



Welcome and opening words

Nordic CCM Stakeholder Meeting

21 June 2023

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Meeting guidelines

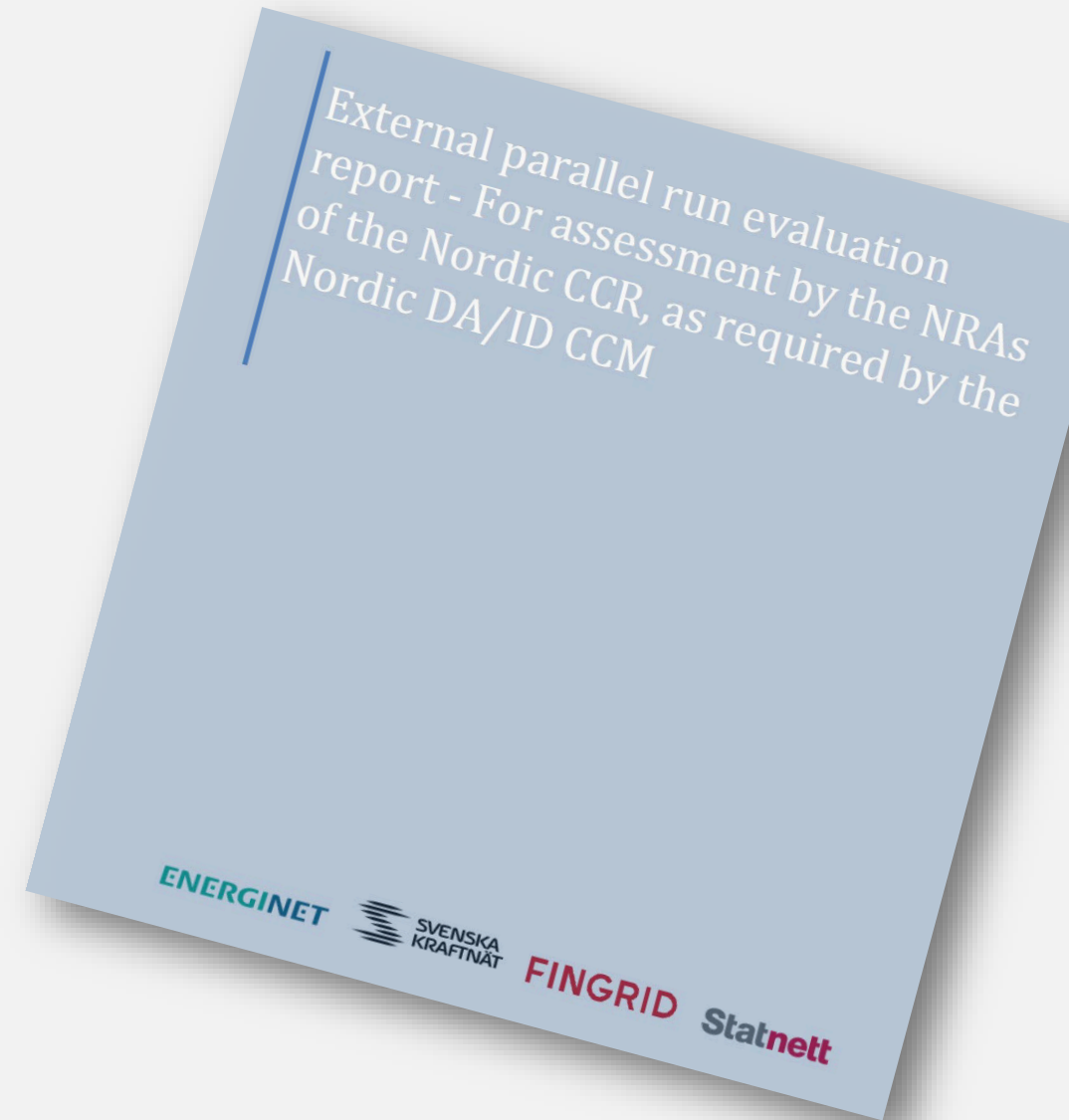
- Please turn “OFF” your microphone and camera by default
- To comment or pose a question you can either
 - Write in the “CHAT” window.
 - Use the “RAISE-HAND” feature in MS Teams.
 - Your questions or comments will be discussed after the presentation.
- When speaking, please
 - Turn you microphone and camera “ON”
 - Start by identifying yourself.
 - Remember to turn your camera and microphone “OFF” afterwards.

In order to ensure technical quality in the meeting we ask all attendees to adhere to the meeting guidelines.



Public consultation closed – where are we now?

- The public consultation closed on May 17
- The Nordic TSOs have updated the report and
 - Shared the report with NRAs on June 12, for their review by July 12
 - Shared the public version of the report with stakeholders on June 13
 - https://nordic-rcc.net/wp-content/uploads/2023/06/Parallel-run-report_final_public.pdf
 - Indeed, one of the stakeholders indicated not to publish their responses





Agenda: Nordic CCM stakeholder meeting 21 June 2023

13:00 – 13:05 Welcome and opening words

13:05 – 13:45 Presentation: Overview of Consultation responses

13:45 – 14:55 Open forum: Dialogue and stakeholder feedback, comments, questions

14:55 – 15:00 Closing words



Presentation: Overview of Consultation responses

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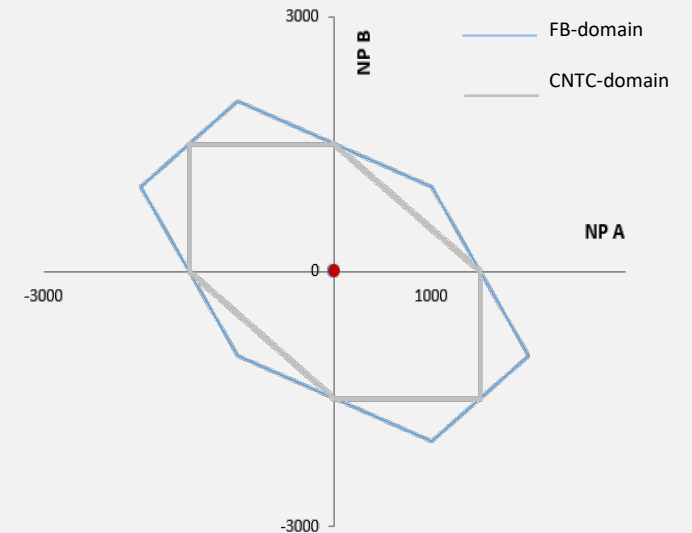
Public consultation responses

- In total 19 stakeholders filled in the public consultation at the ENTSO-E consultation hub. Most of the responses have been received from Swedish and Finnish stakeholders. Three responses from Norwegian stakeholders, and no Danish responses were received.
- There are different views among the various stakeholders. The Swedish and the Finnish stakeholders were more critical on flow-based in general, where the Norwegian stakeholders are more supportive. Danish stakeholders did not provide any comments.
- The major concerns from the Swedish and the Finnish stakeholders are captured here below:
 1. The legality of flow-based is challenged
 2. Concerns whether the three-months reporting period is representative, and doubts on the quality of the flow-based parameters
 3. Concerns on non-intuitive flows in relation to the left-over capacity for the ID timeframe are expressed
 4. The transparency of flow-based, mainly due to the obfuscation of the Swedish CNECs, is deemed non-acceptable
 5. General concerns on the overall market design, from LT, DA to ID and balancing are touched upon



1. The legality of flow-based

- As required by CACM Art. 20.8, the comparison during EPR is between FB and current NTC
 - Current NTC is not compliant to CACM
 - FB is the approved methodology for the Nordics
- Coordinated CNTC, as a legal contender to FB, cannot provide the level of economic welfare as FB. This is further explained in chapter four, box four of the KPI-report
- The ID-market, and ultimately the balancing market, will also transform to the FB-solution





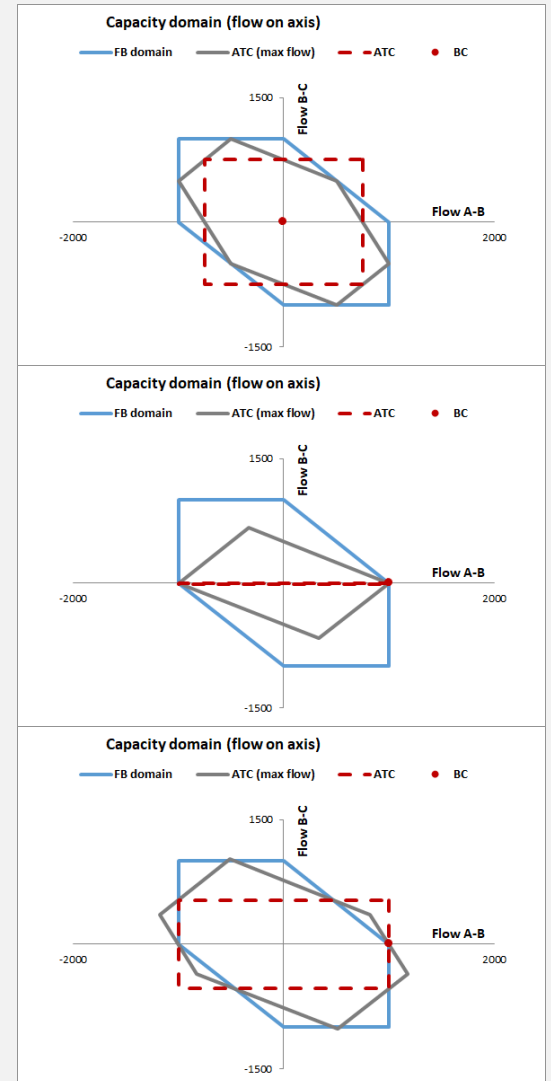
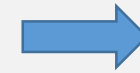
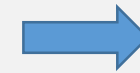
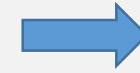
2. Concerns whether the three-months reporting period, and the quality of the flow-based parameters is representative

- The three-month period is only representative for those three (3) months
 - Important learning points of the KPI period, and the following nine (9) months of EPR, is how the FB pricing mechanism works in relation to limiting CNEs, and how this differ from the pricing mechanism in relation to the grid limitations imposed on NTC (and CNTC)
 - There are choices to be made in both FB and NTC, and those choices might not always be optimal. The chosen solution to a certain situation might change later as better solutions are found
→ This is, and will always be the case
 - New situations not seen before will, as in the past, continue to occur. The solutions chosen for those will continue to be improved
- ➔
- CNE selection
 - Outage selection
 - Base-case selection
 - Forecasting
 - Remedial actions
 - Grid configuration
 - Planned outages



3. Concerns on non-intuitive flows in relation to the left-over capacity for the ID timeframe are expressed

- The TSOs apply an extraction methodology to compute NTCs to the intraday market from the FB-domains. The final ATCs are the NTC minus already allocated DA-flows
- In cases where the DA market is in a corner of the FB-domain, the resulting ATCs are squished towards zero leaving almost no ID-capacity
- To mitigate this somewhat, the TSOs allow relaxation to the FB DA-domain to get non-zero ID-capacities. However, the operational security will be assessed in validation, and the TSOs may apply the IVA to avoid severe overloads





4. The transparency of flow-based, mainly due to the obfuscation of the Swedish CNECs, is deemed non-acceptable

- The obfuscation of the Swedish CNECs is required by Swedish security legislation. This is not something that is within the TSOs or NRAs to dispute
- However, the DA capacities are fully revealed by the PTDFs and RAMs → Min/max flows on borders, min/max net positions, relation between bidding zones and all relevant constraints, relation between bidding zones and flows on borders



5. General concerns on the overall market design, from LT, DA to ID and balancing are touched upon

- *“It is important that the Nordic regulators ensure that the implementation of the flow-based methodology leads to an improvement of the total Nordic power market design.”*
- *“We would like to highlight our concerns with the flow-based methodology and especially the impact on the Nordic power market in general.”*
 - Operation: Operational security & capacity calculation
 - Welfare economics
- *“Impacts to the financial market and hedging possibilities are not covered in the studies performed by the TSOs...”*
 - Out of scope of this report
 - The TSOs would like to understand what this concern is? As bidding zones remain untouched, only prices and possibly price-volatility changes. This is not much different from what is the case with other grid-investments.
- *“... the analysis must cover the whole process of planning and operating a power system, from the forward planning, spot market bidding, through the intraday adjustments and the balancing market and real time operation of the system.”*
 - Both the LT, ID- and the balancing market will transform to FB-markets in the future.



Do stakeholders agree on these points as being the major concerns?

- Do stakeholders agree on these points as being the major concerns, or are there other issues that you consider as important?



Open forum: Dialogue and stakeholder feedback, comments, questions (13:45 – 14:55)

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Closing words

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Closing words

The Nordic TSOs would like to thank the stakeholders for their participation in the webinar and the public consultation!

We will reconvene after the Summer break, and would like to wish you a relaxing holiday period!

Questions or comments after the meeting

If you have questions or comments after this meeting, please e-mail them us at ccm@nordic-rcc.net.