Agenda

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- Time schedule of the 2025 tender
- General conditions of participation
- Eligibility criteria
- Bidding/Offer
  - Products
  - Tolerance month
  - Reference value
  - Selection procedure
- Summary

If you have questions, feel free to contact us at: netzreserve@apg.at

Introduction

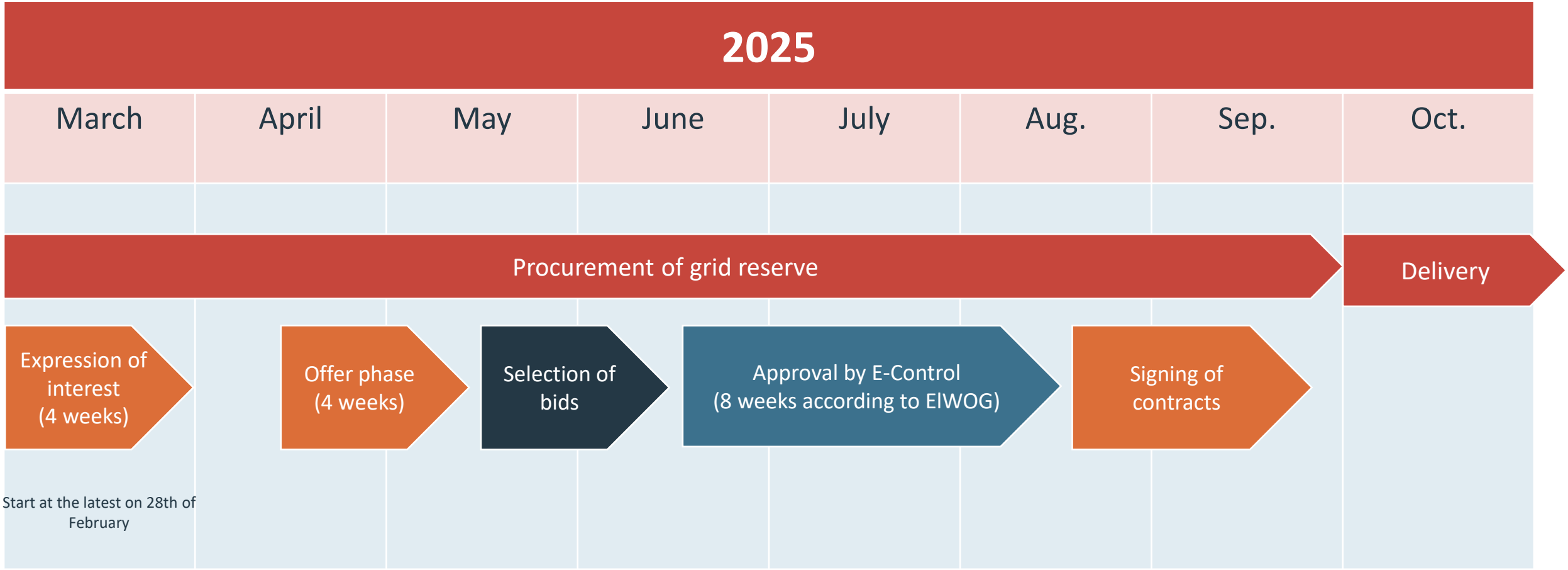
Grid reserve

- Background: Securing enough flexible capacity for redispatch -> corresponds to a capacity reserve for flexible units
- Dimensioning and procurement -> according to ElWOG
  - Yearly dimensioning of demand via system analysis
  - Yearly procurement via transparent, non-discriminatory and market based tender process

Redispatch / Congestion Management

- Redispatch is done via an additional contract for congestion management, if not already the case, such a contract must be concluded
- Compensation for redispatch is cost-based and not included in the grid reserve payment, which relates only to the availability
- Decisions regarding activation of redispatch units are made independently of grid reserve (based on availability, effectiveness, and cost)

Tender Timetable 2025



General Conditions (I/III)

Subject of the service provision

- During the contract duration, the providers of grid reserve agree to operate the unit and keep it available for activation by APG
- Grid reserve providers have to provide schedules (redispatch measures, availability) and online metering data for checking the availability of units (also for units < 25MW)

Effects on participation in the electricity market

- Generation units: no market participation permitted, units are only activated via redispatch by APG
- Demand response: Contractually agreed capacity must be available at any time, therefore market participation is permitted in order to be redispatched
- Storage: market participation is allowed to fill the storage after redispatch
- Only exception: coordinated maintenance (maintenance finalized and coordinated with APG during offer phase and before contracts are signed)

General Conditions (II/III)

Activation for redispatch measures („EPM Activation“)

- With existing redispatch contract (between provider and APG): activation is no longer based on ability and availability as both are the reason for participation in the grid reserve
- If there is not yet a redispatch contract, one must be concluded
- For redispatch activations, economic disadvantages and costs are reimbursed. Costs for the availability must not be included in the cost of the activation -> this is compensated via the grid reserve payment
- The provider commits to implement and use the communication system/path defined by APG
- Coordination with the responsible TSO is necessary

Activation tests and test runs

- APG is allowed to test the availability of the unit by test calls (max. 5 times per year).
- The provider has the possibility to undertake tests without an activation by APG (for example after maintenance or because of official requirements). Tests must be coordinated with APG. For these exceptional test-runs, the energy can be marketed in the electricity market.

General Conditions (III/III)

Remuneration

- The grid reserve fee remunerates the reservation of grid reserve units
- Activations are compensated on actual costs.

Contractual penalties

- In case of unavailability outside the coordinated maintenance period, there is a penalty of one monthly remuneration. This only applies if the unavailability is not reported to APG.
- If the unavailability outside the coordinated maintenance period is reported to APG, the penalty is twice the daily remuneration for each day.
- If the unavailability can be categorized as force majeure, the terms of the contract are mutually suspended for the period of unavailability
- Until clarification of the situation of an uncoordinated unavailability/maintenance, the maximum possible amount for a contractual penalty will be withheld from remuneration by APG.

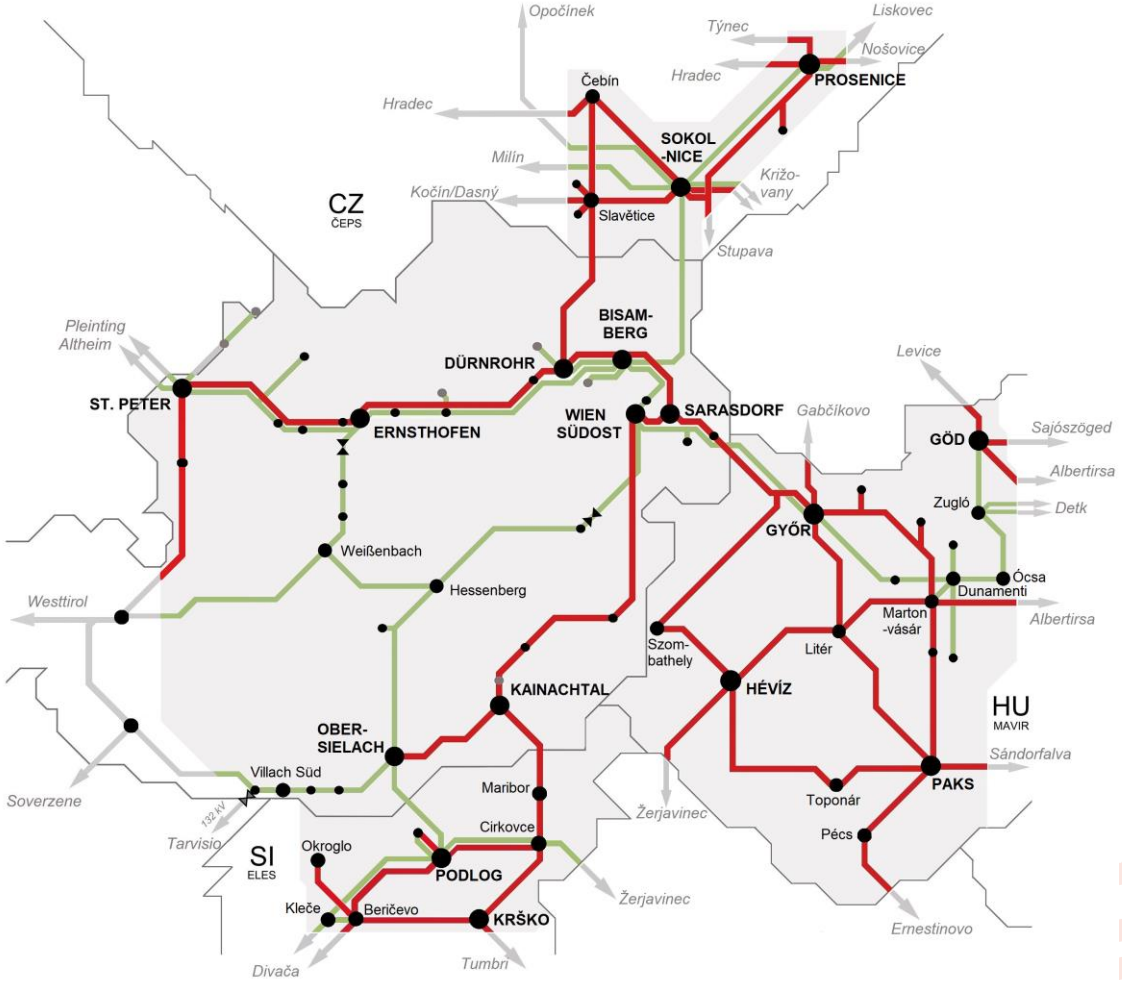
Maintenance

- Maintenance periods are possible but must be announced with the bid during the offer phase
- The length of the maintenance period influences the selection criterion.

Eligibility Criteria (I/IV)

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/IV)

Requirements for generation units

- Lead time: max. 10h (time until the requested redispatch capacity is reached)
- Minimum run-time: 6h (also for repeated activations)
- Repeated activations: within max. 18h (shut down + minimum down time + ramping to grid reserve capacity)
- CO_2 limits according to ElWOG and no radioactive waste
- Confirmation of connection network operator about the exclusion of possible grid restrictions
- Generation plants >20MW: valid decommissioning notification (before 30.9.2024 for this tender according to ElWOG)

Additional requirements for foreign generation capacities

- Reporting of decommissioning comparable to the procedure in Austria
- A TSO abroad can activate the units for redispatch purposes via APG only (separate contract)
- A commitment declaration regarding the non-participation in the energy market to their NRA
- Confirmation of the foreign NRA, TSO and, if applicable, connection network operator for the possible participation in the grid reserve

Eligibility Criteria (III/IV)

Requirements for demand response units in Austria

- Lead time: max. 10h (time until the requested redispatch capacity is reached)
- Minimum run-time: 6h (also for repeated activations)
- Repeated activations: within max. 18h (back-to-back activation, time until the grid reserve capacity is fully reached again)
- Confirmation of connection network operator about the exclusion of possible grid restrictions

Eligibility Criteria (IV/IV)

Requirements for aggregators in Austria

- Lead time: max. 10h (time until the requested redispatch capacity is reached)
- Minimum run-time: 6h (also for repeated activations)
- Repeated activations: within max. 18h (shut down + minimum down time + ramping to grid reserve capacity)
- For each aggregated individual generation unit:
  - CO_2 limits according to ElWOG and no radioactive waste
  - Decommissioning notifications for generation plants >20MW

Offer Phase (I/VII)

Participating units and products

- Prequalification of units by APG -> possibility to make an offer in offer phase
- Products:
  - Yearly product
  - Seasonal winter product
  - Seasonal summer product
- Subunits that can be operated independently of the whole plant can be prequalified on their own and make offers. The sum of the capacities of the subunits may not exceed the capacity of the whole facility.
- If an offer is made for the yearly product, offers must also be made for the two seasons within the year.
- Aggregators with independent facilities >1MW must also make a single offer for each of these units, if there is no exception agreed with APG
- Multiple offers can be combined to a combination offer
- Maintenance during the delivery period is possible but must be announced and coordinated with APG during the offer phase

Offer Phase (II/VII)

Tolerance Months

- There is a tolerance band of one month up or down in the seasonal grid reserve contract (ElWOG §7 Abs.1 Z61a)
- For the 2025 tender the tolerance band will only be available for the summer product.
- The exact duration of the offer for the seasonal summer product can be given during the offer phase (start: April-June, end: August-October)
- Facilities must be available for redispatch during the whole contract duration (incl. the tolerance months)
- Opting out of the grid reserve during the tolerance months is possible after conclusion of the contract, but no extension is possible
- There is no compensation for the period of opt-out (as market participation is possible)
- Tolerance months are only available for units with temporary seasonal decommissioning notifications. Temporary and permanent decommission notifications result in a fixed product duration of 1st of April to 30th of September.

Offer Phase (III/VII)

Tolerance Months

- Offer phase (April 2025):

	Capacity	Value of the offer
Provider 1	100 MW	1,40 Mio.€
Provider 2	100 MW	1,20 Mio.€
Provider 3	100 MW	1,00 Mio.€

April	May	June	July	August	September	October
Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve
Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Market	Market
Market	Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve

- After conclusion of contract (until mid of March 2026):

	Capacity	Value of the offer
Provider 1	100 MW	1,40 Mio.€
Provider 2	100 MW	1,20 Mio.€
Provider 3	100 MW	1,00 Mio.€

April	May	June	July	August	September	October
GR or Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve
Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Market	Market
Market	Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve

- After conclusion of contract (until mid of April 2026):

	Capacity	Value of the offer
Provider 1	100 MW	1,40 Mio.€
Provider 2	100 MW	1,20 Mio.€
Provider 3	100 MW	1,00 Mio.€

April	May	June	July	August	September	October
Market	GR or Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve
Market	GR or Market	Grid Reserve	Grid Reserve	Grid Reserve	Market	Market
Market	Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve

Offer Phase (IV/VII)

Tolerance Months

- After conclusion of contract (until mid of August 2026):

	Capacity	Value of the offer
Provider 1	100 MW	1,40 Mio.€
Provider 2	100 MW	1,20 Mio.€
Provider 3	100 MW	1,00 Mio.€

April	May	June	July	August	September	October
Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	GR or Market	GR or Market
Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Market	Market
Market	Market	Grid Reserve	Grid Reserve	Grid Reserve	GR or Market	GR or Market

- After conclusion of contract (until mid of September 2026):

	Capacity	Value of the offer
Provider 1	100 MW	1,40 Mio.€
Provider 2	100 MW	1,20 Mio.€
Provider 3	100 MW	1,00 Mio.€

April	May	June	July	August	September	October
Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	GR or Market
Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Market	Market
Market	Market	Grid Reserve	Grid Reserve	Grid Reserve	Market	Market

- Final decision:

	Capacity	Value of the offer
Provider 1	100 MW	1,20 ~~1,40~~ Mio.€
Provider 2	100 MW	1,20 Mio.€
Provider 3	100 MW	0,60 ~~1,00~~ Mio.€

April	May	June	July	August	September	October
Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve
Market	Grid Reserve	Grid Reserve	Grid Reserve	Grid Reserve	Market	Market
Market	Market	Grid Reserve	Grid Reserve	Grid Reserve	Market	Market

Offer Phase (V/VII)

Reference Value

- Offers are checked based on a reference value that represents the weighted average of all offers plus a significance value. The most expensive 10% of the offered capacity are excluded. The significance value will be published with the call for offers.
- The comparison between the offers and reference value is done based on the specific monthly offer value (cost per MW and month)

$$AW_{SP,M} = \frac{AW}{T_{PM} * \left(P_{ges} * \frac{T_{PD} - \sum_{n=1}^{N} T_{RD,n}}{T_{PD}} + \sum_{n=1}^{N} P_{res,n} * \frac{T_{RD,n}}{T_{PD}}\right)}$$

$AW_{SP,M}$	monthly specific offering value (€/MW)
AW	Value of the offer over the entire product period (€)
T_{PM}	Offered product period (months)
P_{ges}	total grid reserve capacity (MW)
T_{PD}	offered product period (days)
N	revisions during the offered product period (quantity)
$T_{RD,n}$	planned duration of revision (days of the n-th revision)
$P_{res,n}$	available grid reserve capacity during the n-th revision (MW)

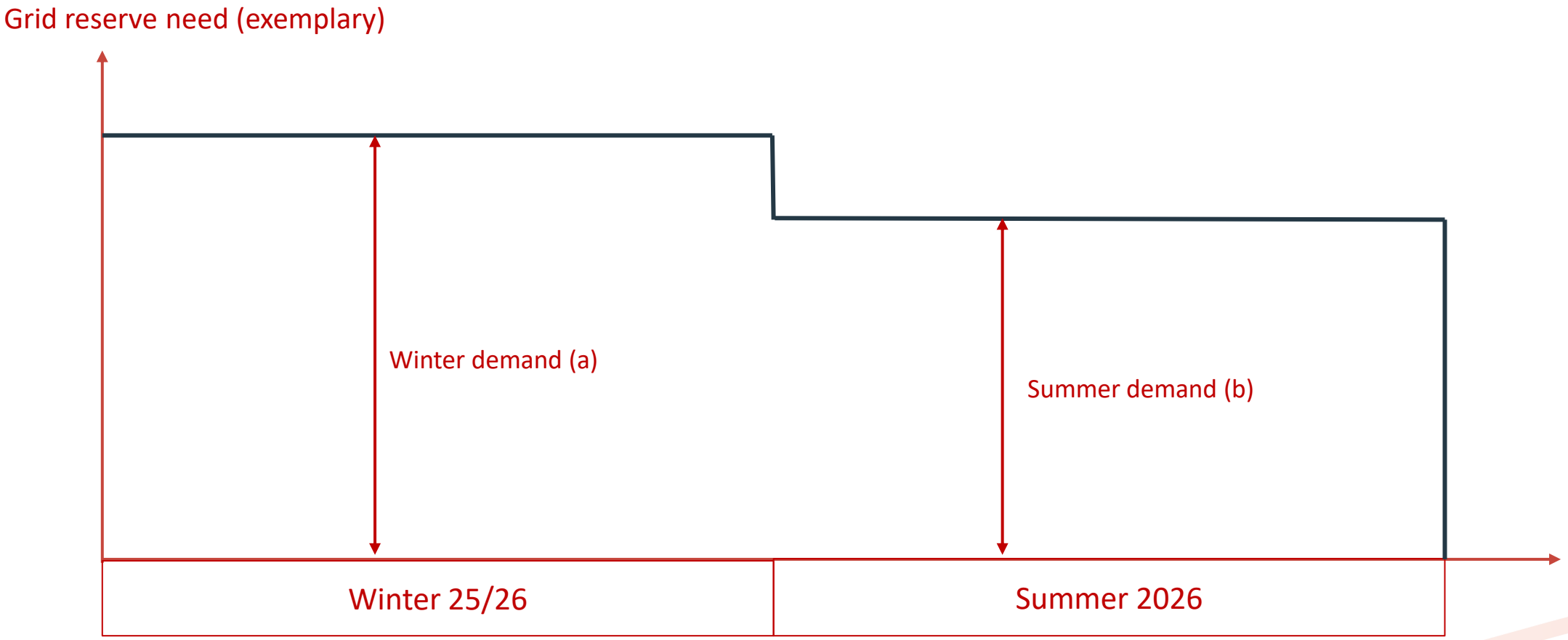
Offer Phase (VI/VII)

Selection Process

- Procurement is done based on a least cost approach in order to serve the grid reserve need for the first year. (§ 23b 6 ElWOG)
- Length of and available capacity during maintenance periods is calculated into the final offer value and therefore part of the selection process
- Therefore, offers with shorter maintenance periods are preferred compared to offers with longer maintenance periods
- If offers have the same specific monthly offer value, the one with higher overall availability is preferred. In case of identical availability, the offer with lower specific CO_2-emissions is preferred.

Offer Phase (VII/VII)

Selection Process



Amendments to the 2024 procedure

Summary and general information

- Textual clarifications for penalties
- Clarification for remuneration schedule in case of uncoordinated unavailability/maintenance

- The procurement will be done on the legal basis of the 2021 network reserve aid approval by the European Commission. This has been discussed and coordinated with the relevant stakeholders like the ministry responsible for energy (BMK) and the European Commission.

Relevant links to the tender process

Questions and Answers to the tender process (FAQs as download):

- https://markt.apg.at/en/power-grid/grid-reserve/
- Constantly updated (new questions from webinars will be included afterwards)

Link to expression of interest phase with all necessary information and forms:

- https://markt.apg.at/en/power-grid/grid-reserve/expression-of-interest/
- Forms for 2025 tender published with call for expression of interest end of February 2025

Link to offer phase with all necessary information and forms:

- https://markt.apg.at/en/power-grid/grid-reserve/offer-phase/
- Information about the significance value and guide for offer phase 2025 will be available after the expression of interest is concluded

Thank you!

For further questions please contact us at netzreserve@apg.at!