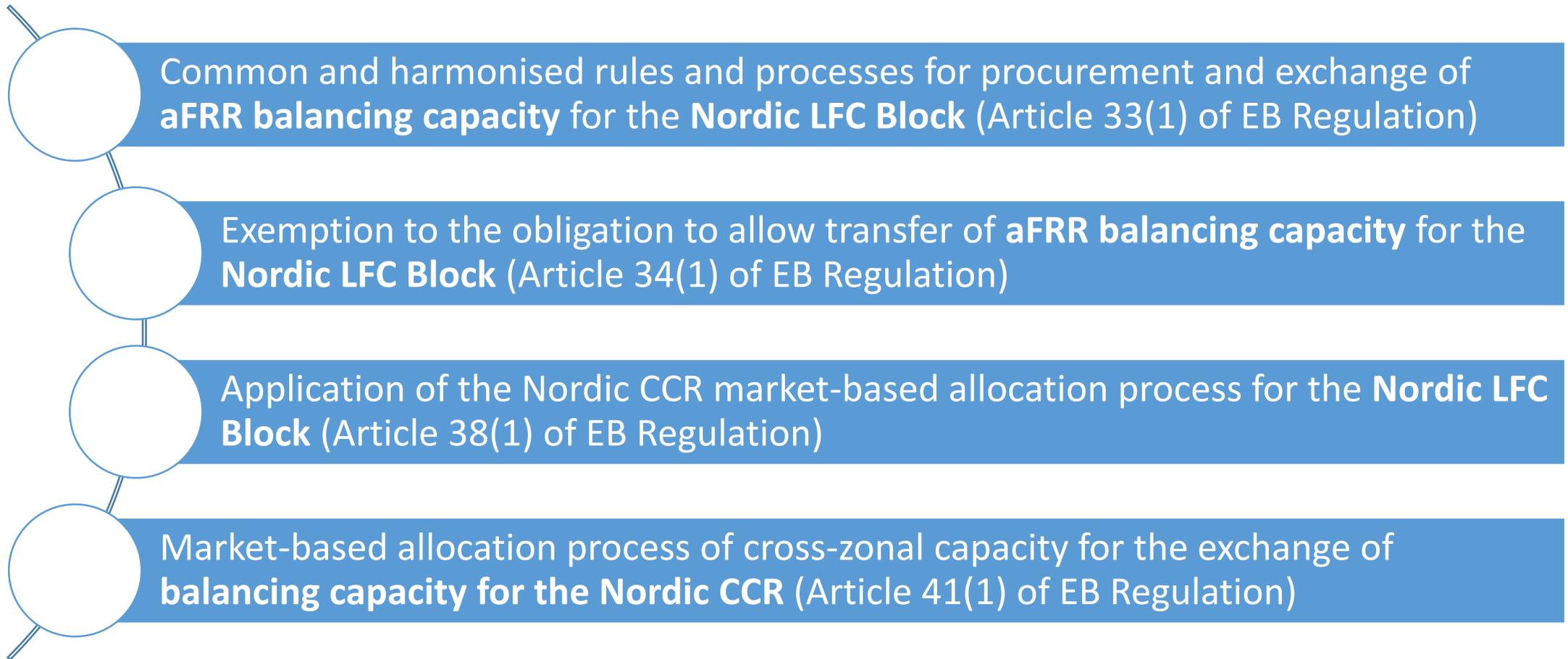


# ACER decisions on aFRR CM and further work

NBM Stakeholder Reference Group meeting 27 August 2020

# ACER decisions of 5 August 2020 related to Nordic aFRR capacity market



# Main features of Nordic aFRR capacity market

- Daily Nordic procurement executed in D-1
- Gate Closure Time for BSPs will be between 07:00 – 10:00 in D-1, exact timing to be set after public consultation
- Standard aFRR capacity bids will be used with a minimum bid size of 1 MW and hourly division
- TSO will inform an aFRR demand in MW per direction per bidding zone per market time unit
- Marginal pricing (pay-as-cleared) will be used for the pricing of selected bids
- Procurement will be optimised across all 11 Nordic bidding zones using the aFRR capacity bids, TSO demand and the cost of cross-zonal transmission capacity as input
- The cost of cross-zonal transmission capacity is the forecasted price difference in the day-ahead market added with a dynamic mark-up (value between 1-5 EUR) to favour the day-ahead market
- By default, maximum 10% of cross-zonal transmission capacity between two bidding zones may be allocated to the exchange of aFRR capacity
- BSPs are not allowed to transfer their obligations to provide aFRR capacity across bidding zone borders

# Further work to implement ACER decisions

- Involvement of stakeholders required by ACER decisions
  - Gate closure time: exact timing will be publicly consulted (consultation for 2 weeks at least 3 months before implementation)
  - Calculation of dynamic mark-up value: amendment within 12 months (5.8.2021) including public consultation
  - Linking an upward bid with a downward bid is subject to exemption to be granted by each regulatory authority to the requirement to procure upward and downward balancing capacity separately, including public consultation
- aFRR platform development
  - TSOs will do the detailed planning of the final IT solution with timeline, gap analysis is underway
  - BSPs/market participants will be involved in testing
- TSOs will involve national regulators for assessments related to ACER decisions during the planning process
- Currently expected go-live date is Q2/2021, more precise go-live date will be communicated when the planning phase has been finalised