NORTON ROSE FULBRIGHT

Energy Academy

Grid access



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Norton Rose Fulbright LLP

Energy Academy 2025 program

Session 1 | 18 March
Grid access

Grid congestion poses a serious threat to energy projects, energy-intensive industries and other businesses. However, it also presents opportunities for new business models. Against this background, in the first session of 2025, we will explore opportunities for connected to gain flexible access to the grid. We will address:

- ✓ Time-based and time-block based ransmission rights
- ✓ Cable pooling
- ✓ Capacity reduction contract
- ✓ Redispatch

Speakers: Marjolein Dieperink and Rosalie Blaauw

Session 2 | 15 April
Green hydrogen regulation

In this second session of our Energy Academy, we will take you through the most recent development and pitfalls of the green hydrogen regulation. What are the key things to keep in mind when entering this field? We will start with the basics and dive into the most important regulatory issues including:

- ✓ EU and Dutch regulation
- ✓ Legal definition of green hydrogen / EU compliant RFNBO
- ✓ Regulation and outlook hydrogen infrastructure
- ✓ Implementation of REDIII (renewable energy directive)

Speaker: Marjolein Dieperink

Session 3 | 17 June
Updates on energy project permitting

The third edition of our Energy Academy will focus on the relevant environmental and planning legislation in respect of development and operation of energy projects. This session will provide you with insights in different types of permitting procedures and possible environmental requirements, including:

- ✓ Choosing a location for your energy projects
- ✓ First experience with environmental law
- ✓ Recent developments

Speakers: Maaike Faase and Leora Wit

Session 4 | 16 September
New Energy Act

After a summer break, we will continue our Energy Academy with a deep dive into energy regulation, with a special focus on:

- ✓ Amendments to the Electricity Act 1998 and the Gas Act.
- ✓ The active customer and producer
- ✓ Flex contracts and grid congestion
- ✓ Regulator ACM

Speakers: Marjolein Dieperink and Rosalie Blaauw

Session 5 | 14 October
CCS

In the fifth edition of our Energy Academy, we take you along the most common CCS project structures and common issues in the legal framework, with special focus on:

- ✓ Legal structure CCS projects
- ✓ EU ETS and government support & subsidies
- ✓ Bottlenecks in the legal framework

Speakers: Marjolein Dieperink and Wouter Hertzberger

Session 6 | 18 November
ESG & the energy sector

The last Energy Academy provides a practical deep dive into ESG in the energy sector, with a special focus on:

- ✓ The legal framework for ESG
- ✓ Carbon Emission Reductions & Compliance.
- ✓ The Energy Sector & Mandatory Climate Transition Plans

Speakers: Marjolein Dieperink and Sharon Oded

Agenda Today

01 Why flexible contracting?

02 Current events

03 Overview of congestion measures ACM

04 Time-based transmission rights (TDTR)

05 Time block-based transmission rights (TBTR)

06 Cable pooling

07 Capacity reduction contract

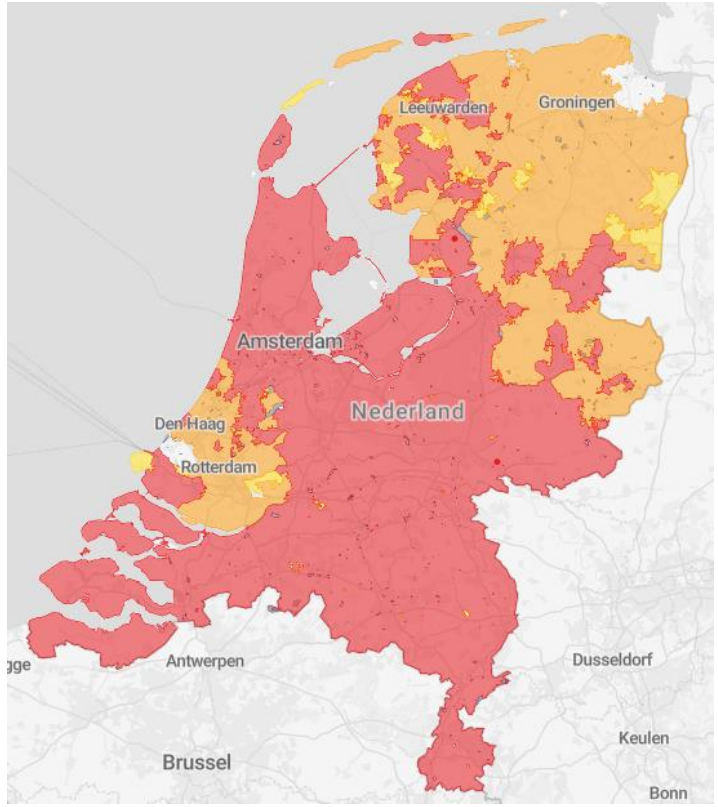
08 Redispatch



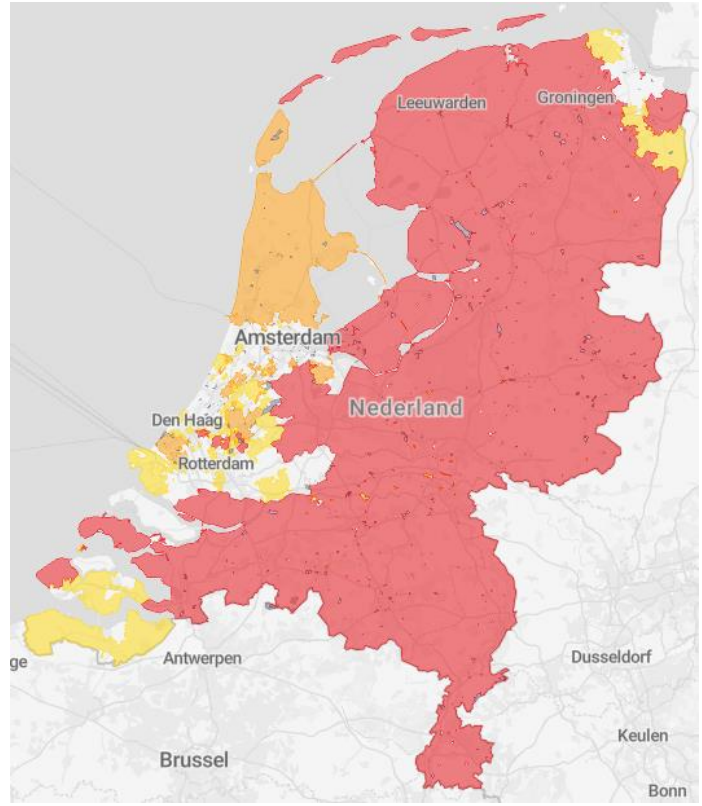
Why flexible contracting?

- Greater chance of being granted transmission capacity in times of grid congestion.
- Discounts on grid fees.
- Merit from offering flexibility.
- The possibility to distribute available capacity more intelligently in cooperation with other parties connected to the grid.

Off take



Feed in



https://capaciteitskaart.netbeheernederland.nl/

Current events



Regels voorrang op stroomnet opnieuw opstellen, zegt rechter

Wouter Hylkema 11 maart 2025

Uitbreiding elektriciteitsnet houdt stijgende stroomvraag niet bij

10 maart 2025 | door redactie | in energie





NOS Nieuws • Vrijdag 7 februari, 16:48

Kabinet versnelt uitbreiding elektriciteitsnet

Rechtszaken en netcongestie belemmeren lokale initiatieven

Sabine Sluijters 11 maart 2025

Current events

1 IBO - Switching to the future

- ✓ Power grid investment task 2024 - 2040 is EUR 195 billion;
- ✓ Damping cost increase;
- ✓ Dividing costs differently;
- ✓ Streamline decision making.

2 Conditional transmission right at sea

- ✓ Proposal for amendment of the Grid Code of Netbeheer Nederland;
- ✓ Towards 21 GW of offshore wind by 2030;
- ✓ More need for transmission capacity than is available on the high voltage grid;
- ✓ Solution is to apply a TDTR to connections on the offshore grid.

3 Experiment two new alternative transmission rights

- ✓ The ACM allows Liander to experiment with two new alternative transmission rights:
- ✓ Energy volume-based transmission right; and
- ✓ Adjusted variable transmission right outside congestion areas.

4 ACM - Focus on energy 2025

- ✓ Reducing grid congestion by focusing on flexible use;
- ✓ Introduction of a feed-in tariff for producers;
- ✓ Amendment of the Grid Code allowing group transmission agreements.

5 ACM must redefine prioritization framework

- ✓ CBb ruling 11 March 2025;
- ✓ The prioritization framework was carelessly prepared and inadequately justified;
- ✓ Gas Supply Security Regulation was wrongly taken as a starting point;
- ✓ ACM should include more European and national legislation in its consideration.

> ***Electricity becomes the backbone of the new energy system***
>
> *IBO: 'Schakelen naar de toekomst'*

Overview of congestion measures

The ACM has recently taken a variety of measures to mitigate the effects of congestion.

Some of these measures are already in effect and some are in preparation. We address the selection in green.



Flexible contracts

- ✓ Alternative transmission right fully variable
- ✓ Alternative transmission right time based
- ✓ Alternative transmission right time block based
- ✓ Group transportation agreements
- ✓ Cable pooling
- ✓ Agreements for GDSs



Rate incentives

- ✓ Time of use (LNB)
- ✓ Time of use (RNB)
- ✓ Feed in tariff
- ✓ Tariff structure small consumers



Dealing with scarcity

- ✓ Use it or lose it
- ✓ Exceeding contracted capacity
- ✓ Prioritization framework
- ✓ Connection terms for large consumption



Congestion Management

- ✓ Redispatch
- ✓ Capacity reduction contract
- ✓ Congestion study
- ✓ Participation requirement
- ✓ Standardization of contracts

Time-based transmission rights (TDTR)

Effective from 1 April 2025

What is a TDTR?

01 An alternative transmission right made available to connected parties to the high-voltage grid.

02 A TDTR applies to both off take and feed in (especially interesting for off take) and can be used in congested areas as well as outside of congested areas.

03 A connected party is entitled to transmission capacity for at least 85% of the hours on an annual basis. A transmission restriction may be in effect for the remaining hours.

04 Depending on daily available residual capacity, the actual constraint may also be less than 15% per year in practice, but never more.

05 TenneT will indicate each day, no later than 08:30 a.m. for the following day, whether the transmission capacity is available in accordance with the TDTR.

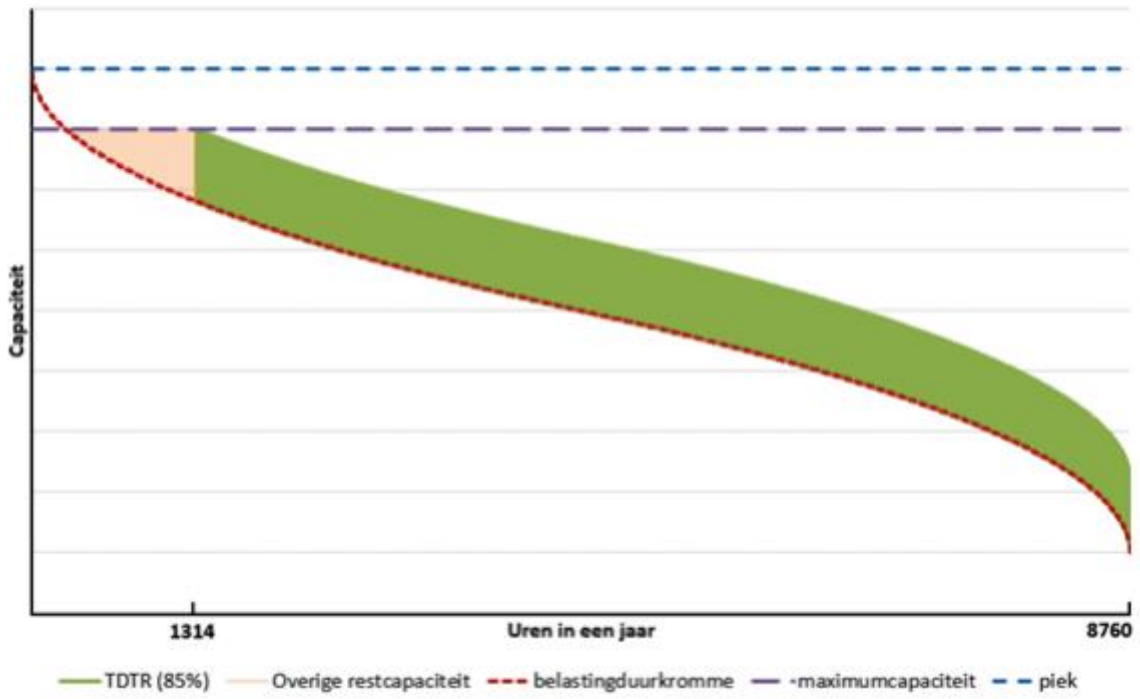
06 A TDTR can be combined with a fixed transmission right.

When may a TDTR be offered?

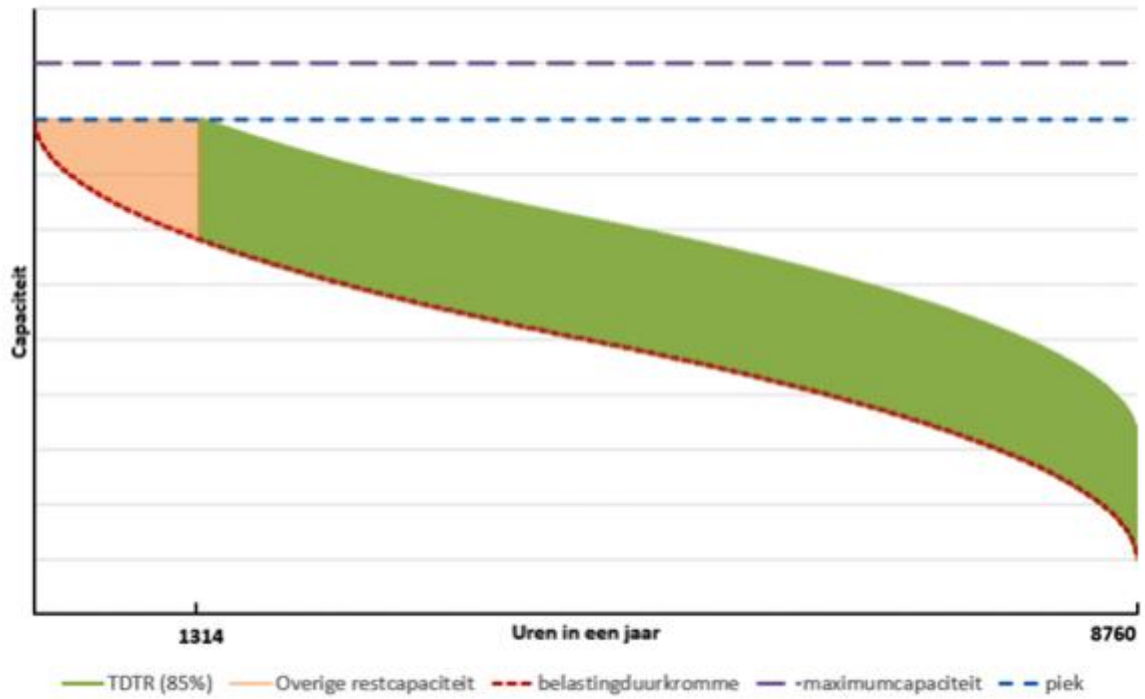
TenneT may offer a TDTR if, in the "most critical year" in the next 15 years, an individual connected party is expected to have no less than 1,314 hours per year of its requested transmission capacity at its disposal in that year, compared to:

- ✓ The maximum capacity available on the grid if the connection is in a congestion area;
- ✓ The peak load on the grid when the connection is not in a congestion area.

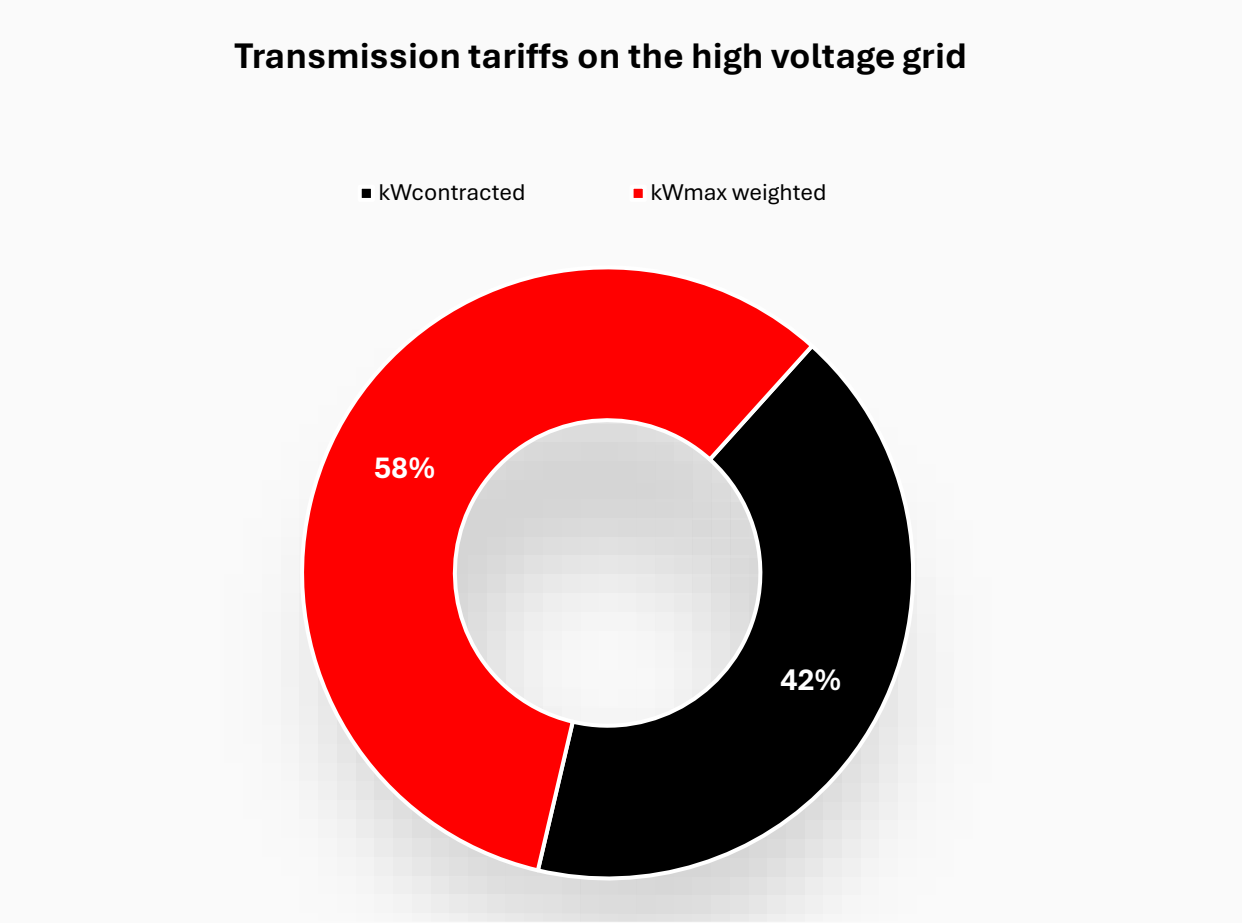
Congestion area



No congestion area



Benefits of a TDTR for connected parties



- ✓ With a TDTR, the tariff carrier kW contracted is adjusted to zero , which allows connected parties to receive a discount around 42% on the transmission tariff.
- ✓ A connected party with a TDTR only pays for the tariff carrier kWmax weighted.
- ✓ The ACM Decision on Time of Use (not discussed here) allows for a discount to be obtained on the kWmax weighted tariff if no/less is taken from the grid during peak hours .
- ✓ By combining the two discounts, the total discount on transmission tariff could potentially reach 65%.

For which parties is a TDTR suitable?

Parties that, in addition to a grid connection, are directly connected to a production plant or have their production.

Parties that have some form of storage and, for example, charge at night and therefore can have less off take during the day.

Parties for whom it is possible to take off or feed in electricity from/to the grid especially outside of peak hours.

Parties that can easily and quickly adapt processes/systems to available transmission capacity on the grid.

A TDTR is suitable for parties that can offer flexibility.

Batterijgigant GIGA Storage en TenneT sluiten eerste tijdsduurgebonden contract

https://www.tennet.eu/nl/nieuws/batterijgigant-giga-storage-en-tennet-sluiten-eerste-tijdsduurgebonden-contract

Time block-based transmission rights (TBTR)

Effective from 1 April 2025

What is a TBTR?

01 An alternative transmission right that becomes available to large consumers (connection > 3X80 A) on the regional grid.

02 A TBTR applies both to off take and feed in (especially interesting for off take) and can be used in congested areas as well as outside congested areas.

03 A connected party is entitled to transmission capacity in predetermined fixed time blocks. These time blocks are always outside the peak hours on the grid.

04 The time blocks can be daily time blocks (for example, fixed hours at night), or they can be weekly or monthly patterns.

05 A connected party knows in advance for which hours of the day transmission capacity is available.

06 A TBTR can be combined with a fixed transmisison right.

When may a TBTR be offered?

The regional grid operator may offer a TBTR if it:

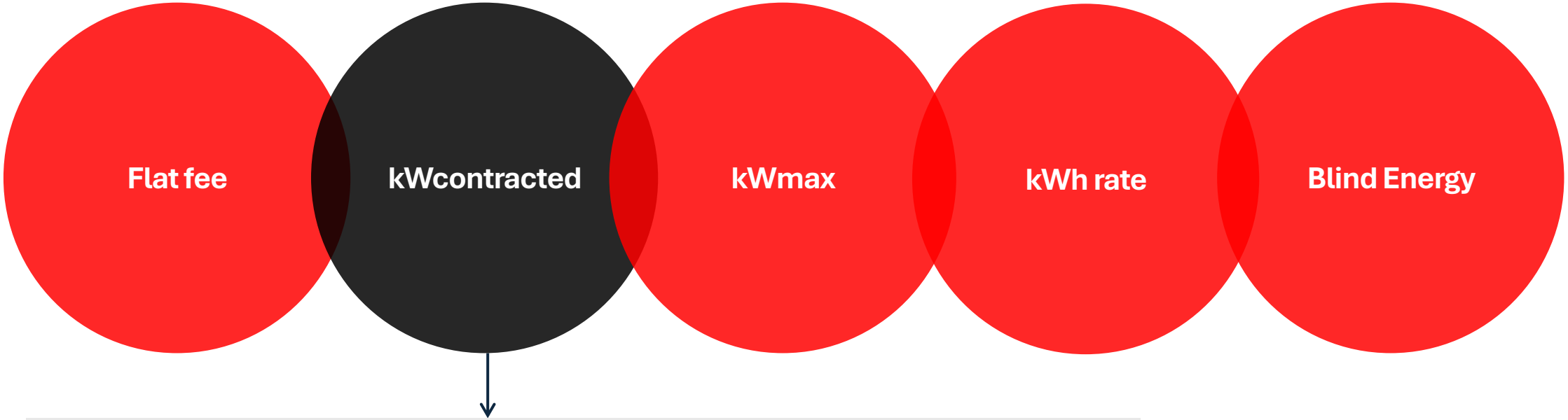
01 Can plausibly demonstrate through grid calculations which time blocks are available to the respective connected party.

02 Can demonstrate that with granting the TBTR to a connected party, the peak load on the grid does not become higher than the peak load on the grid without that TBTR.

03 Offers a discount to the connected party on the transmission tariffs.

Benefits of a TBTR for connected parties

Transmission rates on the regional grid



With a TBTR, a connected party receives a discount on the kWcontracted rate:

- ✓ A connected party only pays for the time blocks (hours) it has contracted for;
- ✓ If these blocks are not equal each day, the monthly average is used;
- ✓ In formulaic form, this means the following:

  kWcontracted TBTR = T/24XkWcontracted, fixed

  (T is the (average) number of contracted hours per day)

For which parties is a TBTR suitable?



Parties that, in addition to a grid connection, are directly connected to a production plant or have their own production.



Parties that have some form of storage and, for example, load at night and therefore have less off take during the day.



Parties for whom it is possible to take off or feed in electricity from/to the grid especially outside of peak hours.



Parties that can adapt processes/systems to other (predetermined) times (on the day) .

A TBTR can be suitable for parties that need less electricity at certain fixed times.

Cable pooling

Effective from 1 January 2026 (earlier use is permitted)

What is cable pooling?

01 Cable pooling is sharing one connection with other connected parties to the grid.

02 Cable pooling can be used by power generators, battery systems, electrolyzers and all other types of connected parties.

03 Cable pooling is possible for existing connections and new connections to the regional grid and high voltage grid.

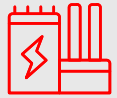
04 Cable pooling looks like a private grid (GDS), but it does not require an exemption from the ACM.

05 Cable pooling was already possible for wind and solar farms. In the new Energy Act, cable pooling is made possible for all types of connected parties.

06 The ACM anticipates to the Energy Act and already allows cable pooling, provided that the requirements of the Energy Act and the Energy are met.

What are the requirements for cable pooling?

Cable pooling for all connected parties



Re 1

The installations are in close proximity to each other.

Re 2

The installation owners must jointly enter into a CTA with the grid operator.

Re 3

The connection capacity is at least 100 kVA.

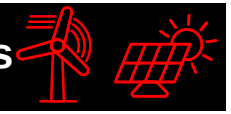
Re 4

No more than 4 WOZ properties are connected.

Re 5

Cable pooling must be reported to the ACM as soon as the connection is put into service.

Cable pooling for onshore solar and wind farms



Re 1

The installations are in close proximity to each other.

Re 2

The installations are technically, organizationally or functionally integrated.

Nieuws • 20 november 2024 • Leestijd 2 min.

ACM geeft groen licht voor cable pooling

https://www.netbeheernederland.nl/artikelen/nieuws/acm-geeft-groen-licht-voor-cable-pooling

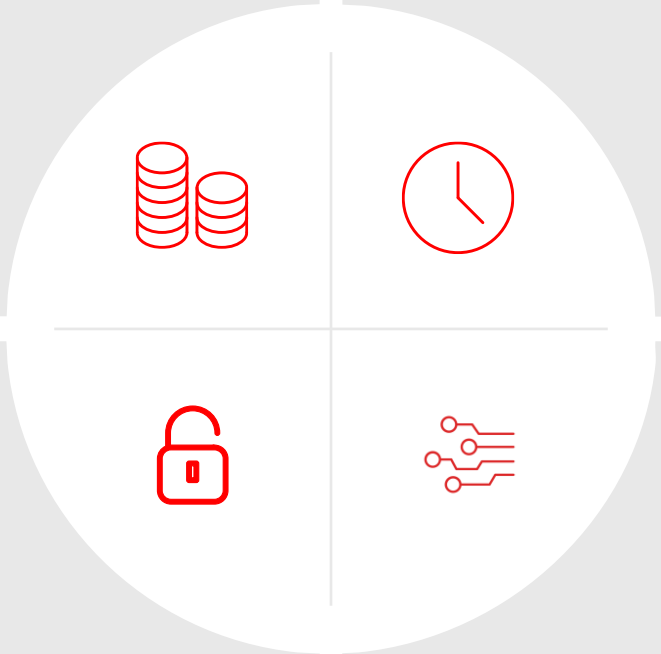
Advantages of cable pooling for connected parties

Reducing connection costs

Saves cost of realization of additional connection(s) and connection fees and periodic costs can be shared.

Shortening lead times

Lead times for projects can be shortened because no additional connection needs to be realized.



Capacity in a congested area

By sharing a connection with multiple connected parties in an intelligent way, (additional) transmission capacity can be connected in a congestion area.

More efficient use of the connection

A connection, installations and cables can be used more efficiently.

For which parties is cable pooling suitable?

Complementary off take/feed in pattern

Sharing a connection may be particularly suitable for parties who have a complementary offtake/feed in pattern, or a combination between off take and feed in whose request for (additional) transmission capacity cannot be allocated on an individual basis.

Economically advantageous

Sharing can be suitable when It is economically more advantageous for parties to share a connection than to apply for separate connections. The criterion that the installations of the parties are in close proximity to each other, is explained by the ACM as an economic benefit of sharing a connection.

Collaboration is possible

Cable pooling requires far-reaching cooperation between the individual parties. The owners of the combined installations that are part of the cooperation must behave as one connected party and one installation. Examples given by the legislator in this regard are:

- ✓ Ensuring mutual transparency between the owners on the use of the shared connection;
- ✓ Joint contracting with buyers or sellers of electricity;
- ✓ The owners of the installations cannot conclude supply agreements toward each other.

Please note: With cable pooling, the installations are seen as one WOZ property under the Electricity Act. This means that it is not possible to request for a separate connection at a later stage.

Capacity reduction contract (CBC)

Into effect from 2023

What is a capacity reduction contract?

01 With a CBC, the grid operator agrees with a connected party that the connected party will temporarily reduce the off take or feed in of electricity.

02 A CBC can be entered into by a connected party itself or through a congestion service provider (CSP).

03 A CBC is particularly intended for large consumers. Liander, for example, sets the requirement of a minimum capacity of 1 MW and Enexis 100 kW.

04 A CBC is an additional contract on top of a firm ATO.

05 A CBC can be concluded for an existing connection or for a new connection that does not yet have transmission capacity.

06 A CBC is mainly used by grid operators in relation to congestion management. Strictly speaking, it is possible for the grid operator to offer a CBC outside of a congestion area.

What types of CBCs are there?

CBC with fixed time window

A connected party agrees with the grid operator that it will reduce the off take or feed in of transmission capacity at predetermined fixed times (time and/or period in the year).

This contract can be entered into by the connected party itself or through a CSP.

A connected party is responsible for adjusting the transmission capacity in a timely manner as contractually stipulated.

CBC on call

A connected party agrees with a grid operator that as soon as the grid operator sees that congestion will occur the next day, a connected party will limit its transmission capacity on call.

The CBC lists the periods during which a grid operator may make a call. No later than one day in advance at 8:00 a.m., a connected party is notified whether the power actually needs to be adjusted.

A connected party is responsible to adjust the transmission capacity when the grid operator has called for this.

Benefits of a CBC for connected parties

By entering into a CBC, a connected party receives financial compensation. This is agreed upon in the contract. In terms of the type of compensation, there are several options. A combination between these options is possible.

01
Discount on kW contracted tariff

This discount will generally be based on hours during which the contracted transmission capacity cannot be used and will be applied particularly in the case of a CBC with a fixed time window.

02
Fixed fee per month

A fixed fee per month, which fee is obtained regardless of whether a connected party is called upon.

03
Call-out fee per day

A standard fee per call that is paid on the day the call occurred, regardless of how many MWh are called for.

04
Fee per MWh

A fixed fee per MWh called or a fee tied to the EPEX spot price (the actual power price) + a surcharge.

05
cases,for missed SDE subsidy/GvOs.

In some cases, it is possible to agree that a connected party will be compensated for all missed SDE subsidy(s) and GvO(s). This compensation is on subsequent calculation.

For which parties is a CBC suitable?

CBC with fixed time window

Parties that can structurally offer reduced transmission capacity for a certain period of time.

Parties that have some form of storage and can charge at night, for example, which reduces the need for off take from the grid at certain times during the day.

Parties that do not want an ongoing obligation to offer flexibility, but want to limit this to fixed time windows, such as by day or season.

CBC on call

Parties that have processes or systems that can be quickly enabled or disabled.

Parties that have room in their operations to use electricity flexibly, for example, because they have some form of storage or have electricity production.

Parties that do not want an ongoing obligation to offer flexibility, but want to limit this to fixed time windows, such as by day or season.

Redispatch

Into effect from 2023

What is redispatch?

01 Redispatch is a tool from the grid operator to adjust the off take/feed in of electricity on the day itself.

02 A Grid Operator publishes a redispatch bid request and a connected party can then bid to have less off take from or feed into the grid compared to its forecast.

03 A connected party can only make redispatch bids through its CSP.

04 Redispatch bids can be made on the energy trading platforms EPEX SPOT and ETA which are linked to congestion management platform GOPACS.

05 A bid request for redispatch from the grid operator and a connected party's bid is on the day of off take/feed in itself.

06 Redispatch is particularly intended for large consumers. The minimum bid quantity is 100 kW and covers a minimum of 15 minutes.

Difference between a CBC and redispatch

Day-ahead adjusting

If, despite the long-term agreements made, the grid operator expects congestion for the next day, it will request connected parties with a CBC on call one day in advance at 08:00 a.m. at the latest to adjust their transmission capacity. Day-ahead contributions to congestion can thus be made with:

- ✓ **A CBC on call**



Long-term market - Up to 1 day before delivery

Day-ahead market - 1 day before delivery until 12:00 p.m.

Intraday market - 1 day before delivery from 15:00 p.m. to about 5 min before supply

Long-term agreements with connected parties

In an area where congestion is expected, the grid operator will initially look for connected parties who want to contract for a longer term on fixed time windows with a CBC. Long-term contracting thus involves:

- ✓ **A CBC with fixed time windows**

Making adjustments on the day

If it turns out that congestion is still likely to occur on the same day, the grid operator places a bid request for redispatch on the congestion management platform GOPACS. Contributions to congestion on the intraday market can be made via:

- ✓ **A bid obligation contract; or**
- ✓ **Free redispatch bidding**

What types of redispatch are there?

Bid duty contract

A grid operator places a bid request for redispatch on GOPACS. This request covers a specific congestion area and time window.

A connected in this congestion area with a bid obligation contract must respond to the call and bid for redispatch on an energy trading platform through its CSP according to the agreed terms.

All bids are reviewed and the most appropriate and advantageous bid is chosen.

When a bid of a connected party is chosen, the transmission capacity must be adjusted accordingly.

Free bids for redispatch

A grid operator places a bid request for redispatch on GOPACS. This request covers a specific congestion area and time window.

All CSPs will be notified of this and will check with their customers in this congestion whether there is flexibility for this time window.

When there are connected parties that can offer flexibility, a CSP places a bid on an energy trading platform on behalf of the connected party.

All bids are reviewed and the most appropriate and advantageous bid is chosen.

When a bid of a connected party is chosen, the transmission capacity must be adjusted accordingly.

Benefits of redispatch for affiliates

By making a redispatch bid, a connected party receives financial compensation. This compensation can be market-based or non-market-based.

01

Market-based redispatch

- ✓ A connected party can determine the compensation by the bid it makes through its CSP on GOPACS.
- ✓ The grid operator evaluates the bid against the other bids and chooses the best bid.
- ✓ The price arises through supply and demand on the energy platform.

02

Non-market based redispatch

- ✓ The grid operator determines a compensation based on the connected party's costs.
- ✓ Non-market-based redispatch may be applied only if one of the following conditions is met:
  - No market-based alternative is available;
  - All market-based resources have been used;
  - The number of installations is too small to ensure competition; or
  - Congestion occurs on such a regular and predictable basis that market-based redispatching would result in strategic bidding.

For which parties is redispatch suitable?

A bid obligation contract

Parties that have processes or systems that can be quickly enabled or disabled.

Parties that have room in their operations to use electricity flexibly, for example, because they have some form of storage or own electricity production.

Parties that do not want to have an ongoing transmission restriction imposed but want/are able to offer flexibility in an incidental manner.

Free bids for redispatch

Parties that have processes or systems that can be quickly enabled or disabled.

Parties that have room in their operations to use electricity flexibly, for example, because they have some form of storage or own electricity production.

Parties who wish to retain complete freedom over if/when to offer flexibility.

In case of questions, contact:



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