

## Status update on Single Pricing

NBM Stakeholder reference group meeting

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Erica Arberg

1. Recent developments
2. Possible mitigation measures and the Nordic balancing model
3. High-level overview of implementation & work plan for the single price project

# 1. Recent developments

## Recent developments (1/4)

- Paper on the importance and the TSOs use of production plans published on 27 March 2020. Find it at the [NBM webpage](#).
- The paper explains the current requirements for production plans and imbalances, monitoring and the use of production plans in balancing in all 4 Nordic countries
- The main message with the paper is to explain why the TSOs continuously see the importance of high-quality production plans



## Recent developments (2/4)

- The all TSO proposal on harmonization of imbalance settlement was referred to ACER on 14.1.2020
  - Moves the legal deadline for implementation up to 6 months and gives uncertainty in particular on the conditions for pricing
  - ACER is expected to make a decision on the proposal on Board of the Regulators meeting on 17<sup>th</sup> of June. Legal deadline for ACER decision is 14.7.2020.
  - After ACER decision, the TSOs have 18 months to implement the proposal
- Referring the imbalance settlement harmonization proposal to ACER extends the legal deadline, but it is not proposed to delay implementation of single position – single price model

# ISHP Timeline

- |                     |  |     |                          |
|---------------------|--|-----|--------------------------|
| 1.                  | EB Regulation entry into force (Article 52.2 Legal basis for Imbalance settlement harmonisation) | 1.  | 18 December 2017         |
| 2.                  | TSOs consulted first proposal with stakeholders  | 2.  | 28 Sept to 16 July 2018  |
| 3.                  | TSOs submitted proposal to NRAs  | 3.  | 18 December 2018         |
| 4.                  | NRAs submitted RfA to TSOs   | 4.  | 14 June 2019             |
| 5.                  | TSOs submitted amended proposal to NRAs  | 5.  | 11 November 2019         |
| 6.                  | Nordic TSOs indicate implementation date (in NBM roadmap)  | 6.  | 14 November 2019         |
| 7.                  | NRAs submitted the amended proposal ACER   | 7.  | 14 January 2020          |
| 8.                  | ACER launch second stakeholder consultation and in parallel consult TSOs and NRAs                | 8.  | 9 March to 29 March 2020 |
| 9.                  | ACER public workshop (telco)   | 9.  | 18 March 2020            |
| <b>We are here!</b> |  |     |                          |
| 10.                 | ACER will decide and publish their decision  | 10. | 14 July 2020 (at latest) |
| 11.                 | TSOs to implement the methodology (at latest)  | 11. | 14 January 2022          |

## **2. Possible mitigation measures and the Nordic balancing model**

# Introduction

- The balancing model of the Nordics is based on market parties following plan and maintaining their balance – this will not change with the go-live of the new imbalance model
- There is a need to further assess alternative mitigation actions for self-regulation
- With self-regulation we mean taking an active imbalance with the intent to support the system



# Alternative mitigation measures - overview

Mitigation measure	Description	Target
<b>Higher imbalance volume fee</b>	Will increase the cost of having an imbalance	Incentive to maintain balance
<b>Requirement for production plans</b>	Give requirements on scheduling of production and provide the TSOs with necessary information for real-time operation	Incentive to follow plans
<b>Monitoring requirements for production plans and/or monitoring of imbalances</b>	Follow up on BRP imbalances and the following of productions plans	Both incentive to maintain balance and follow plans
<b>Limiting real time information</b>	Design of when information is made available to the market players	Both incentive to maintain balance and follow plans
<b>aFRR capacity market for all hours</b>	Procure aFRR in all hours to mitigate the possible effects from self-balancing	Mitigate the possible effects from self-balancing by improving the frequency quality in those hours where aFRR is currently not procured
<p><b>Implementation of single price without specific mitigation measures for self-balancing</b></p> <ul style="list-style-type: none"> <li>• or with mitigation measures not yet identified,</li> <li>• or implementing mitigation measures later if issues rise</li> </ul>		



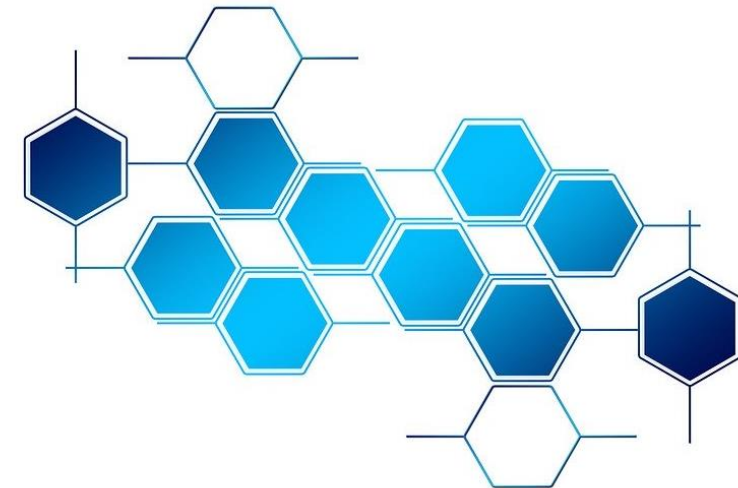
# NBM

Nordic Balancing  
Model

## **3. High-level overview of implementation & work plan for the single price project**

# High-level overview of implementation

- Biggest changes to IT systems are needed in the joint Nordic imbalance settlement company, eSett
  - In addition other TSOs systems needs to be updated
- eSett will publish the Single Balance commissioning plan for market participants in May 2020 on their website.
- **National** terms & conditions for BRPs needs to be updated (no common Nordic legal process)



# Work plan

