

NordREG publishes recommendations on a common Nordic regulatory framework for independent aggregators

NordREG believes that aggregators have the potential to be a key enabler of the green and consumer-led energy transition and that a coordinated approach to developing a harmonized framework for aggregators will bring further benefits for the Nordic countries.

Aggregation shows great potential for enabling a more efficient and sustainable energy system by allowing consumers to shift demand away from peak and constrained periods. Aggregators can empower consumers to engage in and benefit from electricity markets, enable wide-scale and localized flexibility as an alternative to costly investments in network expansions and upgrades to help accommodate new demand and renewable generation.

The Electricity Directive of the Clean Energy Package requires EU Member States to develop a framework for independent aggregators that enables them to operate in all electricity markets. The directive defines 'independent aggregator' as a market participant that combines multiple customer loads or generated electricity for sale, purchase or auction in any electricity market, and is not affiliated to the customer's supplier. Customers must be able to choose an independent aggregator that operates concurrently with the customer's existing supplier, without consent from the existing supplier.

NordREG's overall recommendation is that the regulatory framework for independent aggregators should be adequately harmonized in the Nordic countries and not be limited to one country. This will maximize economies of scale and scope, enable more competition, and allow innovation in demand response to flow across borders. The work on harmonization should assess whether the potential benefits of harmonization are proportional to the perceived costs.

In order to achieve a harmonized framework for aggregators, NordREG recommends that the Nordic ministries develop a joint road map to coordinate the work of the relevant authorities.

NordREG has a number of more detailed recommendations related to the following topics:

1. General market access for independent aggregators
2. Direct financial responsibilities for energy imbalances caused
3. Compensation for unmatched positions caused by independent aggregators, and
4. Measurement of flexibility

NordREG's role is to advise on the regulatory framework in which independent aggregators can operate in all markets. The recommendations therefore seek to increase the possibilities for different aggregator models and not to limit them, thereby allowing market driven solutions. NordREG encourages market actors to innovate in this area and to come forward with new models of aggregation where they are efficient.

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