

Perspectives on Flow-based

Swedenergy & Finnish Energy

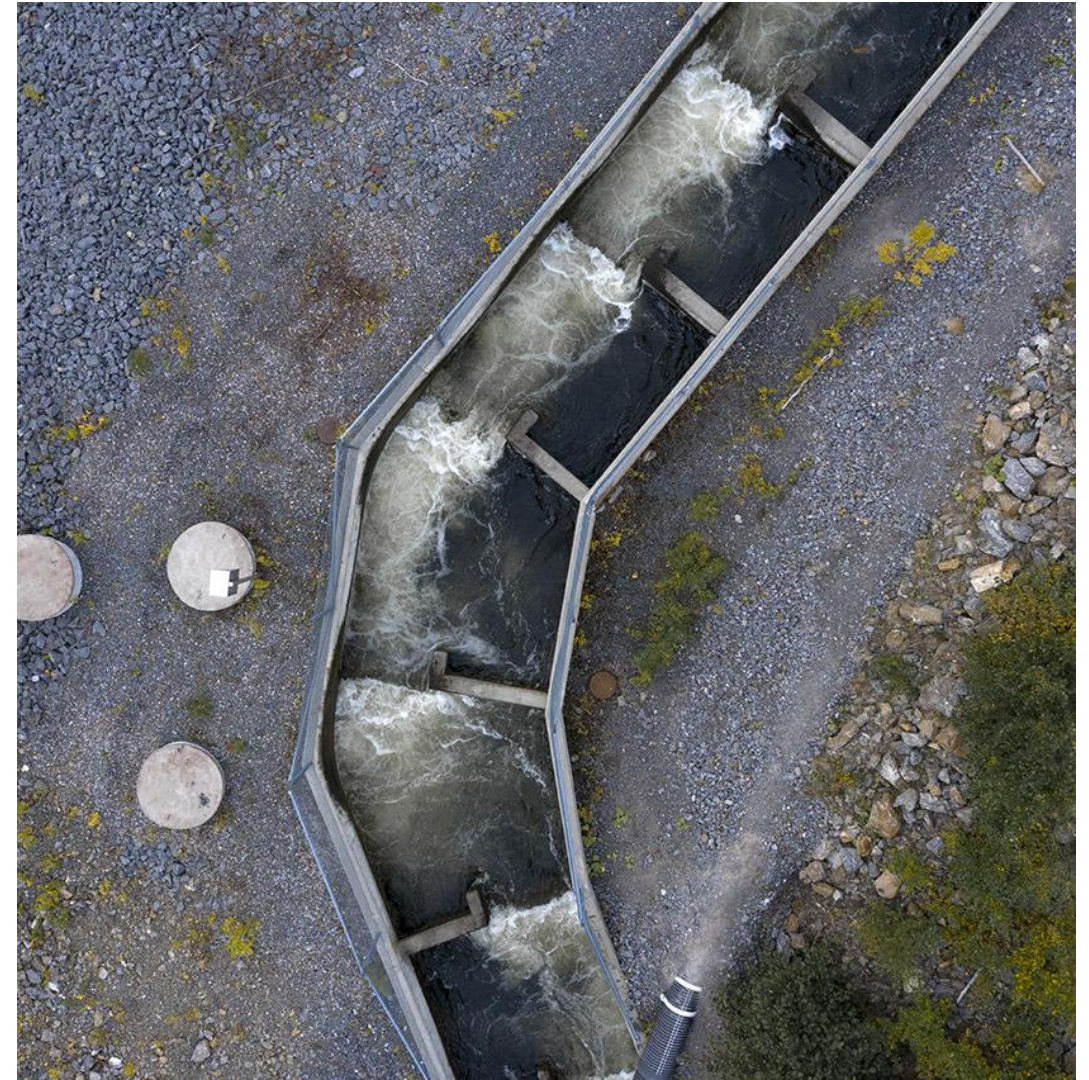


Fundamental criteria

- FB should only be introduced after market participants have been given sufficient preparation to allow for a smooth transition. (Whereas (7) of EU 2015/1222)
- Changes should lead to improvement and not inefficiency
- Socio economic welfare is not restricted to the DA-market
 - $SEW_{TOT} = SEW_{DA} + SEW_{ID} + SEW_{FM}$
 - SEW incorporates other costs e.g. reduced transparency and consequences for competition
 - SEW also comprises costs and benefits outside the electricity market

Output of External Parallell Run

- EPR shows overuse of hydropower in the northern regions
- Leaving only 1% of $SEW_{DA\ SE}$ and 67% of SEW_{DA} Nordic
- What are the effects if we consider Norway?



Indirect effects outside Day ahead

- How can SEW_{TOT} be appreciated without “decision” on ID-capacities?
- In what way are effects on competition incorporated in the calculated SEW?
 - Secrecy of CNECs
 - More complicated model
 - Less transparency! Less competition, uncertain pricing-> higher risk premiums



Questions to TSOs and NRAs

- Why is SEW_{TOT} restricted to DA?
- How does the overproduction of hydro affect the calculated SEW?
- If FB is further delayed what is the plan for
 - mFRR EAM
 - NBM projects dependent on mFRR EAM



Questions to TSOs and NRAs

- Intra day market
 - 23 November Kinect...
 - Money machine or a breach of the 70% rule?
 - EPR FB ID, will we have six months of ID capacity?
- Merging with CORE in accordance with CACM art 15 and 20:5
 - Is there a plan and does it include stakeholders?

