

Single Pricing status update

NBM Stakeholder reference group meeting

27 August 2020

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ACERs approval of the Imbalance Settlement Harmonisation Methodology

- ACER's approval of the final Imbalance Settlement Harmonisation Methodology happened on 15 July
 - This sets a legal deadline for implementing the methodology before 15 January 2022
- The methodology sets a harmonised framework for:
 - Imbalance position calculation and
 - Imbalance price calculation (single pricing included)

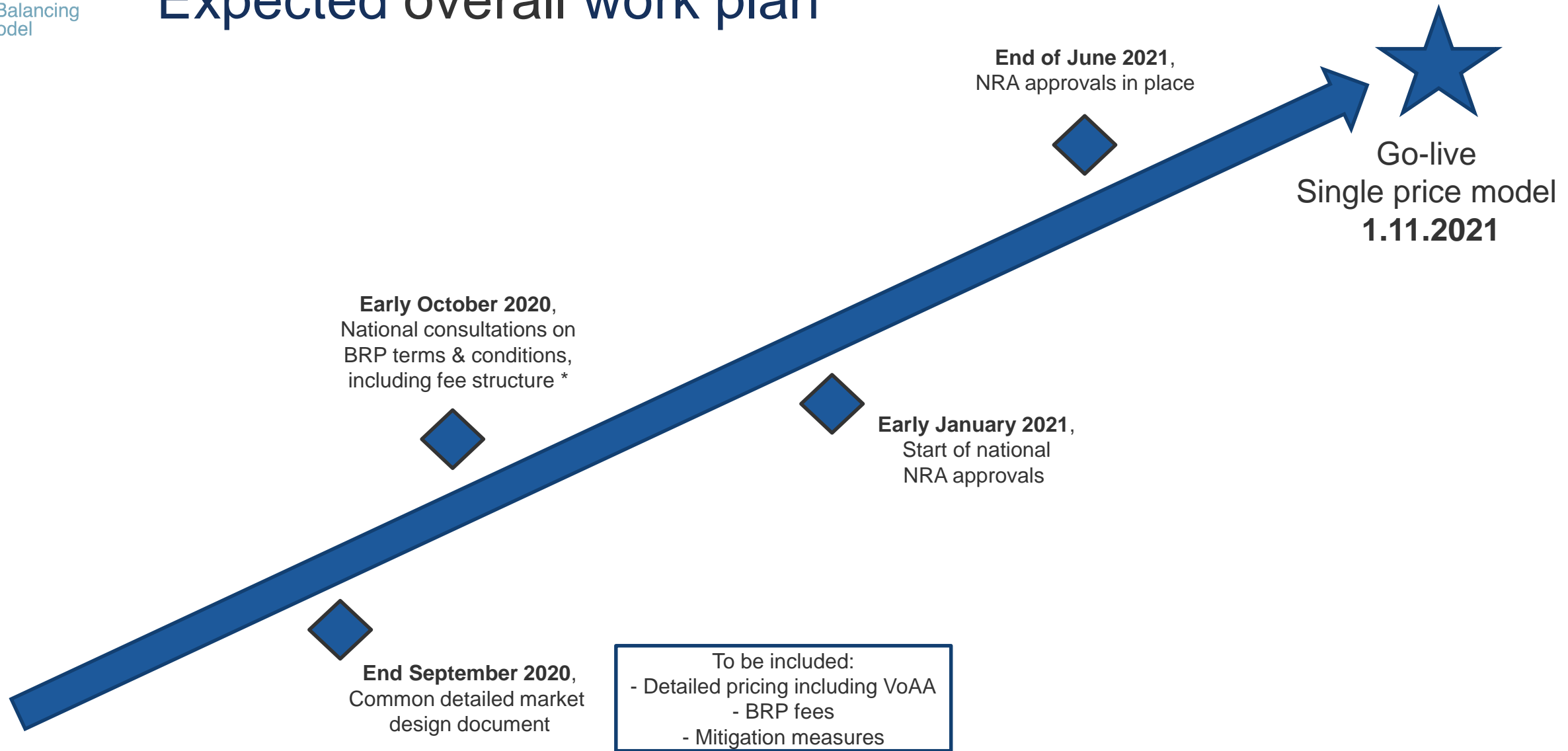
Delay of final go-live date

- Before summer break, the [Nordic TSOs communicated a risk of delay of up to 6 months](#), compared to the original go-live date of Q2 2021
- Main reasoning for the risk of delay was:
 - Uncertainty in the first half of 2020 for the final provisions of the Imbalance Settlement Harmonisation Proposal (ISHP) due to ACER referral
 - The previous timeline did not take enough time into account for the necessary changes required for the national terms and conditions for BRPs and other legislation required by the final ISHP related to imbalance pricing - affecting both the common project and the national projects
- When the ISHP was referred to ACER in January, we should have been more conditional on the time plan

TSOs proposal of final go-live date for single pricing

- At the Nordic Balancing Steering Committee (NBSC) meeting on 18 August the following final target go-live date for implementing Single pricing Single position was decided:
- **Final target go-live date: 1 November 2021**
- The go-live date is before the legal deadline, which the newly approved Imbalance Settlement Harmonisation Methodology sets to be 15 January 2022

Expected overall work plan



Detailed market design needs to be proposed by the Nordic TSOs – proposal to be approved by NBSC

- **Detailed imbalance pricing** including pricing in ISPs without activation (Value of Avoided Activation - VoAA)
 - Imbalance pricing expected to be as today in ISPs with activation, proposal needs to be developed for ISPs without activation
- **Final BRP fee structure** – key points
 - Consumption imbalance fee expected to be changed to a general imbalance fee, use as mitigation measure under discussion
 - Production and consumption fee expected to be kept separate, but set at same level
- **Mitigation measures** for go-live of Single Price
 - See next slide

Mitigation measures proposed by project team to be taken forward – to be decided by NBSC

Proposed
measures
first step

Mitigation measure	Description	Target
Higher imbalance volume fee	Increase the cost of having an imbalance	Incentive to maintain BRP balance
Requirement for production plans, including firm legal or financial obligation and monitoring	Give requirements on scheduling of production to provide the TSOs with necessary information for real-time operation together with sufficient measures to incentivise good quality production plans	Incentive to follow plans
Contractual requirement for keeping balance, including firm legal obligation and monitoring	Give requirements for BRPs to keep balance to support this as a key element of our balancing model	Incentive to maintain BRP balance
Limiting real time information	Design of when information is made available to the market players, which limits necessary prerequisites for self-regulation	Incentive to maintain BRP balance and/or follow plans (by limiting necessary prerequisites for self-regulation)
aFRR capacity market for all hours	Extend aFRR capacity procurement to all hours to support a good frequency quality	Increase means to manage some operational issues caused by self-regulation