



# mFRR Energy Activation Market

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# Nordic mFRR EAM –automatization

## - *How we see it in UPM Energy?*



- In Finland, mFRR electronic ordering is already in use.
  - UPM was among the first ones to implement electronic ordering.
- In UPM, we have automatized the whole process from bidding to resource activation.
  - The Operator has the final say on where and which resources are activated, even though we could fully automatize the process end-to-end.
  - TSOs should not require full end-to-end automatization. Automatization level should be left for the balance service provider to decide.
- After TSOs implement AOF, there should be a compensation for false bid activation to balance service providers.
  - False activations can happen especially during the parallel-run period. As there is a high level of end-to-end automatization already in place, false activation will also activate the resource.

# The quarterly scheduled activation process and requirements for the activation response



- Ramping requirements
  - Automation can take care of required ramping curves for production. However, for consumption especially ramping down can be sometimes challenging.
  - Following the ramping curve exactly will require automation as it is hard to do manually.
- Activation and deactivation more often than today
  - For production we don't see it as a problem, except the fact that mechanical wearing of production equipment will increase.
- Availability for activation and reporting of unavailability or failed activations to TSO
  - If unavailability or failure is reported to the TSO with the agreed procedure, there should not be sanctions. Requirement could be written to a contract with BSP.
  - If the order is simply not executed, there should be sanctions (e.g. double imbalance costs) to avoid systematic misuse of the marketplace.

## Bid attributes

- We regard the proposed common attributes for all Nordic countries good and think that they should be taken into use.
- We see that also minimum duration, maximum duration and resting time attributes are needed to ensure that currently existing offering will be also in the future bid to the automatic Nordic mFRR EAM
  - These requirements should be included in the common attribute list
- Also longer activation time products are needed to enable large flexible consumption (and production) to participate in the mFRR markets as today.

## Message to TSOs

- Gate closure time should be closer to the activation period already during the parallel operation
  - This could motivate market participants to start using 15 min bids in early phase
  - Also more power could be offered since e.g. participants have better knowledge of what is available (e.g. in hydro power due to flooding period)
- Take automatization further
  - In an optimal system the bid size would not be limited and bids could be done from 0 MW upwards to allow all resources participate in a flexible way
- Keep up the good work in automatization and well-functioning balancing markets!

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