

NordREG

Work Program 2022

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Board 2022-01-18

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1. Preface

The Nordic Energy Regulators (NordREG) have a unique, enduring and strong cooperation in developing the electricity regulation for the benefit of Nordic consumers. Our vision is guided by the strategic principles of giving correct price signals, activating consumers and establishing a dynamic regulatory framework that enables advanced energy markets.

With an increasing share of intermittent renewable production, well-functioning markets and infrastructure will become of even greater importance in the Nordic electricity system. In this context, NordREG will continue the discussions and cooperation regarding the implementation of EU's Clean Energy Package. We will also cooperate on existing and new European network codes and guidelines that plays a significant role in the development of efficient energy markets and resilient energy systems. In 2022, we will continue to focus on efficient implementation in the Nordic area, enforcement of methodologies if necessary, as well as influencing the decisions made on a European level.

The Nordic cooperation and coordination of the regulatory oversight of the new Nordic Balancing Model (NBM) will continue to be a high priority also during 2022. The NBM provides an extensive modernization of the existing Nordic balancing system and aims to enhance the robustness of the Nordic power systems and provide the TSOs with correct tools to manage a highly dynamic power system characterized by more frequent and rapid changes in production, consumption and power flows.


NordREG will continue the work to improve and harmonize the Nordic retail market for electricity. The demand side flexibility has also been identified as a new promising tool to manage local constraints and imbalances in the Nordic electricity system and we will follow up on the implementation of a legal framework for aggregators. By allowing flexibility providers to offer their services, we will also achieve our goal of activating consumers and give them the possibility to lower their energy bills when providing flexibility to the system. NordREG will continue to facilitate this new trend through national pilot projects, adjusting the existing regulatory framework and investigating the potential of new technical solutions. In the area of network regulation, we will continue to focus on information exchange best practices in the Nordic countries as well as implementation of the rules for national network development plans.

Overall, 2022 will be an important year for NordREG. With the organizational structure of dedicated working groups for the retail market, the wholesale and transmission system, network regulation as well as demand flexibility, we are confident that NordREG will continue to contribute to the development of a well-functioning Nordic and EU electricity market. The missions and tasks for our working groups are presented in the following work program.

Stockholm, 2022-01-18



Anne Vadasz Nilsson
Chair of NordREG 2022



“The work within NordREG focuses on practical, relevant solutions to common challenges”

2. Introduction

NordREG is a cooperative initiative between Nordic energy regulators.

NordREG Board, which governs NordREG, consists of the Directors of each Nordic NRA. NordREG has a rotating presidency and secretariat, and changes annually. NordREG makes decisions based on consensus. The following authorities are members of NordREG:

- Denmark: The Danish Utility Regulatory, (Forsyningstilsynet, DUR)
- Finland: The Energy Authority, (Energiavirasto, EV)
- Iceland: The National Energy Authority, (Orkustofnun, OS)
- Norway: The Norwegian Energy Regulatory Authority, (NVE-RME)
- Sweden: The Energy Markets Inspectorate, (Energimarknadsinspektionen, Ei)

The NordREG Board approves the annual Work Program and directs the priorities and activities for the year. The chairs and members of working groups (WGs) and task forces (TFs) carry out the work, as described in this document.

NordREG's work is linked to the integration of the Nordic electricity market and the efficient handling and implementation of EU-regulation in the Nordic Region. NordREG also undertakes other common initiatives to improve the functioning of the Nordic electricity market.

Furthermore, the work in NordREG is linked to assignments from the Electricity Market Group (EMG), which is subordinate to a Committee of Senior Officials for Energy of the Nordic Council of Ministers. EMG is responsible for following up and coordinating concrete measures agreed by the Nordic Energy Ministers. NordREG participates in the annual Nordic Electricity Market Forum and the different Forum work streams (as observers) with other stakeholders.

NordREG aims at reinforcing the level of common representation in the cooperation within the Council of European Energy Regulators (CEER) and Agency for the Cooperation of the Energy Regulators (ACER). Coordination with CEER and ACER is a crosscutting concern that goes through all NordREG projects.



NordREG's work takes the form of exchanging information and best practices, and issuing common reports, as well as facilitating common dialogue with TSOs and market participants. Additionally, NordREG in the form of European Regional Regulatory Forum (ERRF) plays an important role when making joint regional decisions in the Nordic Capacity Calculation Region.

The NordREG cooperation is based on consensus and a strong commitment to develop the common Nordic electricity market.

3. Mission and vision

NordREG's objective is to promote and develop efficient energy markets in the Nordic area, consistent with and in the forefront of the development in the EU. The work within NordREG focuses on practical, relevant solutions to common challenges, e.g. in relation to the European network codes and guidelines.

NordREG's mission:

In cooperation, we actively promote legal and institutional framework and conditions necessary for developing the Nordic and European electricity markets.

NordREG's vision:

To reflect the Nordic direction better, NordREG revised its vision during 2018. The new vision is as follows:

Actively promoting efficient and advanced energy markets, for the benefit of consumers towards a decarbonised society.

The vision supplements the slogan in the logo, "Power through cooperation".

4. Long-term strategy

In 2019 NordREG adopted a Long-term Strategy with the purpose of providing guidance for the development during the years up to 2030. The Long-term Strategy consists of three strategic principles:

1. Correct price signals

Price signals should be the driver for all investments in infrastructure, generation capacity and demand flexibility. Correct prices reflect scarcity from the underlying physics and fundamentals in the energy system. Thus they are important both in terms of ensuring efficient market balance and in terms of managing grid congestions and is the best way to allocate resources in the energy market incl. investments in infrastructure.

Correct price signals to the end consumer are also essential for demand side flexibility that is key to deal with the increasing share of renewable (variable) energy production.

2. Active consumers

The purpose of linking the wholesale and retail market is to give correct and market-based incentives for consumers to provide flexibility (demand response) and contribute to support a cost-efficient integration of renewable energy sources. Correct price signals are essential for efficient demand side response. NordREG will facilitate a market design where consumers are encouraged to be active and where new market players can enter and be active on behalf of consumers.

Efficient competition in the retail market is crucial for active consumers. For the consumers to be active in choosing supplier and providing demand response, transparent, relevant and accessible information is essential. With correct information, consumers can decide, or automate the decision to use less electricity at times of high prices, which in turn facilitates for the system to use renewable production sources to a larger extent. Smart metering in combination with billing systems to provide consumers with easy access to information allows them to respond to fluctuations in electricity prices, they are also essential in integrating increasing amounts of small-scale renewable production into the system.

The bills should be easily understandable for consumers. The design of ICT systems ensuring neutrality is important. One important principle is

that the data is the property of the consumer and the third-party access can only be given with the authorization of the consumer.

3. Dynamic framework enabling advanced energy markets

NordREG will actively promote a dynamic regulatory framework that enables the development of advanced energy markets that are cost efficient for society.

Active consumers are central in the future electricity market. The NRAs have an important role in the regulation and to ensure a framework that gives incentives for innovation and the use of new technology. Electrification in areas such as for example transportation, heating and cooling and data centres will, in addition to new technology, provide new opportunities and challenges. In this context, NordREG will strive to facilitate efficient framework for prosumers, batteries, peer-to-peer trade, local communities, data collection and use.

Electrical transportation will affect consumption and at the same time be a resource in terms of battery capacity in the system. As flexibility requirements increase, and to a larger extent are handled with decentralized tools such as storage, demand response, electric vehicle batteries and decentralized production, the regulation of the role of TSO and DSO in the operation and optimization of flexibility tools will be important. As a general principle DSOs should not perform tasks that can be performed by the competitive market. Unbundling of monopoly activities from activities subject to competition is a prerequisite.

Tariff design that reflects the underlying network costs is important to yield efficient demand response. Grid tariffs should be designed to give signals on efficient utilisation and development of the network, hence be cost-reflective.


Each strategic principle is accomplished by several specific target items in the strategy.

The Long-term strategy is accomplished by a Road map that outlines the concrete activities needed in coming years to approach the target items outlined in the long-term strategy. The Road map is reviewed annually

The Road map works as a basis for planning activities for the year to come.

“Active consumers are
central in the future
electricity market.”





“Nordic cooperation ensures a streamlining of processes and ultimately benefitting Nordic consumers.”

5. Priorities in 2022

While performing national tasks, NRAs increasingly encounters matters of regional concern and cross-border implications. Nordic cooperation ensures a streamlining of processes that ultimately benefits Nordic consumers.

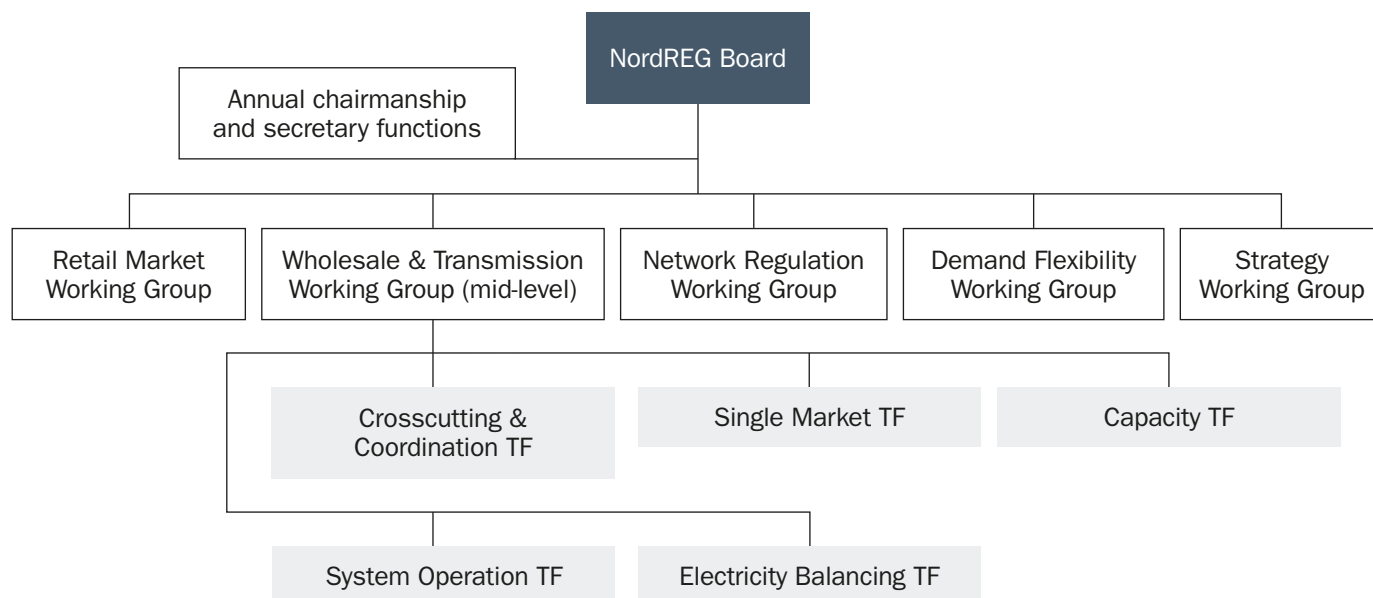
The implementation of the Clean Energy Package into national legislation will introduce new areas of regional cooperation. In addition, tasks related to implementation of network codes and guidelines are important for the Nordic regional cooperation among regulators in 2022.

Following the vision and the long-term strategy, NordREG Board has approved following priorities for the NordREG's work in 2022:

1. Implementation of the Clean Energy Package regulation and ensuring a common, harmonized understanding and application of the rules.
2. Continue effective implementation of European network codes and guidelines.
3. Continue cooperation and coordination of the work regarding the common Nordic end-user market.

and market conditions for customers in the Nordic retail markets for electricity.

4. Cooperate and coordinate the work regarding flexibility issues with a special focus on the Clean Energy regulation.
5. Maintain a close dialogue with Nordic Transmission System Operators (TSOs) on issues of importance for the internal market.
6. Deepen the coordination of Nordic views and participation in CEER and ACER.
7. Increase information and best practices sharing among Nordic NRAs and promote the common understanding as basis for the actual decisions.
8. Continue to enhance the strategic as well as the day-to-day cooperation in NordREG.



6. Organization

6.1 NordREG

NordREG Board consists of director generals of each Nordic energy regulators and is the decision-making body of NordREG.

Chairmanship of NordREG rotates annually and in 2022 Ei is chairing NordREG. The NordREG secretary function is provided by the NRA chairing NordREG.

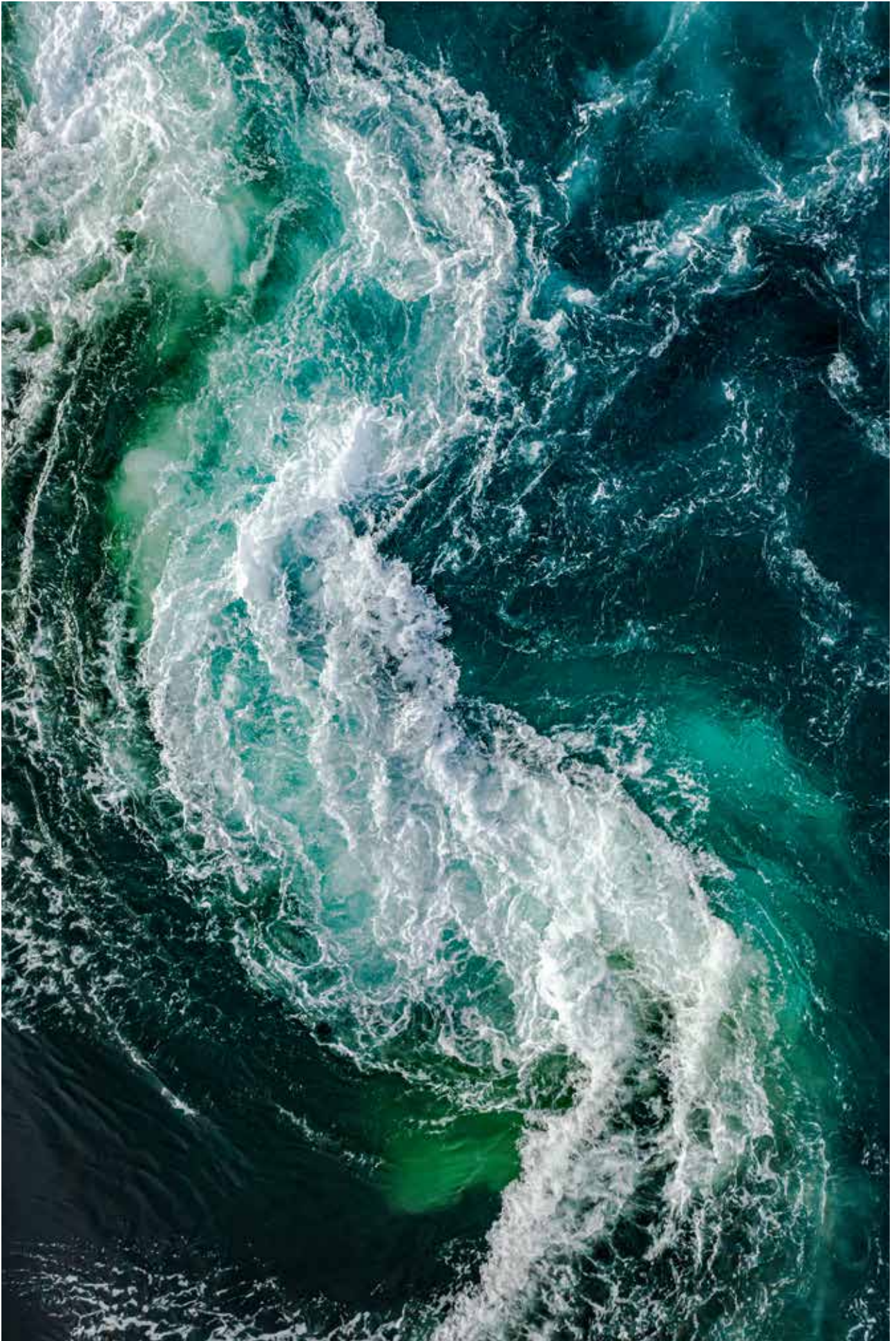
NordREG has established five working groups to carry out the preparatory work in their field. In addition, in the area of wholesale markets there are five task forces that have been organised according to the different network codes and guidelines. The Board approves the establishment and tasks of the WGs and TFs and nominates chairs of each working group.

The scope of the ERRF is limited to provide a clear and transparent consultation, cooperation and agreement process between all regulatory authorities in the Nordic region where an agreement of all regulatory authorities of the concerned region on the proposed methodology is required by the European network codes and guidelines.

The ERRF preparatory work is done by task forces under NordREG Wholesale and Transmission Working Group. ERRF's Rules of Procedure defines actual processes for preparing the agreement of all regulatory authorities in the Nordic region on the proposed methodology.

6.2 Nordic Energy Regulators Regional Forum

Nordic Energy Regulators Regional Forum (ERRF) has been set up as a body for the cooperation between the NRAs in the Nordic region in the implementation of electricity network codes and guidelines.



7. Objectives, Tasks and Resources

7.1 Retail Market Working Group (RMWG)

Objectives

The NordREG Retail Market Working Group (RMWG) will follow the development and share experiences regarding the Nordic end-user markets in order to promote harmonization of rules and regulations. The WG is the forum where the Nordic NRAs exchange information, views and tries to reach common positions on issues related to a possible future Nordic and European end-user markets.

The WG will focus its work on:

- Follow the customers' situation in the Nordic retail markets for electricity. Share experience on how the situation can be improved, for example regarding unfair business practices. If beneficial, work together to promote Nordic positions or solutions based on best practice.
- Share experiences and best practice regarding monitoring.
- Influence the EU to promote solutions in line with Nordic experiences and goals. Particular focus should be on establishing a common understanding in NordREG, and where deemed beneficial, it should be used as a base for stronger activity in relevant EU foras and CEER groups.

The objective of the RMWG is to work actively to promote a better situation for the retail customers in the Nordic countries.

Tasks

Task 1. Customer survey 2022

RMWG will conduct a Nordic customer survey 2022, as a follow-up to a similar survey in 2018. The survey will be undertaken by a consultant and have 6 000 respondents in Denmark, Finland, Norway and Sweden (1 500 in each country). The RMWG will initiate a procurement process Q1 2022 and report development to the NordREG Board on a regular basis.

The purpose of the survey is:

- to indicate where to put extra effort when developing a common Nordic retail market
- to indicate where to put extra effort when developing national retail market
- to find differences between national retail markets (regarding for example trust, complexity and information level) and analyse if it is possible to learn from each other
- to show stakeholders (customers, suppliers, government, the EU, customer organisations etc) that national regulators and NordREG are interested in customer views and experiences in order to facilitate evidence-based policy making
- to be an important part of a Nordic cooperation around the self-assessment of the metrics in the CEER Handbook for National Energy Regulators.

When:	Q4 2022
Deliverables:	External NordREG report
Responsible:	RMWG

Task 2. Map remaining gaps and asymmetries between Nordic retail markets

Requested by Nordic Electricity Market Forum 2019. Promise by NordREG to do this. Purpose is to sum up work already done, for example differences found when Clean energy package was discussed. Due to the delayed implementation of the new EU-legislation, the task has been postponed, with an estimated delivery Q3 2022.

When:	Q3 2022
Deliverables:	External NordREG report
Responsible:	RMWG

Task 3. NordREG recommendations regarding unfair business practices in the Nordic markets

Unfair business practices is an emerging problem in the Nordic retail markets where a few suppliers cause many complaints to both the NRAs and the Consumer authorities. In 2022, RMWG will publish a study that maps and compares the situation in the Nordic countries. NordREG will also continue to follow and share experience about this issue in 2022.

When:	Q2 2022
Deliverables:	External report
Responsible:	RMWG

Task 4. Follow and share experience regarding the implementation of the Clean Energy Package

RMWG will follow the implementation of article 10, 12, 14 and 18 of (EU) Directive 2019/944 in the Clean energy package and the NordREG recommendations for these articles. When Denmark, Finland and Sweden have implemented the articles, the result will be compared in a short report. Norway is expected to complete implementation later.

Due to the delayed implementation, this delivery has been postponed to Q3 2022 when it is estimated that Denmark, Finland and Sweden have implemented the new EU-legislation.

When:	Q3 2022 (or later if CEP implementation is further delayed in SE)
Deliverables:	External NordREG report
Responsible:	RMWG

Task 5. Monitoring workshop

In 2017, 2018, 2020 and 2021 RMWG arranged workshops on monitoring with the purpose of sharing and benefitting from national experiences. RMWG will arrange a similar workshop in 2022 in order to continue to exchange information regarding best practice for monitoring.

When:	Q4 2022
Deliverables:	Internal workshop and external conclusions
Responsible:	RMWG

Task 6. Coordination of European activities

RMWG is the forum where the Nordic NRAs exchange information and views and jointly try to reach a common position on issues related to the implementation of a future Nordic and European end-user market. A joint Nordic position increases the possibility of influencing the European agenda.

When:	Ongoing
Deliverables:	Discussed in each RMWG meeting Status reports to Board if needed
Responsible:	RMWG

7.2 Wholesale & Transmission Working Group (W&T WG)

Objectives

The NordREG Wholesale & Transmission working group (W&T WG) focuses on the continued development and well function of the Nordic wholesale market. The W&T WG forms the link between the Nordic NRAs and the Nordic TSOs at a managerial level on operational and market issues.

The W&T WG coordinates NordREG actions on current wholesale market and transmission topics. Particular focus is on NordREG or Energy Regulators Regional Forum (ERRF) decisions regarding the implementation of the Clean Energy Package and network codes and guidelines, from a strategic point of view.

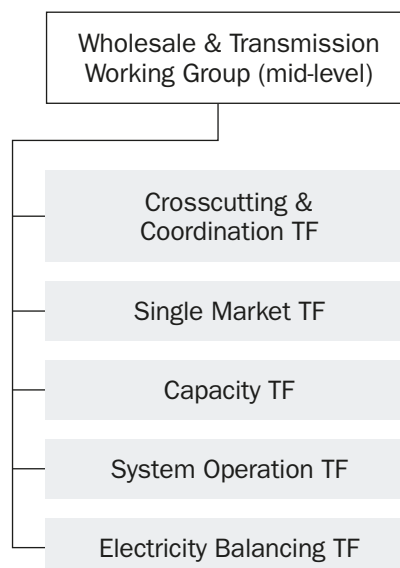
The W&T WG work supports NordREG's vision to achieve efficient and advanced energy markets in terms of promoting efficient price signals, competition and an efficient and advanced energy system.

In 2022, the W&T WG will continue to identify topics at EU level, which require a coordinated Nordic position or areas that might have a particular Nordic impact. In addition, the W&T WG will identify possible further areas for development and integration in the Nordic electricity market in the years to come with the aim of achieving further socioeconomic benefits to the Nordic wholesale market.

Tasks

Five taskforces and two ad-hoc group on Forward Capacity Allocation and Legal issues respectively, are organized with direct reference to the W&T WG. The task force structure has been organized according to the different network codes and guidelines. When the W&T WG identifies a topic for further exploration and development it allocates this to the most suitable task force.

The W&T WG's role is also to provide additional guidance on issues that require involvement from the NRA's managerial level, before reaching the Director General's level. When a TF is asking advice from ERRF, the ERRF may delegate a request for advice to the W&T WG.



Task 1. Follow TSOs' work beyond and across the network codes and guidelines GLs

The W&T WG and its TFs is responsible for keeping a close dialogue to the Nordic TSOs and stakeholders on operational and market issues. As part of this dialogue, the W&T TF holds meetings at managerial level on operational and market issues with the Nordic TSOs. These meeting are also used to prepare for the high level meetings between the National Regulatory Authorities (NRAs) and the Transmission System Operators (TSOs) in the Nordic countries.

When:	2022
Deliverables:	Quarterly managerial level meetings with Nordic TSOs Reporting to the Board
Responsible:	W&T WG

7.2.1 Crosscutting & Coordinating Task Force

Objectives

The Crosscutting & Coordinating TF (C&C TF) acts as secretariat to the W&T WG.

Moreover, and on an ad hoc basis, the C&C TF deals with issues of a more horizontal character that cannot be undertaken by the other Task Forces reporting to the W&T WG.

The C&C TF coordinates closely with the chair of the W&T WG and is the point of contact for the TSOs, EMG, ACER and CEER on wholesale and transmission issues. The C&C TF is also responsible for hosting and chairing the yearly meeting with the market players.

Tasks

The C&C TF functions as a secretariat to W&T WG assisting in (coordinating with input from the other W&T Task Forces) the preparation of the meetings described on page 15, i.e. the W&T WG's meeting with the Nordic TSOs at managerial level as well as the Nordic high level NRA/TSO meetings, preparation of the wholesale and transmission section of the EMG report and the NordREG Work Program every year, as well as meetings with the EMG.

Task 1. Presentation and feedback of tasks from various task forces

When:	Ongoing
Deliverables:	Secretarial and coordinating tasks assisting W&T WG
Responsible:	C&C TF

Task 2. Nordic stakeholder meeting on Wholesale and Transmission Developments

When:	2022
Deliverables:	Organize a stakeholder meeting on Wholesale and Transmission Developments in Q3 2022
Responsible:	C&C TF

Task 3. Monitoring the state of play on the Nordic TSOs' establishment of a Regional Coordination Centre (RCC)

When:	January and July 2022
Deliverables:	Monitoring the state of play on the Nordic TSOs' establishment of a Regional Coordination Centre (RCC) The TSOs are to report on the state of play and the RCC in January 2022 of play in January 2022 and the RCC is to become operational on July 2022.
Responsible:	C&C TF

7.2.2 Capacity Task Force

Objectives

The primary focus of the Capacity TF (Cap TF) is promotion of NordREG's vision through emphasis on the need for efficient markets. This entails a benefit for consumers, as well as enhancing transparency and establishing a level playing field for all market participants.

The Cap TF will continue the cooperation on the processes leading up to final approvals of the methodologies pursuant to the Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (FCA GL) and the Commission Regulation (EU) 2015/1222

17 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM GL). The priorities of the Cap TF is mainly related to the NordREG strategic priority to “continue effective implementation of network codes and guidelines”.

The Cap TF is responsible for the coordination on implementation of CACM GL and FCA GL articles regarding Capacity Calculation, Re-dispatching and Countertrading, and Bidding zone configuration within the Nordic Capacity Calculation Region (CCR) when needed or beneficial. Further, Capacity TF will monitor and capture important EU developments in order to propose appropriate NordREG initiatives/responses.

Tasks

Task 1. Follow-up of DA/ID CCM implementation

When:	2022
Deliverables:	Follow up the approved Capacity Calculation Method (CCM) for the Day Ahead and Intra Day Markets Assess the performance of the flow-based CCM during the first part of the parallel runs in the checkpoint for go-live of the FB
Responsible:	Cap TF

Task 2. Follow-up of the 70 % criterion

When:	2022
Deliverables:	Follow-up of the 70 % criterion and possible limitations in the volume of transmission capacities in Nordic CCR
Responsible:	Cap TF

Task 3. Amendments of previously approved methodologies when needed

When:	When needed
Deliverables:	Legal approval process on amendments of previously approved CACM GL methodologies when needed
Responsible:	Cap TF

7.2.3 Single Market Task Force

Objectives

The aim of the Single Market TF (SM TF) is to contribute to an efficient energy market. This includes taking into account the perspective of different market players. The core objective of the SM TF is contributing to NordREG’s overall priority of effectively implementing network codes and guidelines.

The scope of the SM TF is to support and facilitate a coordinated implementation of CACM GL in the Nordic area, excluding topics handled by Capacity TF. Thus, the main task for the SM TF is coordination of regional decisions pursuant to the CACM GL.

Tasks

The Single Market TF shall serve as a forum to exchange views and reaching common Nordic positions on other issues than regional decisions related to the implementation of the CACM GL. Especially where the Nordic NRAs have common interests regarding the EU-wide methodologies and principles approved according to the CACM GL. Where beneficial, the TF will coordinate national decisions according to the CACM GL.

Task 1. Coordinate views on EU-wide methodologies

When:	Ongoing
Deliverables:	EU-wide methodologies
Responsible:	SM TF

Task 2. Follow the process on the revision of CACM

When:	Ongoing
Deliverables:	Follow-up
Responsible:	SM TF

Task 3. Monitor approved methodologies in order to see that they are implemented

When:	Ongoing
Deliverables:	Implemented methodologies
Responsible:	SM TF

Task 4. Follow up the operating NEMOs in the Nordic region

When:	Ongoing
Deliverables:	Follow-up
Responsible:	SM TF

Task 5. Coordinate the national decisions on costs

When:	No formal deadline
Deliverables:	Coordination between the Nordic NRAs. Cost recovery is a national decision, but it is coordinated at Nordic level
Responsible:	SM TF

7.2.4 System Operation Task Force Objectives

The main aim of the System Operation Task Force (SO TF) is to support the implementation of the rules set out in the Commission Regulation (EU) 2017/1485

of 2 August 2017 establishing a guideline on Electricity Transmission System Operation (SO GL).

Furthermore, the SO TF seeks to establish a mutual Nordic understanding on NRAs' decision reached in accordance with the Commission Regulation 2017/2196 of 24 November 2017 on Electricity Emergency and Restoration Network Code (ER NC). Additionally, the SO TF will coordinate and share experiences within the Nordic for implementation of the Grid Connection Codes (2016/631, 2016/1388, 2016/1447).

System Operation Guideline

The SO GL lay out rules concerning safeguarding operational security, frequency quality and the efficient use of the interconnected system and resources. These rules will facilitate the integration of renewable energy sources, for the benefit of consumers towards a decarbonized society.

A number of regional methodologies has been developed by the TSOs and approved by the regulators. However, following the steps towards the new balancing concept MACE, the commissioning of new interconnectors and a constantly changing Nordic power system, the developed methodologies needs to be updated on a regular basis.

Most of the work in the SO TF in the future will concern evaluating updated methodologies from the TSOs and reach a common position on the proposals. Follow up the TSOs on implementation and understanding of these methodologies will also be an important task for the SO TF.

Electricity Emergency and Restoration Network Code

The Emergency and Restoration Network Code (ER NC) establishes a common set of processes that the TSOs shall follow when faced with severe incidents in their grid. Thus, the purpose of the regulation is

to safeguard operational security, preventing the propagation or deterioration of an incident to avoid a widespread disturbance and the blackout state as well to allow for the efficient and rapid restoration of the electricity system from the emergency or blackout states.

The methodologies in the ER NC are mainly national, but the TSOs must coordinate their restoration plans and system defense plans. The task of the SO TF in terms of ER NC is to facilitate coordination across the Nordic area to ensure a mutual understanding of NRAs' decisions according to ER NC. All the national decisions of ER NC were approved in 2019. The SO TF does not expect any major work on ER NC for 2022.

Grid Connection Network Codes

The rules in the following Commission Regulations (EU) shall ensure equal treatment of similar customers connected to the electricity network while protecting the function of the electricity networks:

- 2016/631 of 17 May 2016 establishing a network code on requirements for grid connection of generators (RfG NC)
- 2016/1388 of 7 September 2016 establishing a network code on demand connection (DCC NC)
- 2016/1447 of 28 September 2016 establishing a network code on requirements for grid connection of high-voltage direct current system and direct current-connected power park modules (HVDC NC).

The SO TF will work as a group for information exchange, and to achieve mutual understanding on NRAs' decisions related to RfG NC, DCC NC and HVDC NC. The decisions in the Connection Codes are solely national, but where convenient the decisions could also be coordinated.

The SO TF does not expect any major topics to be discussed in 2022.

Task 1. Amendment to methodologies

Nordic coordination related to the evaluation of terms and conditions and methodologies proposed by TSOs at Nordic level and NRAs' decisions on these proposals during 2022 according to the SO GL, namely:

When:	2022
Deliverables:	Amendments of previously approved methodologies are expected, including following methodologies: <ul style="list-style-type: none"> • Ramping restrictions for active power output in accordance with Article 137(3) and (4) (Q2 or Q3) • FRR dimensioning rules in accordance with Article 157(1) (Q1) • Additional properties of FCR in accordance with Article 154(2) (Q1)
Responsible:	SO TF

Task 2. Follow up the Nordic TSOs on system operation

When:	Ongoing
Deliverables:	Follow up the Nordic TSOs on SO GL and relevant methodologies
Responsible:	SO TF

Task 3. Potentially coordinate views on EU-wide methodologies

When:	Ongoing
Deliverables:	Discuss potential amendments to EU-wide methodologies in the SO TF In case of a revision of the regulations the SO TF should work together if needed
Responsible:	SO TF

Task 4. Follow up network code on emergency and restoration (ER) and network code on grid connection (RfG, HVDC and DCC)

When:	Ongoing
Deliverables:	Follow up
Responsible:	SO TF

7.2.5 Electricity Balancing Task Force Objectives

Implementation of the Electricity Balancing Guideline

In 2020, ACER made a number of key decisions on terms and conditions pursuant to the Electricity Balancing Guideline (EB GL), both at European level, i.a. on platforms for the exchange of Automatic Frequency Restoration Reserves (aFRR) and Manual Frequency Restoration Reserves (mFRR), as well as on regional level, in particular on the establishment of a Nordic aFRR capacity market. The Electricity Balancing Task Force (EB TF) will focus its dialogue with the TSOs and stakeholders as well as with ACER on the implementation of these decisions, on assessing proposed amendments from the TSOs to terms and conditions approved by the ACER decisions, coordinating regulatory oversight and providing guidance to TSOs.

Implementation of a Nordic Balancing Market

The Nordic TSOs are in the process of implementing the The Nordic Balancing Model (NBM) which is facilitating the further implementation of the EB GL.

Thus, EB TF will focus on regulatory oversight and preparing ERRF approval of terms and conditions submitted as part of the implementation of NBM. EB TF will collaborate closely with other NordREG task forces under whose responsibility the regulatory oversight of the NBM implementation falls.

EB TF provides informal guidance to the Nordic TSOs by chairing the so-called NRA/TSO NBM Coordination Group that is expected to have quarterly meetings in 2022 as in previous years. Further, EB TF will continue to engage with stakeholders by participating as observers in the Nordic TSOs' quarterly NBM Reference Group meetings.

Hence, the tasks of the EB TF in respect of the NBM implementation will be the following:

- Regulatory oversight of and guidance to the Nordic TSOs on the implementation of terms and conditions that were granted regulatory approval, i.a. on the establishment of aFRR and mFRR platforms and the Nordic TSOs' connections to those platforms as well as on the implementation of a Nordic aFRR capacity market.
- Coordination of the regulatory assessment related to the terms and conditions for a Nordic mFRR energy activation market submitted for regulatory approval at national level pursuant to EB GL article 18 and building on the Nordic TSOs' coordination as part of the NBM programme with a view to ensure connection to the aFRR and mFRR platforms.
- Oversight of the Nordic TSOs' implementation of a 15 minute imbalance settlement period by 22 May 2023 (following regulatory approvals from March 2021 granting an extension of the original deadline on 18 December 2020).
- Informal guidance to TSOs and stakeholder engagement through, respectively, NRA/TSO NBM Coordination Group meetings and NBM Reference Group meetings.

The table below shows the expected orientation etc. to the NordREG Board or ERRF based on the above. Apart from that, ad hoc issues might arise that merit a specific orientation or approval by the Board or ERRF.

Task 1. Coordinate the assessment of derogation requests

When:	2022
Deliverables:	Coordination in assessing derogations requests to be submitted at national level for extending the deadline to access the aFRR and mFRR platforms
Responsible:	EB TF

Task 2. Coordinate the assessment of terms and conditions for a Nordic mFRR energy activation market

When:	2022
Deliverables:	Coordination in assessing the terms and conditions for a Nordic mFRR energy activation market submitted for regulatory approval at national level pursuant to article 18 of the EB Regulation and with a view to ensure connection to the aFRR and mFRR platforms
Responsible:	EB TF

Task 3. Coordinate the implementation of 15 minutes Imbalance Settlement Period (ISP) by 22 May 2023

When:	2022
Deliverables:	Status update to the Board on the progress following status reports from the TSOs every 6 months
Responsible:	EB TF

Task 4. Nordic aFRR balancing capacity market implementation

When:	2022
Deliverables:	Status update on TSO implementation in each Board meeting
Responsible:	EB TF

7.3 Network regulation Working Group (NR WG)

Objectives

The path towards a decarbonized society presents new challenges to the regulation of distribution networks. In 2022 the NordREG Network Regulation WG (NR WG) intend to focus on dynamic regulation as well as the implementation of Clean Energy Package (CEP), where the NRAs are having synergies carrying out national tasks together in NordREG. The focus for 2022 will be to continue the work with information exchange between the Nordic NRAs regarding dynamic regulation, and also to continue the work with network development plans and incentives for procurement of flexibility, both in article 32 in the Electricity Market Directive.

In addition, the NR WG is observing other potential articles in the Clean Energy Package (CEP), which can give rise to needs for joint NordREG opinions regarding network regulation issues. The discussion of relevant articles in CEP will be coordinated with the program in CEER and ACER.

Tasks

Task 1. Network development plans

Detailed information sharing and evaluation on how the NRA can administrate the requirement of network development plans (NDP) for all DSOs, cf. CEP, and if possible, form a joint Nordic opinion on how to interpret article 32, paragraph 3. No NDPs will be available in first half of 2022, so we will look into the received plans in second half of 2022.

When:	Second half of 2022
Deliverables:	The WG will follow up on the work done in 2021, where we held an internal workshop. If possible, the WG will write a joint Nordic opinion on best practices for regulating the DSOs' network development plans
Responsible:	NR WG

Task 2. Incentives for procurement of flexibility

Article 32.1 of the Electricity Market Directive is about creating incentives for the use of flexibility in distribution networks. This is linked directly to the economic regulation of the electricity networks. Paragraph 1 states that there must be a legal framework to allow and provide incentives for distribution system operators to use flexibility services. This is to improve the efficiency and development of the distribution system.

The existing regulations already contain incentives for efficient network use. The new requirements therefore need to be developed to work with them or replace them. The NR WG held an internal workshop in 2021 for the Nordic countries to discuss problems and solutions for these incentives. In 2022 the WG will assess whether the workshop gave rise to writing a brief report on the matter. Otherwise, the focus will be on continuous meetings and briefings between the NRAs on this topic.

When:	2022
Deliverables:	Continuously meetings and briefings between the NRAs on this topic. If it is assessed to be beneficial for the NRAs, a brief report will be written based on the internal workshop
Responsible:	NR WG

Task 3. Knowledge sharing with focus on dynamic regulation coordinated with the work in CEER and ACER

NR WG will continue to be a hub for the Nordic regulators to share best practices, information exchange on network regulation models and ideas. NR WG will also focus on coordinating Nordic views and participation in CEER and ACER. Joint analyses on other relevant CEP articles may also be necessary. The matrix with information on the economic regulation will also be updated.

Focus this year will be on dynamic regulation. Here we will focus on sharing knowledge on ongoing projects and experiences in each NRA on topics in regard to dynamic regulation, in respect to for example the green transition and regulatory sandboxes, etc.

The WG will arrange several online presentations for knowledge sharing on a more regularly basis to include colleagues in the discussions firsthand to receive a greater outcome of the knowledge sharing.

When:	Ongoing
Deliverables:	Knowledge sharing via online presentations
Responsible:	NR WG



7.4 Demand side flexibility Working Group (Flex WG)

Objectives

The changing electricity system is making flexibility increasingly essential to delivering secure, sustainable and efficient energy for consumers. The increasing share of intermittent and decentralized electricity generation creates a need for flexibility, including demand side flexibility from customers and new storage solutions. New entrants such as aggregators and specialist energy service providers enable customers to benefit from new technologies and increase market access for smaller participants.

However, without clear rules for market participants, customers could face additional costs from partial optimization. Furthermore, if rules vary significantly between Nordic countries, market participants will find it more costly and problematic to deploy flexibility solutions across borders. This reduces the number of actors willing to offer flexibility services and hamper innovation. On the other hand, too detailed rules may hinder new services from becoming available to customers and further stifle innovation. Finding the right balance will be critical in enabling a regional market for flexibility providers to operate across borders while promoting the development of new technologies and business models.

Flexibility is crosscutting and it concerns the wholesale and retail markets and networks. Therefore, it is important to acknowledge that demand flexibility is not separate from all other development processes. Customers benefit the most from flexibility, where flexibility satisfies multiple needs. Thus, flexibility in electricity markets and in networks requires improved coordination.

The objective of the Flex WG is to coordinate NordREG's approach to flexibility issues to align with

NordREG's strategic vision and priorities. For flexibility, that is:

Actively promoting advanced markets that enable efficient use of flexibility services for the benefit of consumers – towards a decarbonized society

In terms of NordREG's strategic principles, this means promoting:

1. **Correct price signals** to allow market-based flexibility to effectively deliver value
2. **Active consumers** that can contribute to flexibility (including through aggregation)
3. **Dynamic regulatory framework** that enables the efficient use of flexibility in the management of networks and, where possible, market-based flexibility. This includes promoting the use of digitalization to enable flexibility.

The Flex WG published a position paper in 2020, with recommendations on how to implement a framework for independent aggregation in the Nordic countries. In 2021 the Nordic Council's Electricity Markets Group and the Nordic Energy Forum have taken these recommendations forward and are assessing possibilities for harmonizing market designs in the region. The Flex WG is supporting this work. Where required governments are also implementing the independent aggregator provisions of the directive.

The implementation of the clean energy packages requirements for DSOs to be incentivized to use flexibility is also being coordinated within NordREG between the Flex WG and the NR WG.

In 2022, work will continue on coordinating the implementation of the framework for independent aggregation and on influencing the development of European legislation on flexibility.

As mentioned above, the Flex WG's objective is to coordinate NordREG's approach to flexibility. Also, flexibility is crosscutting and concerns both wholesale market retail market and networks.

During 2022, the Flex WG will review progress on removing barriers to flex, identified in 2017.

Tasks

Task 1: Coordinating implementation of framework for independent aggregation.

This task will depend on the state of the work in the different countries. After the legislative changes are in place, a series of coordinative activities will need to take place. NordREG is currently directly involved in the implementation work under the remit of the Nordic Council's EMG as mentioned above, focusing on a harmonized approach to balance responsibility and compensation mechanisms. NordREG flex will strive to harmonise the Nordic implementation where possible.

When:	During 2022
Deliverables:	To be decided
Responsible:	Flex WG

Task 2: Coordinate engagement within ACER on a European legislation regarding flexibility

The Clean Energy Package places new requirement on Member States to promote flexibility. The Commission is currently reviewing whether they should make legislative changes through a new network code (or amending existing codes) to harmonise and support the development of flexibility across Europe. In 2022 ACER will be asked by the Commission to start the development of a Framework Guideline on Flexibility. NordREG will monitor this work and coordinate our positions in the relevant working groups in ACER.

When:	During 2022
Deliverables:	ACER Framework Guideline on Flexibility
Responsible:	Flex WG

Task 3: Coordinating Flex issues with other WGs

In 2020, Flex WG produced a paper on issues to coordinate with other NordREG WGs. Continuing from that, in 2022 Flex WG will also aim to contribute to the work of other WG where projects have a relevance to the development of our common approach to flexibility. This includes but is not limited to NR WG's implementation of incentives on DSOs to use flexibility services.

When:	2022
Deliverables:	Depends on other WGs
Responsible:	Flex WG, alongside other relevant WGs

Task 4: Review of barriers to flexibility that works across the region

In the second half of the year, the WG will start a review of progress on removing barriers to flexibility, following up on our report on the issue in 2017. The work was delayed in 2021 due to several ongoing developments in the flexibility. If there are remaining areas that require further work for promoting flexibility, we will make recommendations to the Board. Possibly this task could be postponed even further, since many of the identified barriers are depending on new regulation being implemented, such as EB and CEP. The implementation is still ongoing, and the task has been postponed until 2022.

When:	Q4 2022
Deliverables:	NordREG review paper
Responsible:	Flex WG

Task 5: Assess current flexibility market platforms in Norden

Over the last few years, thanks to calls for increasing the use of explicit flexibility, a number of pilot projects to deliver flexibility to DSOs through market platforms have developed in the region. The Board has asked the Flex WG to map the current flexibility market platforms in Norden and assess the degree of harmonization and potential market barriers. This work will be undertaken in 2022. The Flex WG will give an assessment to the Board on whether further work is needed.

When:	Q1 2022
Deliverables:	NordREG review paper
Responsible:	Flex WG

7.5 Strategy Group (SG)

Objectives

The NordREG Strategy Group (SG) focus on strengthening the organizational and procedural framework within NordREG in order to secure an efficient cooperation, coordinate cross cutting issues and tackle cross cutting issues not covered by the other groups within NordREG and support the rotating Presidency and secretariat of NordREG.

SG will continue to focus on strengthening the framework for an efficient cooperation in NordREG, support the Presidency and secretariat and handle cross cutting issues not covered by the work of other NordREG groups in 2022.

Tasks

Task 1. Participation in the Nordic Electricity Market Forum (NEMF)

NordREG participates as an observer in the NEMF Coordination Group (NEMF CG) which has been set up by EMG to enhance discussions among different Nordic stakeholders between NEMF Forums and to provide a mechanism to efficiently continue the development in between the Forums. The NEMF CG concentrates on following implementation of Road Map at national and regional level and development in the Nordic electricity market cooperation on a high level and prepares the annual NEMF forum issues.

In addition, EMG might set up ad-hoc Working Groups under NEMF CG to prepare specific topics for the next annual NEMF Forum.

When:	Ongoing
Deliverables:	Participation in NEMF CG and NEMF WGs Reporting to the Board.
Responsible:	SG chair represents NordREG in NEMF CG. In addition, NordREG representatives will participate in the ad-hoc NEMF Working Groups set by EMG

Task 2. Efficient organizational and procedural structures and framework (supporting NordREG chair and follow up on internal rules of procedures and other agreed documents)

Prepare identified necessary revisions to NordREG steering documents (Modus Operandi / ERRF Rules of Procedure) to better fit for purpose and to align them with the recast of ACER regulation. This task continues from 2021.

Analyze NordREG organization structure and prepare proposals for changes in organization to support more efficient work of NordREG.

When:	Q1 2022 (continuing from 2021)
Deliverables:	Possible revisions to NordREG steering documents (Modus Operandi and ERRF RoP) and propose changes, if needed, in NordREG organisation for Board approval.
Responsible:	SG

Task 3. Implement and support NordREG Long-term Strategy (update the Road Map and revision of the Long-term strategy)

Annual update of the Road Map which describes concrete actions which NordREG has planned to take in coming years to implement the NordREG Long-term Strategy adopted in 2021. The Road Map provides strategic input for defining tasks for the NordREG annual Work Programs.

When:	Q2 2022
Deliverables:	Updated Road Map providing input for the preparation of Work Program 2023.
Responsible:	SG

Revision of the NordREG Long-term Strategy.

When:	Q4 2022
Deliverables:	Updated Long-term Strategy from 2023
Responsible:	SG

Task 4. Annual report to EMG

Annual status report to EMG. The report presents the work undertaken by the Nordic energy regulators (NordREG) during 2021 in the areas of wholesale electricity markets, retail markets, network regulation and demand side flexibility.

When:	Q4 2022
Deliverables:	Draft Report for Board approval in December 2022, document will be submitted to the EMG and published in January 2023.
Responsible:	NordREG Secretariat

Task 5. Increasing coordination in CEER and ACER activities

Identify together with other NordREG WGs specific areas in ACER and CEER 2022 Work Programs where NordREG coordination and joint influencing from Nordic energy regulators is beneficial and important. Sharing best practices for influencing among WGs.

When:	Q1 2022
Deliverables:	Discussions and workshops with WG chairs, reporting to Board.
Responsible:	NordREG WGs with coordination from SG

Task 6. NordREG Board Strategy Day

Annual NordREG Board Strategy Day in the margin of Board meeting in March or June 2022. Purpose is to discuss identified strategic topics. Final topics for the 2022 Strategy Day will be decided early 2022.

When:	Q2/3 2022
Deliverables:	Board discussions on selected topics based on material prepared by SG.
Responsible:	SG

Task 7. Adhoc NordREG tasks not assigned to any specific WG

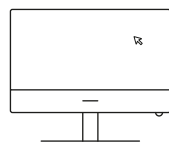
Ad hoc support for NordREG Presidency and the Board. Solving upcoming tasks for NordREG not assigned to any specific WG.

When:	ad hoc
Deliverables:	Depending on the task.
Responsible:	SG









NordREG is a voluntary cooperation between the Nordic energy regulators. The presidency and secretariat rotate annually.

The presidency and secretariat of NordREG was during 2021 held by the Norwegian Energy Regulatory Authority (NVE-RME).

Please contact us if you have any questions.

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