

Minutes of meeting

NBM Stakeholder reference group meeting

Date: 27. November 2019

Time: 09:30 – 14:30

Place: Oslo, Gardermoen

Participants:

Trygve Døble	Adger Energi
Pasi Kuokkanen	Association of Energy Users in Finland
Thomas Vom Braucke	Danish Utility Regulator
Henrik Hornum	Dansk Energi
Martin Schrøder	Dansk Energi
Erica Arberg	Energinet
Martin Høgh Møller	Energinet
Mikko Heikkilä	Fingrid
Tom Backman	Fortum
Harri Sirpoma	Helen
Jonni Laine	eSett
Petteri Haveri	Finnish Energy
Jan Rönback	Nord Pool
Inger Kristin Holm	Norsk Hydro
Alexander Kellerer	Norwegian Water Resources and Energy Directorate
Aslak Mæland	Statkraft
Lars Olav Fosse	Statnett
Olga Ingrid Molstad Steinsholt	Statnett
Kristin Munthe	Statnett
Jeanette Schrøder	Statnett
Cecilie Seem	Statnett
Conny Johansson	Stora Enso
Magnus Thorstensson	Swedenergy
Maria Rydberg	Swedish Energy Markets Inspectorate
Jakob Aldrin	Svenska kraftnät
Johanna Etzler	Svenska kraftnät
Anna Jäderström	Svenska kraftnät
Marie Sandahl	Svenska kraftnät
Andreas Kibe	Uniper
Edvin Schubert	Uniper
Teija Pelkonen	UPM
Jonas Holmgren	Vattenfall

Next steps

Next meeting: Copenhagen, 12 March 2020

Main topics going forward:

Topic	Next step
Presentation from different stakeholders – how does NBM impact their business?	Q1-2020 Stakeholders will be approached and asked to present
<p>AOF</p> <ul style="list-style-type: none"> • Request for more details • Provide basis for understanding of algorithm and present a more detailed set-up of the AOF with presentation of building blocks, logic, links between bids and fit with the European model. 	<p>Q1 or Q2 2020</p> <p>Presentatoin from operator - <i>What do the operators do manually today, that are to be automated and optimised?</i></p>
<p>NBM/Fifty - common service provider</p> <ul style="list-style-type: none"> • Roadmap • Organisation and governance • IT roadmap • Vendors 	<p>Going forward:</p> <ul style="list-style-type: none"> - Continuous update on Roadmap development and possible delays - Org/governance as well as IT roadmap - More detailed agenda on IT-solutions, if required
<p>Consultation and regulatory processes</p> <ul style="list-style-type: none"> • Link between latest Roadmap consultation and previous consultations • Link between stakeholder feedback and preparation for regulator process • Presentation of regulator process by NRA 	<p>Updated on NRA-TSO cooperation by NRAs in each meeting (fixed agenda point)</p>
<p>Link between European and Nordic market development and systems</p>	<p>Arrange separate webinar to reach out to a larger audience – presentation by Martin H Møller</p>
<p>NBM/Fifty impact on internal business processes. Preparation in stakeholders' own organisations</p>	<p>To be addressed in Q2-20</p>
<p>Involve representative for small business, IT vendors and other stakeholders?</p>	<p>Use webinars to reach larger audience</p>

Notes from current meeting

#	Topic
191127-1	Opening and introduction <p>.</p> <p>Kristin Munthe</p> <p>Kristin reminded the audience on the energy transition and the need for cooperation between stakeholders and TSOs</p>
191127-2	Update on NRA-TSO Cooperation <p><i>Thomas vom Brauke presented the goals and way of working from NRA-TSO cooperation group</i></p> <ul style="list-style-type: none">• NRA-TSO Coordination group is an informal group with focus on regulatory aspects and a purpose to streamline the regulatory processes.• Aim is to meet 4-5 times a year, Thomas Vom Braucke is chairing the group and Jakob Aldrin is the counterpart from TSO side• The first meeting was held late August, with these topics on the agenda:<ul style="list-style-type: none">○ Request for amendment aFRR○ 15 min ISP derogation – how to go about getting a regulatory approval○ How to work in the group - roles and differences between NRAs and TSOs• Encourage TSOs to meet stakeholders in an informal setting as well• Proposals sent by TSOs do not always meet expectations of NRAs – valuable to get feedback in order to avoid delays.• Next meeting on 11. December in Copenhagen <p>3 European proposals are already on the table of ACER:</p> <ul style="list-style-type: none">• Pricing proposal• aFRR implementation framework• mFRR implementation framework <p>3 other proposals have been sent to NRAs, but are likely to end up at ACER</p> <ul style="list-style-type: none">• Imbalance settlement harmonization proposal• Activation purposes proposals• TSO-TSO settlement proposal <p>ACER has 6 months to come up with a decision – this may lead to a delay for example in case of imbalance settlement harmonization proposal approval.</p> <p>All TSOs are preparing a new proposal on co-optimization methodology of cross border capacity reservation. The deadline is 18.12. and it will go directly to ACER</p>

Marie Sandahl presented the roadmap. Olga Ingrid M Steinsholt presented the plan for further stakeholder dialogue and involvement on the Roadmap.

- The plan is considered realistic and not overly ambitious given our current knowledge of possible constraints. However, if things change, there could be a need to replan
- The concept of the memorandums was explained: For now, one memo for process/products and one for connection to production plans exist. Going forward there can be additional memos on specific topics.
- Concept of parallel operation: operators in the control centers will have automated tools to support the daily operation, while we still have 60 min ISP
- Q: How parallel operation will affect market players, will they need to operate in two systems at the same time? A: Market participants must have their IT-systems prepared during the second phase, stepwise implementation, before we go into the phase parallel operation. The requirements for the preparations will be detailed at a later stage.
- Q: When is mFRR mACE based process implemented? A: mFRR is planned to be fully changed to an ACE-based model once 15 min ISP is implemented, but the changes will be gradually implemented.
- C: Need a clear implementation date for Single price as well as for 15 min ISP.
- It was discussed if imbalance settlement harmonization proposal approval will delay the whole process or not, details of the model need to be approved by the NRAs. EBGL have given strong advice on how model should be.
- TSOs informed that we need to make an order to eSett on January
- Q: Is single price implementation connected mFRR EAM roadmap? A: No, there is no connection with single price model and mFRR EAM implementation from an IT perspective
- C: Fallback/back-up for data exchange between TSOs and market participants might be needed
- Question on standard products: Do TSOs think they will improve liquidity or make it worse. There are potentially some assets which cannot meet requirements for standard products. Market participants need to prepare for testing of all new markets. Ramping rules depend on what you have of portfolio in your country
- Q: Do Nordic TSOs plan to take harmonization of standard products to an even more standardized level in Nordics (go beyond European harmonization). A: No
- More clarity is needed on when and how Nordics will join MARI and PICASSO. Also, when standard products will be implemented, as this is a prerequisite for joining the platforms.
- NBM needs feedback and good ideas on how to include aFRR CM price to imbalance price
- Q: How realistic is the roadmap? A: we consider the roadmap realistic, but obviously there's also uncertainties in the future.

Comments on further stakeholder dialogue:

- TSOs good feedback on stakeholder dialogue so far
- Q&A part in the NBM webpage is warmly welcomed
- It would be good to have subscription possibility for updates of NBM webpage – this will be looked into

191127-4 15 min ISP derogation process

Lars Olav Fosse presented the TSOs coordinated plan for the process

- There was a discussion on what happens if the derogation is not granted? Regulators are not obliged to give derogations
- If derogation is granted, the regulators require to set an exact date for 15 min ISP
- Finnish NRA voiced that their view is that derogation date is considered as firm in Finland
- How much slack do we plan to build in for the due date?
- Comment: Roadmap looks realistic – contingency in planning is needed. Experience of pan-European processes: Market participants/external parties need to know the details beforehand at least on 95%, only then other parties start to think what the implementation in practice means. When you can compartmentalize the different parts of the process, the success rate is higher because you can test and change bit by bit. Communication and transparency. Public reporting of delays
- Sylvie Tarnai/EPEX: Stressed the importance of NRA dialogue and pointed out that the participants also have many other topics on their side that puts a strain on resources

191127-5 Single position single price model

Mikko Heikkilä presented the key contents of the discussion paper

- Feedback is needed by 1. January 2020
- Key Question: How will 15 min ISP affect diverging mFRR activations?
- The word diverging was perceived as a bit confusing
- It was agreed that NBM plans for a one-day expert meeting/workshop to discuss the published paper on Dual pricing/diverging ISP. This meeting must take place before next stakeholder meeting March 12
- The discussion paper will be published on the NBM website

191127-6 Update aFRR cm

Anna Jäderström presented an update on the aFRR capacity market

- Anna informed that TSOs will go for marginal pricing
- We are looking into how to transfer responsibility to other market players

191127-7 Feedback Questionnaire

The stakeholders gave feedback on cooperation and topics through a real-time questionnaire.

Some points (not exhaustive):

- The stakeholder meetings are considered valuable, and going forward the TSOs should develop a deeper understanding of the stakeholders' needs and concerns
- The agenda could include topics where stakeholders present their perspectives
- More time for open discussions on topics rather than one-way presentation from TSOs
- Set up specific workshops on specific topics (e.g. single price)