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Determination of LFC block(s) in the Nordic synchronous area

Nordenergi, the umbrella association of the Nordic electricity industry associations, has followed the current discussion among the Nordic TSOs concerning the Nordic balancing concept and is concerned about the future cooperation. We expect that strong Nordic cooperation, that has served as model for Europe, continues.

Nordenergi calls the Nordic TSOs to develop solutions in cooperation, together with stakeholders, for a beneficial development of the Nordic electricity market. Nordenergi emphasizes the importance of stakeholder participation in all stages, to ensure an open process in developing a regulation fit for purpose.

The Nordic TSOs have launched two consultations with respect to Load-frequency control structures for the determination of LFC block(s) in the Nordic synchronous area. Nordenergi underlines that the development and integration of the Nordic markets needs to continue:

- The solutions and structures must support market integration for a common Nordic market, and for an efficient use of resources.

- The development needs to continue and include stakeholders from an early phase.

We consider having the synchronous area as one block fosters cooperation and the efficient functioning of the balancing markets. However, to address deteriorating frequency quality, improve price signals etc, we find the division of a Nordic LFC block into several LFC areas as suggested by a majority of the Nordic TSOs as a good basis for further development.

It is Nordenergi's understanding that the current proposal derives from the memo The Nordic Balancing Concept (NBC), published in June 2017. In this we see positive elements, but the NBC also leaves some crucial issues unclear and these need to be settled in discussion with stakeholders.

Nordenergi finds that developing the Nordic balancing concept is important and that stakeholders need to be included into the process. Hence, Nordenergi expects the Nordic TSOs to invite all relevant stakeholders in a process for further developing a Nordic balancing concept for the future. We understand that during the spring 2018 the balancing concept needs to be further elaborated for having it ready for delivery in September 2018.

Naturally, Nordenergi is also always available for bilateral discussions with the TSOs with respect to balancing market development and other market development themes.

Yours Sincerely,
Lars Aagaard

on behalf of Nordenergi