

Q&A: Roadmap webinar September 27th 2024

Q: Is FCR FNMMS planned for q3-25?

A: Current communication to market is Q2-2025. The plan is currently being evaluated.

Q: Do you have any information on how imbalance will be priced after DK joins PICASSO?

A: Imbalances will be priced the same way as today until Q1 2025. In Q1 2025 Energinet will implement a new imbalance price methodology. You can find more informations at Energinet's website or here: <u>metodeanmeldelse-nyt-design-for-</u> <u>ubalanceafregning.pdf (energinet.dk)</u>. However, this has not been approved by the NRA yet.

Q (follow up-question): Is this only for Denmark? Will the pricing in Norway change?

A: This is a national methodology, so only Denmark

Q: In a recent stakeholder meeting with SvK we noted that the pricing methodology for the NBM and that used for MARI and PICASSO in the continental market is quite different. Is there a particular reason for this?

A: Correct, there is no major changes in pricing principles at the go live of mFRR EAM. The major changes come with the connection to MARI. This is the same for all TSOs. The reason for that is to avoid too many changes at the same time.

Q: If there is some kind of delay (3/12-10/12) will it then be postponed to after Christmas - but before New Year? not after New Year?

A: In this case we will have to evaluate the situation. But we will not likely have a go-live between Christmas and New Year.

Q: As BSP we find it as high risk to postpone go live to the 10th of December, close to Christmas (organizational risk) and code freeze + root cause analysis etc. (IT risk). Is it an alternative to drop the 10th and postpone to January, if the 3rd fails?

A: If we fail on the primary go-live date due to a transitory or a temporary reason (e.g., extreme weather, unstable power system) we will reschedule to the next available date as soon as possible. In short: If we fail on 03.12.2024 by this reason we will try again 10.12.2024.

If we fail on the primary go-live date caused by something that requires action to be taken (e.g., lack of reserves, IT malfunction) we will replan to an available date based on estimated solution time. This could be any Tuesday starting with 14.01.2025.

Q: How will TSOs communicate with BSPs during go live day in case of rollback, other issues etc.?

A: If go-live is postponed, we will stay in manual frequency based balancing incl. manual special regulation as today. There is no planned "in between" process.



Q: Is the heartbeat function the same in the Nordics? Meaning that one missed heartbeat will make bids unavailable for two quarters in the TSO bid list? How have you evaluated the risk if system updates happen, which will cause system downtime of a couple of minutes which would makes bids unavailable. This could cause high regulating prices and mFRR if it happens at the wrong time. One solution would be to send out an extra heartbeat if one is missed or only make bids unavailable if two consecutive heartbeats are missed.

A: From go-live the heartbeat function will not be the same in the Nordics:

- Energinet will not use heartbeat from go-live, but will implement this at a later stage
- Fingrid will not use heartbeat from go-live, but will implement this at a later stage
- Statnett will make bids unavailable for two quarters if heartbeat stops (see further details below)
- Svenska kraftnät will make bids unavailable for two quarters if heartbeat stops

Further comments from Statnett:

Adjustments regarding the timing of the heartbeat messages has been made based on discussions with BSPs this fall. The timing of heartbeat is now set to T-13, T-7,5, and T-3 to better align with the AOF-process with regards to bid filtering. Please note that the T-7,5 heartbeat is not sent if there is any scheduled activation for the next quarter hour. Then, instead, there will be a real activation order message sent at T-7.5.

If no heartbeat response is received by Statnett and Svenska Kraftnät from a BSP, bids for two quarter hours are made unavailable for the bid selection. If the missing response was due to a "glitch", i.e. only one heartbeat was missed and a response is received for the next heartbeat, the bids will become available again and can be used for e.g. direct activation by the operator. Waiting for two heartbeats before filtering bids is not an option as this would introduce a risk of the algorithm selecting bids for activation that are not actually available - which would lead to an unsatisfied demand. Sending an extra heartbeat was also discussed in our biweekly meetings with the BSPs but was not a preferred option - partly because we do not want to send messages on ECP with small time intervals.

Q: Why is go live in a winter period, where the electricity system is stressed? What is the worst-case scenario?

A: There is a dependency between Automated Nordic mFRR EAM and 15 min IDC/15 min DA. The Nordic cannot join the 15 min markets before automated mFRR EAM is live. Even if 15 min IDC/15 min DA is postponed we will most likely need to go-live during winter period anyhow.

There is also some increased complexity in the grid due to the maintenance season that have an impact on the congestion management process.

Q: Is there a manual solution for special regulation in case go-live is postponed?

A: If go-live is postponed, we will stay in manual frequency based balancing incl. manual special regulation as today. There is no planned "in between" process.

Q: What is the difference between the Finnish national mFRR CM which has a



go-live 22nd of October and the current mFRR CM they appear to have? *A: The current market is transferred to the Nordic MMS platform. Basically, with the same T&C, but with an adjustment of GCT to 07:30*

Q: Q: Why is there no plan for Norway? (Why isn't Norway in this new mFRR capacity market, making it a Nordic capacity market?)

The ambition is to create an mFRR capacity market for all Nordic countries. The intention is that Norway will connect to the Nordic market as soon as issues with system security under new framework conditions for system operation are solved. The exact date for introduction is yet to be decided.

[Note: On the NBM timeline, the approximate date is set to 2026: <u>Roadmap and</u> projects – nordicbalancingmodel]

Q: Will postponing 15 min IDC have any impact on 15 min DA schedule?

A: There is a condition that borders need to have transitioned to 15'MTU in Intraday prior they can transition to 15'MTU in Day-Ahead. The DA planning falls under the SDAC responsibility, which is planning for a go-live with all SDAC parties, there this dependency will need to be considered.

Q: Regarding the postponed date of the implementation of ISP/IDC go live how will that be officially communicated in November?

A: The planning for ID will need to be aligned with other SIDC parties. Together we are looking at March, and we expect the final planning to be completed during October, and that the dates will be announced in connection with the Market Coupling Consultative Group (MCCG) meeting on November 8, 2024