

# Implementation Plan for a Common Nordic Retail Market

Evaluation of the responses on the public consultation

Report 7A/2010



# **IMPLEMENTATION PLAN FOR A COMMON NORDIC RETAIL MARKET**

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consultation

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# Preface

Draft implementation plan for a common Nordic Retail Market was developed in close cooperation with relevant stakeholders in the Nordic electricity market during winter and spring 2010. The implementation plan outlines what should be done, by whom and when in order to create a common Nordic end user market over the coming years.

NordREG organised a public consultation on the draft implementation plan from the end of June until the beginning of the August, 2010 and received 25 responses from stakeholders.

This evaluation report includes summary of stakeholders' responses and NordREG comments on stakeholders' views.

The evaluation of the responses has been taken into account during the finalization of the implementation plan.

# 1 Public consultation

NordREG arranged a public consultation on the draft implementation plan for common Nordic end-user market from the end of June till beginning of the August, 2010.

Together 25 responses were received from the following stakeholders:

- Acando
- Danish Energy Association
- DONG Energy
- Empower Oy
- Enease Oy
- Energi Norway
- Energinet.dk
- E.ON Sverige AB
- Fingrid Oyj
- Finnish Energy Industries
- Fortum Corporation
- Hafslund ASA
- Herrfors Oy
- Kraftnät Åland AB
- KS Bedrift Energi
- Logica
- Norwegian Competition Authority
- Oberoende Elhandlare
- Shared comment from a group of local Finnish electricity companies (signed by Etelä-Savon Energia Oy, Haminan Energia Oy, Keravan Energia Oy, Kokemäen Sähkö Oy, KSS Energia Oy, Köyliön-Säkylän Sähkö Oy, Lammaisten Energia Oy, Lankosken Sähkö Oy, Leppäkosken Sähkö Oy, Mäntsälän Sähkö Oy, Nurmijärven Sähkön Oy, Paneliankosken Voima Oy, Porvoon Energia Oy – Borgå Energi Ab, Sallila Energia Oy, Suomen Voima Oy, Vatajankosken Sähkö Oy, Vakka-Suomen Voima Oy, Imatran Seudun Sähkö, Parikkalan Valo Oy, Outokummun Energia Oy, Kuoreveden Sähkö Oy, Äänesseudun Energia Oy, Ålands Elandelslag, Mariehamns stads Elverk, Esse Elektro-Kraft Ab, Oy Herrfors Ab, Jeppo Kraft Andelslag, Korpelan Voima Oy, Kruunupyyn Sähkölaitos, Pietarsaaren Energialaitos, Uudenkaarlepyyn Voimalaitos, Vetelin Sähkölaitos Oy and Rovakaira Oy)
- Statnett
- Swedenergy

- Tieto Oy
- Vattenfall Nordic
- VOKKS Nett AS
- Ålands Elandelslag and Mariehamns Stads Elverk

# 2 Stakeholders' responses to the draft implementation plan

## 2.1 General summary of the responses

In general, most of the respondents supported the harmonization of Nordic electricity market. However, many stakeholders commented that further analyses are needed before any decision can be made on how the customer interface should be organized. There was a unanimous view among the respondents that the chosen solutions should be customer driven and cost efficient and the roles of the different market participants need to be clear. Many respondents also emphasized that the harmonization of the EU electricity market should be taken into account when designing the Nordic market.

There were different views on proposed billing system. Some stakeholders were in opinion that the proposed billing system will not bring simplicity to the customer or lead to any efficiency gains for the industry. Actually in some comments the proposed dual processes for invoicing were seen as a major concern and not to be in line with the overall ambition. Meanwhile some stakeholders supported the idea that the suppliers have a choice to provide voluntary compined billing.

Several respondents pointed out that well functioning Nordic wholesale market is a necessity for the successful implementation of an integrated Nordic retail market. Suppliers' willingness to act on certain price areas should be carefully analyzed during this process.

It was seen important among the many respondents that the common Nordic retail market would fully contribute to the implementation of AMR/AMM within the Nordic countries.

Many respondents supported the proposal for a permanent project management secretariat to facilitate experts' task forces. Also a clear commitment for the future work is needed from all stakeholders.

## 2.2 Summary of individual responses

**Acando** is in opinion that supplier centric model is a long term lucrative model for all market actors, but they support further investigations (according to the Appendixes) to enhance a successfully implementation.

Acando sees that in future process the iterative approach would support a successful implementation as well as decrease the overall cost of a common Nordic retail market for all involved market actors (incl. customers).

**Danish Energy Association** agrees on the importance of carrying out the analysis in a very careful way that involves stakeholders throughout the whole process. Danish Energy Association supports the aim to analyze if there are elements in supplier of last resort scheme which may have negative effects to the functioning of the market.

Danish Energy Association stated that the right to combined billing should be supported and not obligated, as obligated combined billing may be a barrier for entering into the market. To allow customers and suppliers to choose their preferred solution seems more appropriate as long as cost efficient solutions are found.

Danish Energy Association has strong interests in many of the future tasks where the Nordic energy associations do not have direct the responsibility.

**DONG Energy** stresses the following specific points as being important for the common Nordic end-user market:

Regarding the supplier centric model DONG Energy agrees that the supplier should be focus and in many ways be the contact point towards customer. However, it lacks transparency and cost of effectiveness for both DSOs and customers and complicates the chosen market model if all suppliers are free to choose which task they will undertake. In relation to the issue combined billing DONG Energy likewise believes, that there is a need for more firm and harmonized rules, if a common Nordic retail market is going to be a success. To get a transparent and cost effective billing system there should be only one firm system that all suppliers follow and which is easy to understand for customers.

For suppliers a crucial basis assumption in a common Nordic retail market with low entry barriers and increased competition is having the same technical rules and formats in all Nordic countries.

Regarding the related issue of data exchange and a data hub then there should as a minimum be national data hubs that are compatible with each other. Bilateral communication is not feasible in a common Nordic market.

DONG Energy supports the proposal of establishment of a permanent project management secretariat with stakeholders actively taking part in the future work.

**Empower Oy** is in opinion that the market structure should be designed and implemented in a clear way to avoid overlapping functions and costs for suppliers and DSOs. The market must also have clearly pre-defined processes to enable transparency towards end customers, successful implementation of IT solutions and further improved efficiency and reduction in unit costs. The implementation of the market model should strongly support the use of services to enable the successful implementation of this major market change.

**Enease Oy and Tieto Oy** didn't have any specific comments on the draft implementation plan, but they expressed an interest to take part to the future work.

**Energi Norway** stated that the common Nordic retail market should add value for all stakeholders and the implementation should be cost efficient. The design of the market must accommodate future needs and the ongoing processes for developing Smart Grid and AMM must be taken into account. It is extremely important to ensure that sufficient time is allowed for proper specification and testing.

Before making any conclusions about market design and operations such as combined billing, Energi Norway recommends that especially the level of resolution of information about grid fees/ taxes to be exported from the DSO to suppliers is thoroughly investigated. The Annex of the Customer Interface report presents a list of issues that should be further investigated before conclusions about a market model are made. The list

is therefore an important guide for further work, and results from this work should have an influence on the timeframe for implementation.

**Energinet.dk** is worried that the overall organization of the coming work is not properly in place to ensure an efficient progress. In the Danish legislation, Energinet.dk is the party to write and update the rules and regulations setting out the terms for all commercial players and grid companies in the electricity markets in Denmark. Therefore, it is of utmost importance to Energinet.dk to participate closely in the development of the common Nordic rules for these business processes and procedures.

Energinet.dk finds that the time schedule has been mentioned several times in the implementation plan, and it appears that all parties face a very tight time schedule. In order not to delay the process, Energinet.dk recommends that some fundamental decisions are taken, e.g. regarding market model, billing, data exchange format and AMR.

Furthermore, Energinet.dk supports a Supplier Centric Model and NordREG's suggestion for combined billing.

**E.ON Sverige AB** is in general in favour of market mechanisms and does call for more integrated and more harmonised European electricity markets. However, the benefits with a common Nordic retail market, not least vis-à-vis the costs of implementation, are not analyzed enough in the draft implementation plan. E.ON Sverige AB's current assessment is that the proposed measures and their costs will exceed the expected added value. E.ON Sverige AB believes for example that an integrated Nordic energy policy would provide a larger positive effect for the customers.

**Fingrid Oyj** generally agrees on the expectations and objectives set for a common Nordic end user markets. However, it is important to decide on the overall governance model for the target model. This includes business processes and procedures to be applied with roles and responsibilities for different stakeholders. According Fingrid Oyj the consultation paper does not address this issue in needed detail.

The report maps differences in obligation to supply and supplier of last resort. Fingrid Oyj supports the aim to analyze if there are elements in these schemes which may have negative effects to the functioning of the market and needs for further harmonization.

Fingrid also finds that the common Nordic retail market should fully contribute to the implementation of AMR/AMM within the Nordic countries.

**Finnish Energy Industries** sees that it is a priority that the same market model and operational preconditions should be shared in all Nordic countries, meaning that any national exceptions or parallel models in any country should not be allowed. The feasibility of the implementation plan (including cost-benefit analysis) needs to be evaluated at least once during the work process, when more information about costs, schedules etc. are available. Also the supplier centric model should be based on thorough analyses and surveys. Finnish Energy Industries cannot support the proposed double billing process for the DSO's. The parallel procedures are not in line with the intention to bring simplicity to the customer.

Finnish Energy Industries is in opinion that although price areas and other wholesale issues have been excluded from this work, their effects on the function of retail market and suppliers' willingness to act on certain price areas must be carefully analyzed during this process.

The proposed time plan is very tight. The past experience has shown that the ICT is a remarkable cost and especially schedule factor in any change process in the electricity market. Finnish Energy Industries finds the full harmonization of balance settlement to be very essential and important. To ensure an objective and precise balance settlement it is important to promote hourly measurement in all Nordic countries.

**Fortum Corporation** sees that the overall targets described in the draft implementation plan are in line with the ambition to further develop a well functioning market. The primary goal is to improve the market and bring benefits for customers. The chosen solutions should be customer driven, cost efficient and secure a level playing field for the stakeholders. Testing of the solutions against these key requirements needs to be continued and the end result in terms of cost/benefit needs to be positive. According to Fortum Corporation it is more important to guarantee a good market design than to stick with the established target date of 2015.

Fortum Corporation supports the general target of moving towards a supplier centric model as a working assumption but many issues need further clarification. Costs and benefits of alternative models should be assessed. Fortum Corporation emphasizes that supplier centric model is not a prerequisite for the integration of a Nordic retail market. The proposed dual processes for invoicing are a major concern and not in line with the overall ambition.

Fortum Corporation finds it important that some cost coverage from regulation and/or customers will be allowed. Otherwise there is a risk for negative consequences, also in terms of exits.

According to Fortum Corporation different procedures for handling of profile customers would create a significant entry barrier for suppliers. On the other hand, harmonization of these processes is complex. The implementation of AMR will significantly decrease the problem. Also from this perspective it is of vital importance to promote swift implementation of AMR and harmonize the related processes.

Fortum Corporation supports the establishment of a detailed work plan and clear structure for organizing and steering the future work. A clear ownership of the overall process is needed and necessary resources and financing should be allocated for the work.

**Hafslund ASA** is positive NordREG's initiative towards a harmonized Nordic end user market. Hafslund ASA supports the conclusion in the implementation plan regarding the supplier centric model including the suppliers' choice to provide voluntary compined billing.

**Herrfors Oy** sees that further development of the functionality and integration of the Nordic wholesale market is way more important than creating the common Nordic retail market. Herrfors Oy is an opinion that the common Nordic retail market will not create any savings for the customers on the contrary the common market will upraise the end-user electricity price.

**Kraftnät Åland AB** finds important that the Åland landskapsregering should, as a regulator, be a part of the future work on creating a common Nordic retail market. In order for Åland to be able to take part of the common market, the respondent finds it important to remove the border tariff to Sweden. Kraftnät Åland AB sees no need to introduce a supplier centric model as the present market model is functioning well. The respondent is also of the opinion that the proposed time plan is unrealistic.

**KS Bedrift Energi** is in opinion that it is necessary to do cost and benefit analyze from the DSOs, suppliers and customers angles. In addition, it is crucial to review the risks and the costs related to the supplier centric model and suggested billing scheme. KS Bedrift Energi also finds the time schedule with implementation by 2015 to be too tight.

**Local Finnish electricity companies** see many positive aspects in the harmonization of Nordic electricity market. However, companies consider that it would be far more pressing and important to get the Nordic wholesale market working better and more closely integrated.

Furthermore, the local Finnish electricity companies find in their shared comment that the timetable as proposed in the draft implementation plan is unrealistic and the impacts and costs of supplier centric model should be resolved before progress and deciding how to proceed.

**Logica** sees that a mandatory Supplier Centric Model would be more efficient than optional models. By giving the market actors flexible regulations which enables them to choose between several different ways to contact the customer, the possibility to gain a cost-efficient and customer oriented process decreases.

Logica recommends that in order to achieve the biggest possible benefits for the customer in a common Nordic retail market, a message format with more flexibility and development potential should be chosen.

**Norwegian Competition Authority** welcomes the suggestion that the DSOs shall facilitate the possibility for all suppliers to provide combined billing to customers. This may lead to more similar competitive conditions for independent suppliers and integrated market players. In the view of the Norwegian Competition Authority, however, one should not impose any obligation on the suppliers e.g. to provide combined billing for customers, as this could result in higher barriers to entry in the market and as such harm competition.

**Oberoende Elhandlare (OE)** finds it necessary to create a common Nordic market as soon as possible in order to promote better competition. OE thinks that the reports from the four task forces in a clear way maps what needs to be done in order to create a common market. The goal of creating a common market is more important than blindly keeping to the goal of 2015. OE also thinks it is important not to allow any national exceptions from the common Nordic rules and processes. OE supports the suggested supplier centric model. In addition to these comments OE also highlights two specific issues:

1. It is crucial to have well functioning communication between the actors in the electricity market to ensure neutrality. A communication database or hub providing the possibility to exchange information on meter readings etc would be a good solution to

this issue. EMIX is a good example of such a system. OE also thinks that the regulation surrounding these processes should be issued and controlled by the NRAs.

2. OE thinks that the future division of the Swedish electricity market into several price areas would have a negative effect on competition. OE also thinks that the market for handling price differences (through Cfd) is not functioning, therefore it is important to develop the market for Cfd further. In the long run the goal should be to have as few price areas as possible, preferably only one covering the whole Nordic market. This issue should also be included in the implementation plan.

**Statnett** in general supports the suggestions of the draft implementation plan. However, Statnett sees that the indicated time schedule for Specification and Design is too long. Most of the issues have been widely discussed and are merely a subject for decisions rather than development of new solutions.

Statnett also stated that harmonization of AMR requirements with respect to resolution and frequency of meter reading must be emphasized. It should be a prioritized task as all countries are establishing AMR in some way or another.

Statnett supports the view that a dedicated project management should be allocated to the project and also suggests that resources from universities are invited to take part as an academic reference group in the design phase.

**Swedenergy** appreciates that the implementation plan seeks for a well planned market model rather than focusing on a fully completed implementation of a joint retail market before the end of 2015. Good market design and sufficient time for implementation is more important than the target date expressed in the assignment.

Swedenergy's opinion is that parallel billing systems, as proposed in the report, are not in line with the intention to bring simplicity to the customer. It will not lead to any efficiency gains for the industry, but rather drive costs upwards, induce complexity and bring quality problems. Swedenergy strongly believes that further analyses are needed before any decision can be made on how the customer interface should be organized.

**Vattenfall Nordic** thinks that there is a risk that a new common Nordic market model will be a compromise between the present models in the Nordic countries. This kind of compromise will lead to a complicated model requiring the actors to support several different ways to handle the same processes and hence, lead to increased costs for all actors and create entry barriers on the market. A high degree of harmonization is necessary to create customer orientation and a competitive electricity market and cost efficiency.

Vattenfall Nordic's greatest concern to the out sent documentation from NordREG is the proposed billing regime. If the DSO should facilitate combined billing as suggested in the report it will be a significant cost driver for the DSO who then must support two different billing processes including customer service and Customer Relation Management system. This will most probably also create confusion for the customer if there are different billing alternatives depending on the choice of supplier and the objective of simplicity for the customer will not be met.

Vattenfall Nordic finds that to meet the objectives of more active customers and higher competition among suppliers, definition of obligation to supply and handling of supplier of last resort should be harmonized.

Vattenfall Nordic also finds that AMR is an enabler to achieve the objectives of business process efficiency as well as effective communication between market players.

**VOKKS Nett AS** doesn't support supplier centric model as proposed in the draft implementation plan. According to **VOKKS Nett AS** the supplier centric model will just confuse the customers and bring extra costs to the DSOs.

**Ålands Elhandelslag (ÅEA) and Mariehamns Stads Elverk (MSE)** question the benefits of a common Nordic retail market. In general ÅEA and MSE are of the opinion that the consequences of the draft implementation plan will not benefit customers. Mainly it will benefit large suppliers that have the financial strength to act in the whole Nordic market. ÅEA and MSE find that introducing a supplier centric model is a bad suggestion. This model will according to the respondents increase the gap between customers and DSOs. There is also a risk that competition would be reduced due to higher entry barriers in the form of risk management and investment in new IT systems.

### 3 NordREG's comments on stakeholders' views

NordREG finds that stakeholders' views could be classified into certain main topics. NordREG has evaluated the responses by each main topic.

Table below shows a general summary of the stakeholders' responses on these topics and NordREG's answers.

Topic	NordREG's proposal	Stakeholders' view	NordREG's answer
#1 Time schedule	The common Nordic retail market shall be implemented by 2015. (Detailed information regarding action points can be found in the implementation plan.)	Several respondents consider the time schedule to be very tight. However, one respondent is of the opinion that the time allowed for harmonizing the Nordic retail markets could be shortened.	NordREG acknowledges that the proposed time schedule is very challenging. However, no respondent have brought forward any concrete action that will take significantly longer time to carry out than what is anticipated in NordREG's proposed time plan. Therefore NordREG sees no reason to make any changes in the time plan for now. The final timetable for the implementation of required changes will be defined during the specification and design phases.
#2 Supplier Centric Model	Strictly network related issues will remain the responsibility of DSOs. [...] However, if a supplier wishes to take care of the customer service also for these networks related issues, the supplier should be able to do so.	Five respondents opposed that the Supplier Centric Model would allow for parallel systems for customer services and expressed that there should be no overlapping of functions between DSOs and suppliers.	The main feature of the Supplier Centric Model that has been defined so far is that the supplier shall take a leading role in relation to the customers, meaning that the DSO will have less direct contact with the customers. However, the responsibility for making sure there is a customer service available for network related issues lies on the DSO. It should be noted also, that the

Topic	NordREG's proposal	Stakeholders' view	NordREG's answer
			<p>Supplier Centric Model does not hinder suppliers from answering some or all network related questions (e.g. regarding grid tariffs or outages) or forwarding network related calls and complaints to DSOs.</p> <p>With the common harmonised legislation, all DSOs will have the same obligation to inform customers and handle network related issues, while the suppliers will not be regulated in the same manner. This allows the suppliers to act freely in the competitive market with no added entry costs, and will enable competition and innovation to drive the further development of the retail market.</p> <p>On the part of DSOs, there will not be expected any significant changes in the costs to customer services in the short run considering that the obligation to inform and provide customer services will be the same for all DSOs. In the longer run we may assume that cost will be reduced since DSOs will not handle e.g. moving and supplier switching. That leaves it to the suppliers in the competitive market to find the most efficient ways to handle</p>

Topic	NordREG's proposal	Stakeholders' view	NordREG's answer
#3 Billing regime	<p>NordREG has that suppliers should have the right, but not any obligation to provide combined billing for customers. This approach will leave room for the market to develop solutions that are preferred by the customers. To make the process of combined billing as smooth and effective as possible the regulation should include obligations on the DSOs to facilitate combined billing for suppliers.</p>	<p>Six respondents opposes that combined billing shall be voluntary for suppliers since this will require the DSO to have dual billing systems and double costs.</p>	<p>customers.</p> <p>After the public consultation process NordREG has defined more precisely that the combined billing regime in which suppliers are billing also the network charges to the customers is the long term vision for the billing of end user customers in the Nordic region.</p> <p>To move towards combined billing and also to avoid possible extra costs for the DSOs NordREG finds that the Nordic countries could request the DSO to facilitate a combined billing to a supplier, if the supplier wishes so, or at least oblige the DSO to facilitate a real and smooth possibility for combined billing to all suppliers, if it provides it to any supplier.</p> <p>The obvious benefit of the proposed billing regime is that all suppliers will have an unquestionable possibility to provide combined billing (and customer services) in the same way as the vertically integrated suppliers and thereby levelling the playing field between independent and vertically integrated suppliers.</p> <p>We also may assume that introducing</p>

Topic	NordREG's proposal	Stakeholders' view	NordREG's answer
			<p>standardised and automated billing processes will reduce the total costs for DSOs.</p> <p>However, a detailed description of the combined billing and the impact assessment including an analysis of the practical consequences and implications (costs and risks) of the combined billing regime will be done in the next stage. After this impact assessment it should also be decided whether combined billing should be mandatory or voluntary for suppliers.</p>
#4 Further analysis needed before decision making	NordREG has proposed in the implementation plan considerable number of tasks that should be performed during the specification phase.	<p>Many respondents were in opinion that the Supplier Centric Model and the proposed billing scheme should be based on thorough analyses and surveys.</p> <p>In addition, some respondents considered important that before starting the practical implementation, the costs from the changing IT systems and data exchange procedures should be evaluated.</p>	<p>NordREG will perform, in co-operation with stakeholders, thorough analyses and surveys from several issues, e.g. an impact assessment of the billing regime (see above topic #3).</p> <p>NordREG acknowledges the importance of careful design in order to attain a well functioning and efficient retail market.</p>
#5 Obligation to supply and supplier of the last resort schemes	NordREG suggests to analyze if the existing obligation to supply and the supplier of last resort schemes includes elements that negatively impacts the market functioning and if there is a need for a harmonization.	Some respondents were of the opinion that it should be investigated if there are elements in supplier of last resort and obligation to supply scheme which may have negative effects to the functioning of the market and on the design of the business processes in the Nordic model.	NordREG agrees that the supplier of last resort and obligation to supply schemes should be analysed as the schemes may maintain old market structures where customers under these schemes remain passive too. These markets may also not be considered as

Topic	NordREG's proposal	Stakeholders' view	NordREG's answer
			attractive enough to new suppliers.
#6 Implementation of AMR/AMM in all Nordic countries	NordREG suggests further elaboration on the introduction of AMR in the Nordic countries and national AMR requirements and their impacts on a common Nordic end user market.	<p>Several respondents stated that it's important that the common Nordic retail market would fully contribute to the implementation of AMR/AMM within the Nordic countries.</p> <p>Some respondents also emphasized the harmonization of AMR requirements with respect to resolution and frequency of meter reading.</p> <p>Few respondents considered the implementation of AMR to be almost as prerequisite for well functioning Nordic retail market.</p>	<p>NordREG sees that the common Nordic end-user market shall be open for all customers. Restricting the common Nordic end user market only to e.g. hourly or monthly metered customers or commercial and industrial customers would introduce unnecessary confusion and possibly barriers of entry.</p> <p>However, NordREG realize the importance of promoting AMR within the Nordic countries.</p> <p>During the Specification phase NordREG will further elaborate the introduction of AMR in the Nordic countries and national AMR requirements and their impacts on a common Nordic end user market.</p>
#7 Cooperation between regulators	<p>NordREG proposes to establish procedures between the Nordic regulators in order to ensure coherent interpretation on message exchange rules.</p> <p>The data exchange rules should be coordinated on a Nordic level and regulated nationally.</p>	Some respondents are concerned with the issue of coordination of future rules for data exchange between the Nordic countries.	<p>NordREG agrees that issuing rules concerning the functioning of the future Nordic retail market, and determining how to interpret these rules, should be coordinated between the Nordic regulators.</p> <p>The details of such a cooperation will need to be investigated more closely before deciding which form the</p>

Topic	NordREG's proposal	Stakeholders' view	NordREG's answer
			cooperation can take. This issue has already been listed as an action point to be carried out by NordREG by the end of 2012 (see section 5.2 in the implementation plan).
#8 Hubs and databases	<p>NordREG proposes to analyze the impact of data hubs in each Nordic country for a common Nordic data exchange.</p> <p>NordREG also proposes to design the future message format and exchange mechanism</p>	<p>Some respondents have the view that there should be national data hubs that are compatible with each other or a common Nordic hub. Bilateral communication will not be feasible in a common Nordic market.</p>	<p>NordREG finds that that an important way to achieve an efficient common market is to implement common procedures for key processes with common messages and data formats.</p> <p>Standardisation and automation will then contribute to create a more effective communication between market players.</p> <p>The Nordic model will take the standards of the existing and forthcoming hubs into consideration. One way of doing data exchange might be to have national hubs / databases to ensure standardisation and efficient communication. The hubs / databases must be able to communicate with each other and translate messages sent between countries.</p>
#9 Development of wholesale market		<p>According to a few respondents, the division of the Nordic retail markets into several price areas will have a negative effect on the future common market.</p> <p>According to one respondent, the market</p>	<p>The issue of liquidity in the market for contracts for difference is investigated in a separate ongoing NordREG report that will be published during the autumn of 2010. Therefore NordREG has decided to not include this issue</p>

Topic	NordREG's proposal	Stakeholders' view	NordREG's answer
		<p>for handling price differences (through contracts for difference ) is not functioning.</p> <p>A couple of respondents think that it would be more beneficial to integrate the Nordic wholesale market more rather than focussing on the retail market.</p>	<p>in the implementation plan.</p> <p>In addition to the work with the Nordic retail market, NordREG is also working actively to develop the Nordic wholesale market. This work will, of course, continue parallel to the retail work.</p>
#10 Further organisation	<p>NordREG finds that it is essential that the future work towards common Nordic end user market is organized professionally and permanently in order to ensure efficient use of participants resources, steering and use of necessary external expert resources.</p> <p>This process requires active participation of the experts coming from the stakeholders and regulators.</p> <p>NordREG suggests that in order to ensure a successful implementation of common Nordic end user market a permanent project secretariat with project management skills is needed.</p>	<p>Many respondents supported the proposal for a permanent project management secretariat to facilitate experts' task forces. They found that this would help achieving the target but the developing work will still require a commitment of different parties and a stable organisation.</p> <p>Some respondents found that the proposal leaves open under which organisation such secretariat should be located and how it will be financed.</p> <p>Many respondent's expressed their willingness to participate in the process.</p>	<p>NordREG will continue the work towards the common Nordic end user market in close co-operation with stakeholders. NordREG underline and appreciate the stakeholders' active participation and the possibility to use stakeholders' expertise in future work.</p> <p>NordREG will prepare during autumn 2010 a more detailed proposal on the overall project organisation, how governance of the project could be established and how the project management could be organised and financed.</p> <p>The proposal will be discussed with stakeholders and Nordic council of ministers</p>









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