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#FingridCurrent

# Electricity markets balance production and consumption

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**FINGRID**



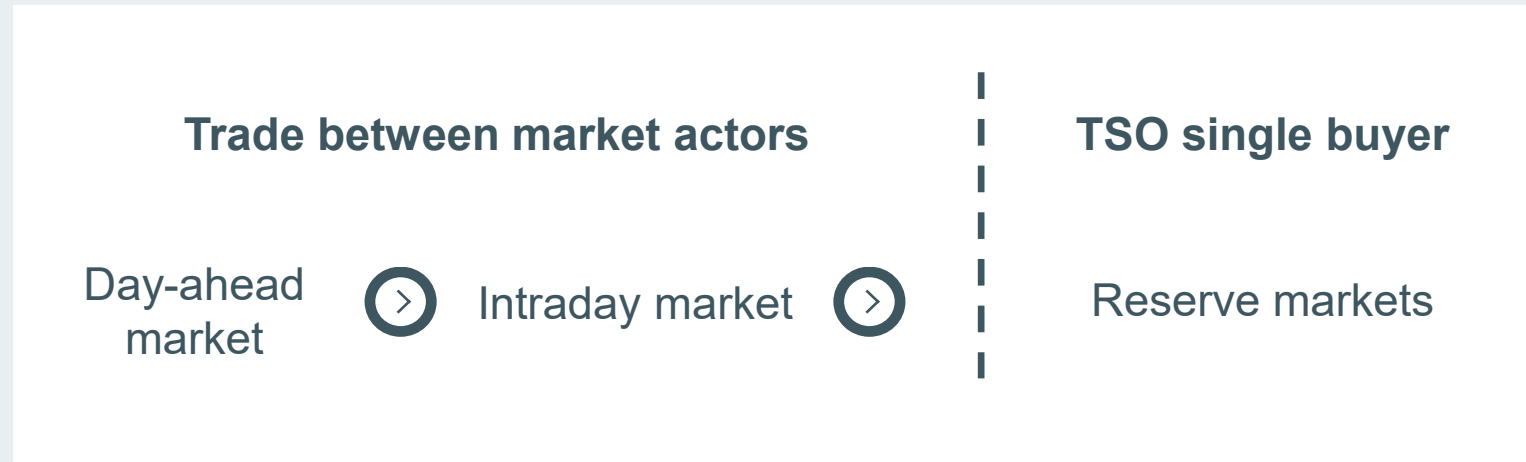
A close-up photograph of water cascading over a series of stone steps or a spillway. The water is white and frothy, creating a sense of movement and power. The stone steps are dark and textured, providing a stark contrast to the white water. The overall scene is dynamic and visually striking.

**Price signal steers  
electricity generation,  
consumption, storage  
and flows**

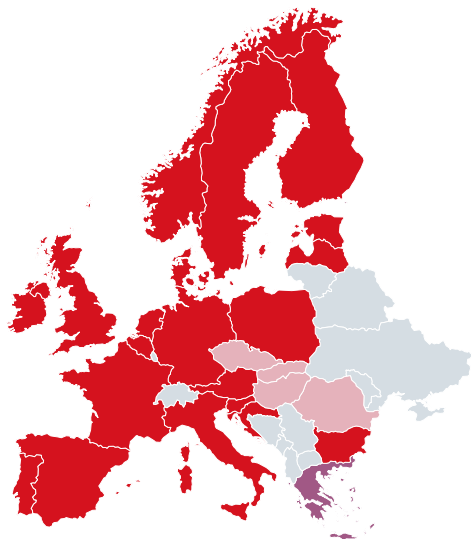


# Electricity markets are today based on:

- Bidding zones
- Transmission capacity calculation between bidding zones
- One-hour market time unit
- National reserve markets

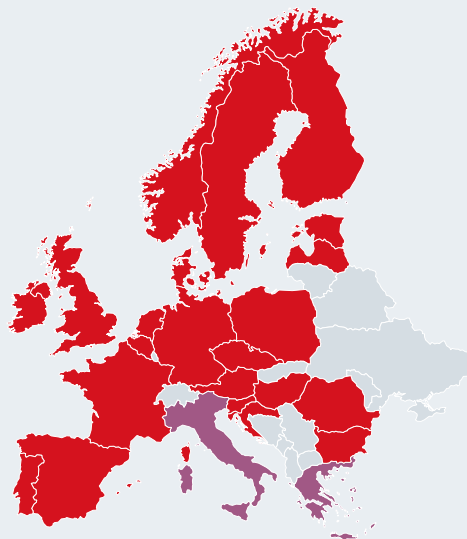


## 2014 European day-ahead market



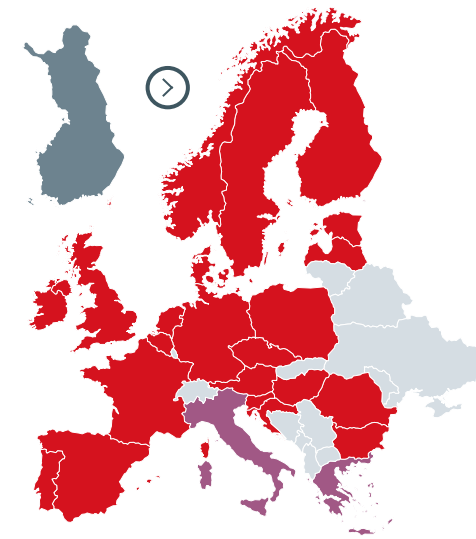
- In common auction-based coupling, a single clearing price for each bidding zone and hour
- Covers 95% of the European consumption

## 2018 European intraday market



- Continuous cross-zonal trading
- Daily trades amount to more than 200 million euros

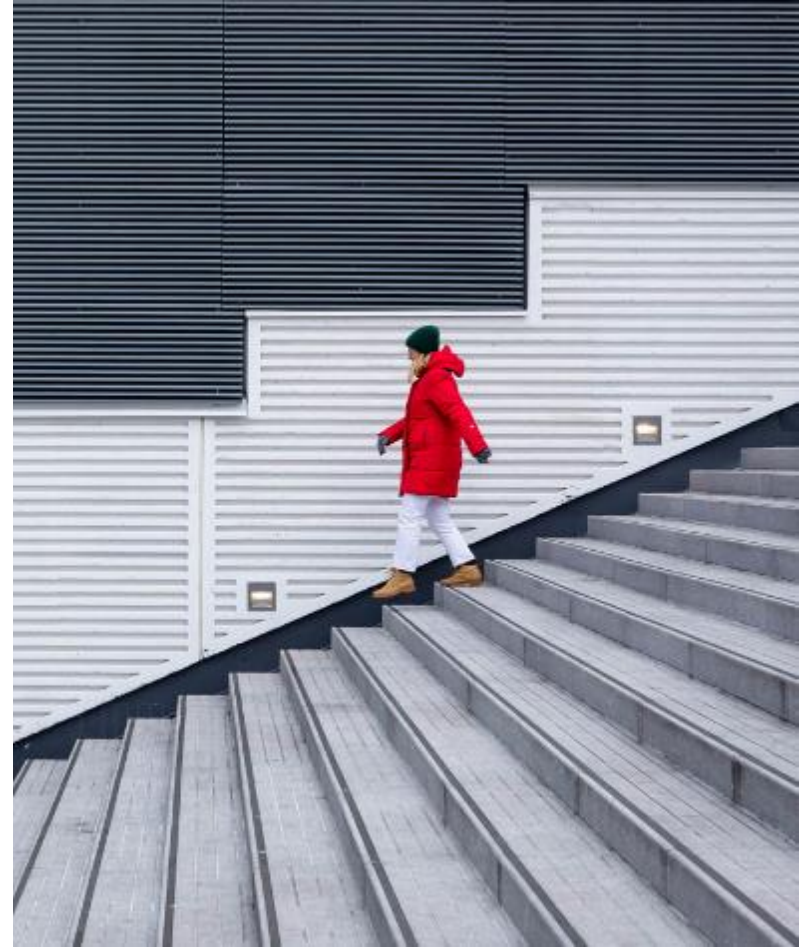
## 2021-> Towards European and regional reserve markets



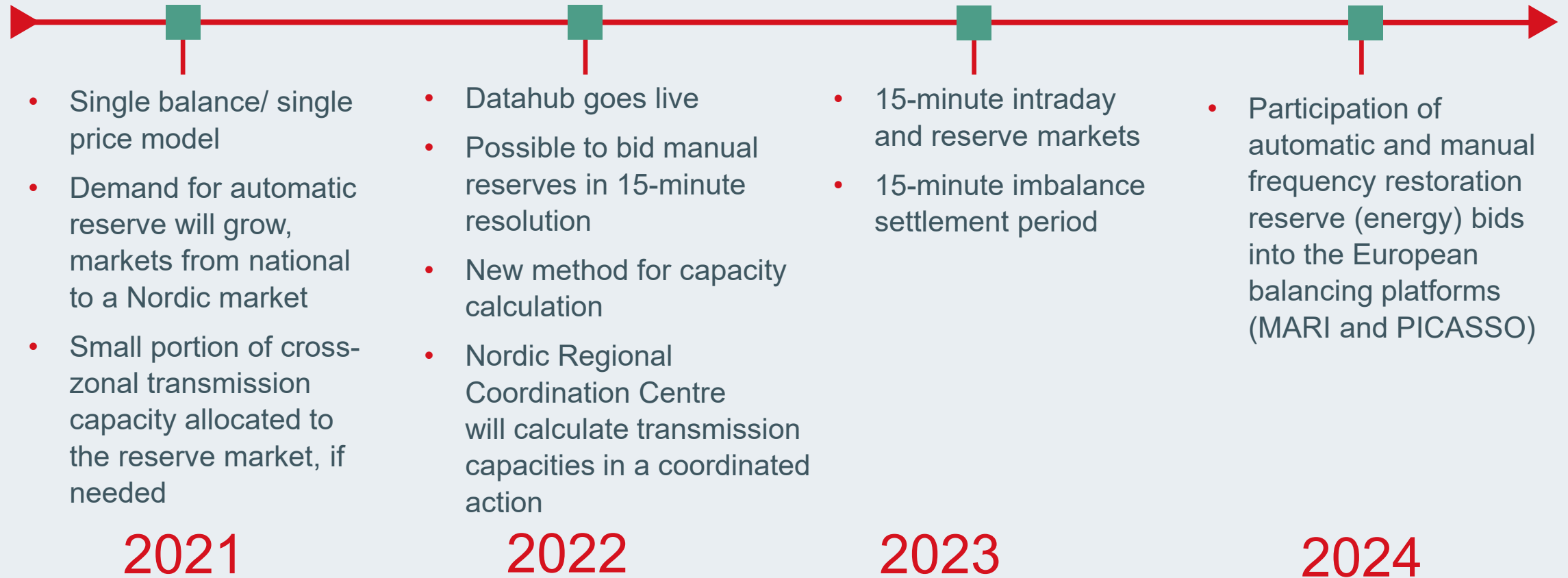
- Reserve markets now mainly national
- Regional and European market platforms under construction

# Energy disruption and legislation require changes to our market design

- **Transmission capacity calculation**
  - Calculation method will change
  - The Nordic Regional Coordination Centre (RCC) will perform the coordinated calculation
- **Markets and electricity trade**
  - The markets will move into 15 minutes
  - New markets and market platforms for reserves, the markets will become regional/European



# Market actors will participate in the changes during the coming years






# Reserves will guarantee balance in the system

## Market actors to strive themselves to balance

- Single balance/ single price model
- 15-minute markets and imbalance settlement
- Trading possibilities close to operation time

## As little as possible but enough reserves

- Capacity  energy
- Cost-efficient procurement

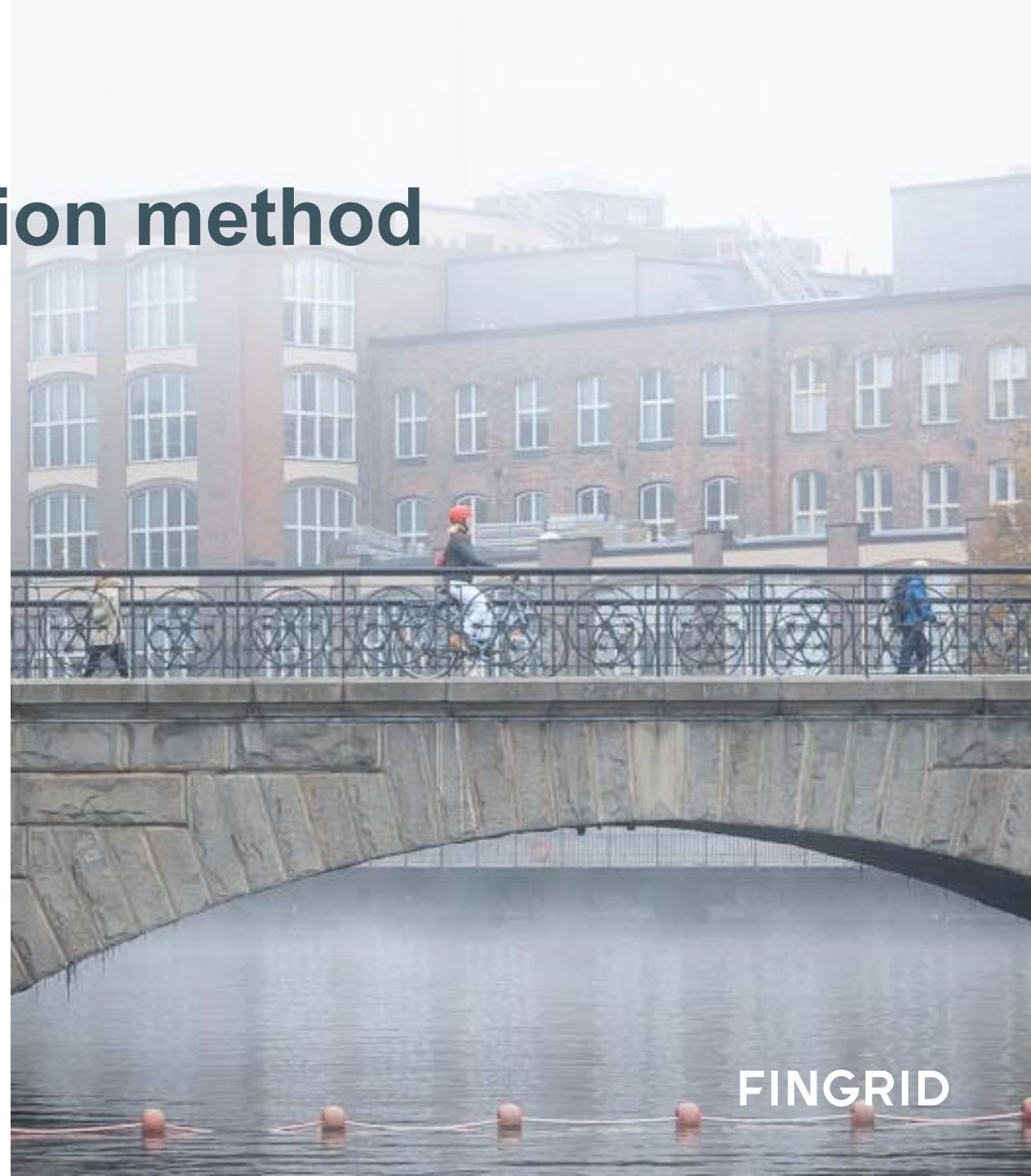
## Simple and well-functioning markets

- Technology-neutral products
- Towards international markets
- Vision "one stop shop"



# A new capacity calculation method

- Flow-based method will make the capacity calculation and allocation more efficient when there are interactions among the interconnectors and other critical network elements
- The Nordic Regional Coordination Centre will calculate the transmission capacities in a coordinated manner for the whole Nordic region instead of calculation per bidding zone border
- Market actors have criticised the method itself and its lack of transparency





A person wearing a red helmet and a dark jacket is riding a bicycle on a cobblestone street. The person is seen from behind, moving away from the camera. The street is lined with a building that has vertical columns. The overall scene is dimly lit, suggesting an overcast day or early morning/late evening.

**Markets create a platform for a  
clean, secure and cost-efficient  
electricity system**



# Thank you!

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