

Updates on the latest developments in the Baltic States and Finland - presentations by the NRAs



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Points for discussion

- DA project (PCR) to go live soon.
- XBID progressing slowly.
- Estlink 2 to become operational
 - No more price difference between Finland and Estonia
 - New flow patterns???
- Certification of FG moving ahead. Decision sent to the Commission.
- ID market operational in Estonia, to be introduced in Latvia and Lithuania in December.
- Introduction on CfD:s in Estonia, Introduction on hedging products in Latvia and Lithuania.



Points for discussion, cont...

- PCI status, competing LNG projects
- NC preparation process, approvals. 104 of them, how to proceed?
- FG connection to Russia to become bi-directional.
- OL3
- Possible development path for Fennovoima, news to be expected today...





NC preparation process: approvals,
104 of them, how to proceed?

NC:s under preparation

- CACM incl. Governance Guidelines
- EB NC
- OS / OPS
- FCA
- DCC
- RfG
 - Requirements for NRA:s for co-operation on approvals regionally, mutually and on an European basis
- Gas NC:s to be applied as the market is physically interconnected





Congestion management methods in Nordic countries, lessons learned

Congestion management methods in Nordic countries, lessons learned

- The transmission capacity within the Nordic / Baltic area on the cross-border connections is made available fully to the implicit electricity market through Nord Pool Spot, Elspot and Elbas.
- Transmission capacity with Russia is available to the electricity market.
- The present CA and CM methodology is a collection of different level procedures, decisions, rulings, practices...
- The overall forthcoming methodology framework is determined by the CACM NC and other NC:s.



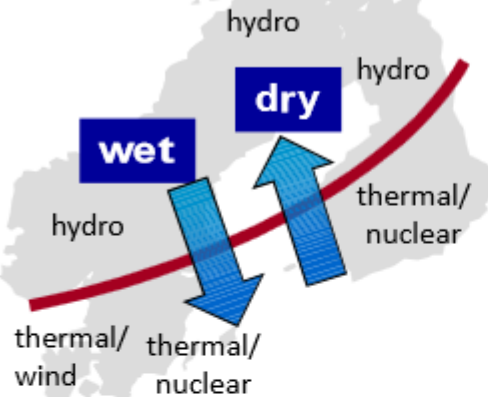
Congestion management methods in Nordic countries, lessons learned, cont...

- Some XB interconnections are more critical than others.
- Hasle corridor is perhaps the most critical, and capacity is not increasing.
- The important role of interconnections is reflected in prices.
- The criticality of an IC should result in investment.
- Nature of power market changing due to the RES penetration.
- Cable outages have a significant impact on prices, but over-investment in capacity does not pay...

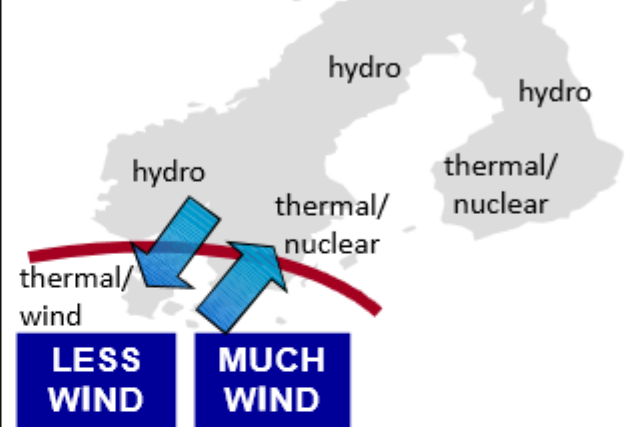


Nature of the industry is changing

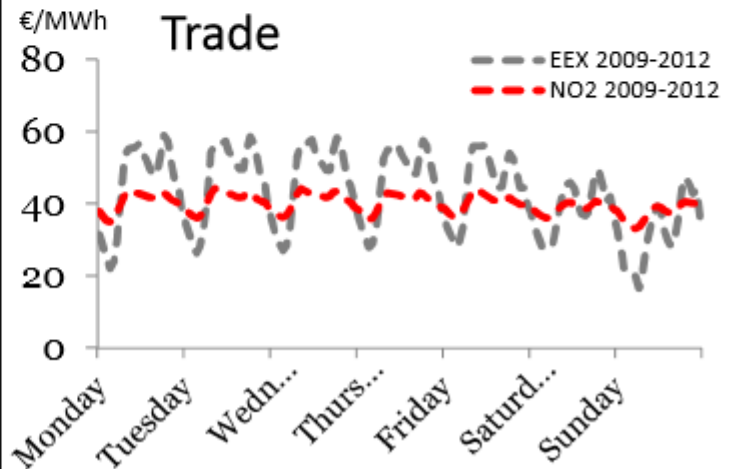
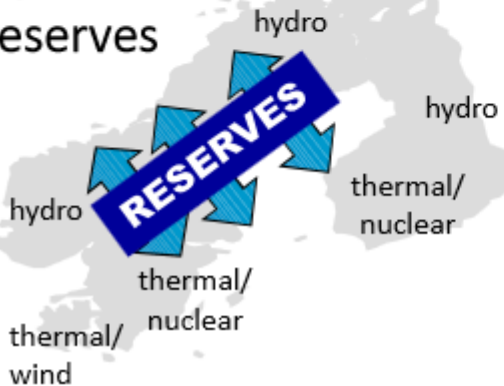
Seasonally



Situations

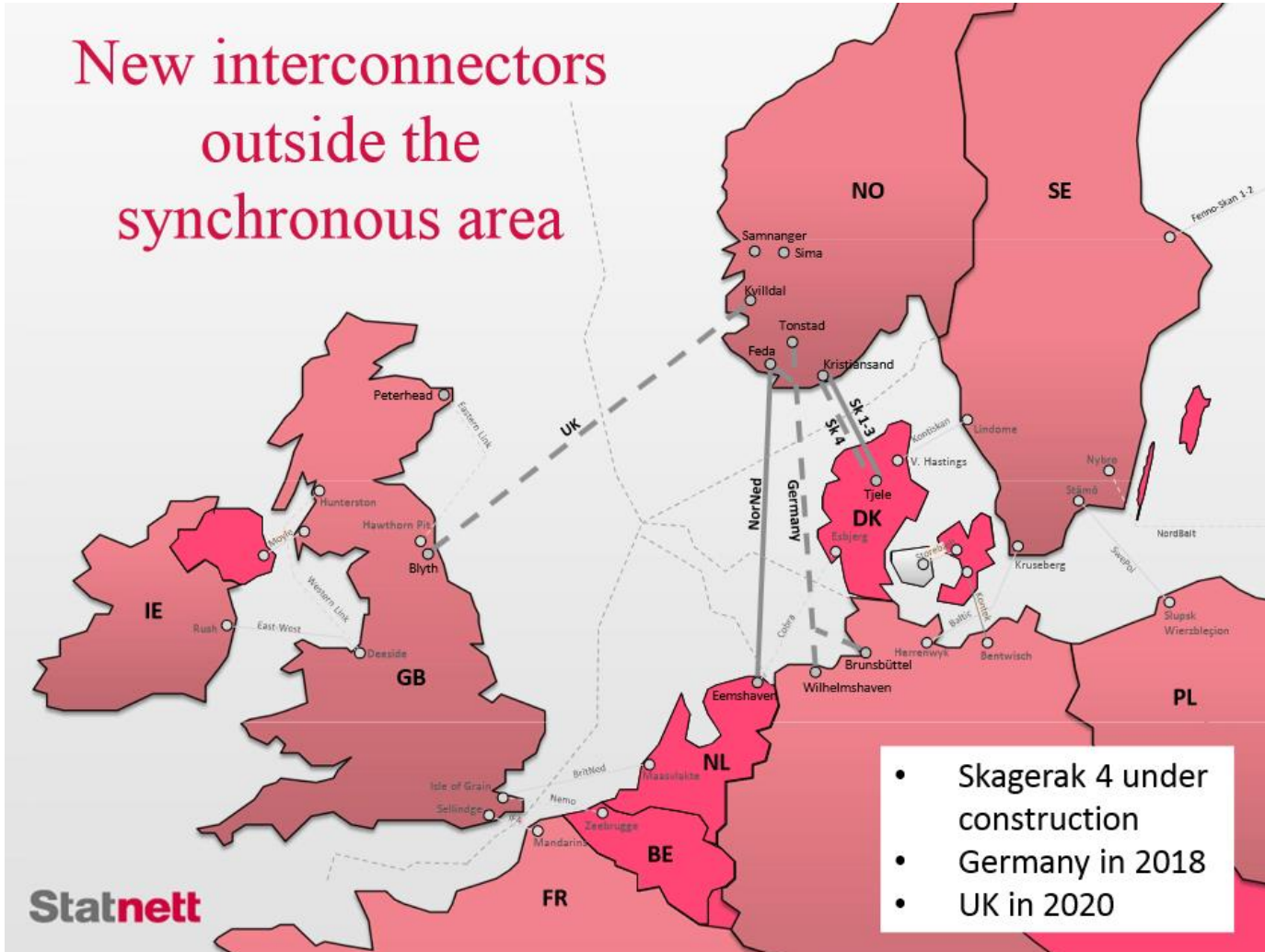


Operational reserves



New planned cables ex Nordic

New interconnectors
outside the
synchronous area



Using the funds obtained as congestion rents 714/2009, ANNEX1

- 6.1. ...The procedure for the distribution of those revenues shall be subject to review by the regulatory authorities and shall neither distort the allocation process in favour of any party requesting capacity or energy nor provide a disincentive to reduce congestion.
- 6.2. National regulatory authorities shall be transparent regarding the use of revenues resulting from the allocation of interconnection capacity.
- 6.3. The congestion income shall be shared among the TSOs involved in accordance with criteria agreed between the TSOs involved and reviewed by the respective regulatory authorities.
- 6.4. TSOs shall clearly establish beforehand the use they will make of any congestion income they may obtain and report on the actual use of that income. Regulatory authorities shall verify that such use complies with this Regulation and those Guidelines and that the total amount of congestion income resulting from the allocation of interconnection capacity is devoted to one or more of the three purposes set out in Article 16(6) of this Regulation.



Article 16(6) of Regulation 714/2009

- Any revenues resulting from the allocation of interconnection shall be used for the following purposes:
 - (a) guaranteeing the actual availability of the allocated capacity; and/or
 - (b) maintaining or increasing interconnection capacities through network investments, in particular in new interconnectors.
- If not, then subject to NRA approval...





What to expect beyond 2014...



Thank you for
your attention

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