Minutes from the Customer Advisory Board meeting

12 March 2015, Copenhagen airport, Denmark

01/15 Opening

Agenda for the meeting was accepted and last meeting's minutes were accepted. Rønnaug Sægrov Mysterud was introduced as a new member in the Customer Advisory Board.

02/15 2nd auctions and Peak Load Capacity

Ulrik Møller from Energinet.dk visited the meeting to present and discuss the possible introduction of a 2nd auction round in Elspot. Some of the background was presented, along with a summary of the responses to the public consultation which ended 23 February 2015. The discussion concentrated on implications of a 2nd auction, rather than its impact on Peak Load Capacity arrangements.

The Customer Advisory Board identified concerns in adding a 2nd auction to Elspot. The main concern was that the introduction of a 2nd auction may lead to "strategic bidding" – meaning for example that the market participant would refrain from bidding some of its capacities to the market – which would lead to deteriorating trust and liquidity in the 1st auction. Furthermore, the Customer Advisory Board members pointed out that the proposed 10 minutes time span would be too little time to find new capacities to be included in a market participant's orders.

The Customer Advisory Board commented that the potential benefits of introducing a 2nd auction would be smaller than the potential downsides to the physical and financial power markets. The circumstances leading to an activation of an actual 2nd auction round were seen to happen rarely, while the possible risks would be present every day.

The Customer Advisory Board urged Nord Pool Spot and the TSOs to find other ways to solve the targeted market situations without 2nd auctions, to make a risk evaluation, and to publish the responses to the public consultation. Nord Pool Spot takes note of the feedback.

03/15 Planned changes in Market Surveillance – Decision feedback

Nord Pool Spot presented the plan to change the Market Conduct Rules and the role of Nord Pool Spot's Market Surveillance team, following up the topic from the previous Customer Advisory Board meeting in October 2014. Nord Pool Spot also presented one proposed change to the General Terms.

Disclosure Requirements

Nord Pool Spot is planning to take the changes in disclosure requirements into the Market Conduct Rules with effect on 1 January 2016. In order to ensure monitoring of the disclosure requirements in a transitional period, Nord Pool Spot proposes to maintain the current monitoring activity until 1 January 2016. The changes regarding disclosure requirements will be presented to Customer Advisory Board in due time prior to implementation. Nord Pool Spot also continues to share of knowledge and competence with the local regulators, and after 1 January 2016, Nord Pool Spot can offer these and other services to the regulators on a commercial basis. The Customer Advisory Board saw the proposed plan as reasonable.

Insider Trading and Market Manipulation

Regarding the prohibition of insider trading and market manipulation, Nord Pool Spot is planning to remove these prohibitions from the Market Conduct Rules during the spring 2015. This will reduce the challenges in relation to double regulation. The proposed text in the Market Conduct Rules will be forwarded to the Customer Advisory Board for comments along with an explanation of each of the changes.

General Terms

Nord Pool Spot also proposed to change the point 14.2.2 point in the General Terms, regarding Nord Pool Spot's possibility to pass information to public authorities or TSOs. The Customer Advisory Board asked to make the rule such that Nord Pool Spot shall inform the market participant, if the information is being sent to the TSO.

04/15 Hasle Pilot for FRR-A reserves

Bernt Anders Hoff from Statnett visited the meeting to present and discuss the topic of FRR-A (Frequency Restoration Reserves - Automatic) reserves exchange between Norway and Sweden. Statnett and Svenska Kraftnät have had joint pilot for exchanging capacity between the two countries for these reserves. Also a possible second pilot was discussed.

The Customer Advisory Board pointed out the possible economic consequences if the price formation is affected when transmission capacity is reserved away from Elspot. This analysis should cover also the affected financial market products.

The Customer Advisory Board suggested to consider the intraday market if transmission capacity can be released, and to publish a report on the topic.

05/15 Nord Pool Spot's IT platforms update – For information

Nord Pool Spot presented plans for renewing their IT platform, and the current status of the work. The Customer Advisory Board welcomed the activity and the fact that customers are invited into focus groups to give their input to the development.

06/15 Status, trade and operations – For information

Member satisfaction Survey

The results of the member satisfaction survey were discussed. Nord Pool Spot's customer satisfaction remains high, with a clear majority of respondents giving the score 5 out of 6. According to the results, Nord Pool Spot continues to be a trusted, strong and credible power market, providing a fundamental service. Improvement areas, which are all being worked on already, include IT platforms, being more innovative, and being even closer to customers. The Customer Advisory Board acknowledged the results and discussed different ways to collect similar input.

Rulebook changes

Nord Pool Spot presented planned changes to Rulebook on Elspot product specifications. New products include Flexible Orders, Minimum Acceptance Ratio and Exclusive Groups. The actual changes will be provided for comments to the Customer Advisory Board separately.

REMIT reporting

Nord Pool Spot presented the status of the REMIT reporting service that is being developed for 7 October 2015.

07/15 AOB
Meeting date for autumn 2015 was discussed, and will be agreed separately.

Present:, Petri Eväsoja (Fortum Power and Heat Oy), Håkon Egeland (Statkraft Energi AS), Frank Rasmussen (Dong Energy), Fredrik Kopp (SCA), Lars Joelsson (Vattenfall AB), Therese Gjerde (Bergen Energi AS), Rønnaug Sægrov Mysterud (Hydro Energi AS), Anne Särkilahti (UPM-Kymmene Oyj)
Marianne Wergeland Jenssen (Nord Pool Spot), Mikael Lundin (Nord Pool Spot), Hilde Rosenblad (Nord Pool Spot), Christian Giswold (Nord Pool Spot), Sami Oksanen (Nord Pool Spot)
Not present: Vidmantas Salietis (Lietuvos Energijos Gamyba AB), Heikko Mäe Tropp (Eesti Energia AS), Örjan Thorèn (Scandem AB), Frank Larsgård (Skellefteå Kraft AB)
Minutes: Sami Oksanen (Nord Pool Spot)