

NordREG  
Nordic Energy Regulators  
Directorate C - Renewables, Research and Innovation, Energy Efficiency  
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## **Nordenergi Consultation on the Nordic TSOs proposal for arrangements concerning more than one nominated electricity market operator (NEMO) in a bidding zone**

Nordenergi, the umbrella association of the Nordic electricity industry associations, welcomes the consultation of the NordREG on the Nordic TSOs proposal, on how the activity of several NEMOs can be organized in a bidding zone.

Nordenergi welcomes the possibility of competition between NEMOs, which will offer a new choice to market parties. At the same time, the functioning of the day-ahead and intraday markets has priority and should not be put at risk by the new competitive situation. Therefore, Nordenergi supports the Nordic TSOs proposal for arrangements concerning more than one nominated NEMO, which correctly identifies risks and proposes solutions.

We urge NordREG and the Nordic TSOs to insist on the implementation of the solutions, proposed in this document, especially in cases where there is a need to coordinate with future European processes. One example is the fallback solution, which is yet to be decided on the European level.

### **Concerning day-ahead:**

#### Fallback

Nordenergi agrees with the proposed requirement under point 4.2.4. that the Nordic region should be kept "internally coupled also during fallback situations" i.e. in the case of partial or full decoupling. In addition, we want to underline, that we expect all Nordic TSOs to require, that "there shall be one price and one net position for each market time unit (MTU) for each bidding zones under all circumstances, including partial and full decoupling", as mentioned as a possibility in chapter 3 page 7. Since more than 90 percent of all production and consumption in the Nordics are traded via the exchange and for the security of supply reasons mentioned under chapter 4.1.3. page 9, it is not acceptable for consumers and producers to have several prices in one bidding zone at one MTU.

We regret that under the CACM regulation the European proposal for fallback solutions will follow after the approval of several NEMOs for one bidding zone, which creates problems before it solves them. To avoid situations where disagreeing NEMOs delay the implementation of the needed fallback solution, we suggest that the Nordic Day Ahead Operations Agreement (Nordic DAOA), that will be redrafted, could include the requirement that any NEMO needs to accept to become member of a (future) Nordic fallback solution.

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#### System price

Nordenergi agrees with the importance of a commonly accepted reference price as the current calculated system price as an uncongested price and support the solution suggested by the Nordic TSOs concerning its continuing calculation when several NEMOs are active in one bidding zone.

#### Change of bidding zone configuration

While we are aware of the TSOs wish for flexibility, Nordenergi wants to underline that the regular process for changing bidding zones under the CACM Regulation should be the preferred solution. Changing the bidding zone configuration with just a 4 weeks advance warning is extremely disruptive for market participants and the forward markets and causes considerable costs for both producers and consumers.

#### **Comments concerning intraday:**

Nordenergi generally agrees with the situation and solutions described by the Nordic TSOs concerning intraday trading.

Nordenergi wants to underline, that the entrance of (a) new NEMO(s) should lead neither to delays in the local implementation process to access the European XBID solution, nor to a situation where the Nordic price areas and the Nordic interconnectors to CWE will not access the XBID solutions simultaneously.

#### **General Comments:**

##### One common shipper for the Nordic region

Nordenergi agrees with the Nordic TSO proposal to have only one shipping agent for day-ahead and intraday in the Nordic countries and with the reasons mentioned for that solution in chapter 4.2.3, page 14. Cost- efficiency for the TSOs and thereby no negative impact on tariffs to pay by the grid consumers and increased operational security both make that solution preferable for Nordenergi. In addition, cost-efficiency towards the CCPs could be considered, since also CCPs can pass on their costs to market parties.

We agree with the Nordic TSOs that in the long term the shipping agent for the day-ahead and intraday should be identical, for the same reasons as presented by the Nordic TSOs in chapter 6. We regret that the process described to arrive at that long-term solution is somewhat vague, but recognize the necessity to coordinate and adapt to common European processes. At least the Nordic TSOs should work hard to avoid the worst solution i.e. several shipping agents for one timeframe and start with only one shipping agent in the intraday and in the day-ahead.