

NBM

Via e-mail

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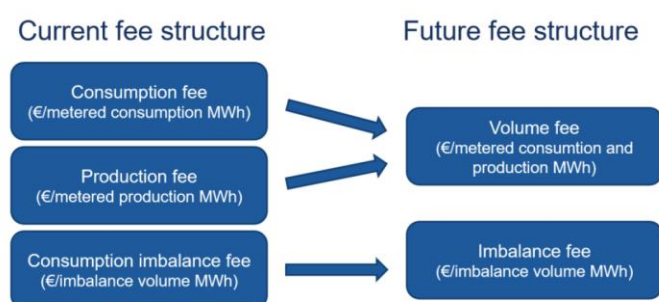
Consultation response to Nordic Balancing Model’s publication ‘Single Price & Single Position -implementation in the Nordics - Common Market Design description

Energi Danmark A/S appreciate the opportunity to comment on the publication ‘Single Price & Single Position-implementation in the Nordics’.

Overall, we support the transition to a single price regime and a new structure to support the integration of more renewables.

However, the suggested model has a very unfortunate mistake that will increase the total socioeconomic cost for the integration of renewables in the Nordic region.

The suggested implementation of single price model and future fee structure:

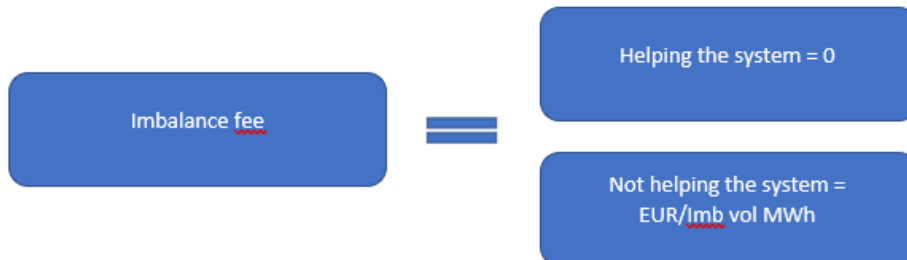


This will lead to inefficiency since the fee structure regarding imbalances is put on all imbalances – good or bad.

When going forward to a more reactive balancing method and a new balancing philosophy, MACE, it is important that the stakeholders are given the right incentive to help balance the system in the future.

A punishment for the volumes that help the power system (and helps to integrate renewables) is a mistake - a market design mistake.

We suggest instead that the imbalance fee use the following logic:



Socioeconomically it is better to punish the volumes that are in the wrong direction (not helping the system) harder instead of having a punishment on the volumes that are helping the system.

We therefore strongly recommend changing the fee structure to the one we suggest here.

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