

Work Programme 2015

Nordic Energy Regulators
(NordREG)

Report 1/2015

NordREG

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Preface

European cooperation and the drive towards an internal European energy market will have great significance for the work of NordREG in the coming years.

Legally binding regulation, Network codes and guidelines etc. are being developed and adopted, and need to be implemented in the Nordic electricity-market. NordREG will play an important role for the Nordic energy regulators in this work – both with respect to the common challenges and in relation to the various tasks and challenges of the individual regulators.

This is reflected in the work program 2015 where especially the work relating to developing and improving the wholesale market will focus on the European questions driven by the network codes and guidelines. These will start being completed and adopted from 2015 and forward, presenting many new initiatives, tasks and duties for the market actors and the energy regulators which will demand high attention.

NordREG's attention to network regulation in the Nordic countries will also be continued in 2015 with sharing of experiences and dialog with the stakeholders.

In addition, NordREG will continue a determined focus on the tasks relating to the establishment of a harmonized Nordic retail market for electricity. This has been a priority for NordREG for several years. In 2015, the work will be focused on measures that also will have an impact in the short run in line with the recommendations from Nordic ministers for energy.

The development towards an electricity supply increasingly based on renewables present special challenges to system. Demand flexibility has attracted increasing attention as one of the tools to deal with these challenges and in 2015 NordREG will set up a dedicated ad hoc working-group to explore the possibilities and challenges of increasing demand flexibility.

As can be seen, 2015 will present many tasks and challenges for NordREG, which will be carried out by the dedicated working-groups for retail market, wholesale and transmission, network regulation and demand flexibility. The actual, individual tasks for the working groups are presented in the work program.

Copenhagen, February 2015

Finn Dehlbæk
Chair of NordREG 2015

Introduction

NordREG is a cooperation between the Nordic energy regulators. The cooperation was established through a Memorandum of Understanding (MoU), signed in 2002. The MoU lays down objectives and modes of the cooperation. Prior to a formal agreement on cooperation, the tradition of bi-annual meetings and rotating chairmanship started in 1999.

The following authorities are members of NordREG:

- Denmark:** The Danish Energy Regulatory Authority, (Energitilsynet, DERA)
- Finland:** The Energy Authority, (Energiavirasto, EV)
- Iceland:** The National Energy Authority, (Orkustofnun, OS)
- Norway:** The Norwegian Water Resources and Energy Directorate, (Norges vassdrags- og energidirektorat, NVE)
- Sweden:** The Energy Markets Inspectorate, (Energimarknadsinspektionen, Ei)

NordREG's work is, on the one hand tightly 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.

On the other hand, Nordic regulators at their own initiative and by inputs from market participants can undertake joint Nordic initiatives to improve the functioning of the Nordic electricity market also within a European context.

A third stream of work is the work that originates from European energy regulators' cooperation, in Council of European Energy Regulators (CEER) and Agency for the Cooperation of the Energy Regulators (ACER), Coordination with CEER and ACER is a horizontal issue that goes through all NordREG projects. The aim is seamless coordination with adjacent regions and European cooperation. On some issues, NordREG will have a coordinating role for the Nordic regulators.

NordREG work takes the form of discussions, exchange of ideas, and of writing reports. The cooperation is based on a tradition of consensus and a strong political commitment to developing the common Nordic electricity market.

NordREG aims at a high level of openness and transparency.

Mission and vision

The focus of the Nordic energy regulators' cooperation through NordREG is to create added value for the Nordic electricity market by cooperation, information exchange, analyses etc. and by delivering statements and reports for harmonization and improvements in the Nordic electricity market in view of especially developments and changes in the European and EU context and frameworks.

This focus is reflected in NordREG's mission and vision:

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:

All Nordic electricity customers will enjoy free choice of supplier, efficient and competitive prices and reliable supply through the internal Nordic and European electricity market

In 2015, NordREG will continue to focus on the work towards the harmonized Nordic retail market but also the European development with the finalization and adoption of Network codes and guidelines accelerating in 2015 and the coming years, is reflected in the work program.

Strategic priorities and projects

One of the main priorities for NordREG has for several years have been the work to achieve a harmonized Nordic retail market. NordREG will continue work on the main elements of the future harmonized Nordic retail market in 2015.

In addition to the work on a harmonized retail market, NordREG will continue the work on developing and improving the functioning of the wholesale market. The work in this area will to a great extent be driven by the European development, especially the upcoming network codes and guidelines etc. which will set the scene also for the Nordic market in the coming years.

With regard to network regulation, sharing of experiences between the Nordic regulators and with stakeholders will continue.

In 2015, a new ad hoc working group will be set up in order to work on the topic of demand flexibility. Demand flexibility has attracted increasing attention in both the Nordic area and Europe as one of the ways to cost-effectively maintain and increase market functionality at a time where increasing flows of renewables etc. put the system under strain.

All NordREG work aims at ensuring seamless interaction with European markets and European cooperation. NordREG's work will in 2015 be divided into four main working groups.

- Retail Market WG
- Wholesale and Transmission WG
- Network Regulation WG
- Ad hoc working group on demand flexibility

Coordination with CEER and ACER

Coordination with CEER and ACER is a horizontal issue that goes through all NordREG projects. The aim is seamless coordination with adjacent regions and European cooperation. On some issues, NordREG will have a coordinating role for the Nordic regulators.

Cooperation with other Nordic authorities

NordREG will seek close cooperation with Nordic competition and financial supervisory authorities. Taking account of issues concerning transparency, the financial market and competition arising from EU initiatives will be important.

Retail Market WG

Vision and objectives for the development of a harmonized Nordic retail market

The main objective for the integration of the Nordic retail markets is to minimize the regulatory and technical obstacles for suppliers willing to operate in the various Nordic countries. This scope also needs to include energy service-companies, ESCOs. They are new stakeholders acting in the competitive part of the electricity-market. ESCOs' provide energy services to the customers which help them manage their energy-consumption in a smart way. The main objective for NordREG is therefore to harmonise the national market models in the Nordic countries to the extent to make the market smooth and feasible for the suppliers and ESCOs to start operations. The market integration would thus provide a harmonized framework for the stakeholders to have their business activities in the whole Nordic region. In that way all customers are eligible to take part of offers in the competitive side of the Nordic electricity market.

Objectives for harmonized solutions

NordREG aims at continuing the work to reach a truly harmonized Nordic retail market, future NordREG recommendations and Nordic solutions should focus on the following objectives:

- Customer friendliness: increase customer friendliness of the market; have a good customer service and create market conditions that make it easy for customers to be active in the market.
- Well-functioning Nordic electricity market: the goal is to have a well-functioning common electricity market. It should be easy for stakeholders to enter the market and business processes need to be clear and easy to apply. When making business processes – focus should be on speedy, qualitative processes to a reasonable cost.
- Increased competition: lower the obstacles for the market players in the competitive part of the electricity market, there should be room for innovation and development of energy services in order to increase the attractiveness of the competitive market.
- EU-regulation: Nordic harmonization should comply with the EU regulations and EU retail market development.
- Non-discrimination: The Nordic retail market design should promote non-discrimination. The introduction of national Points of Information (NPIs) should guarantee neutrality of Distribution System Operators (DSOs) towards other stakeholder. NPIs should function as market facilitators.

Areas of work

Based on input from stakeholders, the ongoing developments in EU, Member States' climate goals and need for elaboration on the supplier centric model, we have identified several areas that should be the focus in the future road map:

- Information exchange between market players
 - TSO's and DSO's roles and responsibilities
 - Access to and communication between data hubs/information exchange systems
- Market design to enable energy services

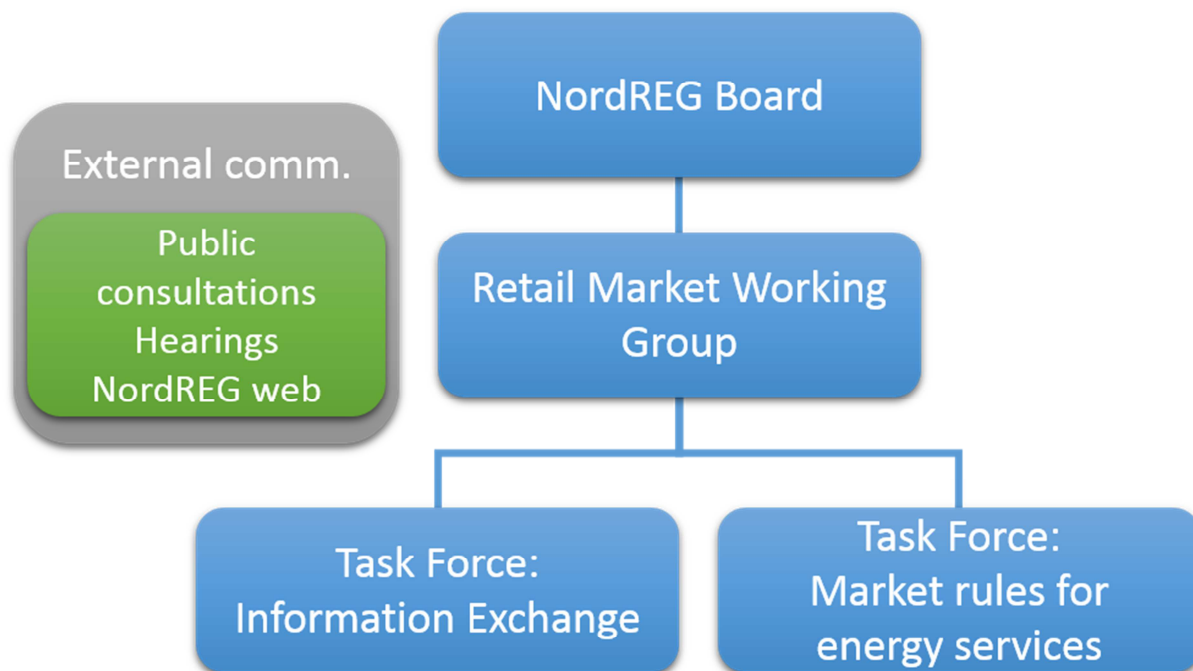
- Unbundling
- DSO's role and responsibilities

Organisation of work

The work of the Retail Market WG will be organized by establishing two Task Forces (TF) for areas of related tasks – the permanent members should be experts from NRAs; Information Exchange TF and Market rules and energy services TF.

Each task force should have a drafting team. The drafting team will include one or more person(s) from the TF members. The TF can also hire a consultant to aid in the work. The function of TFs is to prepare and draft documents relating to the task at hand. The work should then be approved by the TF and then sent to the RMWG for approval. If the TF cannot agree on a specific issue, this issue can be forwarded to the RMWG. The TF should consult with stakeholders through bilateral meetings, hearings and/or through public consultation. These task forces will be active during year 2015 and 2016 at least, but the work related to the certain tasks can be depending on other tasks and therefor active on a later stage.

The WG intends to engage with stakeholders through bilateral meetings, public consultations and hearings. The WG also intends to use the NordREG website as an important tool of communication.



Information exchange between market players

Due to the fast development of new national information exchange system, some specific issues arise and have high priority. Rules for the actor managing new information exchange system will be needed. What rules should there be for access the information exchange system and how will the information exchange system interact cross boarder? Three tasks are

identified related to these issues. Further NordREG stress the importance to continue already started harmonisation of the technical work on a Nordic technical handbook, maintenance XML schemas and harmonisation of use-cases from the industry.

The TSOs in Sweden, Finland and Norway has since 2012 worked on a common system for balance settlement. Denmark has integrated a balance settlement in their information exchange system. The development on Nordic balance settlement may have to be considered when working on information exchange tasks.

Tasks Retail Market WG

TSO's and DSO's roles and responsibilities regarding information exchange

The TSOs role is changing with the establishment of national data hubs under the responsibility of the national TSO. The TSO takes on a role as a market facilitator in a way. Therefore, it's crucial that the TSO should act in a neutral and non-discriminatory manner. The roles between the TSO and DSO may also need to be reviewed.

Task 1.1: Mapping TSO's and DSO's roles and responsibilities related to information exchange systems.

Start: Q1 2015 – Q3 2015.

Responsible: Information Exchange TF

Deliverable 1.1: Status report done by the end of September 2015

If recommendations are deemed necessary after analysis of the results in the mapping report:

Task 1.2: Develop harmonized Nordic recommendations for TSO's and DSO's roles and responsibilities

Start: Q4 2015 – Q 2 2016

Responsible: Information Exchange TF

Deliverable 1.2: Report with recommendations done by the end of June 2016

Access to and communication between data hubs/information exchange systems

The creation of different national data hubs may risk creating a new obstacle for suppliers/ESCOs entering the Nordic market. It is important to look into how these hubs interact and how the stakeholders can access the Nordic market. How should the exclusion from one hub affect the access to another information exchange systems etc. There is a need for high level guidelines on how to develop information exchange systems in order to secure necessary changes on national levels to realize common harmonized information exchange systems and business processes. A harmonized information exchange system to such an extent that suppliers and other market actors can use same internal operative systems in all countries.

Task 1.3: Develop guidelines to TSOs or other responsible organizations for legal framework for the development of harmonized information exchange systems

Start: Q2 2015 – Q1 2016

Responsible: Information Exchange TF

Deliverable 1.3: Status report done by the end of March 2016

Market design for enabling energy services

In the near future it will become increasingly important to provide the customers with energy services. The retail market needs to be designed in a way enable energy services providers to

enter the Nordic market. The DSOs, TSOs etc. gives these new actors the possibility to manage the customers' electricity consumption and/or balance. It can also create new market situations that are not yet frequent in the electricity market. An energy service that the customer benefits from could have external effects on other parties. That means that the overall benefit could be negative and/or positive. It is important to provide a market design and a regulatory framework that clearly states the roles and responsibilities for energy service providers. The work on rules for energy services focuses on market rules for DSOs and unbundling.

DSO's role and responsibilities

The DSO is in charge of metering, metering equipment and metering data. This means that the DSO has great insight into their customer's consumption and behaviour. This information might be relevant or even necessary for energy service providers and other market players in the market. Therefore it's crucial that the DSOs act in a neutral and non-discriminatory manner. Questions that need to be answered are for example what the DSO should do as a market facilitator and should the DSO be able to offer energy services.

We therefore suggest that a status review should be made which includes a mapping exercise to examine the differences between the Nordic countries regarding the DSO role with regards to energy services. If NordREG then finds that there is a need for harmonised rules then Nordic recommendations should be developed.

Task 1.4: Make a status review including a mapping exercise of the DSO's role with regards to energy services.

Start: Mapping from Q1 2015 - Q2 2015.

Responsible: Market rules for energy services TF

Deliverable 1.4: Status report done by the end of June 2015

Unbundling

If we want new market players to enter the market, we need to make sure that the established vertically integrated supplier does not have strong market advantages. The implementation of unbundling rules, which are primarily based on European legislation, impacts the functioning of the Nordic retail market. We therefore suggest that an assessment should be made of the need to further harmonize unbundling rules in the Nordic countries based on a mapping of existing rules. If, after such an assessment, NordREG finds that there is a need for Nordic harmonization then Nordic recommendations should be developed.

Task 1.5: Mapping exercise of Nordic unbundling rules.

Start: Mapping from Q3 2015 – Q1 2016.

Responsible: Market rules and energy services TF

Deliverable 1.5: Status report done by end of June 2015

Analyse results of report on Market Entrant Processes, Hurdles and Ideas for Change in the Nordic EnergyMarket - the View of the Market

NordREG has commissioned VaasaETT to study the competitive conditions in the national Nordic markets in Denmark, Finland, Norway and Sweden in 2014. The study looked into the market entrance and the market operation processes under which suppliers and energyservicecompanies (ESCOs) act. The results presented in the final report gives an in depth looks at each countries market processes and in which degree these processes are similar between the Nordic countries.

Task 1.6: Analyse results in depth and if needed; suggest possible future harmonisation task

Start: Analyse from Q2 2015 – Q4 2015.
Responsible: Retail Market WG
Deliverable 1.6: Note done by end of December 2015

Revision of past recommendations

There is a need to make revisions of past recommendations due to national development of new information exchange systems. Denmark has already developed a national hub run by the national TSO, Energinet.dk, and Norway has decided to develop a national hub together with the implementation of smart meters on a national scale. The Norwegian hub is going to be developed and run by the Norwegian TSO, Statnett. The Swedish regulator has recommended that there should be a national hub also in Sweden run by the Swedish TSO, Svenska Kraftnät (SvK). Finland has an ongoing work, made by the national TSO, Fingrid, looking into information exchange models and is expected to have a recommendation by November 2014. The developments of information exchange systems are key to further harmonization. It will leverage access to information for market actors on the competitive side of the Nordic electricity market such as suppliers and ESCOs. This also creates a need for revising and develop earlier recommendations, such as the customer interface towards the market's actors.

The introductions of new information exchange systems will widening the room for further harmonization for areas such as business processes, access to information and customer interface. NordREG therefore suggests that a revision is made of the Nordic recommendations for switching and moving. This work should be carried out in collaboration with the TSOs and other relevant stakeholders.

Switching process

In 2013, NordREG published a framework for a future process for supplier switch. The report contains recommendations for time frames, responsibilities and content of messages. The communications are related to suppliers and DSOs/NPIs. There are areas still not harmonised in the report and areas that need revision after the implementation of national hubs.

Task 1.7: Revision of the switching process. The task will be coordinated with the development of national hubs.

Start: Q 4 2015 – Q 3 2016

Responsible: Information Exchange TF

Deliverable 1.7: Report with recommendations done by the end of September 2016

Moving process

In June 2014, NordREG published a framework for a harmonized moving process. The report contain time frames, messages and responsibilities for customer moving in or out from a location with metering. The moving process relates to the communication between market players such as suppliers and DSO/national point of information. There are still elements that could not be harmonized. Further harmonization on the moving process will be possible as the national decisions and development of new information exchange systems.

Task 1.8: Revision and further harmonization of the customer moving process. The task will be coordinated with the development of national hubs.

Start: Q 4 2015 – Q 4 2016

Responsible: Information Exchange TF

Deliverable 1.8: Report with recommendations done by the end of December 2016

Monitoring of the retail market on a Nordic level

We believe that the Regulators will need to cooperate more systematically in the future to monitor the market players acting on an increasingly Nordic retail market. It might be needed to exchange information in a more formal way to investigate cases properly and to be able to enforce decisions. In a first step NordREG will explore the national experiences for each regulator and discuss the need for enhanced cooperation in the future. Step two could be to map the legal competencies within the respective authority.

Task 1.9: Explore and map the experiences and legal competencies within the national regulators.

Start: Q 1 2015 – Q 2 2016

Responsible: Retail Market WG

Deliverable 1.9: A status report in June 2016

Yearly status report

The Retail Market WG will produce a status report on a yearly bases. The report will contain the development of the harmonization and summarize the status for the tasks at hand. The report will also contain a national description of the development and a monitory view to visualize the progress of the national implementation of issued recommendations.

Task 1.10: Yearly status report

Start: Q 1 2015 – Q 3 2015

Responsible: The Retail Market WG

Deliverable 1.10: Status report describing the national developments towards a Nordic electricity market

Continuous work

Continuation of the technical work

NordREG has made and commissioned work regarding business processes of a more technical nature¹⁸, more detailed messages connected to processes such as switching and moving for example. It is of utmost importance that this work continues. Underlying more detailed schemes of communication between stakeholders are developed so that the processes can function smoothly on a Nordic level.

In the note “Continuation of technical work after the BRS report¹⁹”¹ published in June 2014, NordREG proposes that:

- A Nordic technical handbook is developed by TSOs and the industry. However NordREG intends to be part of this work as facilitators or observers depending on the need for support.
- A task consisting of Maintenance of documents, such as XML schemas should be taken on by the TSOs and industry.
- The development of Use-cases from the industry NordREG encourages the industry to continue this work and suggests that this work should be led by the industry. However

¹ <http://www.nordicenergyregulators.org/wp-content/uploads/2014/06/Continuation-of-technical-work-after-BRS.pdf>

NordREG intends to be part of this work as facilitators or observers depending on the need for support.

Task 1.11: Continue the technical work on a Nordic technical handbook, maintenance of XML schemas and use-cases on business processes.

Start: Q 3 2014 and ongoing

Responsible: The Retail Market WG will act as a facilitator and/or observer in these processes.

Deliverable 1.11: A status report to the Board reporting on the development and work done.

Coordination of implementation of EU and national legislation

When new legislation on EU-level is developed there is a need for cooperation and information exchange between the members of NordREG. There is also a need to communicate NordREG's work to the EC and other European organisations and stakeholders.

Task 1.12: Coordination activities between the NRAs and the EC and others

Start: Q 3 2014 and ongoing

Responsible: The Retail Market WG

Deliverable 1.12: Ad hoc work – no specific delivery.

Table 1. Retail Market WG

Task #	Projects	Deadline
1.1	Status report of TSO's and DSO's roles and responsibilities with regards to information exchange	September 2015
1.2	If deemed necessary after 1.1: Report with harmonised Nordic recommendations for TSO's and DSO's roles and responsibilities	June 2016
1.3	Status report on access to and communication between data hubs/information exchange systems	March 2016
1.4	Status report on DSO's role and responsibilities with regards to energy services	June 2015
1.5	Status report on rules for Unbundling	June 2015
1.6	Analyse results of report on <i>Market Entrant Processes, Hurdles and Ideas for Change in the Nordic EnergyMarket</i>	December 2015
1.7	Revised switching process	September 2016
1.8	Revised moving process	December 2016
1.9	Status report Monitoring of the retail market on a Nordic level	June 2016
1.10	Yearly status report	August 2015
1.11	Continuation of the technical work on a Nordic technical handbook, maintenance of XML schemas	Ongoing

Task #	Projects	Deadline
	and use-cases on business processes	
1.12	Coordination of implementation of EU and national legislation	Ongoing

Wholesale and transmission WG

Task 2 Wholesale and transmission WG

A majority of relevant tasks and objectives for the wholesale and transmission working group (W&T WG) have, over the last years, developed beyond the Nordic dimension. Today many relevant issues within the wholesale and transmission fields are initiated by the EU.

In order to be able to quickly respond to upcoming issues and to become more proactive, the working structure for working group will from 2105 become more flexible. The two main tasks of the working group will be to 1) identify new issues on the European level that may have a significant impact on the Nordic markets and 2) to act as a facilitator among the Nordic NRAs in terms of initiating forums and settings where common work can be performed. This might take shape by arranging common NRA workshops, create channels for exchange of information or make sure that ad hoc groups are established from time to time to cover or respond to specific issues.

The year 2015 will, to some extent, represent the bridge between the WG's former way of working and the new, more flexible one. Thus, the work program includes a few ongoing projects/deliverables continuing from 2014 (task 1-3, and task 4, previously separate WG). Additionally, there are already a number of ideas of issues that should be analyzed whether they would require further work by NordREG.

Task 2:1 Nordic Balance Settlement

Tasks:

- Coordinate the work towards the TSO Project – status reports.
- Coordinate the work between regulators.
- Follow up on implementation of legal changes and ensure consistency towards the agreed NBS model.
- Presentation of the status of the country-wise legal review of process of implementing the NBS in March Board meeting.

Deadline: Ongoing 2015

Task 2:2: NordREG Capacity calculation (project initiated in 2012)

The expert group on Capacity calculation will continue the work on the Nordic implementation of the CACM GL chapter on Capacity Calculation. The overall objective is to follow closely the Nordic TSOs work in this field to be prepared for possible recommendations, decisions, etc. to be made by NRAs based on foreseen applications from TSOs. The forthcoming choice of Capacity Calculation method appears to be one of the major issues.

Tasks:

- Evaluation of the merits and demerits of Flow Based method in the Nordic region.
- Analyze the impact of the establishment of the Common Grid Model in the Nordic area
- Proposals and implementation of amendments in the current NTC method to be compliant with CACM requirements on the Coordinated NTC method.

Deliverables:

- Arrange regular workshops with TSOs covering each of these three issues. Nordic Stakeholders will be invited to at least one of them.
- Strengthen the focus on CWE experiences of the implementation process of Flow Based market coupling, including the scheduled launch in March 2015.
- If appropriate, prepare possible decisions or recommendations to be made regarding CACM requirements on Capacity Calculation in the Nordic region.

Deadline: Ongoing 2014-2017

Task 2:3: Update of NordREG report on the Nordic Financial Electricity Market published in 2010

The NordREG W&T WG has started an update of the Nordic Financial Electricity Market Report, which was originally published in 2010. The update focuses on the statistics of the Nordic Financial Electricity market and analysis of the developments on the market since the 2010 report. The updated report on the Nordic Financial Electricity Market will be published in the beginning of 2015. W&T WG expects to make the update without external assistance.

Deadline: November 2014, extended to early 2015.

Task 2:4: NMR will be organized as a subgroup/Task Force of the W&T

In 2015, the Nordic Market report will be carried out by a task force in W&T.

The Nordic Market Report (NMR) describes the status and development in the Nordic electricity market and has been published annually since 2006. The report highlights the Nordic regulators point of view regarding the Nordic electricity market which distinguishes the report from other annual reports on the Nordic energy market.

The “NMR statistics package” will be published during the second quarter of 2015, together with a written summary of new transmission lines, exceptional weather conditions or other things that are relevant to describe the electricity year. Indicators for market monitoring were developed in 2009 to enable a better comparison of the retail markets in the Nordic countries. The indicators have been used in the Nordic Market Report 2010, 2011, 2012 and 2013. From 2013, the indicators will be analysed and followed up every five years.

Deliverable: Nordic Market Report

Deadline: Q2 2015

Further issues to cooperate on during 2015, where appropriate in Ad hoc groups

For the time being the W&T foresees a few issues that need to be dealt with during 2015:

1. Arrange a workshop for NRAs on the CACM implementation (Ei will be responsible, the ad hoc group is already established)
 - a. to identify specific topics and/or themes that should be worked on jointly. If needed establish one or more ad-hoc groups to take care of these topics.
2. Arrange a workshop for NRA's on relevant PCI and network projects (DERA will be responsible, ad hoc group need to be established)
 - a. In conjunction with the PCI work, it will become important to evaluate the various project's impact on the market. The evaluation process would need to be established quite soon, as PCI evaluation is to be completed by summer 2015, so NRA assessment should be completed well before that.
3. Arrange a workshop for NRA's regarding views experiences with cross border cost allocation claims and decisions. (Ei will be responsible). Ei will share their experiences.

Table 3. Wholesale and transmission WG

Task #	Projects	Deadline
2.1	Nordic Balance Settlement	Ongoing 2015
2.2	Capacity calculation	Ongoing 2014-2017
2.3	Update of NordREG report on the Nordic Financial Electricity Market published in 2010	Extended to early 2015 from 2014
2.4	Nordic Market Report	Q2 2015

Network regulation WG

Task 3 Network regulation WG

One of the questions affecting the network regulation for both TSOs and DSOs is energy efficiency; i.e. how network regulation and grid tariffs design can be used to incentivize energy efficiency. This focus is quite apparent also international in i.e. The Energy Efficiency Directive (Directive 2012/27/EC), the ACER Bridge to 2025 conclusions paper etc.

CEER will identify and share good practice examples of distribution network tariff structures in order to enhance the efficient development and operation of these networks to the benefit of consumers. Any network tariff structures and schemes (e.g. for self-consumption and large industrial consumers) should not impede efficient price signals at the wholesale and retail levels. At the point of service, simplicity needs to be assured for end-consumers together with adequate levels of protection.

There are several works running on surveys and analyses on tariffs. Both for load and generation and both for TSO and DSO-levels. For the work in the WG in 2015, each country prepares a fact sheet on the situation regarding tariffs in their country and the WG will present a common paper on the findings. The WG will also follow the ongoing work on tariffs in ACER, CEER and EC.

Task 3.1 Short paper on description of current grid tariff design and discussions in the Nordic countries.

Task 3.2 Workshop with the DSOs and representatives from the industry to get their input in the discussion. We will also invite consultants and academics.

Table 4. Network Regulation WG

Task #	Projects	Deadline
3.1	Short paper on description of current grid tariff design and discussions in the Nordic countries.	December 2015
3.2	Workshop with the DSOs and representatives from the industry to get their input in the discussion. We will also invite consultants and academics.	November 2015

Ad hoc working group on demand flexibility

Task 4 memo to EMG within August 2015

In their letter of December 3, 2014, EMG has requested that NordREG evaluates the report “Demand response in the Nordic electricity market” made by Thema Consultants and presented to EMG in 2014. The evaluation shall consider the content of the report in relation to the ongoing work of the regulators. NordREG shall present a memo to EMG, recommending whether there is a need for Nordic initiatives regarding demand flexibility that require coordinated actions on ministry level.

According to the report, demand flexibility may increase the cost efficiency in the Nordic electricity market by provision of system services, reduced investments in the distribution grid and by improved price information in the market. The report points out that the future value of flexibility, and the cost efficiency of demand flexibility, are uncertain. The report concludes that a condition for developing specific measures for efficient utilization of consumer flexibility is that the sum of future challenges in the Nordic power system is well understood, including how the fundamental need for and value of different kinds of flexibility may develop.

The ad hoc work group shall identify existing regulations relevant for demand flexibility in each Nordic country. The group shall describe how the current regulations and market design may affect the demand flexibility, as well as identifying barriers to its development. The group shall analyze whether there are areas where a common Nordic approach can be useful. Demand flexibility is a cross cutting issue, and the ad hoc group will ask for input from the other NordREG working groups.

Task 4.1 Memo to EMG

Table 5. Ad hoc WG on demand flexibility

Task #	Projects	Deadline
4	Memo to EMG	August 2015
5	Report/memo supplementing the August memo to EMG. This document will go more thoroughly into issues related to demand flexibility.	December 2015



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January 2015