

Handlingsplan for at opnå 2030 visionen

ROADMAP FOR REACHING THE NORDIC ELECTRICITY MARKET VISION

Background

At the first Nordic Electricity Market Forum, held in Stockholm 2018, the electricity market stakeholders¹ provided input to a new Nordic Vision for the electricity market, marking a point of reference for the future development of the Nordic electricity market, for which all relevant stakeholders can have ownership. According to this Vision, the main goal is that "In 2030, the Nordics have the world's most competitive, innovative, and consumer-oriented electricity market, that contributes to reaching the ambitious Nordic climate goals." The vision was discussed and endorsed by the Nordic Energy Ministers at the Nordic Energy Ministerial meeting in Reykjavik in June 2019.

At the forum, five areas were also identified as the most important for achieving the common vision: 1) market development, 2) renewable energy integration and flexibility, 3) resource adequacy and grid development, 4) digitalisation and data management, and 5) interaction and influence in the EU. Working Groups were established for the areas with representatives from each country and type of stakeholder, who were tasked with preparing action plans, describing the necessary steps to achieve the 2030 vision, for their respective area.

The Electricity Market Group (EMG) subsequently compiled the WG inputs into this roadmap, which is divided into two main parts: 1) Targets and objectives, and 2) Immediate and further action points. The purpose of the objectives and targets is to show what the vision entails within the five main areas mentioned above. The action points depict a number of concrete steps that can be followed up on to reach the objectives and targets.

Use of the roadmap

This roadmap should be seen as a guiding document, which will be adjusted and adapted over time, following the discussions and developments at the Nordic Electricity Market Forum. The working groups have highlighted the topics and action points in this roadmap as priority issues. The EMG therefore encourages the responsible parties to cooperate and work together on achieving them in the years to come. It should be noted however that the

¹ Electricity producers, transmission system operators (TSOs), distribution system operators (DSOs), national regulatory authorities (NRAs), industry associations, user associations and policy makers

roadmap does not necessarily reflect the priorities of each national government.

Follow up on the roadmap

The Nordic stakeholder WGs provided a platform for cooperation and dialogue in preparing the roadmap input. The EMG suggests continuing to use working groups to develop the markets, provide input to the forum, and give feedback on the progress of the action points. They can also foster dialogue across the Nordic countries and stakeholder groups but should not be seen as a replacement for broader stakeholder involvement. The working groups are dynamically organised entities and should operate as long as needed in terms of fulfilling the roadmap.

A first follow-up on the immediate actions will be on the agenda for the 2019 Nordic Electricity Market Forum, and will thus be the starting point on following up on the roadmap. To this end EMG will contact the responsible parties that are listed under the action points and ask about the status of the work. EMG might ask the responsible parties to prepare presentations and discussions for the Forum.

The EMG will publish an annual status of the roadmap and vision and suggest relevant topics following up on the road map for discussion at the annual Nordic Electricity Market Forum.

TARGETS AND OBJECTIVES FOR THE ELECTRICITY MARKET

LONG-TERM OBJECTIVES FOR THE ELECTRICITY MARKET (2030)

1. All flexible assets from all producers, consumers and service providers can actively contribute to reliable, efficient and competitive functioning of the power system – which can support a move towards a cleaner Nordic and pan-European society.
2. Clear and efficient price signals for all system needs across all time frames and price areas, rewarding flexibility and system support where effective.
3. Welfare on a Nordic level is the guiding objective when preparing Nordic grid development plans and deciding on Nordic bidding zone structures.

4. Resource adequacy is ensured through market-based solutions. Price signals guide investments, reflecting the value of resources in scarcity periods, and internalize the risk of inadequacy.
5. Nordic countries are driving the EU discussion on cost-efficient and sustainable power market development, thereby influencing future EU legislation and promoting Nordic "frontrunner" position.
6. Political and broad stakeholder commitment and an established practise to coordinate positions, when possible, on selected areas to strengthen the "Nordic voice".

MEDIUM-TERM TARGETS FOR THE ELECTRICITY MARKET (2025)

1. Digitalisation is an efficient enabler in the Nordic region supporting the development of the electricity market and secure system operation.
2. A Nordic enhanced and transparent grid planning process to meet the recognized challenges.
3. Having a common understanding on fair distribution of costs when Nordic projects in the region are highly beneficial from a Nordic perspective, but less beneficial from a national perspective
4. A coordinated Nordic implementation of the Clean Energy Package (CEP).
5. Network companies have compatible and transparent grid planning and procurement processes for ancillary services, so that more innovative solutions can be proposed by stakeholders.
6. Network owners and operators are incentivised to use market-based flexibility services as an alternative to grid investments.
7. Asymmetries and gaps in terms and conditions in retail market design have been assessed and gaps are narrowed where feasible.
8. Relevant data exchange for markets actors is harmonized. Relevant requirements to participate in demand response market places are harmonized.
9. Actions have been taken and barriers removed to activate demand side in price formation
10. Aligned Nordic position on cyber security, e.g. on (industrial) internet of things, and the use of common standards for information management (with a primary focus on security of supply).
11. Develop a Nordic vision for sector coupling (electrification of heat, transport and industry)

12. Establish a joint Nordic position and lobbying to the agreed key elements relating to future Network Codes and the post-2030 power market development issues.

SHORT-TERM TARGETS FOR THE ELECTRICITY MARKET (2020)

1. Data Hub implementation projects on target according to national plans.
2. The Nordic electricity balancing markets are fully integrated according to the Nordic timeline and prepared to influence and join the European balancing markets.
3. Proposals formulated for further harmonisation of Nordic balancing model (inertia, local flexibility, further market-based procurement of ancillary services).
4. Strategy on communication with the EU from a common Nordic angle.

IMMEDIATE AND FURTHER ACTION POINTS

Immediate Actions 2019-2020

For EMG

- Coordinate CEP implementation regarding new/changed roles and responsibilities in power market and flexibility (EMG, TSOs, NRAs)
- Deliver inputs on cybersecurity to NordBer
- Discuss possibility of a Nordic vision for sector coupling (electrification of heat, transport and industry)

For NRAs

- Coordinate CEP implementation regarding new/changed roles and responsibilities in power market and flexibility (EMG, TSOs, NRAs)
- Coordinate sharing of best practices and experiences from pilot projects regarding TSO-DSO and DSO-DSO cooperation regarding flexibility
- Status report on remaining asymmetries and gaps in terms/conditions in retail markets and present views on gaps that should be narrowed

For TSOs

Implementation of market reforms

- Develop a procedure for early Nordic stakeholder involvement in the preparation phase of market development work and network code and guideline implementation led by the TSOs on Nordic issues
- Coordinate CEP implementation regarding new/changed roles and responsibilities in power market and flexibility (EMG, TSOs, NRAs)

Nordic Balancing model

- Identify next steps of Nordic balancing model and of further European harmonisation – follow up on solutions report.
- Initiate Nordic cooperation on active consumers in Nordic balancing model.
- Initiate a coordinated transparent market design process for procurement of flexibility and other system adequacy needs. Upgrade the existing market rules and procedures to ensure they are transparent, technology-neutral and enable efficient price signals.

Resource adequacy & grid planning

- Strengthen the Nordic grid planning process, by taking into account Nordic welfare
- Regional analysis on resource adequacy

DataHubs/retail market

- Establish a Nordic coordination group on Data Hubs, including all relevant stakeholders.

Further Actions 2021 →

- Coordination of possible measures to ensure resource adequacy
- Define the level of harmonization of demand response market places
- Analyse and report on needed changes to TSO/DSO-regulation to adapt to the future system/market/demand developments. Provide Nordic framework for enabling DSOs to procure market-based flexibility services.
- Enhance the use of the PCI-framework
- Increased transparency on (close to) real-time system operation and reporting on major incidents to the markets
- Define the compatibility needs in relation to digitalization, data management for flexibility markets and between the Nordic Data Hubs

- Regular assessment of flexibility needs and system adequacy according to common Nordic and European principles to provide visibility for the market participants.
- Further strengthening the cyber security cooperation (establish: Malware Information Sharing Platform (MISP), Internet of Things (IoT) security forum, IoT test lab; influence international standardisation)