



# Nordel's strategic agenda and action plans

Presentation to  
the Electricity Market Group of NCM  
10 October 2007

# Parallel approach to a European electricity market

**Further development of the regional market**



**Coordination between the regions**



**Integration at the European level**





# Nordel shares the EU vision

**Efficient European electricity market  
with high power system security**





# Nordel's mission

**Promote the establishment of a seamless Nordic electricity market as an integrated part of the North-West European electricity market**



**AND**

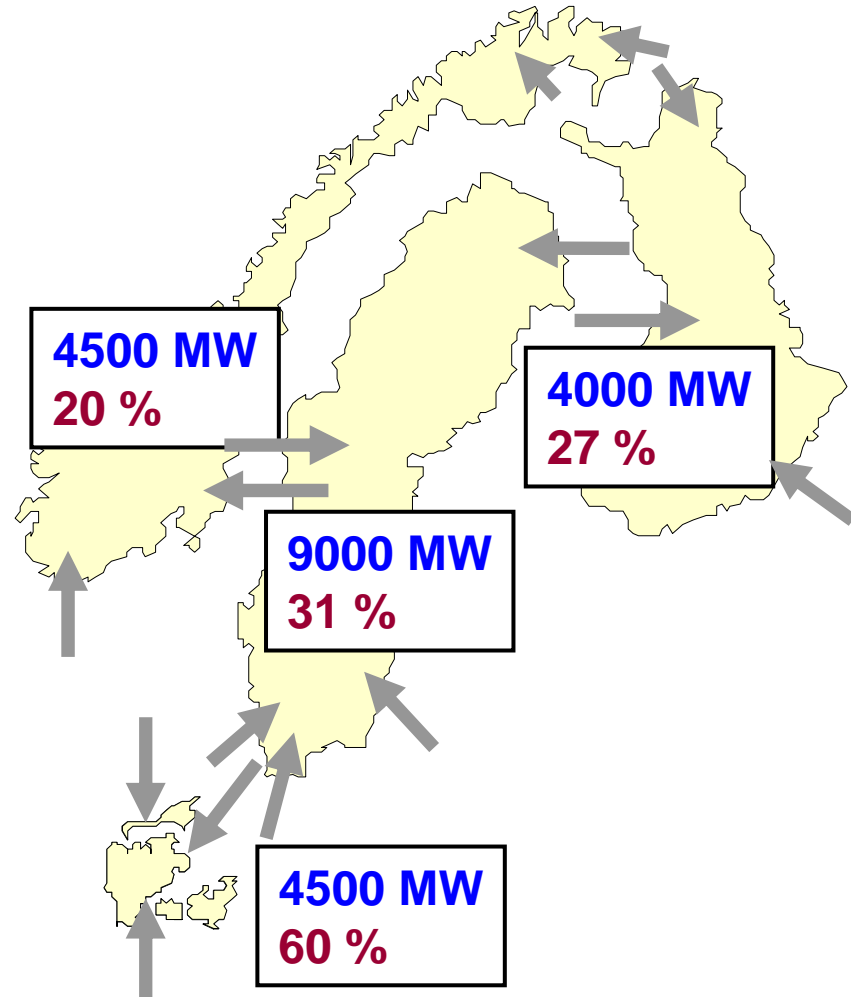
**Maintain high level of security in the Nordic power system**



# Cross-border capacities clearly exceed the EC recommendation

- European commission has recommended to aim at 10 % cross-border capacity compared to the national peak load.
- Common Nordic grid planning has positively contributed to the situation.

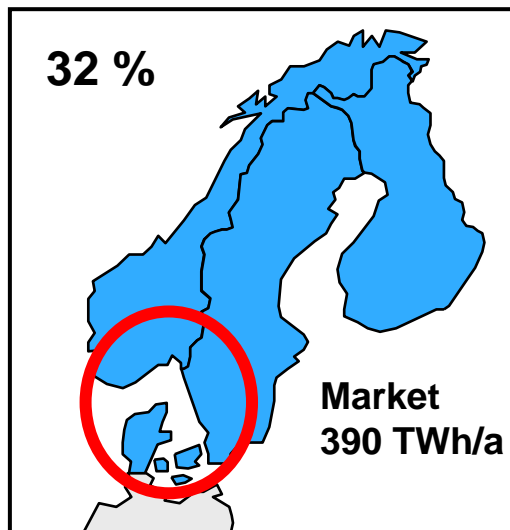
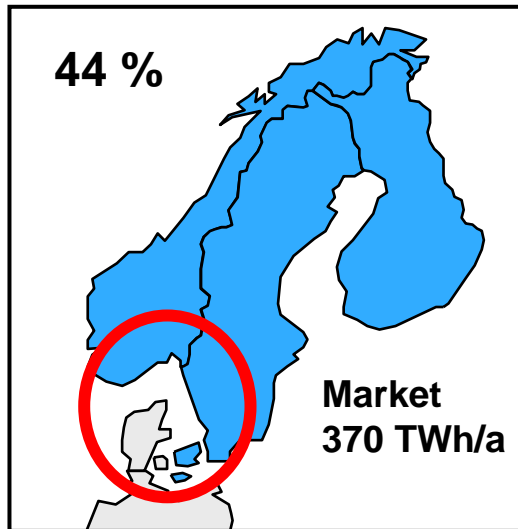
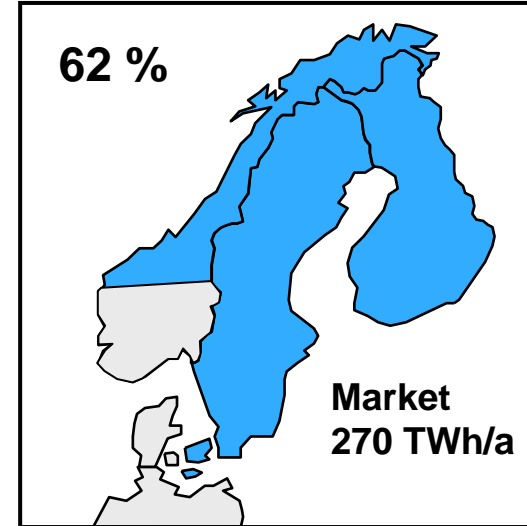
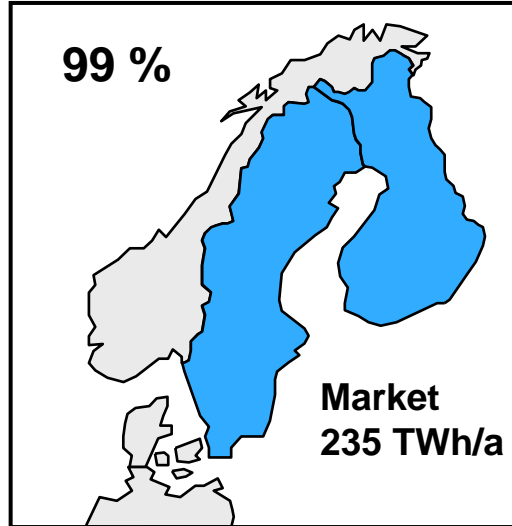
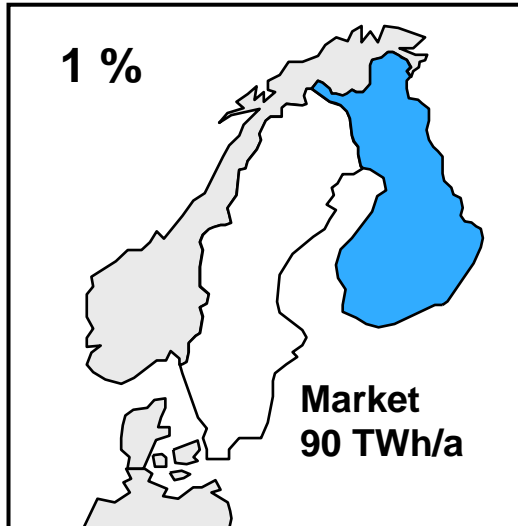
**Import capacity MW**  
**Import capacity/peak load**



# Nordic integration today

Same day-ahead price, percentage of hours during 1 January - 27 September 2007

Organisation for Nordic Transmission System Operators



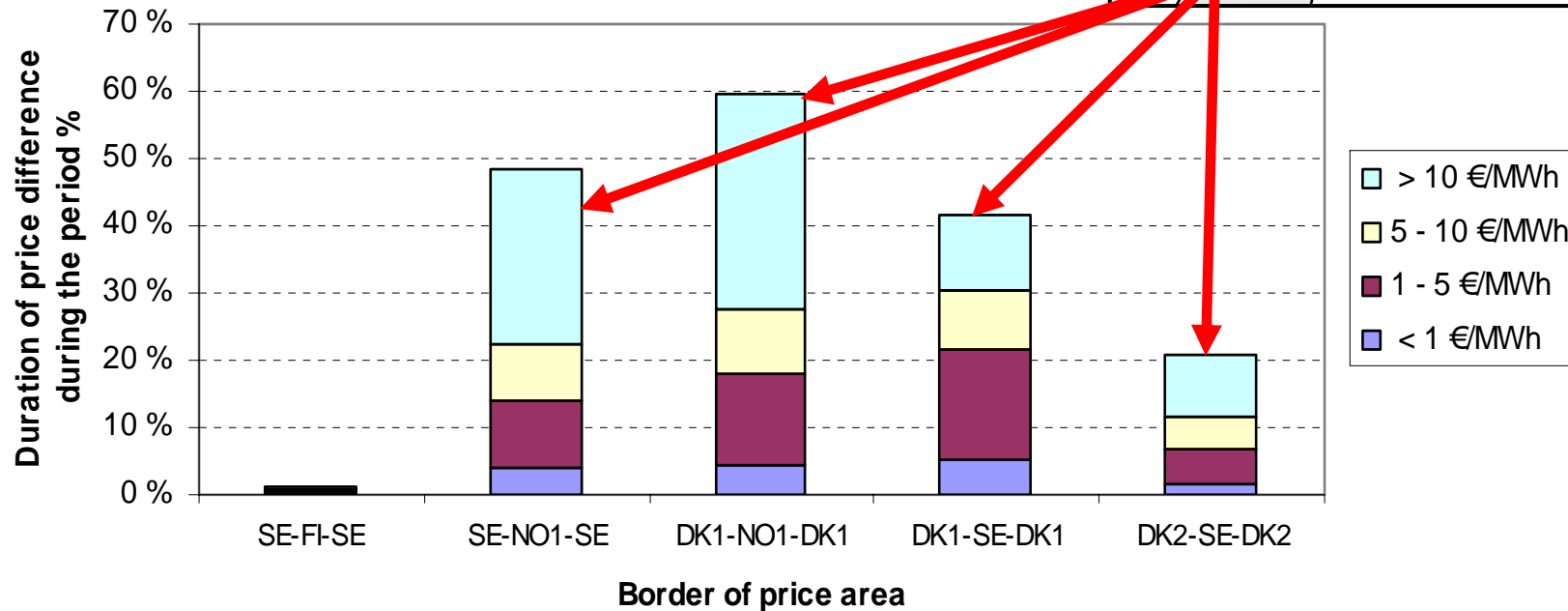
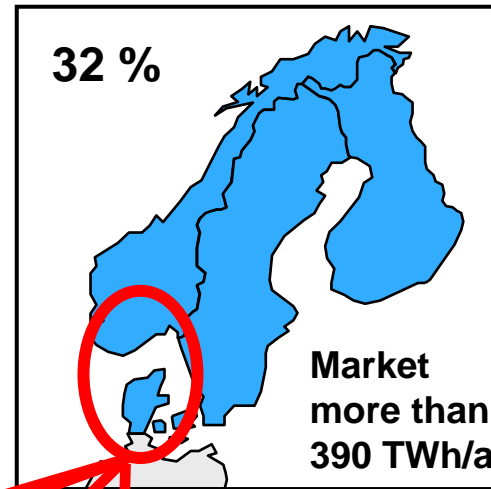
Congestions in the South



# Considerable price differences in South

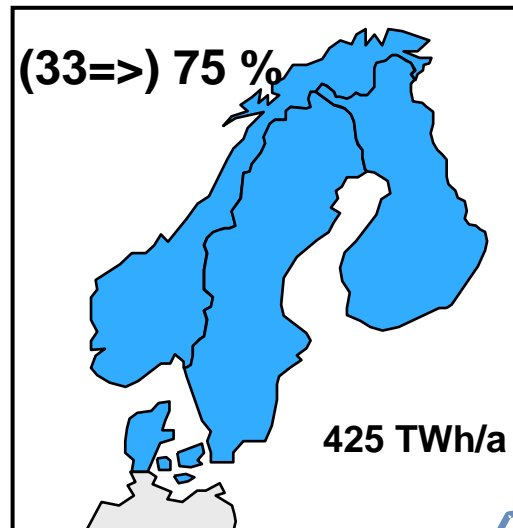
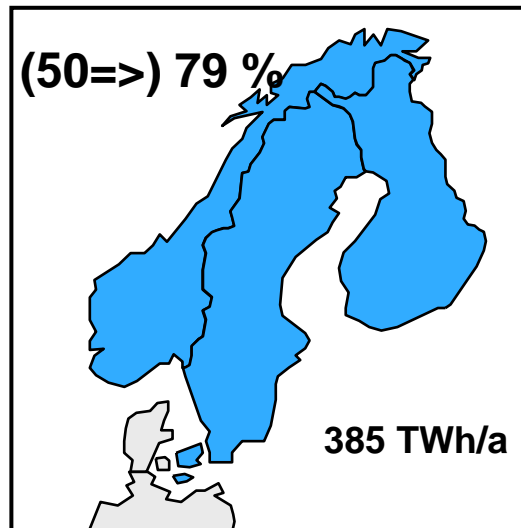
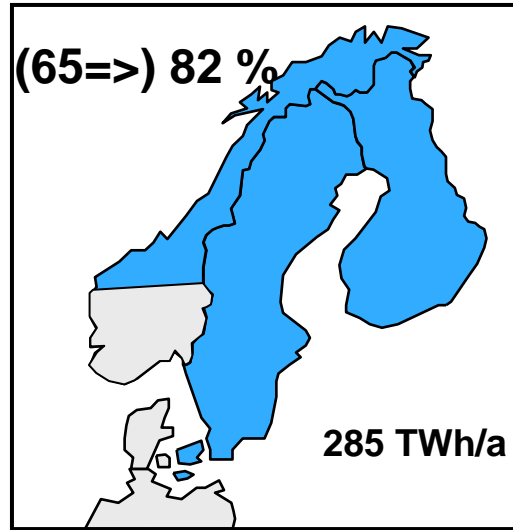
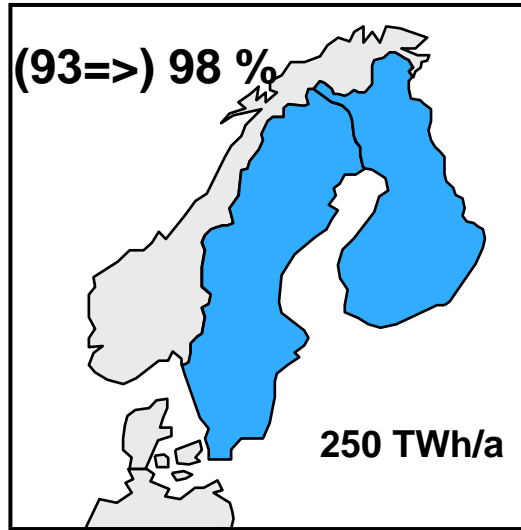
Organisation for Nordic Transmission System Operators

Nord Pool Spot  
1.1-27.9.2007

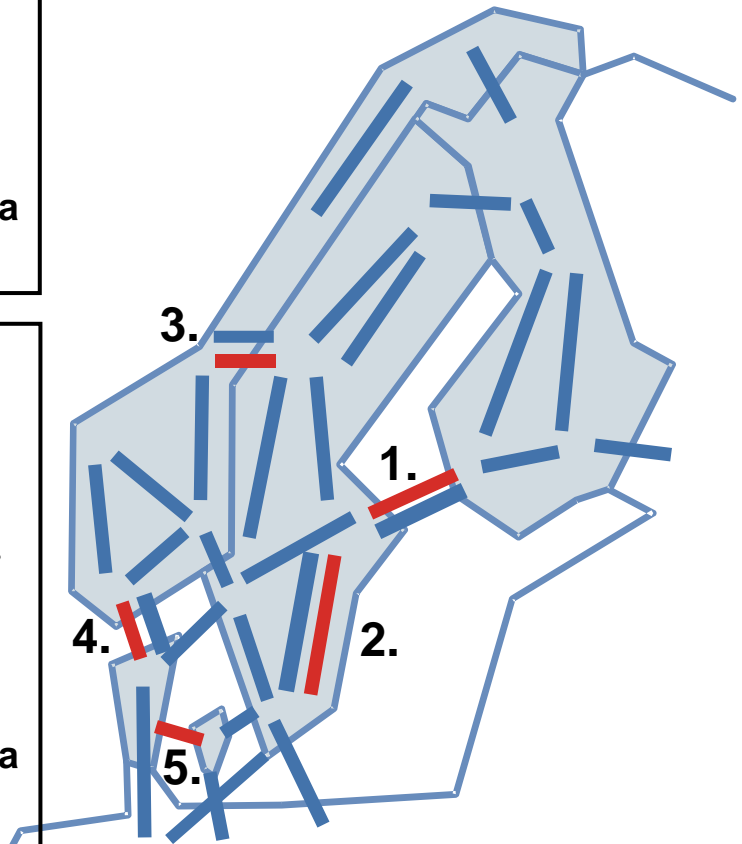


# ... but the common Nordic investments will help a lot !

Organisation for Nordic Transmission System Operators



Same day-ahead price, percentage of hours after five prioritized investments (1000 M€)





# Nordel's strategic agenda

- **More efficient functioning of the Nordic electricity market**
- **Further integration of the Nordic electricity market with other markets**
- **Strengthened and more efficient planning and operation processes within Nordel**
- **Strengthened co-operation with the TSOs in the neighbouring North European regions**



# Nordel's strategic agenda

1. Strengthening of the Nordic and multiregional planning processes and improvement of the investment management
2. Improved control of the daily operations and more efficient use of the operational reserves both on regional and multiregional level
3. Improvement of the Nordic market transparency as a forerunner in Europe in order to increase the credibility of the electricity markets
4. Further integration of the Nordic and European electricity markets
5. Nordic principles for congestion management during the transitional period and in the long term
6. Further harmonisation of the Nordic balance service



## 1.2 Development of the multiregional planning process

### Goal

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Establish a multiregional planning process with the adjacent regions and a coordinated Nordel approach in different initiatives. Input to the European Priority Interconnection process.

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### Activities

### Timetable

### Responsible

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Work plan and organisation

**PC**

- Eastern planning area (Baltics, Poland, Russia)

**Q4/2007**

**SvK, FG**

Memorandum of understanding with BALTSO and Poland

**Q4/2007**

**SvK, FG**

First multiregional plan with BALTSO and Poland

**Q2/2009**

**PC/SvK, FG**

Goals for common multiregional planning with the Central West European region

**Q4/2008**

**PC**

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# The Nordic market – a frontrunner in Europe

1991 - 2000

**A COMMON NORDIC WHOLESALE MARKET**



- Independent TSOs
- Open access to the grid
- Establishment of Nord Pool
- Implicit auction

1995 - 2005

**IMPROVED EFFICIENCY**

- Better utilisation of production and grid
- A competitive electricity market

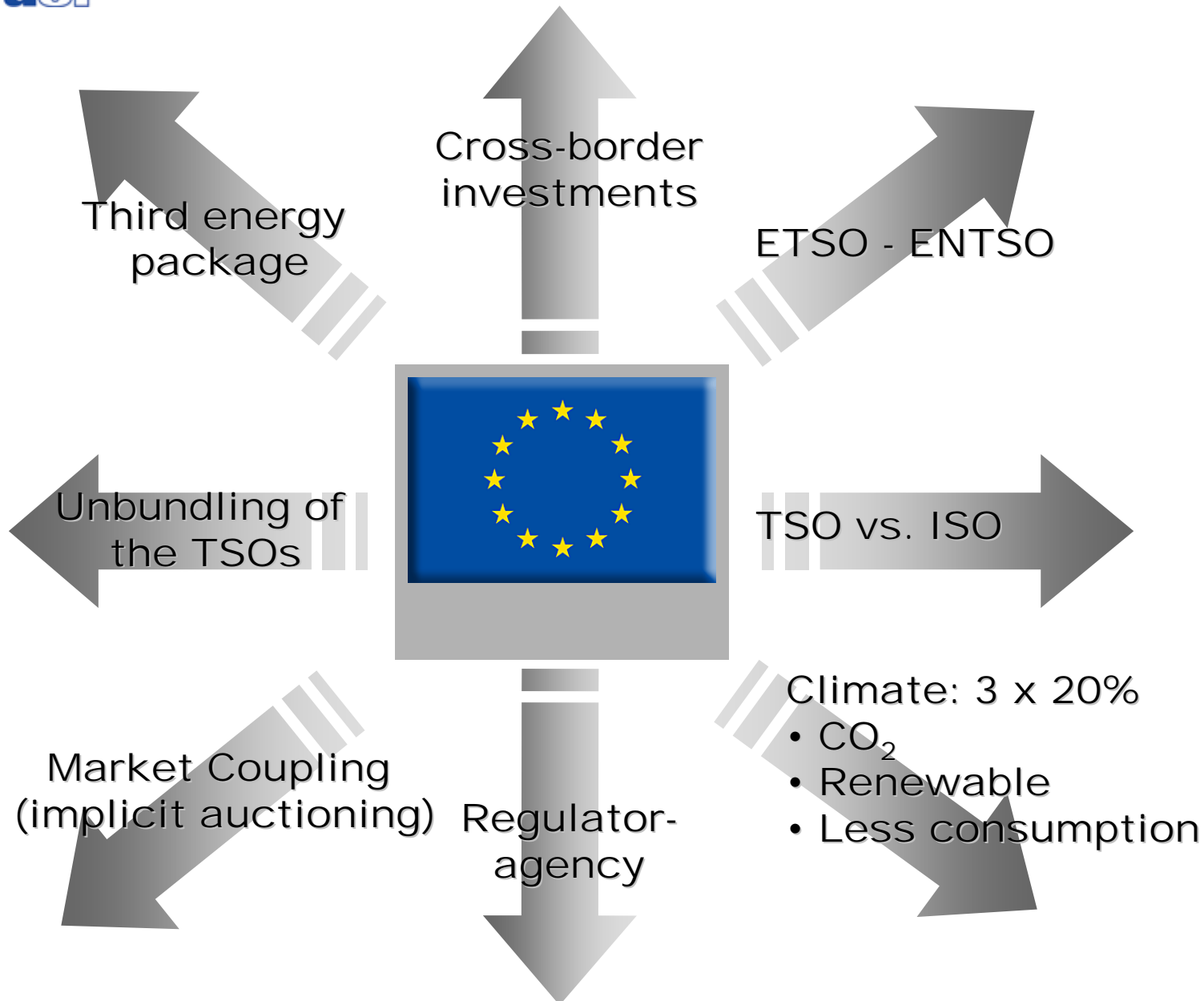
2005 - 2015

**SECURITY OF SUPPLY**

**SECURE COMPETITION**

- Substantial grid investments
- European market integration

# High ambitions in EU

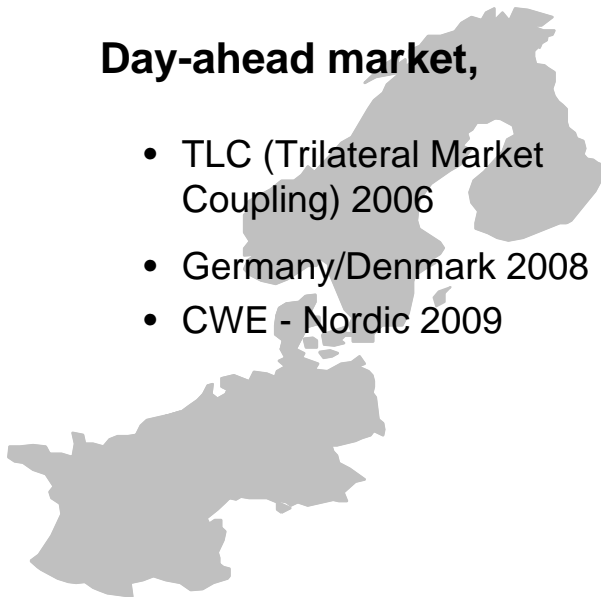


# Expansion of markets – new opportunities

**1500 TWh**

## Day-ahead market,

- TLC (Trilateral Market Coupling) 2006
- Germany/Denmark 2008
- CWE - Nordic 2009



**775 TWh**

## Intra-day market 2008



**390 TWh**

## Balancing market

- Nordic – The Netherlands 2009
- Continental Europe?





## EU wants a more powerful TSO body at European level

### European Network of Transmission System Operators (ENTSO)

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**Strengthen the TSO co-operation in a number of key areas**

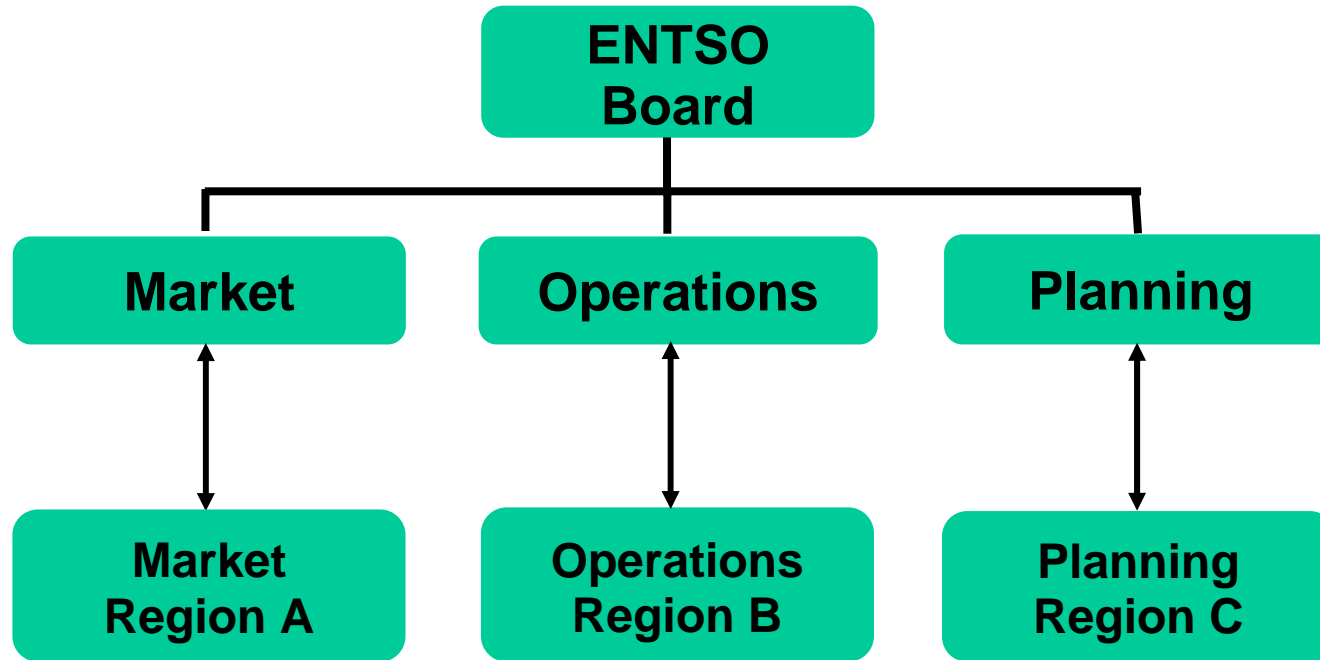
- ✓ 10 years network development plan for Europe
- ✓ European market design and market rules
- ✓ Operating rules and co-ordination of grid co-operation between regions

**ENTSO to develop and decide how the new organisation shall function**



# Regional co-operation within ENTSO

Organisation for Nordic Transmission System Operators

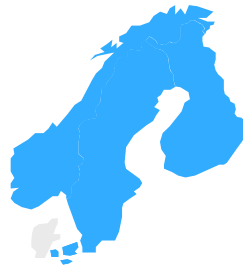


## Committees

- to agree on European approach and rules
- to ensure consistency between regions

## Regional co-operation

- in coordination with European principles
- otherwise rather independent activities
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# Nordic and European activities in 2008

- ✓ **Planning of investments**
  - ✓ Nordic Grid Plan
  - ✓ Multi regional plan with Baltso and Poland
  - ✓ Common multiregional planning process with the CWE region within ENTSO co-operation
- ✓ **Market design**
  - ✓ Market coupling in CWE within ENTSO co-operation
  - ✓ Price area Estlink established
  - ✓ Baltic Cable part of NPS volume
  - ✓ Nordic principles for congestion management during the transitional period and in the long term
  - ✓ Establish a Nordic intraday market (Elbas)
  - ✓ Harmonised principles for a Nordic balance settlement