



Press Release

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Market coupling started on Baltic Cable

Yesterday, 10 May 2010, market coupling was introduced on Baltic Cable. The total electricity flow traded between Sweden and Germany for delivery days 11th and 12th of May was 21,469 MWh. The average price difference between Sweden, traded on Nord Pool Spot, and Germany, traded on EPEX Spot, ranged around 3.20 €/MWh.

EMCC is applying the market coupling mechanism by buying and selling on the two power exchanges on behalf of Baltic Cable AB. Baltic Cable remains the owner of the capacity. The determination of the power flow follows the price signals on the two exchanges, thus leading to a flow from the low price area to the high price area. This leads to an optimal utilisation of available capacity, improving the efficiency of cross-border congestion management.

In order to achieve this, many contractual and technical issues had to be solved by Baltic Cable AB, EMCC and the involved power exchanges. Moreover, extensive tests were carried out to prove the functionality of the coupling mechanism on the cable.

Before the launch of market coupling on Baltic Cable, EMCC has already carried out day-ahead congestion management services on the two interconnectors between Denmark and Germany. With the introduction of market coupling on Baltic Cable, EMCC's market coupling is now covering all interconnectors between the Nordic market and Germany.

Baltic Cable is a 600 MW HVDC (high voltage direct current) interconnector between Sweden and Germany. It is operated by the merchant company Baltic Cable AB. Baltic Cable AB has decided to introduce market coupling on a voluntary basis.

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