



# QUARTERLY NEWSLETTER

## from Nord Pool Market Surveillance

Q4 2020

Welcome to the last newsletter covering 2020 from Nord Pool Market Surveillance. This edition looks back at the past year to give insight into some of the key matters that have kept the team occupied. Among other things, we cover the TSOs' platform NUCS and some 2020 surveillance statistics. In order not to repeat ourselves, we will simply refer to our earlier newsletters on [countertrading on DE-DK1 border](#) and [ad-hoc intraday auctions due to capacity release on the NO1>SE3 interconnector](#) as these topics have also been high on our agenda in 2020.

### NUCS – a second inside information platform for the Nordic market

In 2020 the four Nordic TSOs used their own inside information platform, NUCS, to publish urgent market messages, rather than Nord Pool's established REMIT UMM system. To collect all market messages in one place, Nord Pool decided to republish transmission asset messages from NUCS in the Nord Pool system. NUCS, on their side, decided to republish messages from the ENTSO-E Transparency Platform on interconnectors connected to the Nordic market, and thus, these messages also appeared in Nord Pool's system.

As a direct consequence, the republication of outage messages on transmission assets from the ENTSO-E Transparency Platform revealed different publication practices between Nordic and Continental TSOs. Market Surveillance and various market participants in the Nordic market alike, have been wondering about messages, published originally on the ENTSO-E Transparency Platform, containing negative available transmission capacity, frequent message updates without any change of the content, and messages showing low available capacity when full capacity turned out to be available after all – to mention only a few problematic examples.

Our members using the Nord Pool REMIT UMM system soon started contacting us regarding the quality of these messages. Nord Pool's dilemma was whether to stop republishing these messages to maintain the high quality of our own proven and trusted system – thereby losing potentially important messages – or to work to increase the message quality on other platforms as well. In close dialogue with our customers, the latter approach was decided on.

The responsibility of working with the relevant stakeholders to increase message quality was given to Market Surveillance. We have put significant efforts into the issue and have succeeded in raising awareness among all relevant stakeholders, and publishing quality has somewhat improved. There is, however, still significant work to be done.

Thanks to all those who have sent us emails, making us aware of these confusing messages. Please carry on alerting us as we continue to follow up this topic with the relevant stakeholders.

## Market Surveillance statistics

The core task of Market Surveillance is to monitor trading activity on our platform. With reference to our [first newsletter](#), covering the case handling process, we would like to share some statistics from 2020.

2020 has been a busy year. Year-on-year, we saw a sharp increase in registered cases. We register an event as a case when we:

- receive a tip-off
- ask questions to a market participant
- make an in-depth assessment on whether to notify the regulator

In 2020 we had 94 cases, an increase from 60 last year. Many of these stemmed from tip-offs received from market participants. In 52 cases we contacted the relevant market participant to better understand the event and to create awareness that a certain type of behaviour might be problematic. We will continue to ask questions to market participants in 2021, as we see this as a very helpful way to discover so-called false positives, trading that from our view may look like market manipulation but is not. There are two main reasons for the increased number of cases. One is the republishing of market messages from NUCS and the Transparency Platform, and the other is that we are expanding in central western Europe. We see this as a natural consequence of our growth as a power exchange.

## Threshold for Inside Information project

This year ACER updated their Guidance on REMIT with a reference to appropriately tested thresholds, “qualitative and quantitative (econometrical) analysis to test the likelihood of a significant price effect”, to identify inside information. Together with the REMIT Discussion Group (the group behind the [REMIT Best Practice](#) report) Nord Pool has initiated a project to investigate whether we can use analysis in order to agree on a common threshold for publication of inside information, focusing on the Nordic areas. If successful, a threshold should reduce the risks associated with handling inside information. The goal is to create a report representing the view of the members of the

REMIT Discussion Group. This will be made public and other market participants who share the view of the Group may choose to implement the suggested threshold into their routines.

## Spreading the word – teaching others about regulation

Market Surveillance cooperates closely with [Nord Pool Academy](#), which offers a range of courses and educational services designed to improve skills and understanding about the power market. Many of you are probably familiar with the [Physical and Financial Power Market course](#) which is held several times a year, aimed at people new to the electricity sector. In 2020, we created the [Nord Pool Certified Compliance Course](#) which dives into the details of physical electricity market regulations and the compliance services Nord Pool offers. It combines live webinars with an interactive online course, to give participants detailed knowledge of REMIT and transparency regulation.

We also published two YouTube videos ([video #1](#), [video #2](#)) explaining the concept of capacity hoarding, to create awareness and discussion on the topic. In addition, we participated in a project with the Georgian power exchange, GENEX, to assist them in creating solid market monitoring arrangements.

## Would you like to be notified when a new Market Surveillance newsletter is published?

You can set up an RSS-feed on [this page](#), or send us an email so that we can share an Outlook RSS-feed. When added to your Outlook you will receive an email in the dedicated folder when a new newsletter is published.

### HOW TO CONTACT MARKET SURVEILLANCE

We hope that you have enjoyed reading our latest quarterly newsletter. Please let us know if you have any comments on the subjects covered here, or if there are any issues you would like us to examine in future editions: [market.surveillance@nordpoolgroup.com](mailto:market.surveillance@nordpoolgroup.com)

**ABOUT NORD POOL** Nord Pool, Europe's leading power market, delivers efficient, simple and secure trading across Europe. The company offers day-ahead and intraday trading, clearing and settlement to customers regardless of size or location. Today 360 companies from 20 countries trade on Nord Pool's markets in the Nordic and Baltic regions, Germany, France, The Netherlands, Belgium, Austria and the UK. Nord Pool is a Nominated Electricity Market Operator (NEMO) in 15 European countries, while also servicing power markets in Croatia and Bulgaria. In 2020 Nord Pool had a total turnover of 995 TWh traded power.