

Feedback to common market design – Single Price

In reference to the document “Single-Price_Common-Market-Design” we would like to make some comments:

We appreciate the importance outlined in the document of planning in balance and following production plans. We see great advantages both for the power system and the market participants in utilizing Intraday Markets as well as continuously updating production plans in order to maintain this balance. The liquidity in the Intraday markets, has especially in Norwegian price areas been low even with the current two-price regime, and this fact highlights the need for additional measures, as outlined in the document. An increased and harmonized imbalance volume fee should be helpful to incentivize the desired behavior seen from the TSOs, while also increasing liquidity in the Intraday markets and rewarding those participants planning in balance. The “polluter pays” principle is fair and should not be difficult to accept.

Regarding the general “volume fee”, we are uncertain what this sentence means: “The level of the future volume fee will depend on the level of the imbalance fee and will not be subject to harmonisation due to different national cost bases”. If the imbalance volume fee is increased in order to incentivize the desired planning behavior, we do not think that the volume fee should follow suit. The volume fees should be at a low and predictable level in order to facilitate sound decisions on e.g. new power production.

Our view is that the correct incentives for planning and trading in balance will be beneficial for all parties, while it still will be interesting to provide available flexibility to the TSOs in the balancing market.

On behalf of NTE Energi, Trønder Energi Kraft

Med vennlig hilsen

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