



Comments on Nordic Balancing Model Roadmap
11 September 2019

Presentation Structure

- ⌚ Overall stakeholder collaboration
- ⌚ High-level comments on the proposed Nordic Balancing Model Roadmap
- ⌚ Immediate issues to be resolved
- ⌚ Next steps



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Overall Stakeholder Collaboration

- ⦿ Significant improvements after a slow start
- ⦿ Increased information flow and transparency on challenges and decisions strengthen stakeholder confidence in the NBM
- ⦿ Roadmap a good basis for providing clarity on the implementation plan

Nordic Level

- ✔ Establishment of a Reference Group creates basis for continued stakeholder involvement
- ✘ Reference Group should play larger role between meetings, ie review of analyses, provide input for supporting papers etc.

National Level

- ✔ National groups provide a steady and consistent flow of information
- ✘ Varying intensity in national stakeholder dialogue may cause information asymmetries
- ✘ Need to provide clarity on how national implementation decisions impact Nordic roadmap

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High-level comments on the NBM Roadmap

Nordenergi calls for the final roadmap to be...

Aligned with Europe



Ambitious

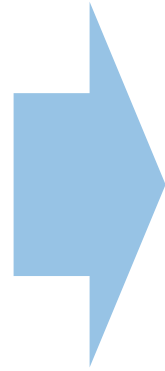


Transparent and detailed



High-level comments on the NBM Roadmap

1. Aligned with Europe



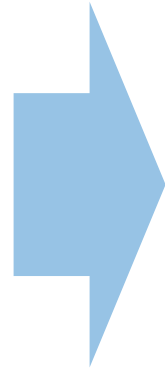
The Roadmap should support the integration of European short-term markets by:

- Describing the integration with European platforms
- Clarifying the roles of European platforms, Nordic AOF and individual TSOs,
- Including a timeline for 'NBM 2nd generation'
- Ensuring that Nordic balance markets and settlement is based on foreseen European standard solution given that these are best practice.



High-level comments on the NBM Roadmap

2. Ambitious



- Implementation of the single price model needs to proceed as soon as possible but take place no later than Q1/2021 in accordance EBGL)
- ISP 15 implementation should have a realistic timetable based on all information available
- The Roadmap should include discussion on possibilities to support system balance through trade in the organised power markets



High-level comments on the NBM Roadmap

3. Transparent and detailed



- The level of detail should be increased to provide a more precise prescription on the different elements
- The expected timing of work packages and milestone should be described
- The overall and per TSO actual cost and budget should be included
- All interdependencies and governing externalities should be addressed
- The final roadmap should be firm in order to reduce uncertainty for market participants

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Immediate issues to be resolved

- ⌚ We recognize that move to 15 ISP and 15 min markets depends on significant automation of TSO control room processes and eSett updates
- ⌚ However, 15 ISP is a prerequisite to join MARI and PICASSO and Nordics should not be laggards in European integration
- ⌚ Need to present ambitious and realistic timetable justified by analyses:
 - ⌚ TSOs should identify the pros and cons of parallel vs stepwise implementation – no important barriers to stepwise approach have been described
 - ⌚ Methods for profiling should be presented early to market participants. 15 ISP is not a “metering reform”.
- ⌚ Stakeholder involvement on 15 ISP should be intensified in the fall to create consensus on NRA requests.

15 ISP**Single Price Model****Bid Filtering**

Immediate issues to be resolved

- ⦿ Implementation of the single price model needs to proceed as soon as possible but take place no later than Q1/2021
- ⦿ Our members welcome the change and will make the necessary adjustments in a timely manner.
- ⦿ We see no challenges in moving to single price/single position immediately– stepwise approach should be taken if some TSOs cause delay
- ⦿ Postponing the implementation to Q4 2022 would be a significant and unwarranted delay – any deviation from EBLG EBGL deadline should be supported by substantive analysis providing a justification for the deviation.

Immediate issues to be resolved

- ⌚ Any bid filtering functionality should be transparent for market participants and should be isolated from the AOF
- ⌚ A proposed methodology – compatible and preferably identical to a European approach - should be described in the revised roadmap
- ⌚ The final methodology must be subject to public consultation even if it.
- ⌚ Market participants should be able to understand and verify how and when their market access is blocked by TSOs in order to avoid undue discrimination.

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Next steps

- ⦿ The NBM represents one of the biggest changes in the electricity market and stakeholders need to be firmly involved.
- ⦿ A full and detailed Roadmap will provide much needed clarity on the proposed changes to the market
- ⦿ We welcome the NBM reference group and encourage to use it for testing ideas in an early phase.
- ⦿ We welcome the increased transparency overall, but we want to point out that the formation of a Reference group doesn't remove the need to inform content, changes and potential delays in a timely manner for the whole market.

Next Steps

- ⦿ Stakeholder involvement remains important going forward - TSOs should continue to strengthen transparency and open dialogue on challenges
- ⦿ TSOs should immediately publish and openly discuss analyses on uncertainties raised in the roadmap, including:
 - ⦿ **Solutions and implementation milestones of the single price model**
 - ⦿ **The detailed steps and timeline for European integration**
 - ⦿ **Scope of the 15 min ISP postponement request to NRA**
 - ⦿ **Evaluation on impacts and potential integration solutions for DK1**

Thank you

