

Nordic Energy Cooperation – Taking the next steps

The Nordic Energy Associations (Nordenergi) finds closer cooperation at Nordic level a precondition for moving towards a cleaner, cheaper and even more reliable energy supply in the Nordic countries.

Against this backdrop, we warmly welcome the commitment of Nordic Energy Ministers to cooperate more closely, as announced at the Nordic Ministerial meeting on the 23rd of November¹ and confirmed in the “*Nordic Program for Cooperation on Energy Policy 2018-2021*”, published on the 11th of December².

A strong Nordic energy cooperation could be centered around the Nordic Energy Forum proposed by Jorma Ollila and the Nordic Energy Ministers. For this to function, the forum shall have a robust structural set-up, with the participation of a broad range of actors relevant to the energy sector.

The Nordic Energy Associations are ready to stand side by side with the Nordic Council in improving Nordic cooperation and making the Nordic Energy Forum a reality. ***With deeper cooperation Nordic countries can integrate new solutions into the system quickly and provide an excellent possibility for Nordic companies to showcase their expertise.***

Based on Jorma Ollila’s report, e.g. energy efficiency, including in buildings, district heating, and research could be dealt with in the first Forum. However, we suggest that the emphasis at least for the beginning could be electricity market. Also, a limited number of other issues could be dealt with in a concrete manner. One example could be EU level requirements on transportation (EPBD and EED) – policy measures on a higher level, as well as more concrete monitoring and reporting of achievements.

The Nordic Energy Forum could be based on the following three objectives.

- Prepare and facilitate dialogue between the national authorities, electricity industry, transmission system operators (TSOs) and other stakeholders.
- Monitor the progress and achieved results in improving the Nordic electricity market
- Increase visibility of Nordic ideas and development within the EU

Objective

The Nordic, as well as the European, energy market - especially the electricity market - face large transitional pressure. To work as efficiently as possible, this requires coordination between the national authorities, stakeholders and transmission system operators (TSOs). Currently the Nordic market lacks a focal point around which to gather and deliberate on important issues. The Nordic Energy Forum will fill this void, facilitating direct discussions between regulators, representatives from the ministries, TSOs and different stakeholders.

We also believe, that the Forum could increase visibility of Nordic ideas within the EU, such as the "Pentalateral Forum" has done for the CWE region. The Forum will identify relevant themes for deeper preparatory work, and hence help the Nordic region to have an even stronger voice in the EU.

Organisation

The Forum should preferably consist of different sessions, which should be chaired by the Nordic Regulatory authorities (NRAs). A working group including members from the Nordic TSOs, NRAs and market parties could

¹ <http://www.norden.org/en/news-and-events/news/nordic-ministers-to-co-operate-more-closely-on-energy-at-european-level>

² <http://www.norden.org/en/nordic-council/cases-and-documents/b-320-vaekst>

draft the agenda for the sessions. In addition, participating organisations could propose items for discussion and prepare and present them in the Forum.

Nordenergi looks forward in contributing the Forum and the following work in Working Groups by presenting proposals on issues, where we find it beneficial and possible to have a stronger Nordic stand, and by providing expertise in the Working Groups

All relevant stakeholders, including consumers, should be invited to participate at the forum. Representatives from the Commission, Baltic countries and CWE area should be invited observers in order to promote coherence in energy policy.

The Forum would initiate regional discussion and development of the electricity market including topics like:

- How to ensure flexibility and power adequacy?
- How to make the market fit for renewables?
- How to place the consumer in the focus?

The Forum could also identify issues and suggest solutions to be passed up to the Nordic Council.

Suggestion for relevant topics

Common Nordic system operation/planning – TSO co-operation

- Grid planning/Transmission investments
- Regional (generation) adequacy
- Capacity calculation and congestion management
- Tariffs

Market Design

- Development of system services
- Balancing Markets
- Short term Markets
- Financial Markets
- Flexibility
- The role of the DSOs

Energy policy/governance

- Nordic security of supply
- Nordic RSC and further development
- Nordic delimitation of bidding zones
- Common infrastructure for electric transportation

The first year we believe that the following areas should be prioritized:

- Common goals of harmonization of electric transport infrastructure
- Improvement of short term markets
- Further development of Balancing and flexibility markets
- Development of system services