

Nordic aFRR capacity market

- NRAs' guidance related to aFRR go-live, based on the ACER decision
- Nordic aFRR implementation project
- Consultation on proposal for exact gate closure time

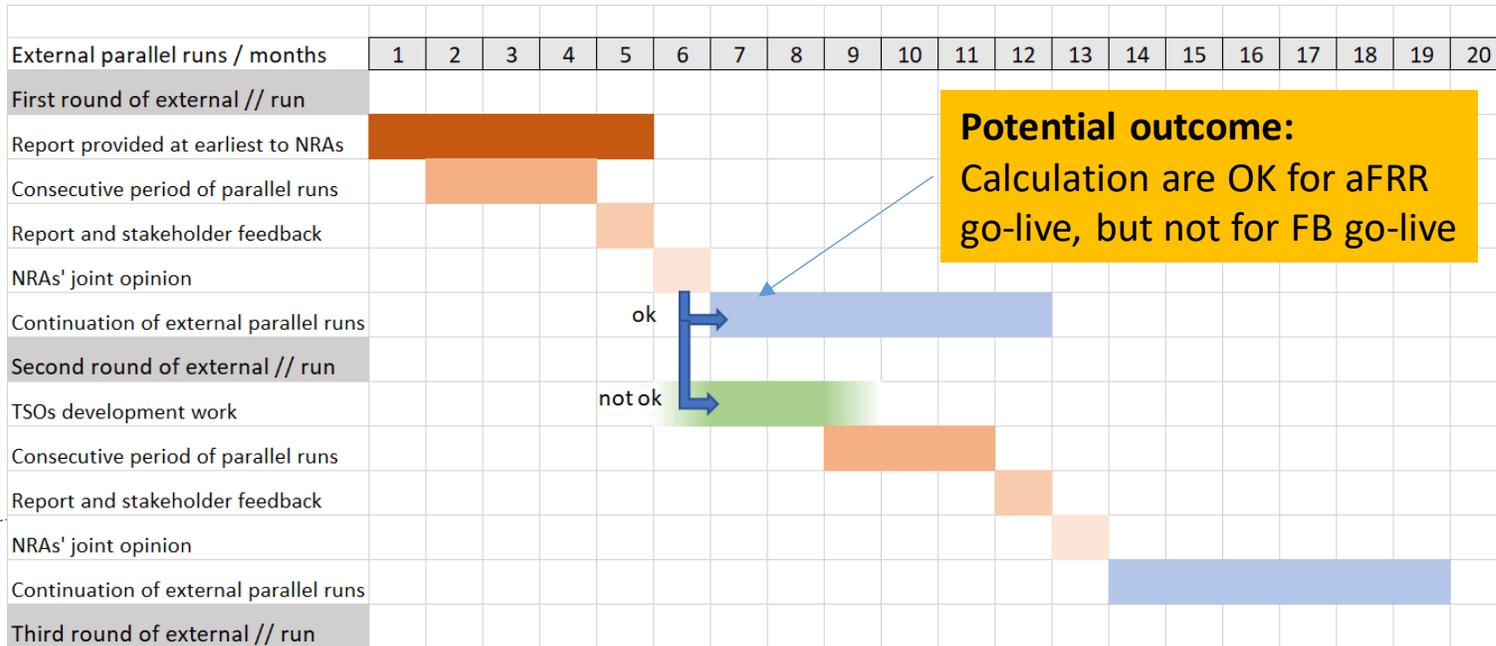
NRAs' guidance related to the aFRR go-live

- Nordic TSOs have been in dialogue with the Nordic NRAs about the planning of the go-live of the Nordic aFRR capacity market after the ACER decision
 - As a pre-requisite for the aFRR capacity market go live, the Nordic NRAs support that cross-zonal capacity needs **to be calculated** (but does not need to be **allocated**) according to the capacity calculation method of the CACM regulation
 - Nordic NRAs advise the TSOs to ensure adequate quality in the future flow-based (FB) capacity calculation method during the "external parallel run" before going live with the Nordic aFRR capacity market
- ⇒ aFRR go-live depends on the implementation of the FB capacity calculation method. Consequently, a delay in FB implementation will result in a delay of the aFRR capacity market go-live

NRAs' guidance on Article 38(5) of EB Regulation

NRAs' guidance – aFRR go-live depends on Nordic CCM project (and FB implementation) as follows:

From NRAs decision on DA/ID capacity calculation methodology (October 2020):



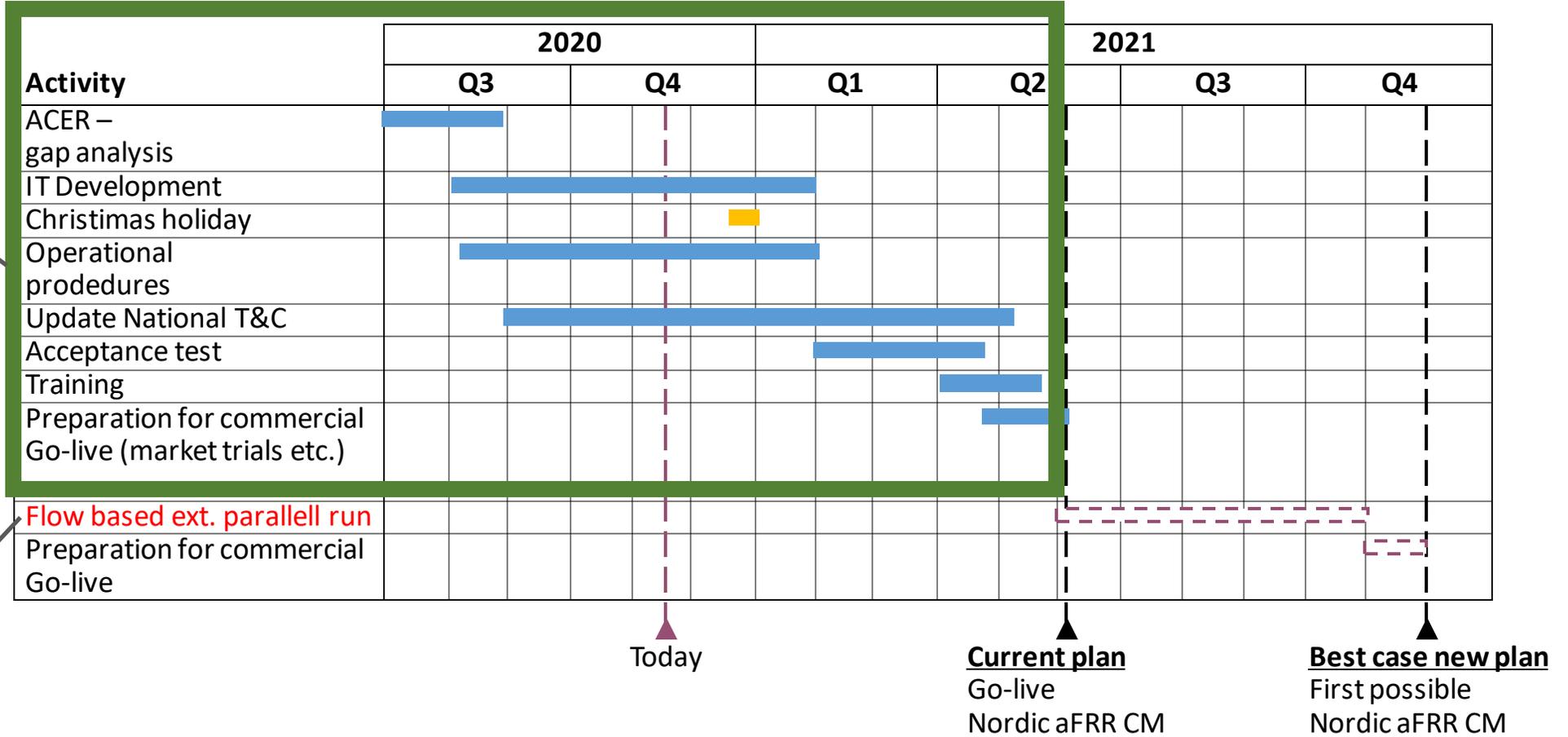
TSOs have to provide additional evaluation report(s) of external parallel runs if NRAs' joint opinion is that FB is not operating at a sufficient level. Otherwise, TSOs will continue the parallel runs continuously for 6 months after awaiting the NRAs' assessment of the evaluation report before FB go-live.

NRAs' guidance: *“TSOs' evaluation report could serve **two different purposes**, by also serving as a basis for demonstrating that the condition in the methodology pursuant to Article 38(1) in the EB Regulation is fulfilled. The NRAs may, to the extent considered relevant, and based on the relevant information available at that point, make independent assessments with respect to the two purposes.”*

Progress Nordic aFRR capacity market

Current plan
On track for Nordic GoLive Q2'21

NRA requirement
Results from ext. parallell run need approval
-> Nordic Go-Live Q2 '21 not possible

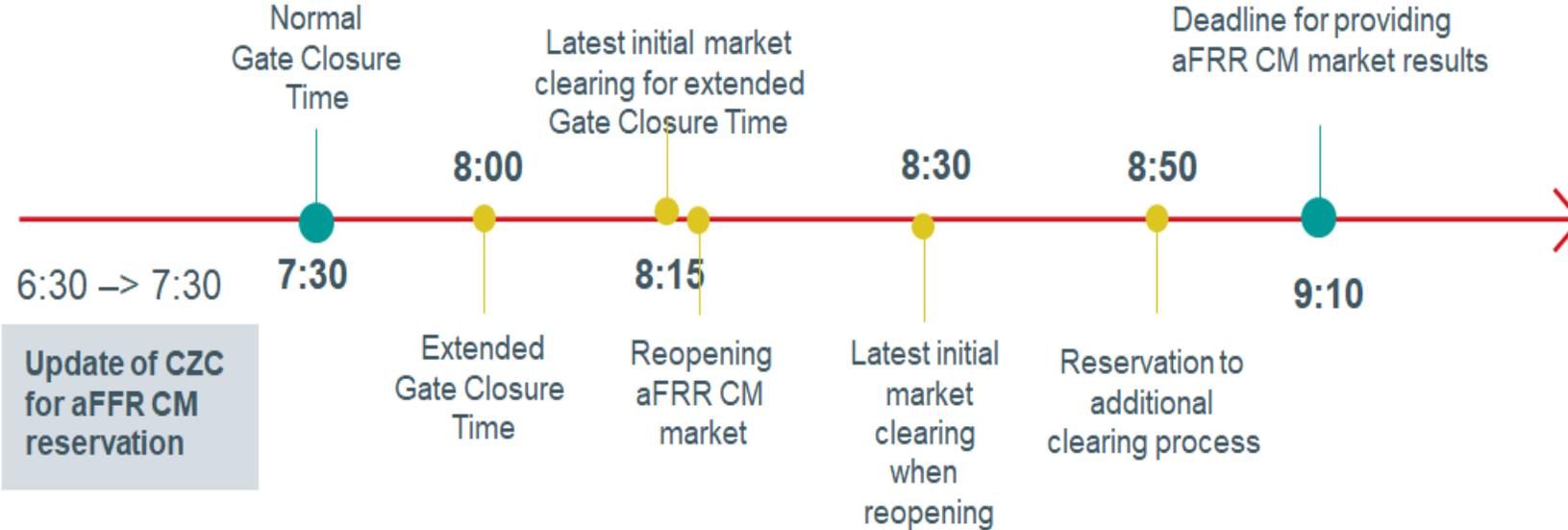


Setting the aFRR market gate closure time

- Balancing capacity gate closure time shall be within the balancing capacity market timeframe
- Balancing capacity market timeframe is between 07:00 CET (D-1) and 10:00 (D-1)
- ACER decision sets the process to be followed in defining the exact balancing gate closure time
 - Public consultation before setting the timing
 - Public consultation performed at least 3 months before implementation of gate closure time
 - Public consultation shall last at least 2 weeks
- TSOs shall announce the gate closure time at least 4 weeks before taking effect including also exceptions e.g.
 - when the gate closure time is delayed or
 - when the bidding window is reopened

Consultation on exact aFRR market gate closure time

- TSOs propose as the exact timing of the balancing capacity gate closure time to be **7:30 CET (D-1)**
- Indicative timeline for the aFRR capacity market clearing process with proposed capacity gate closure at 7:30 CET (D-1):



- Consultation can be found at (closes by 31 December 2020):

<https://consultations.entsoe.eu/markets/proposal-balancing-capacity-gct-nordic-afrr/>

A tall, slender tower with multiple cables extending outwards, set against a cloudy sky and surrounded by trees. The tower is the central focus, with several cables radiating from its top. The background is a pale, overcast sky, and the foreground is filled with the dark, silhouetted branches of evergreen trees.

NBM

Nordic Balancing
Model

Thank you!