

# ROADMAP FOR REACHING THE 2030 NORDIC ELECTRICITY MARKET VISION

## ***Background***

At the first Nordic Electricity Market Forum, held in Stockholm 2018, the electricity market stakeholders<sup>1</sup> provided input to a new Nordic Vision for the electricity market, marking a point of reference for the future development of the Nordic electricity market, for which all relevant stakeholders can have ownership. According to this Vision, the main goal is that "In 2030, the Nordics have the world's most competitive, innovative, and consumer-oriented electricity market, that contributes to reaching the ambitious Nordic climate goals." The vision was discussed and endorsed by the Nordic Energy Ministers at the Nordic Energy Ministerial meeting in Reykjavik in June 2019.

At the 2018 forum, five areas were identified as the most important for achieving the common vision: 1) market development, 2) renewable energy integration and flexibility, 3) resource adequacy and grid development, 4) digitalisation and data management, and 5) interaction and influence in the EU. This roadmap was subsequently drafted by the Electricity Markets Group (EMG) to propose actions to meet the identified targets. The first three of the original five areas are still important. Areas 4 and 5 are very important tools to meet the 2030 vision and should be considered rather as permanent action points. In addition, based on the feedback there is a new focus on sector integration and electrification.

So with this roadmap a new area is added: "enabling electrification". This new area and area 2 (renewable energy integration and flexibility) are in close relationship – whereas area 2 reflects the need for a growing production of renewable electricity and their integration into the markets, which requires flexibility, the new area is about how this increasing amount of renewable electricity is brought to the consumers via the integrated markets and replacing energy carriers with CO<sub>2</sub> emissions.

The updated areas are 1) market development, 2) renewable energy integration and flexibility, 3) resource adequacy and grid development and 4) enabling electrification. The roadmap is divided into two main parts: 1) Objectives, and 2) Immediate and further action points. The purpose of the objectives is to show what the vision entails within the four main areas mentioned above. The action points depict several concrete steps that can be followed up on to reach the objectives and targets.

## ***Use of the roadmap***

This roadmap should be seen as a guiding document, which will be adjusted and adapted over time, following the discussions and developments at the Nordic Electricity Market Forum. The objectives and the action points reflect the priorities of the Nordic electricity market stakeholders. The EMG therefore encourages the responsible parties to cooperate and work together on achieving them in the years to come.

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<sup>1</sup> Electricity producers, transmission system operators (TSOs), distribution system operators (DSOs), national regulatory authorities (NRAs), industry associations, user associations and policy makers

### *Follow up on the roadmap*

The EMG suggest that the Nordic stakeholders through the Nordic Electricity Markets Forum as a whole, but also through the permanent Coordination Group working under EMG and its working groups continue to provide inputs to market development, give feedback on the progress of the updated action points and give input to the Forum as such. The Forum, the Coordination Group and its working groups can also foster dialogue across the Nordic countries and stakeholder groups but should not be seen as a replacement for broader stakeholder involvement. The working groups under the Coordination Group are dynamically organised entities and should operate as long as needed in terms of fulfilling the roadmap.

The EMG commits to follow up on the status of the roadmap and the immediate actions and vision and will suggest relevant topics following up on the road map for discussion at the annual Nordic Electricity Market Forum taking into account stakeholder feedback.

## OBJECTIVES FOR THE ELECTRICITY MARKET

### 2030 OBJECTIVES FOR THE ELECTRICITY MARKET

1. Flexibility to the markets: All flexible assets from producers, consumers and service providers can efficiently contribute to reliable and competitive functioning of the power system.
2. Clear price signals: Clear price signals for all system needs across all time frames, price areas and voltage levels (TSO/DSO), rewarding flexibility and system support were effective.
3. Enabling electrification: New sectors (transport, heating & cooling and industry (power to X)) are electrified and integrated into the electricity markets with their flexibility. Electricity markets enable system integration and support the move towards a cleaner Nordic society.
4. Nordic grid development: Welfare on a Nordic level is the guiding objective when preparing Nordic grid development plans considering large scale RES developments on- and offshore and designing Nordic bidding zone structures.
5. Open market access: All clean electricity sources (e.g. offshore energy) are seamlessly integrated into the Nordic market.
6. Resource Adequacy: Resource adequacy is ensured through market-based solutions. Price signals guide investments, reflecting the value of resources in scarcity periods, and internalize the risk of inadequacy.

## **IMMEDIATE AND FURTHER ACTION POINTS FOR THE ELECTRICITY MARKETS**

### **Flexibility to the markets**

*EMG*

- Action 1
- Action 2....

*NordREG*

- Action 1
- Action 2...

*Nordic TSOs*

- Action 1
- Action 2...

### **Clear Price Signals**

*EMG*

*NordREG*

*Nordic TSOs*

### **Enabling electrification**

*EMG*

*NordREG*

*Nordic TSOs*

### **Nordic Grid Development**

*EMG*

*NordREG*

*Nordic TSOs*

### **Open market access**

*EMG*

*NordREG*

*Nordic TSOs*

### **Resource Adequacy**

*EMG*

*NordREG*

*Nordic TSOs*