

NordREG

# Work Program 2024

Approved by NordREG Board  
2023-12-22



**NordREG**  
Nordic Energy Regulators  
POWER THROUGH COOPERATION



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## Preface

The energy crisis in Europe has eased in 2023. Electricity and gas prices have come down from the peak level at the end of 2022. Increased production capacity and improved filling levels of gas storages and hydro reservoirs have contributed to the improvement of the situation.

Although the situation on the energy market has improved and security of supply concerns have decreased, the need to further develop energy markets in the Nordic region and in the whole Europe remains strong. The energy crisis has accelerated the energy transition from fossil fuels to renewables. This creates challenges for both energy infrastructure and market development. This also has a significant impact on the work of the Nordic regulatory authorities, both nationally and in cooperation within NordREG.

The work enabling the smooth energy transition will also continue in NordREG in 2024. In the spring of 2023, the European Commission published its proposal for legislative changes related to the electricity market design. The implementation of which will begin after approval. In addition, the legislative package concerning the hydrogen and gas markets of the European Union and the revised energy efficiency directive requires a discussion among the regulators about how NordREG could be involved in developing, for example, the hydrogen market and how requirements for energy efficiency affects various aspects of the markets.

In 2024, NordREG will keep contributing to the ACER policy paper on enduring market design which has a scope of 10–20 years for recommendations for reforming the electricity market. In accordance with NordREG's strategy, NordREG strives for an efficient

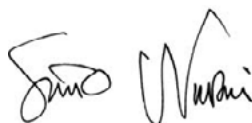
and advanced energy markets for the benefit of consumers towards a decarbonized society. The key strategic principles for this vision are the right price signals, active users, and a dynamic framework that enables advanced energy markets and the green transition.

The implementation of already existing EU legislation – network rules and guidelines – continues to play a key role in NordREG's work. The key themes for 2024 are the implementation of flow-based capacity calculation in the Nordic region, monitoring capacities provided to the market, and the progress of the Nordic Balancing model project in order to join the European MARI and PICASSO trading platforms. These activities involve close contacts with Nordic transmission system operators and other stakeholders.

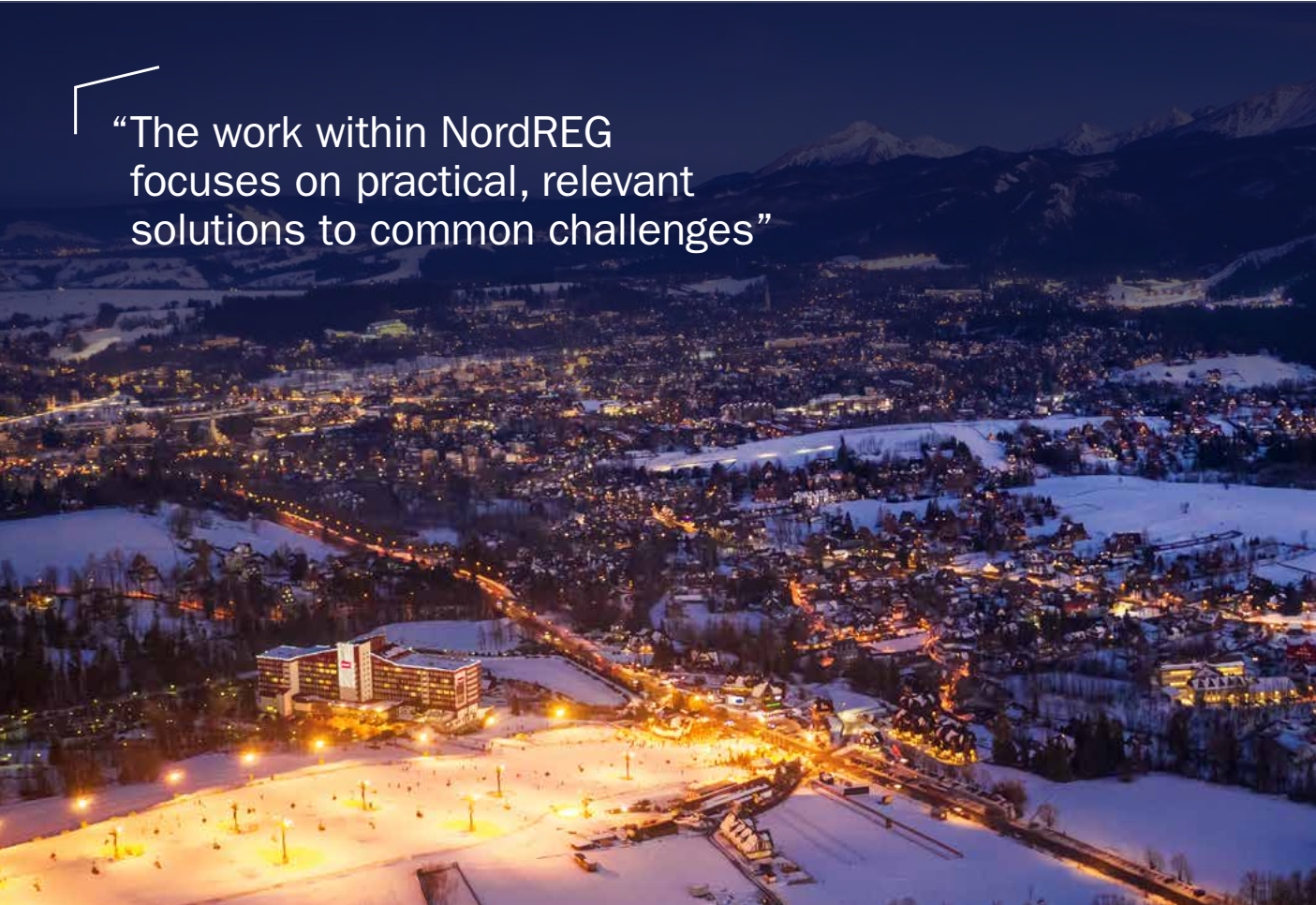
A key part of the NordREG cooperation is also the exchange of information between regulators. NordREG continues the exchange of information and experiences on the supervision of retail and wholesale markets and the network regulation.

NordREG's work is carried out by working groups and task forces focusing on different subject areas. The following NordREG work program presents the goals and tasks of the different working groups and task forces for the year 2024.

Helsinki, January 2024



**Simo Nurmi**  
Chair of NordREG 2024



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

## 1. 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 that changes annually. NordREG makes decisions based on consensus. The following authorities are members of NordREG:

- **Denmark:** The Danish Utility Regulator, (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 Swedish 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 the Committee of Senior Officials for Energy of the Nordic Council of Ministers. EMG is responsible for following up on 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 cross-cutting concern that pervades all NordREG projects.





NordREG's work involves exchanging information and best practices, and issuing common reports, as well as facilitating common dialogue with TSOs and market participants. Additionally, European Regional Regulatory Forum (ERRF, which is established as a part of the NordREG organization, 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.

## 2. Mission and vision

NordREG's objective is to promote and develop efficient electricity 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

developments of new EU rules and ongoing implementation of network codes and guidelines in the electricity sector.

### **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:**

Efficient and advanced energy markets, for the benefit of consumers towards a decarbonized society.

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

### 3. NordREG Strategy

NordREG's strategy has the purpose of providing guidance for the development during the years up to 2030. The Strategy consists of three strategic principles:

#### 1. Correct price signals

NordREG finds that in the long run 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 managing grid congestions as well as ensuring security of supply. Correct and reliable price signals are the efficient way to allocate resources in the energy market incl. incentives for investments in energy infrastructure.

Correct price signals to the end consumer are also essential for demand side flexibility which is key to obtain system security and handle the increasing share of renewable energy production. In volatile markets, efficient and liquid forward markets are important for both generators and end users for hedging their positions. In addition, sufficient and adequate hedging opportunities are also needed by suppliers in order to be able to offer a variety of contracts for consumers.

#### 2. Active consumers

The purpose of linking the wholesale and retail market is to give correct prices and provide consumers with market-based incentives to provide flexibility (demand response) and contribute to support a cost-efficient integration of renewable energy sources. Correct price signals are essential for consumers to engage in the markets 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 suppliers 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 the use of renewable energy sources in the system 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, and 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 information communication technology systems that are ensuring neutrality is important. Another important principle is that the data is the property of the consumer and third-party access can only be given with the authorization of the consumer.

#### 3. Dynamic framework enabling advanced energy markets and green transition

The changing energy systems and markets in the EU are also visible in the Nordic countries. Decarbonisation goals, electrification, hydrogen, sector coupling etc. will also influence the Nordic region in the coming years and will have to be integrated in the regulatory framework and in the energy system. The costs of the green transition will be considerable and calls for competitive, efficient markets, and systems to achieve the goals.

NordREG will actively promote a dynamic regulatory framework that enables the development of advanced and cost effective energy markets as an essential element in an efficient and cost effective green transition.





The NRAs have an important role in the regulation and to ensure a framework that gives incentives for innovation, new production facilities, and the use of new technology in a cost efficient way.

Electrification in areas such as transportation, heating, and cooling will, in addition to new technology, provide new opportunities and challenges. In this context, NordREG will strive to facilitate an efficient framework for prosumers, batteries, peer-to-peer trade, local energy communities, data collection, and use.

Due to the changing energy markets and systems as well as the costs related to the green transition, flexibility needs will increase. Flexibility needs to be handled, to a larger extent, with decentralized tools such as storage, demand response, electric vehicle batteries, and decentralized production. As a general principle, the DSOs should not perform tasks that can be performed by competitive markets.

Unbundling of monopoly activities from activities subject to competition is a prerequisite. Hence, regulation of the role of TSOs and DSOs in the operation and optimization of flexibility tools will be important.

Tariff design that reflects the underlying network costs is an important way to facilitate efficient demand response. Grid tariffs should be cost-reflective by giving signals on efficient utilization and development of the network.

Each strategic principle is accomplished by several specific target items in the strategy. The strategy is accomplished by a road map that outlines the concrete activities needed in coming years to approach the target items outlined in the strategy. The road map is reviewed annually. The road map works as a basis for planning activities for the year to come.



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

## 4. Priorities in 2024

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

The adoption of the revised directive for energy efficiency, the hydrogen and gas markets decarbonisation package, and the expected adoption of the proposal for the electricity market reform in the end of 2023 will require coordination among the Nordic NRAs when implementing the changes in the regulation on national levels. In addition, tasks related to the implementation of network codes and guidelines are important for the Nordic regional cooperation among regulators in 2024.

In accordance with the vision and the strategy, NordREG Board has approved the following priorities for the NordREG's work in 2024. NordREG shall:

1. Follow and coordinate implementation of new regulation due to the electricity market reform, hydrogen and gas markets decarbonisation package, revision of the REMIT regulation, and the revision of the energy efficiency directive.
2. Ensure effective approval processes of proposals for regional terms and conditions methodologies.
3. Ensure a coordinated regulatory oversight of the timely and efficient implementation of Nordic Balancing Model in order for a timely connection to MARI and PICASSO.
4. Continue the effective implementation of European network codes and guidelines.
5. Deepen the coordination of Nordic views and participation in CEER and ACER. Especially in the European discussion on the revisions of the Electricity Market Design.
6. 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.
7. Cooperate and coordinate the work regarding flexibility issues with a special focus on the Clean Energy regulation.
8. Maintain a close dialogue with Nordic Transmission System Operators (TSOs) on issues of importance for the internal market.

9. Increase the sharing of information and best practices among Nordic NRAs and promote the common understanding as basis for actual decisions.
10. Continue to improve the strategic as well as the day-to-day cooperation in NordREG.

## 5. Organization

### 5.1 NordREG

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

The chairmanship of NordREG rotates annually and in 2024 EV 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 six task forces that have been organized according to the different network codes and

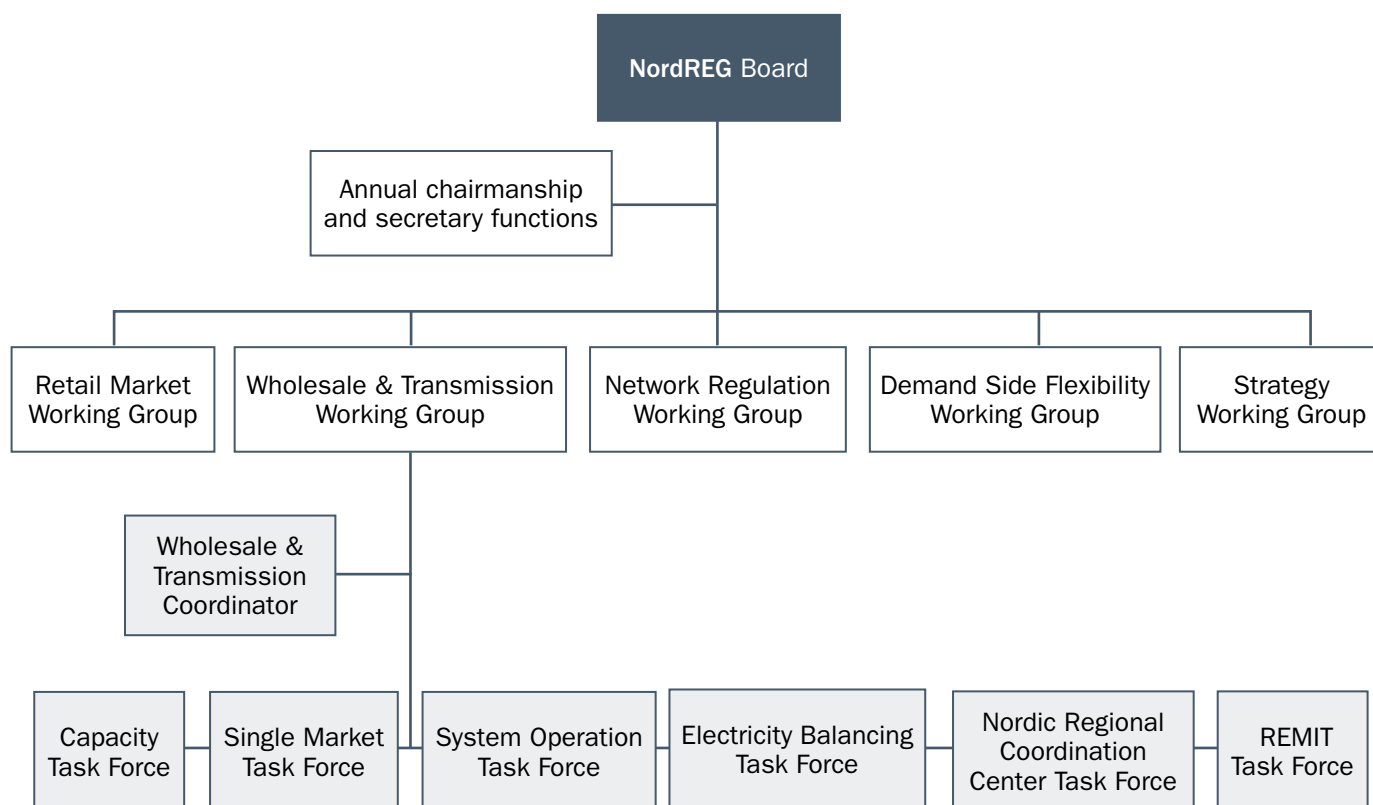
guidelines. The Board approves the establishment and tasks of the working groups and task forces.

### 5.2 Energy Regulators Regional Forum

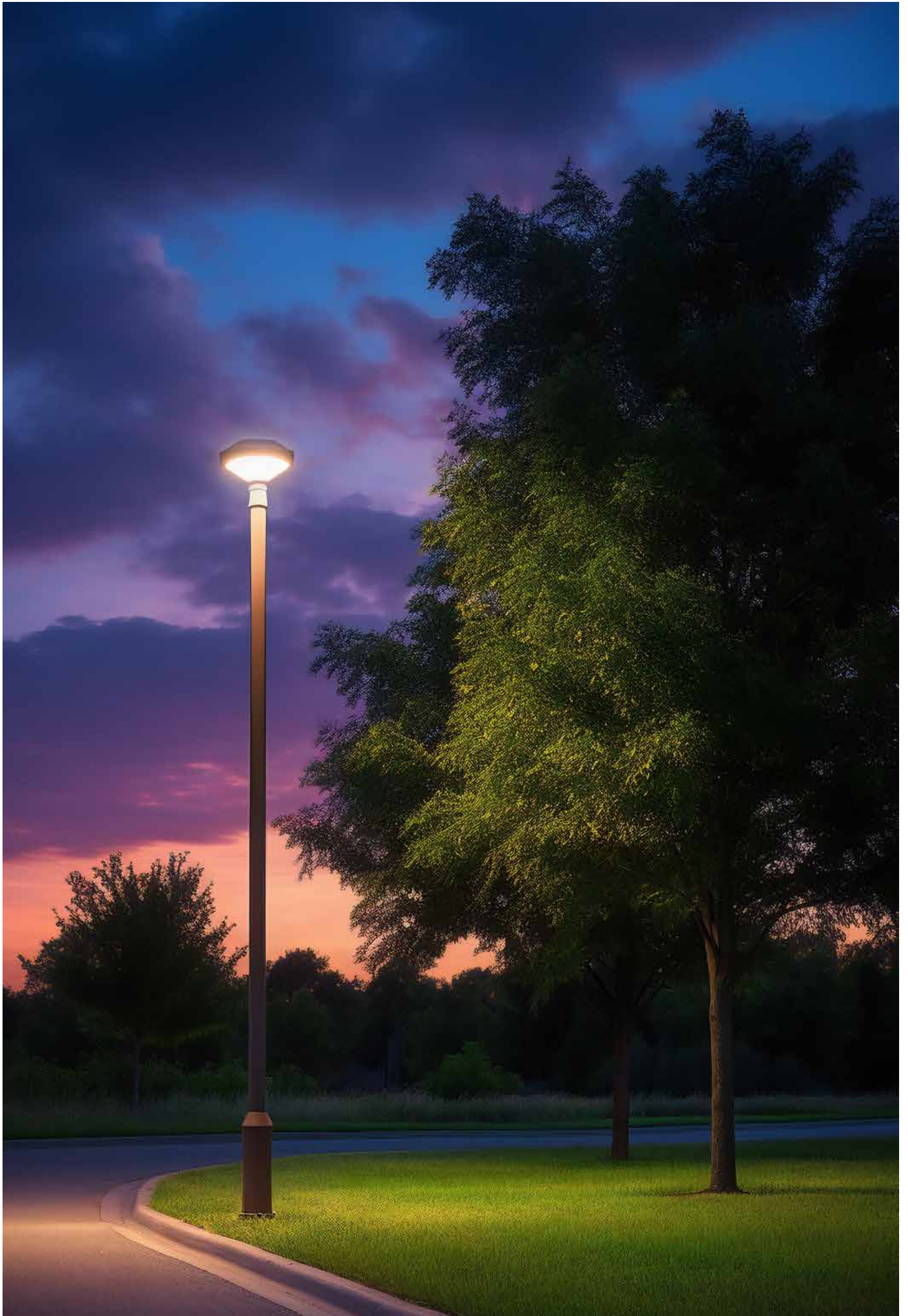
Energy Regulators Regional Forum (ERRF) has been set up as a body for the cooperation between the NRAs in the Nordic region in the implementation of electricity network codes and guidelines.

The scope of the ERRF is 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 Nordic region on the proposed methodology is required by the European network codes and guidelines.

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









## 6. Objectives, Tasks, and Resources

### 6.1 Retail Market Working Group

#### Objectives

The NordREG Retail Market Working Group (RM WG) will follow the development of and share experiences regarding the Nordic end-user markets in order to promote harmonization of rules and regulations.

In the RM WG, the NRAs exchange information and views, and strive for reaching common positions on issues related to a harmonized Nordic and European end-user markets.

The RM WG will focus its work on:

- Following the customers' situation in the Nordic retail markets for electricity.
- Sharing experiences on how the situation can be improved.
- Work together to promote Nordic positions or solutions based on best practice.
- Sharing experiences and best practice regarding monitoring.
- Influencing the EU to promote solutions in line with Nordic experiences and goals. Particular focus will be on establishing a common understanding in NordREG and it should, where deemed beneficial, be used as a base for stronger activity in relevant EU and CEER groups.

The objective of the RM WG is to actively work to improve and promote good solutions for the retail customers in the Nordic countries.

#### Tasks

##### Task 1. Retail market workshop

In 2024 the RM WG will arrange a workshop with the focus on monitoring cases, changes in the legislation and retail markets, different types of contracts, and sharing of information and best practices in general.

<b>When:</b>	Q4 2024
<b>Deliverables:</b>	Internal workshop and external reporting.
<b>Responsible:</b>	RM WG

##### Task 2. Coordination regarding new problems and challenges due to the changes in the market and issues regarding the retail market

The retail market has been affected by several factors that has led to higher electricity prices, changes in the range of contracts offered, and more uncertainty in the market. In 2023, the prices seem to have stabilized to some degree, but there are still issues and changes in the market and some uncertainty as to whether the prices will increase again. In 2024, it is expected that decisions will be made on changes and new rules in the electricity market directive. The implementation of the energy efficiency directive is also ongoing until 2025.

RM WG will follow, discuss, and share experiences regarding the new development and issues regarding the retail market, including how active and aware consumers have been affected.

<b>When:</b>	Ongoing
<b>Deliverables:</b>	Discussions in each RM WG meeting.  In 2024, RM WG will arrange at least three internal meetings, where RM WG will discuss and share experience regarding issues in the market and plan the retail market workshop.  Status reports to Board if needed.
<b>Responsible:</b>	RM WG

## 6.2 Wholesale and Transmission Working Group

### Objectives

The NordREG Wholesale & Transmission working group (W&T WG) is a managerial level and the link between the Nordic NRAs, the Nordic TSOs, and market participants (e.g. NEMOs) on operational and market issues. The focus of the W&T WG is the continued development and well-functioning of the Nordic electricity market.

The W&T WG coordinates NordREG actions on current wholesale market and transmission topics. 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 work carried out by W&T WG 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 2024, the W&T WG will continue to identify topics at national, Nordic and EU level, which requires a coordinated Nordic position on areas that might have a particular Nordic impact. W&T WG will focus on the challenges that may hinder efficient electricity markets with correct price signals and an adequate level of supply in the Nordics and in the European Union.

In addition to these challenges, the green transition, including decarbonisation goals, electrification, hydrogen, sector coupling etc., will also influence the Nordic region in the coming years. The costs of the green transition will be considerable and calls for competitive, efficient markets, and systems to achieve the goals. The following tasks are carried out by the W&T WG.

### Tasks

Six taskforces and three ad-hoc task forces (the latter on REMIT, hydrogen regulation, 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.

#### **Task 1. Follow TSOs' work beyond and across the network codes and guidelines (GLs)**

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

<b>When:</b>	2024
<b>Deliverables:</b>	Managerial level meetings with Nordic TSOs and the NEMOs. Continuous reporting to the Board.
<b>Responsible:</b>	W&T WG

### Task 2. Map consequences of the revised Energy Efficiency Directive

The revised Energy Efficiency Directive (EU/2023/1791) raises the EU's ambition on energy efficiency. It establishes 'energy efficiency first' as a fundamental principle of EU energy policy, giving it legal-standing for the first time.

In practical terms, this means that energy efficiency must be considered by EU countries in all relevant policy and major investment decisions taken in the energy and non-energy sectors. Hence, it is of utmost important for NRAs to get an overview and deep understanding of the scope of the directive and how it will affect regulation of the energy markets etc.

<b>When:</b>	2024
<b>Deliverables:</b>	First step is to get an overview of the consequences of the energy efficiency directive. Secondly, the future work will be planned and coordinated on this background.
<b>Responsible:</b>	W&T WG

### Task 3. Meetings between W&T WG and chairs of task forces

W&T WG coordinates and approve the work and assignments carried out by task forces that are organized "under" the W&T WG. Thus, W&T WG is responsible for ensuring an efficient organization, e.g. communication and alignment of scope of the task forces. W&T WG will hold an annual meeting with the chairs of the task forces in order to ensure a proper information flow, onboarding of the task forces and their members, and feedback to W&T WG.

<b>When:</b>	2024
<b>Deliverables:</b>	Annual meetings between W&T WG and task force chairs to ensure an efficient organization, alignment of scope, and feedback.
<b>Responsible:</b>	W&T WG

### Task 4. Nordic stakeholder meeting on Wholesale and Transmission Developments

The W&T WG is also responsible for hosting and chairing the annual "Wholesale & Transmission Developments Seminar" for the market actors.

<b>When:</b>	2024
<b>Deliverables:</b>	Host a stakeholder seminar on Wholesale and Transmission Developments in Q3 2024.
<b>Responsible:</b>	W&T WG

## 6.2.1 Capacity Task Force

### Objectives

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

The Cap TF will continue the cooperation on the processes leading up to final approvals and implementation of the relevant methodologies pursuant to the Commission Regulation (EU) 2016/1719 of 26 September 2016 establishing a guideline on forward capacity allocation (FCA GL), the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM GL) and Commission regulation 2017/2195 of 23 November 2017 establishing a guideline on electricity balancing (EB GL).

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 deemed beneficial. Further, Capacity TF will monitor and capture important EU developments in order to propose appropriate NordREG initiatives and responses.

### Tasks

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

<b>When:</b>	2024
<b>Deliverables:</b>	Follow-up on and facilitate the implementation of the approved flow-based Capacity Calculation Method (CCM) for the Day Ahead and Intra Day Markets in anticipation of the go-live of the flow-based methodology.
<b>Responsible:</b>	Cap TF

#### Task 2. Follow-up of the 70 % criterion

<b>When:</b>	2023
<b>Deliverables:</b>	Follow-up on the 70% criterion concerning the volume of transmission capacities in Nordic CCR and possible implications for the relevant methodologies. Discussing and sharing the monitoring practices of each NRA.
<b>Responsible:</b>	Cap TF

#### Task 3. Amendments to previously approved methodologies

<b>When:</b>	When needed
<b>Deliverables:</b>	Legal approval process on amendments to previously approved relevant EB GL or CACM GL methodologies.
<b>Responsible:</b>	Cap TF



## 6.2.2 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. Thereby, SM TF is contributing to NordREG's overall priority of effectively implementing network codes and guidelines.

The scope of the SM TF's work is to support and facilitate a coordinated implementation of CACM GL in the Nordic area, excluding topics handled by Capacity TF.

### Tasks

The SM TF shall serve as a forum for exchanging 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 deemed beneficial, the SM TF will coordinate national decisions according to the CACM GL.

#### Task 1. Coordinate views on EU-wide methodologies

<b>When:</b>	Ongoing
<b>Deliverables:</b>	EU-wide methodologies.
<b>Responsible:</b>	SM TF

#### Task 2. Monitor progress of implementation of approved methodologies and compliance

<b>When:</b>	Ongoing
<b>Deliverables:</b>	Implemented methodologies. Follow up on compliance and monitor NEMOs obligations.
<b>Responsible:</b>	SM TF

#### Task 3. Coordinate the national decisions on costs

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

### 6.2.3 System Operation Task Force

#### Objectives

The focus 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).

### 6.2.4 System Operation Guideline

The SO GL lays 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.

Several regional methodologies have 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 need to be updated on a regular basis.

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

The Electricity Emergency and Restoration Network Code (ER NC) establishes a common set of procedures 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 in order to avoid a widespread disturbance and the blackout state while allowing the efficient and rapid restoration of the electricity system from the emergency or blackout states.

The methodologies in the ER NC are mainly concerned with the national level, but the TSOs must coordinate their restoration plans and system defence 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 the 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, however, the decisions could also be coordinated where deemed convenient.

**Task 1. Amendment to methodologies**

The SO TF is responsible for the 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 2023 according to the SO GL:

<b>When:</b>	2024
<b>Deliverables:</b>	<p>In 2023 the SO TF received two methodologies for approval.</p> <p>These methodologies are:</p> <ul style="list-style-type: none"> <li>• Ramping restrictions for active power output in accordance with Article 137(3) and (4).</li> <li>• Limits on the amount of exchange of FRR between synchronous areas defined in accordance with SO GL Article 176(1) and limits on the amount of sharing of FRR between synchronous areas defined in accordance with SO GL Article 177(1).</li> </ul> <p>The legal deadline for these decisions was 4 October 2023. However, the latter methodology proposal was withdrawn by the TSOs 27 October. The expectation is that the TSOs will submit a new amended proposal on the methodology in the near future (2023/2024). However, it is not mandatory for the TSOs to submit the proposal.</p>
<b>Responsible:</b>	SO TF

**Task 2. Follow up on the Nordic TSOs on system operation**

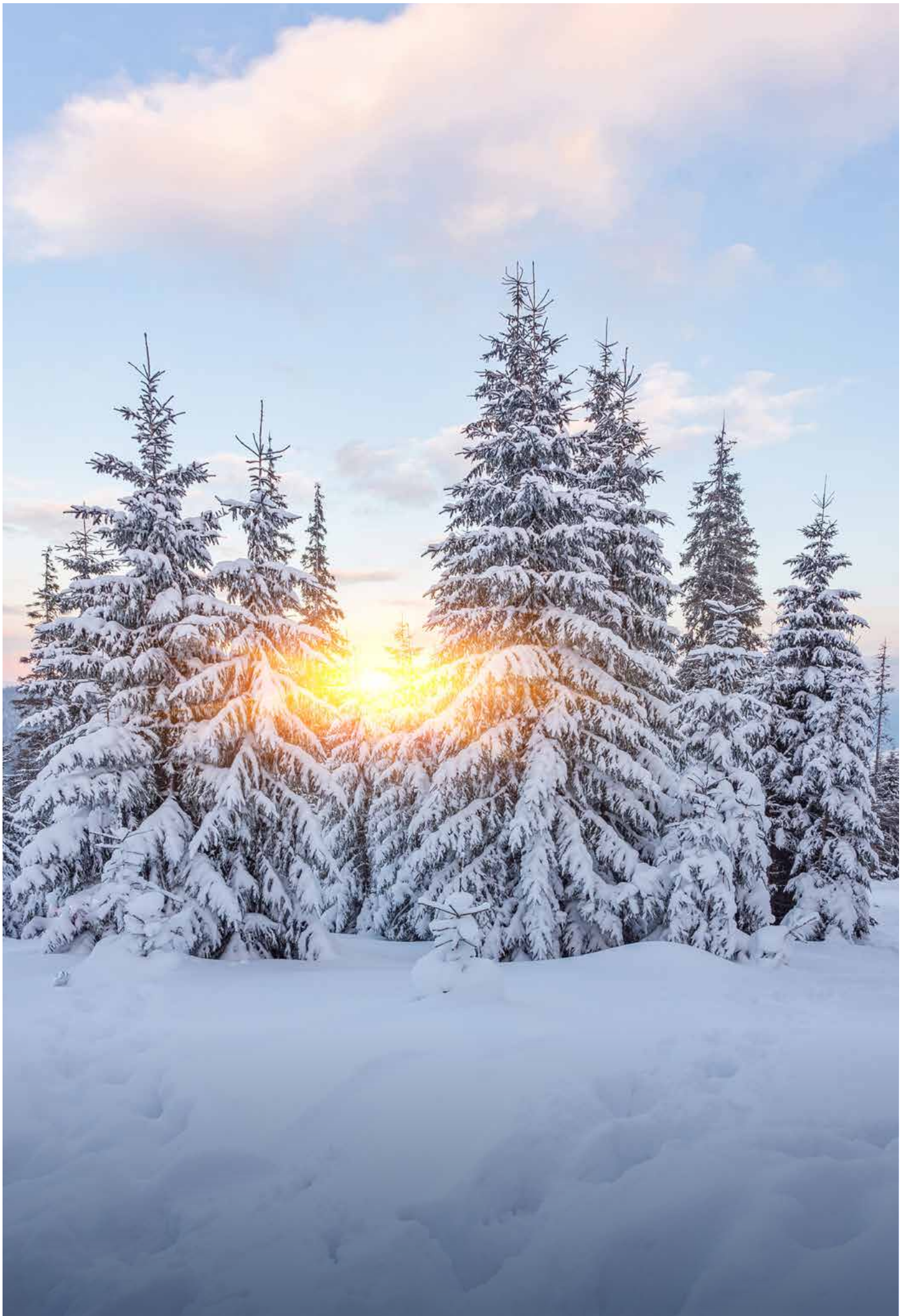
<b>When:</b>	Ongoing
<b>Deliverables:</b>	Follow up the Nordic TSOs regarding SO GL and relevant methodologies.
<b>Responsible:</b>	SO TF

**Task 3. Coordinate views on EU-wide methodologies**

<b>When:</b>	Ongoing
<b>Deliverables:</b>	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.
<b>Responsible:</b>	SO TF

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

<b>When:</b>	Ongoing
<b>Deliverables:</b>	Follow up
<b>Responsible:</b>	SO TF





## 6.2.5 Electricity Balancing Task Force

### Objectives

#### Implementation of the Electricity Balancing Guideline

Over the past years, ACER made several key decisions on terms and conditions pursuant to the Electricity Balancing Guideline (EB GL), both at European level, i.e. on platforms for the exchange of Automatic Frequency Restoration Reserves (aFRR) and Manual Frequency Restoration Reserves (mFRR), as well as at the regional level, in particular on the establishment of Nordic capacity markets.

The Electricity Balancing Task Force (EB TF) will in its dialogue with the TSOs, stakeholders, and ACER focus on implementation of decisions and on assessing proposed amendments from the TSOs concerning terms and conditions approved by the ACER. Further, the EB TF will work with coordinating the regulatory oversight and providing guidance to TSOs.

#### Implementation of a Nordic Balancing Model

The Nordic TSOs are in the process of implementing The Nordic Balancing Model (NBM) which further facilitates the 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. Further, EB TF will continue to engage with stakeholders by participating as observers in the Nordic TSOs' quarterly NBM Reference Group meetings.

#### Task 1. Coordinate the assessment of proposals on an mFRR capacity market

<b>When:</b>	2024
<b>Deliverables:</b>	Coordinate with all Nordic NRAs on bilateral decisions on new methodologies for an mFRR capacity market.
<b>Responsible:</b>	EB TF

#### Task 2. Oversight the implementation of NBM

<b>When:</b>	2024
<b>Deliverables:</b>	Follow and respond to the TSOs' implementation of MARI and PICASSO within the deadline of July 2024. The Nordic TSOs expect to fail the implementation deadline, in which case the NRAs will coordinate the regulatory responses.
<b>Responsible:</b>	EB TF

### 6.2.6 REMIT Task Force

#### Objectives

The objective of the REMIT task force is to exchange information, share best practices, and have a Nordic exchange of experiences regarding topics and challenges arising from the work with surveillance of the energy markets.

The REMIT task force will follow the developments in the revision of the REMIT regulation which is expected to take place during 2024. It may be relevant to coordinate a common response from NordREG in order to contribute to the new REMIT regulation.

#### Task 1. Exchange of information and best practices

<b>When:</b>	2024
<b>Deliverables:</b>	Meetings/workshops within the task force to ensure exchange of information continuously.
<b>Responsible:</b>	REMIT TF

### 6.2.7 Nordic Regional Coordination Centre Task Force

#### Objectives

The aim of the Nordic Regional Coordination Centre Task Force (NRCC TF) is to plan and execute a coordinated annual oversight of the Nordic Regional Coordination Centre (NRCC).

The oversight must be coordinated between the members of the NRCC TF and across all the task forces established under NordREG.

If requested by the members of the NRCC TF, the task force can plan and execute an Ad Hoc oversight on any given specific topic.

At the end of an oversight the NRCC TF will be responsible for formulating any orders or guidance that is agreed upon. The Danish Utility Regulator will be responsible for issuing any such order or guidance.

The NRCC TF is responsible for issuing a report on the oversight and any findings. The report will be approved by Mid-Level. The report will be sent to the NRCC, Board, and ACER.

#### Task 1: Performing oversight and issue any orders or guidance and a report

<b>When:</b>	2024
<b>Deliverables:</b>	Oversight executed and report delivered.
<b>Responsible:</b>	NRCC TF

## 6.3 Network Regulation Working Group

### Objectives

The path towards a decarbonized and electrified society presents new challenges to the regulation of distribution and transmission networks. The Network Regulation Working Group (NR WG) will continue to focus on topics relevant to the Nordics and on how to develop the regulation in the Nordic countries and share knowledge

In 2024, the NR WG intends to focus on flexibility in the electricity grid and the effect on prices, by identifying how investment mechanisms work in the regulation. This entails assessing if there are over-investments in the grid and too little focus on flexibility, or if further investments in the grid are necessary. This is in line with the Commission's proposal for a revised Electricity Directive and Regulation, which NR WG will have a focus on in preparation for the implementation of the legal acts in order to have an overview of relevant articles common for the work in NR WG.

In addition, the NR WG will discuss price incentives through tariffs and connection fees in the coming years. This work will be coordinated with the CEER distribution system working group that will focus on flexibility and investments in 2024. The NR WG will also continue the work on mapping how the countries apply revenue cap regulation with country-specific details and data.

The NR WG will be investigating potential articles in the newly released energy efficiency directive and the Commission's proposal for amendments in Regulations (EU) 2019/943 and Directive (EU) 2019/944 that presumably will be adopted very soon. The regulation might give rise to the need for a joint NordREG opinions regarding network regulation issues.

NR WG will also follow the work that the Swedish report 'Ett förändrat regelverk för framtidens el- och gasnät' may entail.

### Task 1. Regulation methods

The WG will expand and finish the work on the matrix by writing a descriptive text for 2022.

The matrix is a data set collected from the Nordic countries, used by the group to analyze and make comparisons regarding the respective regulations. The matrix is comprised of network data relating to tariffs, regulated revenues, costs, assets, quality, and network typology.

The WG will arrange an internal seminar on regulation methods for knowledge sharing and discussions. Through exercises and presentations from the seminar, NR WG will assess the total expenditure-method and value of asset and look into how DSOs make the best investments. Furthermore the WG will look into weighted cost of capital method (WACC) and the regulation of system operation costs for TSOs.

<b>When:</b>	Q1–Q4 2024
<b>Deliverables:</b>	Finish the descriptive text for matrix within Q1 in 2024, and if decided it can be published at NordREG webpage.  The WG will arrange an internal seminar on regulation methods.
<b>Responsible:</b>	NR WG

**Task 2. Efficient investments**

The existing regulations already contain incentives for efficient network use. NR WG will look into new articles in the EU legislation. The NR WG will assess regulatory barriers for flexibility, while taking into account the (new) regulation and new flexibility providers (e.g. district heating, industry, hydrogen-projects) and look for possibilities to harmonize approaches.

<b>When:</b>	Q1–Q3 2024
<b>Deliverables:</b>	Decide on a particular case to study, compare the incentives for the case study in each of the participating countries and assess potential areas for improvement.
<b>Responsible:</b>	NR WG

**Task 3. Knowledge sharing with a focus on dynamic regulation**

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 relevant articles in new Electricity Regulation and Directive.

The NR WG's focus will be on dynamic regulation. On this matter, particular emphasis will be placed on sharing knowledge concerning ongoing projects in CEER and ACER during 2024 and gather experiences and insights. In addition, coordinated Nordic views on relevant topics will be formulated regarding dynamic regulation, for example in respect to the green transition. The NR WG will proactively share these views in relevant ongoing projects in CEER and ACER respectively.

The NR WG will arrange several online presentations for knowledge sharing on a more regular basis that aims to include colleagues in the discussions and provide a better platform for knowledge sharing exercises.

<b>When:</b>	Ongoing/ Q1–Q4 2024
<b>Deliverables:</b>	Knowledge sharing via online presentations Q1–Q4.
<b>Responsible:</b>	NR WG

**6.4 Demand Side Flexibility Working Group**

**Objectives**

The changing electricity system is making flexibility increasingly essential to deliver secure, sustainable, affordable and efficient energy for consumers. The increasing share of intermittent and decentralized electricity generation together with the increased demand due to electrification 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 regulation for market participants, customers could face additional costs from partial optimization. Furthermore, if regulation 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 it may 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 cross-cutting and it concerns the whole-sale and retail markets and networks. Therefore, it is important to acknowledge that demand side 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 and to align with NordREG's strategic vision and priorities. In practice this entails:

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 aggregation)
3. A 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 and harmonization where suitable.

Flexibility is cross-cutting and concerns both wholesale markets, retail markets, and networks. It is the role of the Flex WG's to identify and coordinate NordREG's approach to different flexibility issues in cooperation with other WGs, the role also includes maintaining an overview of NordREGs work in flexibility.

Local flexibility markets are identified as one possible tool for DSOs to manage present and upcoming capacity and quality challenges in the energy transition. There are several ongoing pilot projects demonstrating local flexibility markets running today, primarily in Sweden and Norway. In Denmark and Finland there are pilots with geographically tagged bids that can be used both for balancing by the TSO and local grid management by the DSO. The Flex WG is following the development closely in order to identify regulatory challenges.

On European level, new rules for demand side response, including for local flexibility markets, is under development and the Flex WG will in 2023 continue engaging in the development of European legislation on flexibility.

In 2024, work will also continue coordinating the implementation of the framework for independent aggregation. After the legislative changes are in place, a series of coordinative activities will need to take place.

## Tasks

### Task 1: Coordinating NordREG's approach to flexibility issues in collaboration with the other WGs

The Flex WG will continuously maintain an overview of NordREGs work with flexibility, including the work of the other WGs, and suggest topics for Nordic collaboration and coordination. When necessary, the Flex WG will host workshops or support other WGs in their discussions. The Flex WG is maintaining and updating a list of relevant flexibility topics to be used as a base for priorities and division of work.

<b>When:</b>	Q2 2024
<b>Deliverables:</b>	Workshop and/or meetings with other working groups regarding flexibility topics/issues.
<b>Responsible:</b>	Flex WG, alongside other relevant WGs



### Task 2: Coordinating implementation of framework for independent aggregation

Legislative frameworks for independent aggregation have been implemented in Denmark, Finland, and Sweden. NordREG flex will strive to harmonize the Nordic implementation where possible. One of these areas may be the compensation mechanism. In 2024, the Flex WG will make a status report on the aggregation frameworks being implemented across the Nordics and identify remaining topics for possible harmonization.

<b>When:</b>	2024
<b>Deliverables:</b>	Status report on aggregation frameworks being implemented across the Nordics. Inform board about developments.
<b>Responsible:</b>	Flex WG

### Task 3: Coordinate engagement within ACER on a European legislation regarding flexibility

In 2022, a process was initiated by the European Commission to draft a new European network code with focus on demand response, following the provision in the European Electricity Regulation art. 59(1)(e). The new network code is expected to be decided on during late 2024. NordREG will continue to monitor this work and coordinate our positions in the relevant working groups within ACER.

<b>When:</b>	2024
<b>Deliverables:</b>	Continuously update board and assess the need for Nordic alignment.
<b>Responsible:</b>	Flex WG

### Task 4: Nordic local flexibility markets

The Clean Energy Package states that DSOs' procurement of services for congestion management should primarily be market based. Over the last few years, due 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 Flex WG has already mapped the ongoing initiatives and in 2024 the Flex WG will start making an updated mapping.

<b>When:</b>	2024/2025
<b>Deliverables:</b>	Start up work on an updated mapping of local flexibility markets – delivery expected in 2025. Inform board about developments.
<b>Responsible:</b>	Flex WG

## 6.5 Strategy Working Group

### Objectives

The NordREG Strategy Working Group (S WG) focuses on strengthening the organizational and procedural framework within NordREG in order to secure an efficient cooperation, coordinate cross cutting activities, and handle cross cutting issues not covered by the other groups within NordREG as well as supporting the rotating chairmanship and secretariat of NordREG.

### 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 Electricity Market Group (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 the Road Map at national and regional level and development of 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.

<b>When:</b>	Ongoing
<b>Deliverables:</b>	Participation in NEMF CG and NEMF WGs.  Reporting to the Board.
<b>Responsible:</b>	S WG 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)

S WG is responsible for identifying necessary revisions to NordREG steering documents (Modus operandi/ERRF Rules of Procedure) to better fit for purpose.

S WG will analyze NordREG organization structure and prepare proposals for changes in organization to support more efficient work of NordREG.

<b>When:</b>	Ongoing 2024
<b>Deliverables:</b>	Propose revisions to NordREG steering documents, and propose changes to the NordREG organisation  Organize an internal seminar for NordREG chairs. Convey messages to all members of TFs and WGs.
<b>Responsible:</b>	S WG



**Task 3. Prepare NordREG Work Program 2025**

S WG will prepare the NordREG priorities for 2025. The input will serve as guidance for preparing the NordREG Work Program 2025. The Road Map which describes concrete actions which NordREG has planned to take in coming years in order to implement the NordREG Strategy. The Road Map is updated annually and provides strategic input for defining tasks for the NordREG annual Work Program.

<b>When:</b>	Q3/Q4 2024
<b>Deliverables:</b>	NordREG Work Program 2025. NordREG´s priorities in 2025. Updated Road Map providing input for the preparation of Work Program 2025.
<b>Responsible:</b>	S WG

**Task 4. Annual NordREG report 2024**

The Annual Report presents the work undertaken NordREG during 2024.

<b>When:</b>	Q4 2024
<b>Deliverables:</b>	Draft Report for Board approval in December 2024, document will be submitted to the EMG and published externally in January 2025.
<b>Responsible:</b>	NordREG Secretariat

**Task 5. NordREG Board Strategy Day**

The purpose of the Annual NordREG Board Strategy Day is to discuss identified strategic topics. Final topics for the 2024 Strategy Day will be decided early 2024.

<b>When:</b>	Q2/3 2024
<b>Deliverables:</b>	Board discussions on selected topics based on material prepared by S WG.
<b>Responsible:</b>	S WG

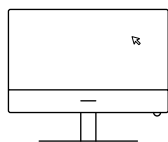
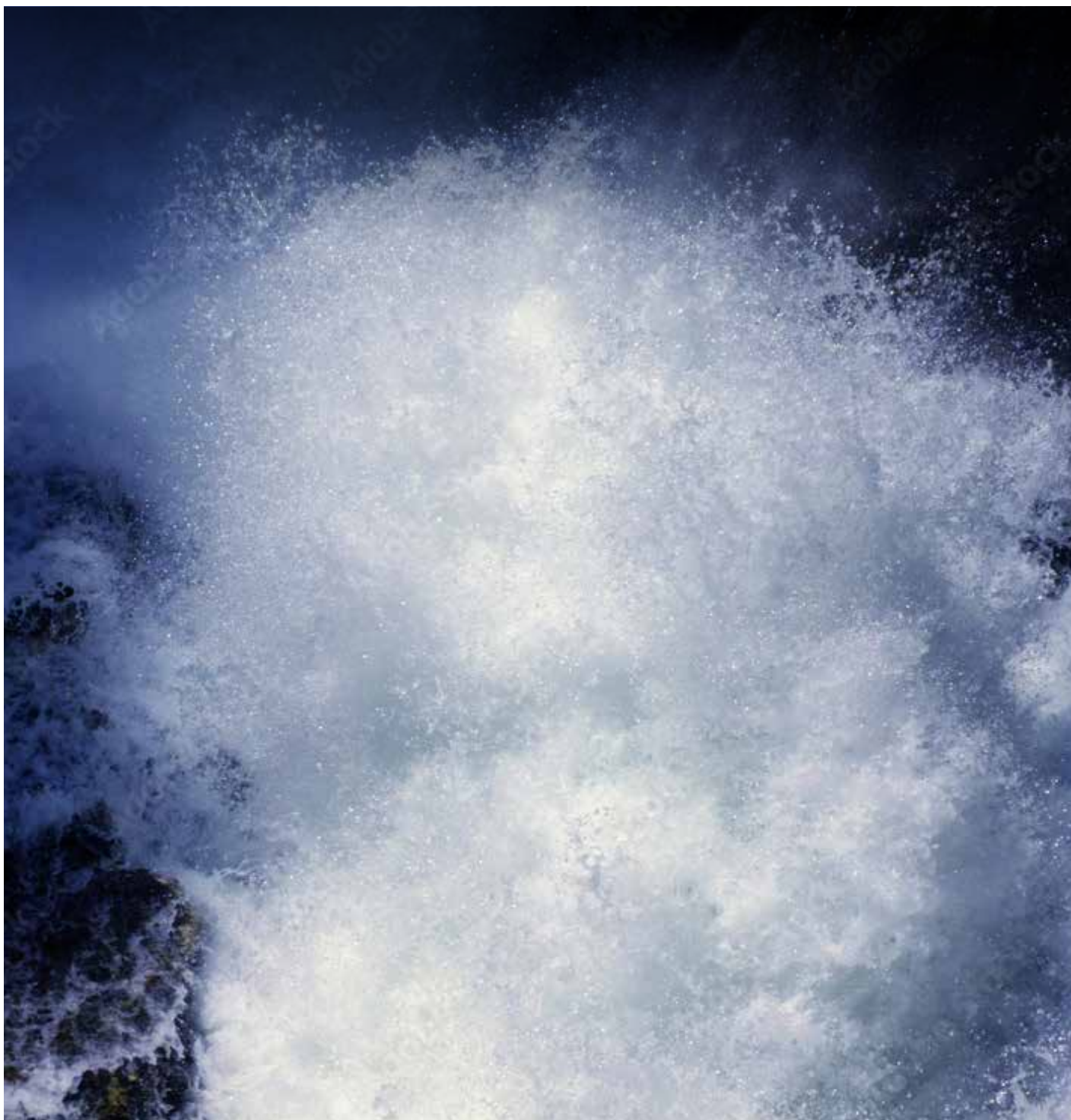
**Task 6. NordREG communication strategy**

NordREG board has decided to improve the external communication through a dedicated communication strategy which aims at streamlining and coordinating NordREG's messages to target audiences.

<b>When:</b>	Q1 2024
<b>Deliverables:</b>	Formulation of communication strategy and a guideline that serves as a practical tool in a targeted and efficient external communication from NordREG.  The strategy and guideline will subsequently be communicated to NordREG WGs and TFs.
<b>Responsible:</b>	S WG







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

The chairmanship and the secretariat of NordREG during 2023 was held by the Danish Utility Regulator (DUR).

**Please contact us if you have any questions.**

Webpage: [nordicenergyregulators.org](https://nordicenergyregulators.org)