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Andrea Stengel (andrea.stengel@nordicenergy.org)

Elina Sjölander (elina.sjolinder@nordicenergy.org)

Policies and actions to reach the desired electrified future

Nordenergi emphasized the importance of Nordic cooperation and welcomes the possibility to give feedback already before the 2022 Forum. We finalized in the Spring 2021 a [study on opportunities and barriers to electrification in the Nordic region](#), which underlines the importance to promote electrification with joint actions.

We see Increased need for dialogue and co-operation on a Nordic level, facilitated by NEMF.

A common Nordic strategy is needed, which aims to secure the system against risks from extreme weather, physical failures, cyberattacks and other risks.

We call for markets that promote an efficient use of both production and consumption, and which benefits the whole society. A holistic view of the energy system and the uptake of smart management that simplify the use of flexibility should be a key focus of policy.

What are the no-regret actions/recommendations for electrification from your perspective?

Joint Nordic energy transition planning: Joint planning to ensure alignment between countries to coordinate power supply, grid and flexibility development to meet the rise in power demand from an electrification-driven energy transition with clean energy.

Identifying unique Nordic strongpoints: Low carbon firm capacity from hydropower and nuclear, coupled with cost competitive onshore wind and rising scope for offshore wind can facilitate the creation of power to x hubs and continued expansion of energy intensive industry.

Facilitating the carbon neutral customer: Customers should be rewarded for choosing electric over fossil fueled solutions, and for adapting consumption to support the power system. Creating a cost efficient transition to carbon neutral electricity with a holistic view of the energy system and the uptake of smart management that simplify the use of flexibility should be a key focus of policy.

What needs to be done on the Nordic level, and what needs to be done on the national level impacting the Nordic level?

At Nordic level:

- Joint Nordic strategy to promote electrification of transport in combination with hydrogen use in heavy, long haul road transport, aviation and maritime transport
- Joint Nordic strategy for a Hydrogen infrastructure with focus on an emerging hydrogen market
- Common rules for flexibility markets

- Nordic TSOs have harmonized terms for the participation of aggregated resources. Real-time data is readily available regarding balancing, most important the balancing price, and more of the balancing process is automated
- A shared Nordic holistic planning approach to electrification strategies
- Common Nordic target for security of supply and harmonized methodology in the possible event of shortage situations
- Regionalization of TSO's operations. Decisions with regional impacts are made through transparent close co-operation and co-ordination on a regional level.
- Nordic grid plan is prepared in tight cooperation with the European-level grid planning and with extensive stakeholder participation
- Close and formalized cooperation is established between the Nordic TSOs and market participants to create efficient market solutions.
- Nordic principles for market-based procurement of system services
- Efforts are made further integrating the Nordic market area with the surrounding market areas, i.e. the Baltics, continental Europe, and UK markets
- The operation, planning and the structure of the transmission system is not depending on national borders, and organization of the further integrated Nordic transmission system need to be adapted.
- The processes for grid planning and bidding zones are merged, in which the possibilities of cross border bidding zones are taken into consideration.
- Safeguarding a liquid and transparent market for price hedging, especially a Nordic harmonization in the implementation of the EU Guideline in forward capacity implementation

At national level impacting Nordic level:

- Identifying and tackling barriers for grid development: Barriers prolonging grid expansion is a major obstacle associated
- Holistic planning approach to electrification strategies
- Common market needs common rules: It is vital that the relevant regulation is synchronized and implemented in a harmonized way to create a level playing field and making it possible for market participants to benefit from a larger market.
- To provide for further harmonized retail markets to facilitate competitive markets and free movement.
- Efforts are made further integrating the Nordic market area with the surrounding market areas, i.e., the Baltics, continental Europe and UK markets
- European rules on maximizing the interconnection capacity for the markets is respected and common Nordic methodologies applied for ensuring this

What needs to be done on the Nordic level, taking into account developments in the EU?

On Nordic level we need to be fore-runners and push for European legislation promoting electrification. The EU ETS ensures that decarbonization is done in the most cost efficient way for society and Nordenergi therefore support expanding the system to other sectors, but it is also important to maintain the system's robustness. For sectors not included in the EU ETS, a carbon price signal is necessary to facilitate a cost efficient transition to a carbon neutral economy.

If you want, try to think what the no-regret actions would be from other perspectives i.e., if you represent consumers, what would a producer or a TSO representative propose?



Nordenergi is the joint-collaboration between the Nordic associations for electricity producers, suppliers and distributors. Members are Danish Energy, Energy Norway, Finnish Energy and Swedenergy. Overall, Nordenergi represents more than 800 market actors (member companies), most of them active in the electricity sector, but also in other areas such as district heating, gas and services.

Our contacts are:

Danish Energy: Carsten Chachah (cac@danskenergi.dk, +45 22750438)

Energy Norway: Kristian Blindheim (kb@energinorge.no, +47 48090102)

Finnish Energy: Petteri Haveri (petteri.haveri@energia.fi, +358 50 5711554)

Swedenergy: Magnus Thorstensson (magnus.thorstensson@energiforetagen.se, +46 73 925761)

