

Single price & Single balance – Price Components and fees

Meeting with eSett Customer Committee

24.11.20

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Introduction

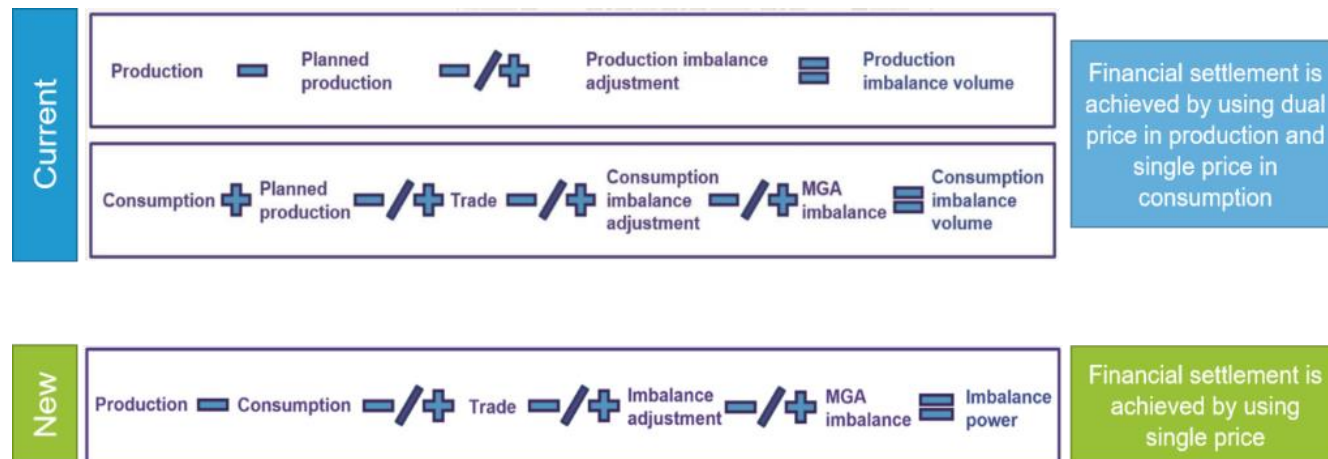
- The common Nordic Design Document gives an overview of the proposed common imbalance settlement model with associated design to be implemented in the Nordics on 1.11.2021
- The proposed model is in line with the Methodology for Harmonisation of Imbalance Settlement (ISH) and the EB Regulation
- The proposed model goes beyond the legal requirements, which are neither valid in Norway – supported by an over 10 year old history of voluntary harmonisation in the Nordics due to a highly integrated balancing model
- The document provides a common overview of the key elements proposed and is intended as a supportive document in the associated national processes to implement the new model
- The common design document was published on the NBM homepage on 9 October and feedback from stakeholders has been asked for by 20 November 2020

Overview of the proposed common Nordic market design for Single Price Single Position (one imbalance)

- Calculation of imbalances and imbalance price
- BRP fee structure
- Mitigation measures for self-balancing
 - Expectance on behaviour by balance responsible parties
 - Planning in balance
 - Follow production plans
 - Level of imbalance fee

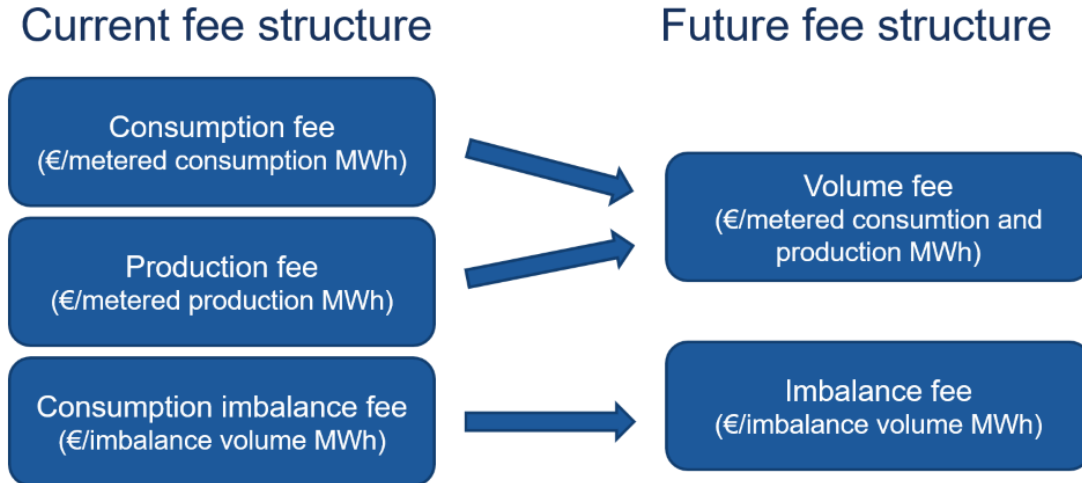
Calculation of imbalance and imbalance price

- The new model will be based on a single price and one imbalance calculation, with a single position based on trade schedules
- Imbalance price equal to the mFRR price of the dominating direction (calculated based on activated mFRR in the uncongested area) in **all** ISPs, as is the case for the current imbalance price for consumption
- Use of the incentivising component to achieve consistency with mFRR pricing in all ISPs – the final imbalance price in ISPs without activation thereby being equal to the day-ahead price



BRP fee structure and fee level

- Nordic TSOs propose the following changes to the common fee structure*:

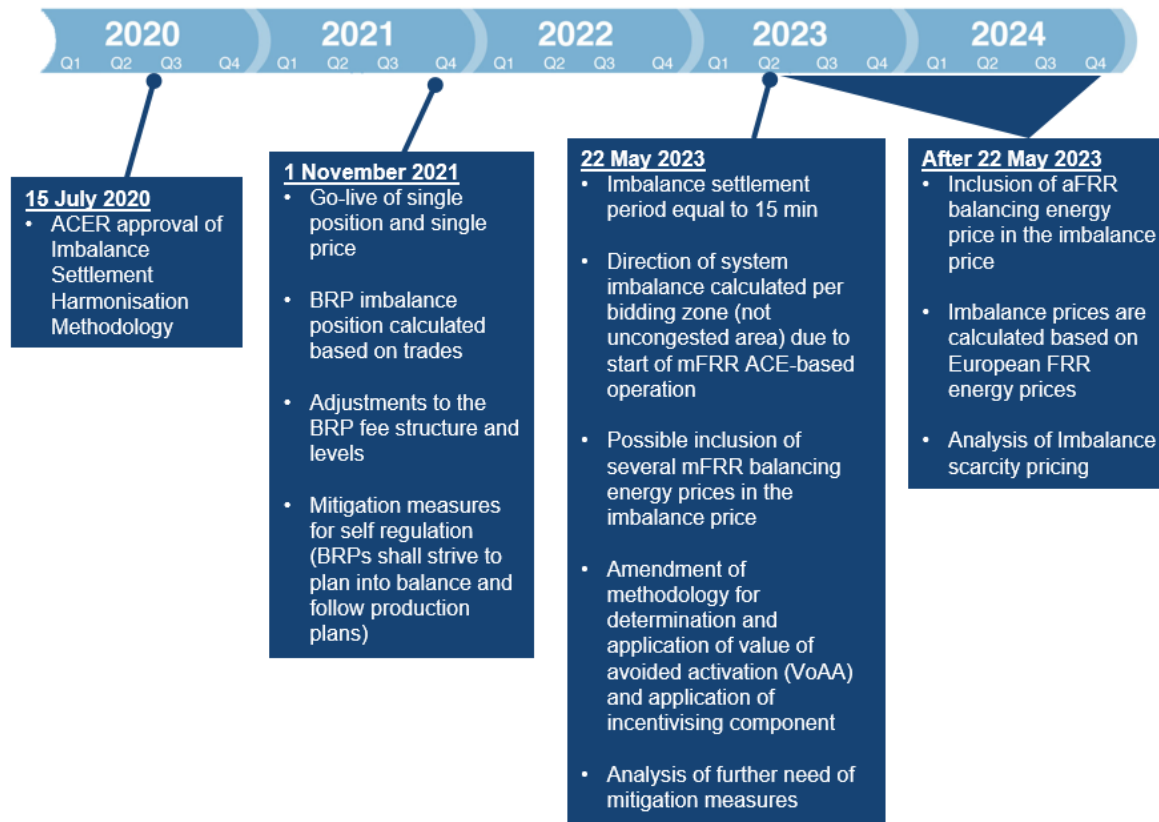


- Level of imbalance fee to give incentives, including possibility to harmonise, to be investigated further with aim to deliver a conclusion in early Q1-2021

Expectance on BRP behaviour

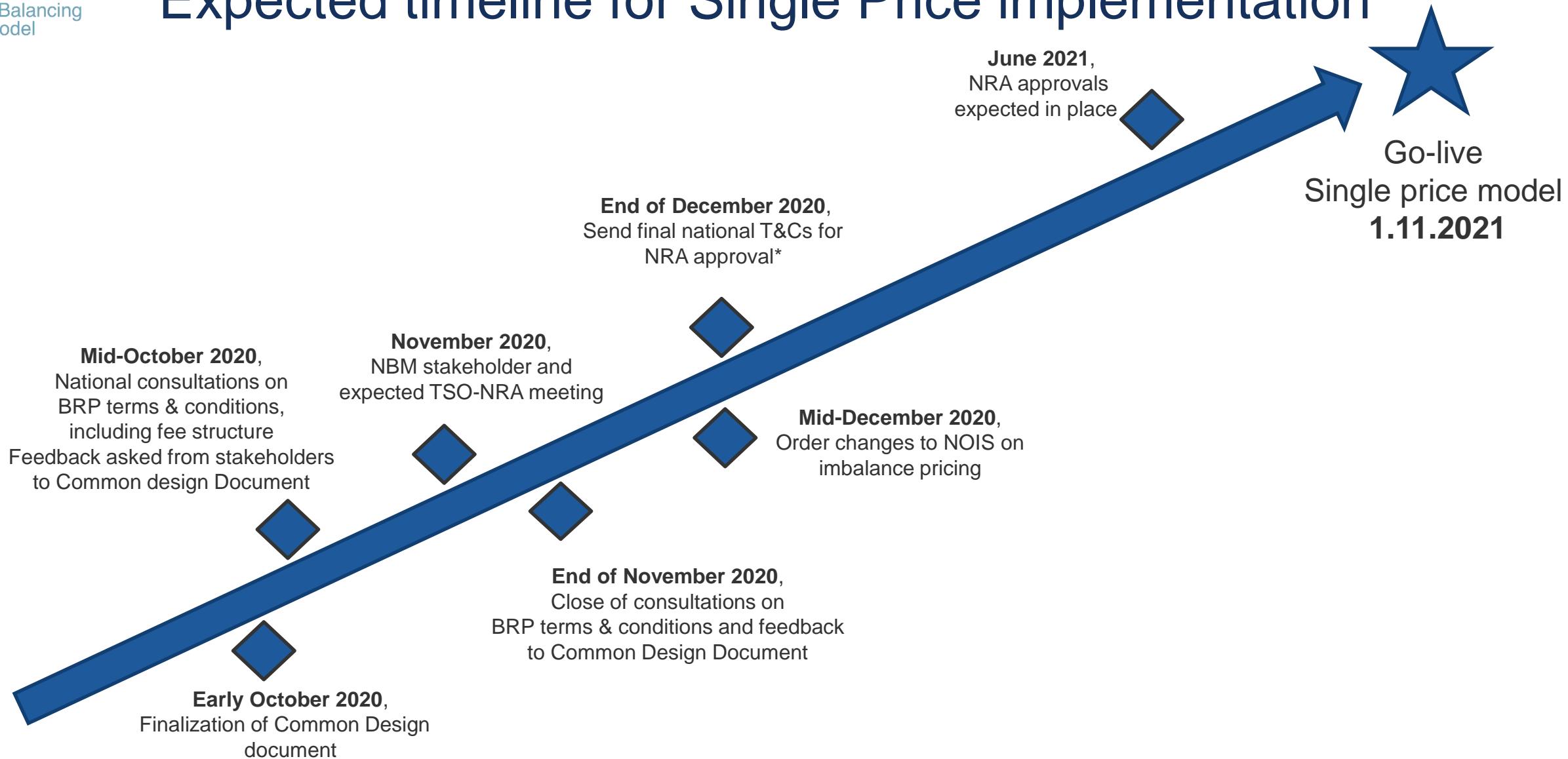
- The two following requirements on BRP behaviour will be proposed
 - Plan in balance
 - Follow production plan
- This is to a large extent a continuation of current practices
- The current way of balancing in the Nordics with a proactive use of mFRR requires a certain expectance on behaviour and a division of roles between TSOs and BRPs
 - Uncoordinated actions in the same timeframe is not supportive of system security (on the contrary) and efficient operation

Timeline – the Single Price implementation only represents an intermediate step on a longer journey



- The more fundamental changes are yet to come – starting with the introduction of 15 min and ACE-based balancing of mFRR*
- The Nordic TSOs therefore propose to avoid changes now which are not robust for the longer term

Expected timeline for Single Price implementation



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Thank you!

