

Comments on NBM roadmap

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UPM BUSINESSES

UPM BIOREFINING

Pulp
Plantations
Biofuels
Sawmills
Wood Sourcing and Forestry

UPM ENERGY

Zero-carbon electricity generation
Physical and financial electricity trading
Industrial energy excellence services

UPM RAFLATAC

Label materials for product and information labelling

UPM SPECIALTY PAPERS

Fine and specialty papers in China and APAC
Labelling material globally
Packaging papers mainly in Europe

UPM COMMUNICATION PAPERS

Extensive product range of graphic papers for advertising and publishing as well as home and office uses

UPM PLYWOOD

WISA® Plywood and veneer products
UPM Grada® wood material

UPM BIOCOMPOSITES

UPM ProFi®
UPM Formi®
UPM Formi 3D®

UPM BIOCHEMICALS

Wood-based biochemicals for variety of industrial uses

UPM BIOMEDICALS

GrowDex®

General comments

- The most important building blocks of the NBM roadmap for UPM are the deadlines of one imbalance position, one imbalance price and 15 min ISP.
- The Nordic countries should have same products and implementation schedules as MARI and Picasso projects have in the EU level. In addition, there could be local Nordic products available.
- It is important to maintain the common Nordic electricity market and harmonize rules and requirements at the Nordic level as far as possible.
- The high-level roadmap should be confirmed as soon as possible. This would make it possible for market participants to start their own implementation projects at the right time.

Single price model

- Roadmap includes many good views on the advantages and disadvantages of single price model.
 - We understand the TSOs' worry that “a 60 min ISP combined with single pricing opens a relatively long-time window for self-regulation actions”
 - At the same time, we believe that FRR markets can be used sufficiently during the 60 minutes ISP to manage the system balance. Therefore, we do not see the strengthening of opposite self-regulation response as big a risk as the TSOs do.
 - Correct functioning of the markets in supporting system balance should be trusted.
- UPM supports early implementation of single price model in Q1/2021.
 - Currently market participants are not allowed to support TSOs in maintaining system balance by their own operations in scarcity situations
 - Single imbalance price and position also gives the possibility to manage own imbalances without a restriction from production plans.
- Single imbalance price and single imbalance position should not in any case be separated from each other.

15 minutes resolution

- The proposed implementation date (Q4/2022) is fine for UPM but also an earlier implementation would have been a feasible solution for us.
- Production units and MGA exchange points should be metered in 15 min resolution at the same time when 15 min ISP is implemented
 - If power generation and large consumption connected to distribution grid are not measured in 15 minutes resolution, they will not be able to participate in 15 min markets (intraday and mFRR) without a risk of significant imbalances and related costs.
- There should also exist at least one 15 min product in the intraday market for market participants to be able to balance their own imbalances in the market when 15 minutes resolution is taken into use.

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