

# **Work Program 2019**

Nordic Energy Regulators  
(NordREG)

## Report 1/2019

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## 1. Preface

2018 was the year of the EU's Clean Energy Package. The new and revised acts entail additional tasks and responsibilities for the national regulatory authorities and a need for enhanced regional cooperation and coordination.

NordREG serves as an important platform for continuing the longstanding and strong Nordic cooperation in the Nordic region

In 2019, NordREG has an important part to play in the implementation of network codes and guidelines in the Nordic region, i.e. the electricity balancing guidelines (EBGL) and the System Operation Guidelines (SOGL). The work program reflects this.

NordREG will also have an important part to play in the coordination of the regulatory scrutiny of the new Nordic Balancing Model. This entails close cooperation with the Nordic transmission system operators.

2018 was a year of reflection, which led to the development of a new mission and vision, and delivery of a revised Memorandum of Understanding and a Modus Operandi based on internal strategy discussions. In turn, 2019 is about execution. It is the ambition of NordREG to streamline further the cooperation within the Nordic region and to develop a more prominent Nordic voice on European matters where possible.

The Electricity Market Group under the auspice of the Nordic Council launched the Electricity Market Forum at the end of 2018. Together with other stakeholders, NordREG will participate in the different work streams in this work during 2019 in order to produce a common vision for the Nordic electricity market and a roadmap.

The various dedicated working groups and task forces have and continues to carry out important tasks to reach the overall strategy explained in this preface. The following work program presents their specific tasks and missions.

In 2019, the Danish Utility Regulator (DUR) is the chair of NordREG and responsible for the NordREG secretariat.

DUR is looking forward to welcoming our Nordic partners in Copenhagen and to a new productive year in NordREG.

Copenhagen, February 2019

Carsten Smidt

Chair of NordREG 2019

## 2. Introduction

NordREG is a voluntary cooperation between the Nordic energy regulators.

The 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 Water Resources and Energy Directorate, (Norges vassdrags- og energidirektorat, NVE)
- Sweden: The Energy Markets Inspectorate, (Energimarknadsinspektionen, Ei)

The NordREG Board approves the 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.

In 2018, NordREG undertook a strategy process, which led to the formulation of a new vision and mission for NordREG, as well as a revision of the Memorandum of Understanding (MoU) first signed in 2002.

To reflect the new strategy and to further improve and streamline the cooperation within NordREG, the Board approved a revised Modus Operandi describing the roles and procedures for the cooperation.

NordREG's work is linked to the integration of the Nordic electricity market and the efficient handling and implementation of EU-regulation (Network codes and Guidelines) 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 2019 Forum work streams (as observers) with other stakeholders in order to produce a common vision for the Nordic electricity market and a roadmap to be discussed at the Nordic Energy Ministers' meeting in 2019.

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 developing the common Nordic electricity market.

In 2019, one of NordREG's main focal points will be the finalization and adoption of network codes and guidelines. This entails both implementation hereof, as well as handling their derived effects on the Nordic electricity market requiring enhanced collaboration and coordination.

Another major task for 2019 is the harmonization of the Nordic retail market. Other areas of work include network regulation, tariff designs, and demand side flexibility in the retail markets.

Lastly, NordREGs WGs will coordinate regarding the implementation of EU's "Clean Energy Package" to ensure harmonised understanding and application of the rules and regulation herein.

### 3. Mission and vision

NordREG's objective is promotion and development of 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 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. Priorities 2019

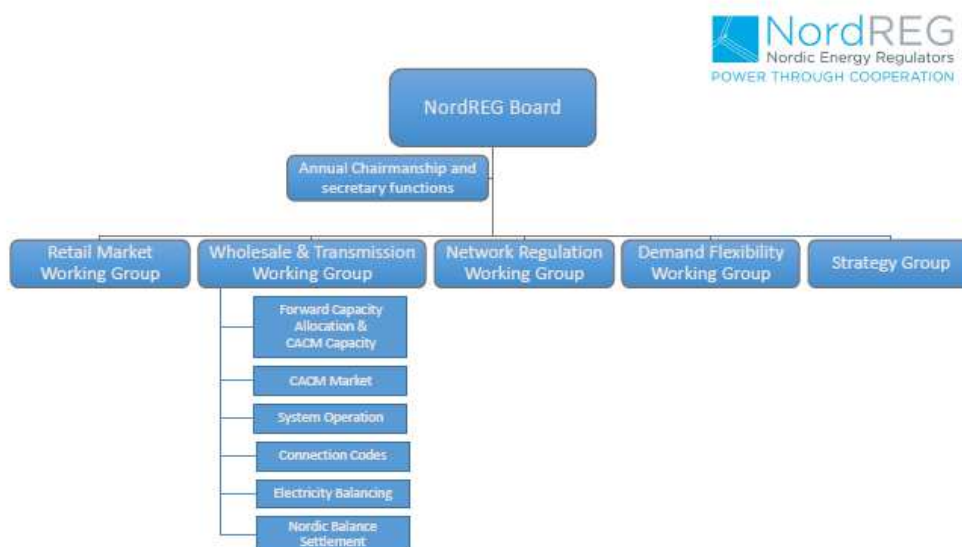
When performing national tasks, NRAs may encounter matters of not only national, but also regional concern. In particular, this is the case in regards of traditional wholesale and transmission tasks; however, tasks concerning consumer monitoring, tariff regulation, development of REMIT, and market surveillance increasingly contain cross-border elements where Nordic cooperation ensures a streamlining of processes and ultimately benefitting Nordic consumers. The ongoing implementation of the Clean Energy Package will also introduce new areas of regional cooperation in the near future. Following the vision and the long-term strategy, the priorities for 2019 are as follows:

1. Continue effective implementation of European network codes and guidelines on Forward Capacity Allocation Guideline, Capacity Allocation and Congestions Management Guideline, System Operations Guideline, Electricity Balancing Guideline, Requirements for Grid Connection of Generators Network Code, Demand Connection Network Code and High Voltage Direct Current Network Code.
2. 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.
3. Maintain a close dialogue with Nordic Transmission System Operators (TSOs) on issues of importance for the internal market.
4. Deepen the Nordic cooperation in CEER and ACER.
5. Enhance the strategic as well as the day-to-day cooperation as implied by the new vision and Modus Operandi.
6. Implement the new vision and Modus Operandi in WGs/TFs and NRAs.



## 5. Organization

The working groups carry out the work in NordREG. In the area of wholesale markets, the various task forces (TFs) fulfill specific work strands under coordination and supervision of the Wholesale and Transmission Market working group. The Board approves the establishment and tasks of the WGs and TFs. NordREG's Modus Operandi describes the rules and responsibilities in terms of the overall cooperation in NordREG.



## **6. Group's Objectives, Tasks and Resources**

### **6.1. Retail Market Working Group (RMWG)**

#### **Introduction**

RMWG will promote NordREGs vision by working for better market conditions for customers in the Nordic retail energy markets.

#### **Objectives**

RMWG will closely follow and share experiences regarding the ongoing national work with the common Nordic end-user market. The WG is the forum where the Nordic NRAs exchange information and views and jointly try to reach a collective 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.

The work will focus on:

- Influencing the EU in order of promoting legislation and solutions in line with Nordic experiences and goals. In particular, focus should be on reaching a common understanding among NordREG's members, in order to enhance the Nordic influence in EU forums, as well as ACER and CEER groups and task forces.
- Continued information exchange regarding the ongoing implementation of earlier NordREG recommendations.
- Exchange of information and best practices from monitoring retail markets.
- Alignment of the set-up of the present and future Nordic data-hubs to ensure co-functioning and integration.
- Monitor market conditions for customers in the Nordic retail markets for electricity.

#### **Tasks**

The work program for RMWG for 2019 consists of both strategic priorities and projects divided into tasks.

##### **Task 1. Information exchange regarding the ongoing work to implement national data hubs**

Implementation of data hubs is a prerequisite for the development of a common Nordic electricity retail markets. Therefore, NordREG fully supports the current progress of the data hub projects, as well as the implementation of data hub solutions and regulation hereof at national level. NordREG actively promotes the exchange of ideas and lessons learned from current data hub projects. Increased cooperation between data hub operators may potentially lead to lower costs and improved IT-services for the industry.

The RMWGs work will focus on an annual status report that describes the ongoing work of implementing national data hubs.

When: Ongoing  
Responsible: RMWG  
Deliverables: An annual report to the NordREG Board meeting in May, until all NordREG members have completed implementation.

### **Task 2. Coordination of European activities**

NordREG foresees a continued focus and development within the energy sector at European level. However, in order of achieving the climate goals for 2020, 2030 and 2050, several areas need further coordination at the European level.

Increased coordination at the Nordic level regarding implementation of European legislation is imperative. The work shall focus on influencing the EU to promote solutions in line with Nordic experiences and goals. In particular, focus should be on reaching a common understanding among NordREG's members to increase Nordic influence in a European context.

When: Ongoing  
Responsible: RMWG  
Deliverables: Regular status reports to NordREG Board

### **Task 3. Monitoring workshop**

In 2017 and 2018, RMWG arranged workshops on monitoring with the purpose of sharing and benefitting from national experiences. RMWG will arrange a similar workshop in 2019.

When: Ongoing  
Responsible: RMWG  
Deliverables: Workshops, internal memos and conclusions, external conclusions

### **Task 4. Follow up of Customer Survey 2018**

In 2018, RMWG conducted a customer survey with 6 000 respondents who answered 30-35 questions about their choice of electricity supplier. In 2019, RMWG will analyze the result to clarify the need for a follow-up study. If so, RMWG will initiate a procurement process for hiring a consultant to perform a follow-up study.

When: 2019  
Responsible: RMWG  
Deliverables: Report to NordREG Board Q4

### **Task 5. Self-assessment of the metrics in the CEER "2017 Handbook for National Energy Regulators"**

In January 2017, CEER approved the report *2017 Handbook for National Energy Regulators*. The handbook consists of 25 metrics aimed to help national regulators evaluate the performance of their respective retail energy markets.

By the end of 2018, all CEER members were recommended to do a first self-assessment of the metrics on national level. This work will continue in CEER during 2019.

RMWG will follow and discuss the national self-assessments from a Nordic perspective. A joint document will summarize the self-assessments and national objectives for each metric. Through discussions, RMWG will identify possible Nordic objectives for each metric.

The main objective of this task is to share experiences and to learn from national conditions in the retail markets. Along with the result from the *Customer Survey 2018*, it will give the RMWG a clear and joint picture of the Nordic retail markets useful both for external and internal purposes.

When: Ongoing

Responsible: RMWG

Deliverables: Regular status reports to NordREG Board

**Task.6 Joint approach to implementation of the Clean Energy Package to avoid regional barriers.**

During the spring of 2019 the WG shall in the context of the Clean Energy Package undertake a scoping activity where in particular the new legal provisions in the new Electricity Directive are scrutinized. The WG shall suggest which provision are of regional importance and thus may need a joint implementation approach to avoid creating regional barriers. The scoping exercise should be followed by further work decided by the Board.

When: April

Responsible: RMWG

Deliverables: Scoping paper

<b>Task</b>	<b>Product</b>	<b>Deadline</b>	<b>Board/ERRF action</b> <b>(orientation/discussion/approval)</b>
Task 1. Information exchange regarding the ongoing work to implement national data hubs	Annual report until all NordREG members have completed implementation.	NordREG Board meeting in May	Approval of report
Task 2. Coordination of European activities	When needed, common standpoints on upcoming European activities.	Ongoing	
Task 3. Monitoring workshop	Work shop followed by conclusions published at NordREG webpage.	Workshop October, Conclusions November	Approval of conclusions
Task 4. Follow up of Customer Survey 2018	Report	NordREG Board meeting in November	Approval of report
Task 5. Self-assessment of the metrics in the CEER "2017 Handbook for National Energy Regulators"	Report	NordREG Board meeting in November	Approval of report

## 6.2. Wholesale & Transmission Working Group

### Introduction

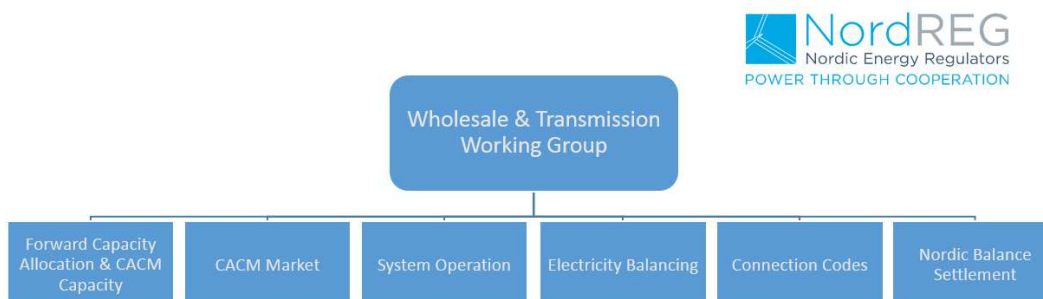
The NordREG Wholesale & Transmission working group (W&T WG) focuses on the continued development and well function of the Nordic wholesale market. A major part of the work relates to the European network codes and guidelines. W&T WG also forms the link between the Nordic NRAs and the Nordic TSOs regarding the Nordic Wholesale market. A large part of the work in 2019 will support NordREGs vision to achieve efficient and advanced energy markets in terms of promoting efficient price signals, competition and an efficient and advanced energy system.

### Objective

W&T WG analyses European and regional regulatory initiatives and approvals to allow coherent regulatory framework for the benefit of the Nordic region. Furthermore, it makes proposals to influence the implementation of the network codes and guidelines. The W&T WG also acts as the coordination body regarding the activities in the specialized taskforces, each dealing with questions on the prioritized areas of NordREG's work in the wholesale and transmission field.

### Tasks

W&T WG coordinates six taskforces. The task Force-structure has been organized according to the different network codes and guidelines. W&T WG's tasks also include issues, which strictly speaking do not fall under the guidelines.



In accordance with the network codes and guidelines, the Nordic region has to make a number of regional decisions. The Nordic Energy Regulator Regional Forum (ERRF), established in 2017, formally approves decisions regarding the Nordic region, e.g. capacity calculation region Nordic. ERRF consists of DUR, Ei and EV as members and NVE as observers. Listed below are descriptions of the various task forces and their expected regional decisions.

The W&T WG is responsible for keeping a close dialogue to stakeholders within the wholesale and transmission related field, including the Nordic TSOs. The W&T WG will arrange meetings with the TSOs to facilitate exchange of information and views.

In 2019, the W&T WG will continue to identify topics from the European Commission, which require a coordinated Nordic position. In addition, the W&T WG will identify

possible further areas for development and integration of the Nordic electricity market in the years to come with the aim of achieving further socioeconomic benefits to the Nordic market area.

<b>Task</b>	<b>Product</b>	<b>Deadline</b>	<b>Board/ERRF action  (orientation/discussion/approval)</b>	<b>ERRF approval of position papers</b>
Coordination of the various task forces.	WG Status reports	N/A	Orientation	N/A
Follow TSOs work beyond and across GLs.	Meetings – 2 per year	N/A	Orientation	N/A
Follow-up of “Monitoring of capacities” project.		N/A	Orientation	N/A
Prepare notes on CEP – regional impact, in particular on regional decisions	Notes	N/A	Orientation	N/A

#### **Other tasks**

##### **Joint approach to implementation of the Clean Energy Package to avoid regional barriers.**

During the spring of 2019 the WG shall in the context of the Clean Energy Package undertake a scoping activity where in particular the new legal provisions in the new Electricity Regulation are scrutinized. The WG shall suggest which provision are of regional importance and thus may need a joint implementation approach to avoid creating regional barriers. The scoping exercise should be followed by further work decided by the Board.

When: Ongoing  
 Responsible: WTWG  
 Deliverables: Scoping paper

### **6.2.1. Forward Capacity Allocation and Capacity Allocation and Congestion Management Capacity Task Force**

#### **Introduction**

By the end of 2018, the Task Forces for Forward Capacity Allocation (FCA) and Capacity Allocation and Congestion Management (CACM) Capacity merged into one. The primary focus of the 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.

Since the TF will continue cooperation on managing the processes leading up to final approvals of methodologies pursuant to the FCA GL and CACM GL, the priorities of the group relate mainly to strategic priority #5: "continue effective implementation of network codes and guidelines."

#### **Objectives**

Coordination of the implementation of the Guideline on Forward Capacity Allocation (FCA GL) in the Nordic area.

The task force has previously focused on developing a coordinated Nordic approach related to the competent regulatory authorities' decisions on cross-zonal risk hedging opportunities, in accordance with article 30 of FCA GL. During 2019, the task force will work with:

- Monitoring and capturing important EU developments in order to propose appropriate NordREG initiatives /responses.
- The decisions on the Capacity Calculation Methodology for the long-term timeframe, the FCA CCM.

Coordination on implementation of CACM articles regarding Capacity Calculation, Redispatching and Countertrading, and Bidding zone configuration within the Nordic Capacity Calculation Region (CCR) when needed or beneficial.

The TF is preparing NordREG's Coordinated Redispatching and Countertrading methodologies (CRC, pursuant to CACM article 35) and the corresponding cost sharing methodologies CRCCS, pursuant to CACM article 74).



## Tasks

Task	Product	Deadline	Board/ERRF action (orientation/discussion/approval)	ERRF approval of position papers
Approve proposals for Redispatching and Countertrading (art 35 CACM) and cost sharing for Redispatching and Countertrading (art 74 CACM) as provided by TSOs	Approve methodologies	January 2019	To be informed by the TF.	To the ERRF for information, if agreed at TF level according to the Nordic RoP.
Arrange public consultation, write RfA and later approve the capacity calculation methodology (FCA) as proposed by TSOs.	Approved long-term capacity calculation methodology.	July 2019	To be informed by the TF.	To the ERRF for information, if agreed at TF level according to the Nordic RoP.
Potentially coordinate views on EU-wide methodologies	EU-wide methodologies	Ongoing, no deadline		
Monitor approved methodologies in order to see that they are implemented	Implemented methodologies	Ongoing, no deadline		

## 6.2.2. NordREG Single Market Task Force

### Introduction

The aim of the NordREG Single Market 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 NordREG Single Market Task Force is contributing to NordREG's overall priority of effectively implementing network codes and guidelines.

### Objectives

The scope of the NordREG Single Market TF is to support and facilitate a coordinated implementation of the Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (CACM GL) in the Nordic area, excluding topics handled by FCA and CACM Capacity TF. Thus, the main task for the TF is coordination of regional decisions pursuant to the CACM GL.

### Tasks

The NordREG 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	Product	Deadline	Board/ERRF action  (orientation/discussion/approval)	ERRF approval of position papers
Arrange public consultation, write RfA and later approve clearing and settlement arrangements proposed by the NEMOs.	Approved clearing and settlement arrangements.	June 2019 (not a formal deadline)	To be informed by the TF.	To the ERRF for information, if agreed at TF level according to the Nordic RoP.  This is a national decision but it is treated in general as a regional decision.

Update Nordic guidance on cost and cost recovery based on CACM.	Updated Nordic guidance on cost and cost recovery as a basis for national decisions.	No formal deadline. Spring 2019.	To be informed by the TF.	To the ERRF for information, if agreed at TF level according to the Nordic RoP.  Cost recovery is a national decision but it is coordinated at Nordic level.
Potentially coordinate views on EU-wide methodologies	EU-wide methodologies	Ongoing, no deadline		
Monitor approved methodologies in order to see that they are implemented	Implemented methodologies	Ongoing, no deadline		

### 6.2.3. System Operation Task Force

#### Introduction

The aim of the System Operation Task Force (SO TF) is 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). 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.

The SO TF will cooperate with NordREG's various bodies to implement the NordREG priorities for 2019. In particular, the SO TF will cooperate with the EB TF on the Nordic TSO implementation of the Nordic Balancing Model (NBM) and in the application of a 15-minute imbalance settlement period in the Nordic synchronous area.

Furthermore, the SO TF seeks to establish a mutual Nordic understanding on NRAs' decision reached in accordance with the Commission Regulation (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration (ER NC).

The SO GL specifies the tasks of TSOs in relation to managing their grid. The progressive integration of renewable energy into the European generation mix, as well as an increase in interconnections and cross-border competition, are all issues considered by the SO GL.

The Commission Regulation 2017/2196 of 24 November 2017 on Electricity Emergency and Restoration Network Code (ER NC) establishes the processes that the TSOs must follow when faced with an incident on their grid. Thus, the purpose of the NC is to obtain the highest standards and practices in dealing with emergencies across Europe. During 2019, the SO TF will continue the effective implementation of the SO GL and ER NC at regional level.

### Objectives

The main objective of the SO TF is to coordinate regional decisions in accordance with SO GL. Additionally, to facilitate coordination across the Nordic area to ensure a mutual understanding of NRAs' decisions according to ER NC.

### Tasks

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 2019 according the SO GL, namely:

- On the frequency quality defining parameters and the frequency quality target parameter, Article 127
- On the dimensioning rules for FCR, Article 153
- On the additional properties of the FCR, Article 154(2)
- On the limits for the exchange of FCR between TSOs, Article 163(2)
- On the limits on the amount of exchange of FRR/RR between synchronous areas, Article 176(1) & 178(1) and limits on the amount of sharing of FRR/RR between synchronous areas, Article 177(1) & 179(1)
- On the ramping restrictions for active power output, Article 137(3) and (4)
- On the coordination actions aiming to reduce FRCE as defined in Article 152(14) and measures to reduce FRCE by requiring changes in the active power production or consumption of power generating modules and demand units, Article 152(16)
- On the FRR dimensioning rules, Article 157(1)
- On the methodology for the definition of minimum inertia, Article 39(3)(b)
- On the common provisions for each capacity calculation region for regional operational security coordination, Article 76
- Nordic coordination related to mutual understanding on NRAs' decisions related ER NC.

Task	Product	Deadline	ERRF action
Frequency quality defining parameters and the frequency quality target parameter in accordance with Article 127, SO GL	Position paper on approval	14 March 2019	For information
Dimensioning rules for FCR in accordance with Article 153, SO GL	Position paper on approval	14 March 2019	For information

Additional properties of the FCR in accordance with Article 154(2), SO GL	Position paper on approval	14 March 2019	For information
Limits for the exchange of FCR between TSOs in accordance with Article 163(2), SO GL	Position paper on approval	14 March 2019	For information
Methodology to determine limits on the amount of exchange of FRR/RR between synchronous areas defined in accordance with Article 176(1)/178(1) and the methodology to determine limits on the amount of sharing of FRR/RR between synchronous areas defined in accordance with Article 177(1)/179(1), SO GL	Position paper on RfA	14 March 2019	For information
	Position paper on approval	July 2019	For information
Ramping restrictions for active power output in accordance with Article 137(3) and (4), SO GL;	Position paper on RfA	14 March 2019	For information
	Position paper on approval	July 2019	For information
Coordination actions aiming to reduce FRCE as defined in Article 152(14) and measures to reduce FRCE by requiring changes in the active power production or consumption of power generating modules and demand units in accordance with Article 152(16), SO GL	Position paper on RfA	14 March 2019	For information
	Position paper on approval	July 2019	For information
FRR dimensioning rules in accordance with Article 157(1), SO GL	Position paper on RfA	14 March 2019	For information
	Position paper on approval	July 2019	For information
Common provisions for each capacity calculation region for regional operational security coordination in accordance with Article 76;	Position paper	Nov. 2019, may be delayed	For information

#### 6.2.4. Connection Codes Task Force

##### Introduction

The scope of the Connection Code Task Force (CC TF) is coordination of the implementation at Nordic level:

- The rules in the Commission Regulation (EU) 2016/631 of 17 May 2016 establishing a network code on requirements for grid connection of generators, Commission Regulation (EU) 2016/1388 of 7 September 2016 establishing a network code on demand connection;

- Commission Regulation (EU) 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.

A fully functioning and interconnected internal energy market is crucial for maintaining security of energy supply, increasing competition and ensuring energy at affordable prices for all consumers. The connection codes ensure equal treatment of similar customers connected to the electricity network while protecting the function of the electricity networks.

The TF will participate in the work of CEER's System Operation & Grid Connection Task Force (SOGC TF) in order of receiving information from EU level as well as sharing Nordic experiences with the SOGC TF. NRAs will hold national consultations with TSOs on matters related to implementation of the network codes' Requirements for Grid Connection of Generators (RfG), Demand Connection (DCC) and High Voltage Direct Current (HVDC). NRAs will discuss issues at within the CC TF to identify a common Nordic position.

### Objectives

CC TF's main objective is coordination of regional decisions in accordance with RfG Network Codes (NC). Additionally, the Task Force is responsible for coordinating regulatory decisions to obtain a common Nordic position pursuant to RfG NC, DCC NC and HVDC NC.

### Tasks

Nordic coordination to achieve mutual understanding on NRAs' decisions related to RfG NC, DCC NC and HVDC NC.

Task	Product	Deadline	Board/ERRF action (orientation/discussion/approval)	ERRF approval of position papers
Discussion on national decisions related to DCC NC	Meeting	February 2019		N/A
Discussion on national decisions related to HVDC NC	Meeting	March 2019		N/A

Ad hoc discussion	Meeting	Throughout the year when needed	N/A
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### 6.2.5. Electricity Balancing Task Force

#### Introduction

An enhanced balancing market integration and harmonization, both at Nordic and EU level, is the prerequisite for a more advanced, efficient and liquid way of exchanging balancing energy. It is further an important step towards de-carbonization as it allows for a wider use of renewables and flexible resources without jeopardizing the security of supply.

The EB TF foresees the following overall work strands for 2019:

- Using the task force as a forum for exchanging information and facilitate discussions on Nordic positions on matters in relation to electricity balancing markets.
- Through close dialogue and regulatory oversight with the Nordic TSOs cooperate on the implementation of the Nordic TSO's Nordic Balancing Model (NBM). Further, the EB TF will collaborate on the application of a 15-minute Imbalance Settlement Period implementation in the Nordic synchronous area.
- In order of deepening the Nordic cooperation in European forums, the EB TF will hold meetings prior to meetings in ACER's Electricity Balancing Task Force. The aim is to discuss and where possible coordinate Nordic positions.
- Use the EB TF as a coordination forum for the implementation of the Electricity Balancing Guideline (EB GL) in the Nordic area.
- EB TF will focus its work on the different regional deliverables and coordination of national deliverables coming from the EB GL. Furthermore, EB TF will seek common Nordic positions on the EU-wide methodologies and principles.

#### Objectives

The objectives of the EB TF are to

- Cooperate with the Nordic TSOs and contribute to regulatory oversight from/within NordREG in the implementation of NBM and in the application of a 15-minute Imbalance Settlement Period implementation in the Nordic synchronous area.
- Act as a forum for exchange of information and discussion of positions in other matters in relation to electricity balancing markets.
- Liaise prior to the meetings in the ACER Electricity Balancing Task Force.

- Coordinate the implementation of the Electricity Balancing Guideline (EB GL) in the Nordic area.

## **Tasks**

### *Implementation of the Electricity Balancing Guideline*

In 2019, EB TF will focus on the implementation of the Electricity Balancing Guideline (EBGL). TSO's will submit a number of terms and conditions to NRAs for approval during 2019. EB TF will focus on the terms and conditions outlined below. EB TF will exchange views on those terms and conditions and, where possible, coordinate positions on those terms and conditions with a view to feed into the all-NRA decision-making process.

- European platform for the exchange of mFRR to be submitted by all TSOs by 18 December 2018, pursuant to EB GL article 20 (1);
- European platform for the exchange of aFRR, to be submitted by all TSOs by 18 December 2018, pursuant to EB GL article 21 (1);
- Pricing for balancing energy and cross-zonal capacity used for the exchange of balancing energy for operating the imbalance netting process to be submitted by all TSOs by 18 December 2018, pursuant to EB GL article 30 (1);
- Settlement rules for intended TSO-TSO energy exchange to be submitted by all TSOs by 18 December 2018, pursuant to EB GL article 50 (1);
- Imbalance settlement to be submitted by all TSOs by 18 December 2018, pursuant to EB GL article 52 (2);
- Methodology for co-optimized allocation process of cross-zonal capacity for the exchange of balancing capacity or sharing of reserves to be submitted by all TSOs by 18 December 2019, pursuant to EB GL article 40 (1);
- List of standard products for balancing capacity for frequency restorations reserves and replacement reserves to be submitted by all TSOs by 18 December 2019, pursuant to EB GL article 25 (2);

### *Implementation of a Nordic Balancing Market*

The Nordic TSOs are about to implement a NBM. Part of this implementation will happen through implementation of EB GL, which foresees a number of terms and conditions subject to approval by the NRAs in the concerned region, pursuant to EB GL article 5(3).

Thus, EB TF will focus on regulatory oversight and preparing ERF approval of terms and conditions submitted as part of the implementation of NBM. EB TF will collaborate closely with other NordREG working groups and task forces under whose responsibility the regulatory oversight of the NBM implementation falls. In particular, this concerns the Wholesale and Transmission Working Group and the System Operation Task Force.



In this context, EB TF will take into consideration the ongoing mapping exercise of the proper legal basis for the terms and conditions submitted for regulatory approval by the Nordic TSOs.

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

- Assessment of the result of the Nordic TSOs' mapping exercise with a view to report to the NordREG Board.
- Assessment of terms and conditions submitted by the Nordic TSOs with a view to implement the NBM to the extent that a set of terms and conditions does not fall under the responsibilities of another NordREG working group or task force.
- Already now, EB TF expects to assess and possibly coordinate its position on (elements in) terms and conditions for Nordic aFRR capacity market established by the Nordic TSOs in Q2 2019.

<b>Task</b>	<b>Product</b>	<b>Deadline</b>	<b>Board/ERRF action  (orientation/discussion/approval)</b>	<b>ERRF approval of position papers</b>
Regulatory oversight in the implementation of the Nordic Balancing Model (NBM)	Finalised mapping of terms and conditions etc. subject to regulatory approval as part of NBM implementation	6 March (depending on prior input from TSOs)	Board orientation	NA
Coordinated implementation of 15 minutes ISP by end 2020	Status update on the national progress	Each Board meeting	Orientation	NA
Nordic aFRR capacity market as part of NBM	Regulatory approval	6 months after submission, which is	Board discussions on 23 May (tbc) and 25-26 September	25-26 September (possibly approval in written

implemen- tation		expected in spring 2019	(tbc), depending on submission by TSOs	procedure beforehand if needed to respect 6 month deadline set out in EBGL)
Nordic mFRR capacity market as part of NBM implemen- tation	Regulatory approval	6 months after submission	Board discussion on 3 December (tbc, depending on date of submission by TSOs)	3 December (tbc, depending on date of submission by TSOs)
TSO-TSO settlement rules for intended and unintended energy exchanges	Regulatory approval	6 months after TSO submission, which shall happen by 18 June 2019,cf. EBGL	Board discussion on 25-26 September and/or 3 December	3 December

## 6.2.6. Nordic Balance Settlement Task Force

### Introduction

Nordic Balance Settlement was introduced in May 2017. NBS is a cooperation between Finland, Norway and Sweden and NBS is one of Europe's first cross-border balance settlement systems.

The establishment of one common balance settlement operator, eSett Oy, simplifies the daily operations for the balance settlement participants. Having one single contact point and applying one common IT-system for the cross-border business, lowers the entry barriers and boosts the competition among the suppliers for the benefit of the consumers. Further harmonization holds the promise of more benefits. For this reason, it is important to ensure that future common Nordic market implementations do not hinder further harmonization.

The NBS TFs main objective for 2019 is to maintain the recent achievement by introducing NBS.

### Objectives

The TF is aware of other WGs and TFs handling the on-going issues, which are yet to materialize as actual work strands to NBS, with eSett Oy as the service provider. However,

the issues are currently under discussions by eSett Oy and the stakeholders, and will most likely require an increased workload for the NBS TF in the near future. Furthermore, the TF is responsible for bringing potential issues for approval to the NordREG Board.

The NBS TF has since the introduction of NBS in May 2017 been less active, but this will probably change during 2019/2020 as indicated above.

### **Tasks**

In May, the NBS task force will discuss the TFs mandate and tasks chart. Currently, the task force has not yet established a task chart to follow up the measures that will affect the common Nordic balance settlement, but has identified a need to discuss eSetts short term challenges which are e.g.:

- eSetts system amendments to facilitate 15 HTR (which is an on-going issue at Electricity Balancing Task Force)
- eSetts system amendments to facilitate one balance settlement model (which is an on-going issue at Electricity Balancing Task Force)
- eSetts system amendments to facilitate independent aggregator (which is an on-going issue a Retail market Working Group)

### **6.3. Network regulation Working Group**

#### **Introduction**

Today we see a particularly changing landscape for the electricity network towards a decarbonized society, which presents new challenges to the regulation of distribution networks. During 2019 the WG intend to focus on network tariff regulation and regulatory tasks where the NRAs are having synergies carrying out national tasks together in NordREG.

The WG will strengthen the internal coordination and CEER coordination on the area 'Network Regulation'. During 2019, the WG will work specifically with contributing to a closer cooperation on network regulation within NordREG as well as in CEER.

In addition, the WG is observant on 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.

#### **Objectives**

The aim of next year's work program is to focus on capacity-based tariffs and monitoring of economic regulation. In this perspective, the WG will cover the Board's wishes for a work program for 2019, which includes exploring the benefits of a closer collaboration in this above-mentioned context.

The WG will make a roadmap on how to deepen the cooperation in the network regulation area – looking at what the benefits would be of a closer cooperation, and what the potential obstacles might be.

#### **Tasks**

##### **Joint approach to implementation of the Clean Energy Package to avoid regional barriers.**

During the spring of 2019 the WG shall in the context of the Clean Energy Package undertake a scoping activity where in particular the new legal provisions in the new Electricity Directives are scrutinized. The WG shall suggest which provision are of regional importance and thus may need a joint implementation approach to avoid creating regional barriers. The scoping exercise should be followed by further work decided by the Board.

When: Ongoing  
Responsible: NRWG  
Deliverables: Scoping paper

#### **Other tasks**

- Roadmap on how to deepen the NordREG cooperation on network regulation, inter alia capacity-based tariffs and monitoring of economic regulation;

- Observation of potential articles in CEP, which can give rise to a need for a joint NordREG opinion regarding network regulation issues;
- One internal workshop on capacity-based tariffs;
- One matrix on the current tariffs structures in each country;
- One matrix of the regulatory framework in each NRA, including an internal matrix of key indicators to use for monitoring.

<b>Task</b>	<b>Product</b>	<b>Deadline</b>	<b>Board/ERRF action (orientation/discussion/approval)</b>	<b>ERRF approval of position papers</b>
Arrange internal workshop on capacity-based tariffs	Workshop/presentations	April 2019		N/A
Dynamic general overview of the countries' regulation	Matrix of regulatory framework (incl. key indicators for monitoring) and of tariff structure	August 2019	Orientation	N/A
Observation of relevant Articles in CEP	List of relevant articles to be particularly aware of regarding network regulation	November 2019	Orientation	N/A
Roadmap on how to deepen the NordREG cooperation on network regulation	Paper send to board before last board meeting in 2019	November 2019	Orientation	N/A

## 6.4. Demand side flexibility Working Group

### Introduction

The electricity market is rapidly developing and the increasing share of intermittent electricity generation creates a need for flexibility, including demand side flexibility. New entrants such as different service providers enable customers to benefit from new technologies. In addition, smaller market participants should be enabled to participate in electricity markets. However, without clear rules for market participants, customers could face additional costs from partial optimization. On the other hand, too detailed rules may hinder new services from becoming available to customers.

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.

In recent years, the focus of the Demand side flexibility WG (WG Flex) has been on information sharing regarding current activities in each country (e.g. smart grid issues, market places for distributed flexibility, national flexibility studies).

The Clean Energy Package introduces rules related to flexibility, aggregation and storages.

### Objectives

The objective of the flexibility group is to have a close cooperation between the Nordic countries concerning flexibility issues.

### Tasks

#### **Joint approach to implementation of the Clean Energy Package to avoid regional barriers.**

During the spring of 2019 the WG shall in the context of the Clean Energy Package undertake a scoping activity where in particular the new legal provisions in the new Electricity Directives are scrutinized. The WG shall suggest which provision are of regional importance and thus may need a joint implementation approach to avoid creating regional barriers. The scoping exercise should be followed by further work decided by the Board.

When: Ongoing  
Responsible: DSFWG  
Deliverables: Scoping paper

The WG will also focus on following tasks

- Continue sharing information and experiences regarding flexibility issues in each country;
- Continue coordinating the work on flex issues in NordREG along with other WGs.

## 6.5. Strategy group

### Introduction

The Strategy Group main focus is to support the Chair of the Board, professionalizing NordREG's organization, coordinating cross cutting issues and handling cross cutting issues not covered by the other groups.

### Objectives

In 2019, the group will work with the mission of continuing professionalizing NordREG's organization and handling cross cutting issues not covered by the other groups.

### Tasks

#### **Joint approach to implementation of the Clean Energy Package to avoid regional barriers.**

During the spring of 2019 the WG shall in the context of the Clean Energy Package undertake a scoping activity where in particular the new legal provisions in the new ACER Regulation are scrutinized. The WG shall suggest which provision are of regional importance and thus may need a joint implementation approach to avoid creating regional barriers. The scoping exercise should be followed by further work decided by the Board.

When: Ongoing  
Responsible: SWG  
Deliverables: Scoping paper

### Other tasks

- 1) Finishing the work on a Long-term Strategy and Roadmap for NordREG
- 2) Monitoring and supporting the implementation of the new vision and Modus Operandi.
- 3) Provide a recommendation to Board on a WG and TF organizational structure that meets the foreseen challenges for the coming years within the end of 2019.
- 4) Supporting the Secretariat in coordinating NordREG's work in connection to the Nordic Electricity Forum.
- 5) Solving ad hoc upcoming tasks for NordREG not specified to a specific WG
- 6) Coordinate the work of NordREG working Groups on implementation of the Clean Energy Package.

NordREG responses to i.e. common input to European or Nordic initiatives etc.

<b>Task</b>	<b>Product</b>	<b>Deadline</b>	<b>Board/ERRF action (orientation/discussion/approval)</b>
Finishing the work on a Long-term Strategy and Roadmap for NordREG	Presentation to Board/workshop	May 2019	Discussion
	Final Long-term Strategy and Roadmap	September 2019	Approval
Monitoring and supporting the implementation of the new vision and Modus operandi	Presentations to Board	Ongoing in 2019	Orientation
Recommendation to Board on WG and TF organizational structure	Draft Proposal to Board	September 2019	Discussion
	Proposal to Board	December 2019	Approval
Supporting the secretariat in coordinating NordREG's work in connection to Nordic Electricity Forum	Ad hoc support	Ongoing 2019	Orientation
Ad hoc upcoming tasks for NordREG not specified to a specific WG	Ad hoc support	Ongoing 2019	Orientation/discussion/approval