



Market Update Q4 -2021 and Outlook Q1-2022

Market Update Q4 2021



SDAC Update: "Closing the loop"

- On October 27th, 2021, market coupling for the border Bulgaria-Romania was launched.
- First delivery took place on October 28th, 2021.
- Prices and cross-border flows across the region are now simultaneously calculated by the SDAC optimization algorithm.
- This closes a loop and as a consequence Bulgaria and Greece are now connected via Italy and via Romania.
- The successful go-live is a further step towards the European target model and integrated day-ahead power markets.



EPEX announces GO market in 2022

- EPEX announced to its members that it plans to launch a pan-European market for Guarantees of Origin (GOs) together with EEX and ECC.
- The market will be organized as a monthly spot auction hosted by EPEX Spot. Clearing is handled by ECC and EEX is responsible for delivery through its GO registry.
- The planned Go-Live is set for Q2 2022.



GB Electricity Market

- In November Nord Pool announced its concerns about the market setup in the consultation created by the UK government department for Business, Energy and Industrial Strategy (BEIS).
- The draft does not take into account a shared orderbook between different exchanges.
- Nord Pool sees a hindered competition in the market, especially in the Intraday market, which is becoming increasingly more important with rising shares of renewables.



Measures Against High Energy Prices

- At a meeting of European energy ministers mitigating measures such as tax reductions and direct support payments against the high level of energy prices have been discussed.
- EPEX has stressed the importance of ensuring functioning markets and representative price signals when thinking about measures against high energy prices. They warned about interfering with market mechanics.



Go-Live North Sea Link

- On October 1st, 2021, the first delivery of the North Sea Link (NSL) interconnector between Norway and Great Britain took place.
- Market participants in both countries are offered implicitly allocated capacity through N2EX auction in GB and NO2 auction in Norway.
- According to Nord Pools Chief executive Kari Ekelund Thørud this interconnector increases security of supply on both sides.
- Auction times are as follow:



	N2EX (GB)	NO2 (Norway)
Gate Closure Time	10:50 CET	
Publication Preliminary Results	11:00 CET	



ACER Proposal for CACM 2.0

- In December Nord Pool stated their concerns about the Recommendation 02/2021 of the Agency for the Cooperation of Energy Regulators (ACER)
- The proposal suggests the establishment of a single legal entity for the tasks around the single day-ahead and intraday coupling, which are currently performed by all NEMOs in cooperation.
- ACER expects a better and faster development of market coupling operations, especially for future requirements and improvements. In addition, it should increase regulatory oversight, less costly operation and a level playing field for competition among NEMOs.
- Nord Pool on the other side views it as an expensive additional layer to the market coupling process and sees the risk of putting market operation into the hands of a new entity with no credentials, which also might be at risk of becoming too big to fail.
- Despite the criticism, Nord Pool made clear that it welcomes the efforts to create a level playing field.



Updates Q4 2021

Market Outlook Q1 2022



Postponed Go-Live Core Flow-Based MC

- In September, the joint testing phase for the core flow-based market coupling was started by the project parties. The testing phase of market participants was expected to begin in early 2022.
- Targeted Go-Live of Core Flow-based Market Coupling was at the end of February 2022 but must be postponed. Delays in the start of the first joint integration testing require a postponement to Q2 2022.

Outlook Q1 2022

