

Minutes from Nord Pool's Customer Advisory Board meeting

8th October 2020 – Nord Pool AS, Lilleakerveien 2A, 0283 Oslo, Norway

12/20 Opening and introductions of new CAB members and visitors

Marianne W Jenssen welcomed everyone to the meeting.
Ellen Charlotte Stavseth Paaske replaced Per-Eilert Vierli from Hydro
Petri Evasoja replaced Sebastian Sundberg from Fortum

13/20 News from Nord Pool Data Services – enhancing value to customers

New offerings pertaining to data services were introduced to CAB by the data product manager Nicholas Sharaf. Various changes to the existing products and new taxonomy of products and services were briefly presented. Feedback was given in the meeting. It was emphasised that the goal was to improve the overall experience of service with introduction of customisation and advanced filtering options for customers. Feedback on implementation processes and timelines was received. The intention was to keep the transition as smooth as possible while maintaining unique Nord Pool's transparency policy intact.

14/20 Updates from Nord Pool – info and discussions

Market Design - Hans Randen

Continuing discussion from the previous CAB session in the month of May 2020, on the Nordic flow-based implementation, it was informed to CAB that there this project is delayed due to issues faced by TSOs. Nord Pool is an active member in the FB implementation project and will forward CAB's concerns with TSOs/RSCs towards a transparent FB implementation in the Nordics. Vattenfall identified Nord Pool's mature understanding of the concerns and appreciated its proactive approach in voicing customers voice in the relevant forums.

Nord Pool highlighted some concerns with respect to the new flow-based mechanism. To mention a few, the issue with capacity allocation to intraday and intraday auctions after day-ahead was still unclear. Due to inadequate data for simulation, various important discussions pertaining where being delayed and did not give a clear picture for future. The transparency and identification of core KPIs was still highlighted as a key concern from CAB. A feedback response from the Nordic NRAs on FB implementation is expected on October 17th, 2020. External parallel runs were scheduled to start from April 2021 using the simulation facility in the Nordics. The switch from intuitive to plain calculation method in CWE and a go live of ALEGro cable was scheduled on 3rd of November 2020. Later it was informed that Core FB implementation was delayed because of the prioritisation of interim coupling and is expected to be delivered by Q1 2022.

Nordic TSOs are getting ready to implement 15min ISP by 2023. NRAs across EU have asked for a stepwise implementation based on local readiness. With the launch of 15min MTU in Belgium and Netherlands along with 30 min MTU in France by the end of December 2020, CAB was informed that cross border matching in ID among areas with same granularity was supported. It was also made clear that the hourly intraday prices will still be published to support customers using hourly prices for their businesses.

Updates on SDAM were conveyed to the CAB, Polish MNA is set for go live in Q1 2021. Information on implementation of new interconnectors ALEGro (BE- DE), Nord-Link (NO-DE) and IFA2 (GB-FR) was given. As mentioned above, 4MMC/MRC coupling (ICP) was prioritised before Core FB implementation based on EC's decision.

A brief update on the EC funded OneNet Project was given by Hans Randen. Nord Pool is the only PX partner chosen for the project.

Nord Pool Business Update

Total Day Ahead YTD 2020: 703 TWh (2019: 680 TWh). Total Intraday YTD 2020 19,8 TWh (2018: 9,2 TWh).

Updates on new launches: Polish Intraday in August, Intraday full back up solution in May, flagging of self-trades, new collateral model was shared with CAB.

It was with great pleasure Marianne informed and congratulated all Nordic customers on the 20th Anniversary of Full Nordic market coupling for their continued support and association.

It was informed to the CAB that Nord Pool was still evaluating the opportunity to launch power derivatives for the Nordic and German markets. It was also an open invitation to companies to discuss this topic with Nord Pool based on their needs and suggestions.

Operational Update

Anstein Eie shared impressive results from the recently launched new collateral model which was designed to be more responsive to the price movements, leading to an average of 42% reduction in collateral requirements.

Details on SDAC decoupling test with all parties on 30th September 2020 was shared with CAB. Feedback from CAB was to identify the right reasons for the delay in shadow auction process as well as what will be done if this happens in production. Further input from CAB was that it is of essence that the time to fix challenges in the coupling process is too short for everyone involved. The timeline should be extended so that decoupling is prevented, and this should be done even if it means delayed start of Intraday trading on the day in question. This is in rear occasions only and must be a priority to change for all stakeholders.

Last hour intraday trading pilot in Finland has been extended until 31st March 2021 to account for the winter season. It was informed to CAB that no negative feedback was received from local TSO and so far, 34,8 GWh of electricity has been traded.

Product and Service Roadmap

High level roadmap for day-ahead and intraday was presented to the CAB, giving details about various product and service launches with operational upgrades. Implicit auctions between GB and NO2 on NSL is designed for post Brexit. Since Nordic DA migration to the new platform will be a complex task, it is set for launch by 2022 so that the transition to the market will be as smooth as possible. It was also mentioned that Nord Pool recognises EDIEL's importance and is committed to support our Nordic customers with the continued support in the new auction platform. Further, it was recommended to customers to transition to API going forward for more efficiency and robustness. However, it was made clear that a UI would still be available. Nord Pool assumes it will mostly be used as back up or for monitoring purposes.

Compliance Services

CAB was again reminded about ACER's new requirement of publishing inside information via an inside information platform (IIP) from 1st of January 2021 and was made clear that Nord Pool's UMM platform will be compliant with ACER guidance for REMIT quality requirements as IIP. It is further informed to CAB that Nord Pool has published a position paper on ACER's decision on REMIT fees from 1st of January 2021.

BREXIT Update

As per a recent EC Commission's communication, it was stated that UK would not be a part of IEM irrespective of future partnership between EU and UK. However, negotiations were underway and were expected to conclude mid oct which seemed unlikely. It was informed to CAB that Nord Pool was actively taking part in facilitating discussions between BEIS and Ofgem. Further, Nord Pool has been engaging with customers and stakeholders simultaneously for a continuing business unhindered. While Nord Pool is working for SOB in all markets and geographies, a message has gone out to our customers to prepare for a split orderbook in the UK from January 1st, as this is a likely scenario.

Lobbying Progress

Nord Pool welcomed position paper from EU NRAs and NVE on a joint proposal for publication of anonymised aggregated bid/offer curves on 17th June. It was assured to CAB that Nord Pool would make sure to bring this service to the market as soon as possible. CAB appreciated Nord Pool's proactiveness and its commitment towards market transparency and requested Nord Pool to give enough lead time for market participants to adapt in case of new format.

Nord Pool also conveyed its gratitude to the market participants for extending its support for amending definition of power exchanges in the German EEG law which identified all NEMOs equally operating in the German market.

15/20 Discussion on service and customer engagement during COVID times please prepare to give relevant feedback

Nord Pool appreciated CAB for its continuing support towards maintaining the connection between Nord Pool and its customers amidst a world pandemic crisis. It was made very clear about Nord Pool's priority being robust operations and keeping work flows simple, efficient and secure for its customers. CAB appreciated Nord Pool's proactiveness for continuing to maintain engagement with customers and expects it to continue this arrangement for the future. Nord Pool also expressed its intent to being open for customers to meet its management.

The following dates are decided for meetings

- **Thursday 28th January 2021**
- **Thursday 27th May 2021**
- **Thursday 21st October 2021**

The following were present in the meeting

Jan Harald Sæth - Kinect, Håkon Egeland, Statkraft Energi AS, Thomas B. Houlind – Energi Danmark, Torbjørn Haugen – Markedskraft, Trond Strøm, E-CO Energi, representing NAET, Petri Evasoja replaced Sebastian Sundberg - Fortum, Eero Siirendi - Eesti Energia, Stefan Forsgren – Skellefteå Kraft AB, Johan Hagsten - Vattenfall, Frank Rasmussen– Ørsted, Ellen Charlotte Stavseth Passke replaced Per-Eilert Vierli – Hydro, Pekka Tynkkynen- UPM Energy Oy, Diana Kazakevič – Ignitis Lithuania, Jean Baptiste de Gabory – Uniper.

Nord Pool :- Kari Ekelund Thørud, Marianne W Jenssen, Hans Randen, Emma McKiernan, Anstein Eie, Nicholas Sharaf, Jwalith Desu

Minutes: - Jwalith Desu/ Marianne W Jenssen