



E-Bridge
competence in energy

**A lot of potential,
little use?**

***An assessment of the
reactive power market***

→ Swipe to see the results



Under **Section 12h of the German Energy Industry Act (EnWG)**, the market-based procurement of reactive power was introduced. In addition to **fully integrated network components (VINK)** and reactive power provision in accordance with **grid connection requirements (TAB/TAR)**, grid operators can procure the required reactive power through competitive tenders and market-based mechanisms.

We analyzed the German reactive power market through January 2026 and are sharing our key findings.

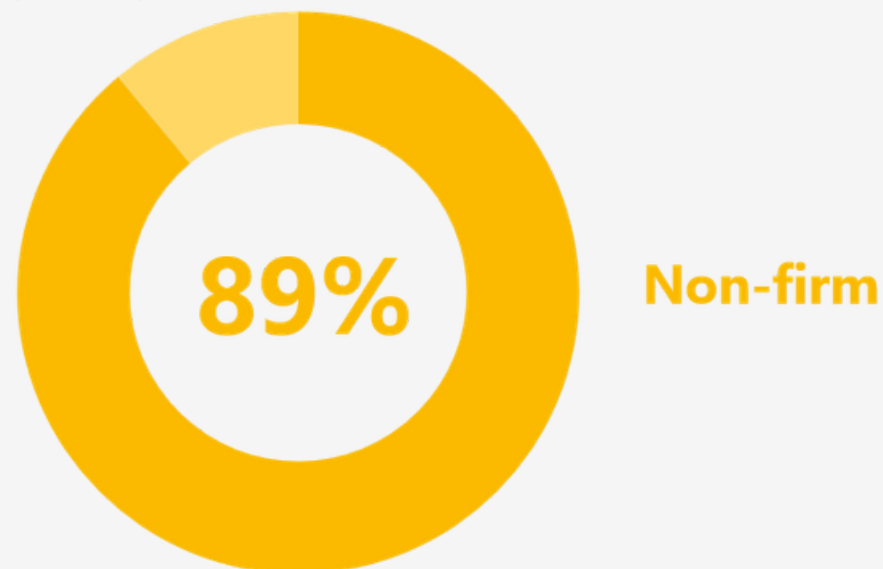
Analysis of the Reactive Power Market: Firm and Non-Firm Products

The majority of tenders involve non-firm products without a capacity payment.

→ Limited certainty of supply reduces investment incentives

→ Providers face low planning security

Firm (11 %)

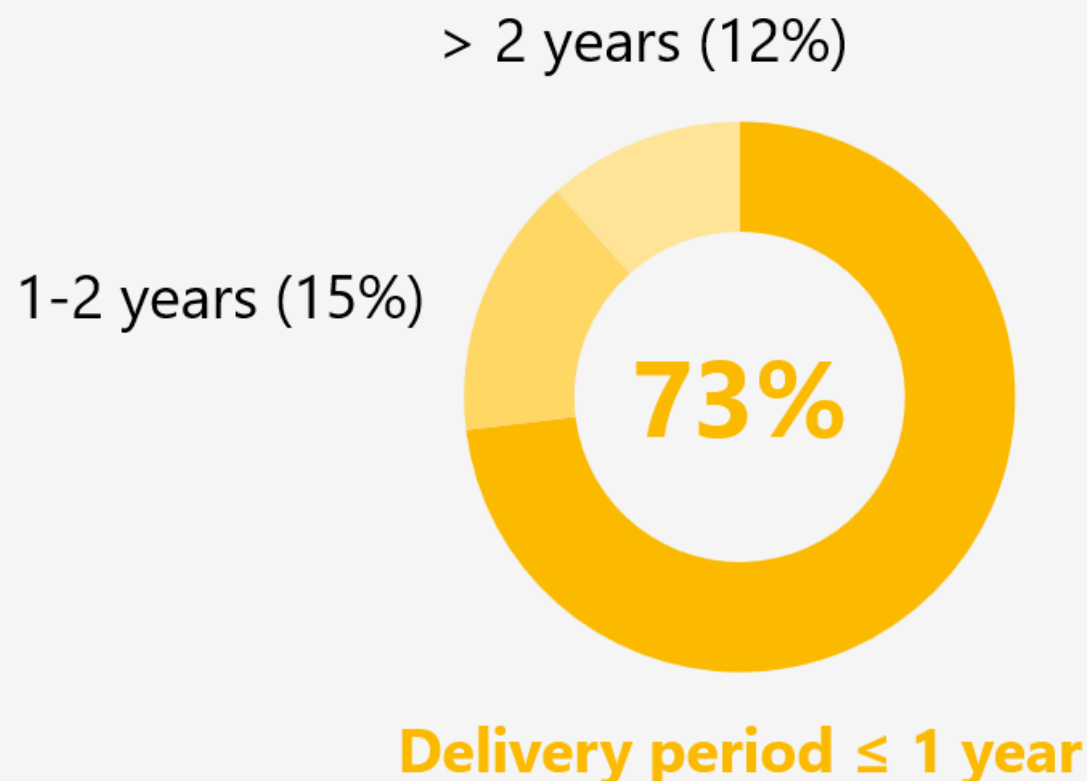


Analysis of the Reactive Power Market: Lack of Long-Term Commitments

The majority of tendered products are procured for periods of no more than one year.

→ Limited planning certainty for providers

→ Investments in additional reactive power resources are more difficult to justify

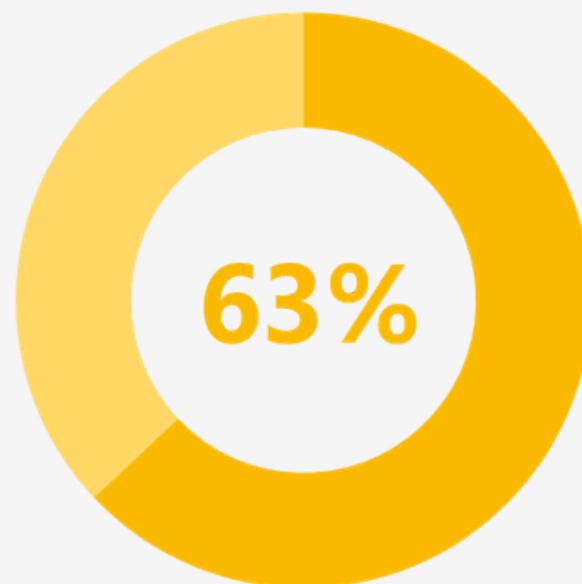


A large share of reactive power procurement tenders conclude without an award.

In successful tenders, awarded prices are often close to the established price cap.

→ Competition is developing more slowly than expected

Awarded (27%)



**Not
awarded**

How the market can be strengthened in a targeted way:

- Greater transparency regarding expected call-off volumes
- Centralized publication of tenders to reduce transaction costs
- More reliable investment conditions (e.g., minimum call-off commitments)