

## Statnett and NGVs replies to input from stakeholders to our public consultation on new trading arrangements for the NSL interconnector

09.09.2024

Company	Question	Consultation answer	Reply from Statnett and National Grid Ventures
EDF Trading	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	Yes, we agree on the implementation of intraday implicit auction for the NSL interconnector.	Noted and taken into account
EDF Trading	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views	We would support the stepwise approach and would recommend to start with only 1 auction at the beginning.	Noted and partially taken into account. The number of auctions from go-live need to be balanced between the need to react on new information closer to real time and the strain more markets cause for Market Participants (and TSOs). Based on this, Statnett and NGV's current thinking is to start out with two ID auctions. One during Afternoon/Evening D-1 and one in the morning during D for the remaining hours.
EDF Trading	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day	We would recommend to have this unique auction to cover the 24h of the next day.	Noted and partially taken into account. The number of auctions from go-live need to be balanced between the need to react on new information closer to real time and the strain more markets cause for Market Participants (and TSOs). Based on this, Statnett and NGV's current thinking is to start out with two ID auctions. One during Afternoon/Evening D-1 and one in the morning during D for the last 12 remaining hours.
EDF Trading	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?	We would prefer to have this auction around 19h CET on D-1.	Noted and partially taken into account. Our current thinking is to procure a solution involving two IDAs from go-live and have the option to increase the number of auctions if we see an interest in the market. We have not yet decided on an exact timing for the auctions, but the plan is to have one IDA between 18:00 and 21:00 during D-1 and an additional IDA in the morning of day D between 7:00 and 9:00.
EDF Trading	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?	We are ok with the ID trading set up in 30min in GB and 15min in Norway.	Noted and taken into account
EDF Trading	6) Do you have any other comments to the design of the new trading solution?	<ul style="list-style-type: none"> <li>Alternatively, we would suggest that NSL intraday implicit auction(s) could be part of the existing GB intraday implicit auction(s) (for example the GB IDA1 which is coupled with Ireland) to bring more liquidity and efficiency for the intraday market. This could avoid complexity of multiplying the number of Intraday auctions,</li> <li>Also, we strongly recommend NSL to organise a public workshop before go live. This would help market participants to clarify and to raise any questions they might have.</li> </ul>	Noted and partially taken into account. We have assessed different options for a new trading arrangement for NSL, covering day-ahead and intraday timeframes. Our view is that currently the best solution is to procure and establish a solution with stand-alone implicit auctions covering the two timeframes. However, our position on this might change over time if the market and regulatory framework evolves. We intend to hold a public meeting closer to go-live of the new trading arrangement.
Statkraft Energy AS	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	Statkraft sees significant benefits and value creation, both on Norwegian and British side in opening for intraday trade on NSL, and thus agrees that establishing intraday auctions is a good idea.	Noted and taken into account
Statkraft Energy AS	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views	Most of the value creation with an intraday market comes from trading with updated prognoses, hence adjust the positions from the day-ahead auction. As the prognoses gets more precise the closer one gets to the hour of operation, most trades and value creation in the intraday market happens close to real-time operations. In the IEM, continuous trade and auctions are used in combination to realise the value from the intraday market. Since it is not planned to have continuous trading on NSL, Statkraft is of the opinion that the number of auctions and the timing of them will be essential to realise the value of intraday trade, and there will most likely be a need for a slightly different approach compared to IEM. Statkraft suggest having three intraday auctions as a starting point. It is difficult to estimate how many auctions that will be needed to realise the value of intraday trade on NSL. It will also take some time to develop technical systems and automation for the market participants, the TSOs and the power exchange. At the same time, Statkraft assumes that the cost of one extra auction will decrease when the systems and routines are established. Based on these factors, Statkraft supports a stepwise approach. In this way, Statnett and NGV are able to analyse the functioning of the auctions and increase the number of auctions if the cost of implementation is lower than the increase in value creation. With regards to the timing of the intraday auctions, intraday trade on NSL could be coordinated with the IEM intraday auction. At the same time, the number of auctions and their timing will be essential in order to realise the value; hence it will be important that this coordination does not come at the expense of the efficiency of intraday trading on NSL. As described earlier, there might be a need for a different approach on NSL as there is no continuous trade. Statkraft believes that it will not be crucial to align all the NSL auctions with the IEM auctions as the IEM continuous market also can support NSL intraday trading if needed. Statkraft recommends having one or two auctions in the afternoon/evening D-1 in order to correct the positions from the day-ahead auctions, release more capacity and adjust its positions based on updated prognosis before operation. In the day of operation, the auctions should be evenly distributed during daytime with for instance one in the morning, one in early afternoon and one early evening. With such a distribution, Statkraft believes more value will be realised from NSL. However, it should be, as earlier described, regularly assessed how many auctions that are needed.	Noted and partially taken into account. The number of auctions from go-live need to be balanced between the need to react on new information closer to real time and the strain more markets cause for Market Participants (and TSOs). Based on this, Statnett and NGV's current thinking is to start out with two ID auctions. One during Afternoon/Evening D-1 and one in the morning during D for the last 12 hours. However, we will have the option to increase the number of auctions if we see an interest in the market.
Statkraft Energy AS	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day	Statkraft would support a model where we are able to trade all remaining hours of a day in each auction. In this way the market participants can for instance solve potential imbalances as early as possible.	Noted and taken into account
Statkraft Energy AS	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?	Intraday trade on NSL could be coordinated with the IEM intraday auctions. At the same time, this coordination should not come at the expense of the efficiency of intraday trading on NSL. Statkraft recommend having auction(s) in the afternoon/evening D-1 and auctions during daytime of the day of operation to realise the value of intraday trade on NSL.	Noted and partially taken into account. Our current thinking is to procure a solution involving two IDAs from go-live and have the option to increase the number of auctions if we see an interest in the market. We have not yet decided on an exact timing for the auctions but the plan is to have one IDA between 18:00 and 21:00 during D-1 and an additional IDA in the morning of day D between 7:00 and 9:00.
Statkraft Energy AS	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?	Statkraft supports this setup.	Noted and taken into account

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Statkraft Energy AS	6) Do you have any other comments to the design of the new trading solution?	With an increase of intermittent power production into the European power system, intraday trading will be more important in order to balance the power system. A solution for intraday trade on NSL will give the possibility to correct the result from the day-ahead auction, release more capacity and adjust the plans in accordance with updated prognoses. In other words, increasing interconnector flexibility by opening for intraday trade will increase the overall value creation on NSL in several ways, and will be beneficial for both consumers and producers. Statkraft overall supports the introduction of intraday trade on NSL.	Noted and taken into account. Statnett and NGV have no intention of changing our practice in capacity calculation and therefore would not withhold DA capacity for intraday trading. In situations where DA capacity is restricted due to operational security, it will be a benefit to have the option of releasing more capacity to the IDAs should more capacity become available.
EPEX SPOT SE	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	<p>Not necessarily. It depends on what type of auction would be used to allocate the interconnector capacity. Supplementing the DA implicit allocation with explicit intraday (and other timeframes) auctions would be less disruptive to the trading arrangements in GB and NO. Also, we would be concerned if the intraday allocation withheld capacity from the day-ahead auction.</p> <p>Do the Norwegian and GB markets need more intraday auctions? Implicit coupling requires the interconnector to agree a process to allocate its capacity to wholesale market auctions. This obviously has an impact on the wholesale market trading arrangements in GB and NO. Through allocating capacity implicitly an interconnector must ensure it has access to suitable wholesale markets. Allocating cross-border capacity implicitly should not be done if prices are not robust and representative. When these markets do not exist, they will need to be created, and the provision of unused capacities from day-ahead must be ensured, otherwise two isolated NO and GB auctions would be mathematically performed. Therefore, it is important to consider the impact it has on all participants in the GB and NO wholesale power markets. Specifically, in our experience, it is not always clear to market participants that new wholesale energy auctions are needed to facilitate these trading arrangements. The introduction of the auctions does not necessarily consider the market participants' appetite to trade and whether the new markets have an impact on the wider trading arrangements (i.e. liquidity) in Norway and GB.</p> <p>There are better solutions available. A less invasive approach is to use explicit auctions. These auctions could also be used for longer-term and intraday capacity auctions. Whilst NSL make the case that it is more efficient to reuse the auction functionality, recent history (pre-GB's exit from the IEM) shows that interconnectors are perfectly capable of running both implicit and explicit auctions. Hourly price deviations between both NO2 markets and GB should be presented including a resilience analysis of the auctions. Monthly average prices have little to do with the trading arrangements as they lack the relevant information regarding price formation and interconnector capacity allocation, which occurs on an hourly basis. Hourly price deviations between both NO2 markets and GB would be more appropriate to present alongside information about whether all capacity is allocated in the day-ahead timeframe.</p> <p>Risk of capacity withholding with the current suggested solution</p> <p>Statnett and National Grid Ventures do not publish available capacity volume 'left-over' following the current NSL day-ahead auction. At EPEX SPOT, we expect this to be very limited in the "correct" price direction. I.e. we would expect all the capacity to be allocated from the low-price to the high-price zone as part of the day-ahead allocation process. Is NSL proposing to withhold capacity for the intraday trading and what methodology would you use to calculate how much capacity is left? In the situation where no capacity is withheld to intraday and all the capacity is allocated on the day-ahead market coupled auction, then intraday auctions could be useful in cases where the price-direction changes. Analysis of these price dynamics could demonstrate the potential need for additional trading options. The drivers for those price changes would also be worth considering to best propose a schedule for the proposed intraday auction(s).</p>	<p>We assessed the available options prior to the establishment of the current trading arrangements, and we are still of the opinion that implicit auctions are the best option available. Our current implicit auction at the DA stage has proven its efficiency, and additionally incorporates Statnett's ramping restrictions in the market result.</p> <p>We understand the concern for potential (lack of) liquidity when the number of markets increase, and this is why we want to limit the number of new auctions from go-live and instead increase the number of intraday auctions if we see a market interest.</p> <p>Statnett have no intention of changing our practice in capacity calculation and withhold DA capacity for intraday trading. In situations where DA capacity is restricted due to operational security, it will be a benefit to have the option of releasing more capacity to the IDAs.</p>
EPEX SPOT SE	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views	<p>A parsimonious approach to establishing auctions should be used.</p> <p>Our experience with building markets shows that starting with one auction and potentially extending if/when there is liquidity and sufficient need to recalculate the capacity availability. This approach typically offers more stability and avoids an overbuilding of auctions. To provide some context, there are currently four auctions that take place after the main day-ahead auctions in GB. Two local auctions and two coupled auctions between the island of Ireland and GB. Market participants provide liquidity and introducing markets in a stepwise approach allows you to assess the ability to attract liquidity and how efficient each implicit intraday auction is for allocating capacity.</p> <p>The methodology should be transparent</p> <p>National Grid Ventures and Statnett should explain the capacity calculation methodology they plan to use, particularly if capacity will be withheld for intraday trading. The alternative being that capacity offered to the ID auctions is simply the net position left over from the DA auction. Is there also the possibility that the capacity would be withdrawn/extended based on the prevailing grid constraints in NO and GB or on any SO-SO agreement? Based on those procedures a recalculation of capacity could provide a natural trigger point for making new capacity available to auction. Running explicit auctions intraday allows more flexibility with the potential auction schedule as only one capacity auction is impacted rather than several power markets.</p>	<p>Noted and partially taken into account. Our current thinking is to procure a solution involving two IDAs from go-live, and have the option to increase the number of auctions if we see an interest in the market. We have not yet decided on an exact timing for the auctions, but the plan is to have one IDA between 18:00 and 21:00 during D-1 and an additional IDA in the morning of day D between 7:00 and 9:00.</p> <p>Statnett and NGV have no intention of changing our practice in capacity calculation and therefore would not withhold DA capacity for intraday trading. In situations where DA capacity is restricted due to operational security, it will be a benefit to have the option of releasing more capacity to the IDAs should more capacity become available.</p>
EPEX SPOT SE	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day	In case implicit intraday coupling was introduced, we recommend that the first auction is scheduled in the afternoon/evening at D-1 covering all hours of day. If there is capacity remaining, a second IDA in the morning covering a partial day may have some value.	Noted and taken into account
EPEX SPOT SE	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?	<p>Further to our answer to question 3, the timings should consider the operational impact on other markets. This would include GB DA markets, SDAC, GB-Ireland IDAs, SIDC (Pan-EU IDAs), local power markets and the explicit auction schedule of interconnectors. This information is publicly available and would be beneficial to present as part of any decision.</p> <p>Consideration should be made to the operational procedures of market participants, power exchanges and other relevant auctions to ensure sufficient time is available to run robust procedures.</p>	<p>Noted and taken into account. Our current thinking is to procure a solution involving two IDAs from go-live and have the option to increase the number of auctions if we see an interest in the market. We have not yet decided on an exact timing for the auctions, but the plan is to have one IDA between 18:00 and 21:00 during D-1 and an additional IDA in the morning of day D between 7:00 and 9:00.</p>
EPEX SPOT SE	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?	We do not have a strong preference for this option. We support the harmonization of the MTU with the rest of the Internal European Market and note that this is expected by 2025 in Norway. The MTUs between GB and NO do not need to be harmonized to perform the implicit coupling.	Noted

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EPEX SPOT SE	6) Do you have any other comments to the design of the new trading solution?	<p>The capacity must be made available in a non-discriminatory manner.</p> <p>For NSL to improve the dynamics of the implicit auction, the capacity must be made available in a non discriminatory manner. National Grid Ventures and Statnett should allow all relevant markets (and their market participants) to access the NSL Interconnector capacity. This maximizes the liquidity and gives the best chance for the most efficient capacity allocation and maximizes the congestion rent on the interconnector.</p> <p>Designing a procurement that forces the exclusive allocation of capacity to one power exchange prevents – by design – other relevant marketplaces and their market participants from having access to the capacity. It should not then become the power exchanges responsibility to fix these exclusive and inefficient trading arrangements designed by the interconnector.</p> <p>It is regrettable that NSL's market design will fragment the power markets in GB by imposing a discriminatory, exclusive market design.</p> <p>Existing discriminatory solutions should end as soon as possible.</p> <p>Even though we are encouraged by the recent developments, it is fair to say we are disappointed that Norway has failed to implement non-discriminatory arrangements at an earlier stage. Non-discriminatory arrangements have been the standard for many years already across Europe, including between 3rd countries and IEM members. Norway was the first country to liberalise its electricity market in Europe and was a leader in defining how competition should look like in this market. It is therefore discouraging to see that monopolies are still being defended to the very last possible date of the current service provider contract (extended to the maximum of three years) and that equal access is not being facilitated until external enforcement pressure is applied for Norway to follow the basic competition rules. It is also disappointing to see that GB still does not seem inclined to follow basic competition rules either, and in fact foresees retrograde trading arrangements compared with the way paved by GB NSL Access Rules for non discriminatory access to NSL Interconnector capacity for market participants of several power exchanges.</p>	<p>Noted. We welcome the input. It is the intention of both NGV and Statnett to ensure that capacity is made available in a non-discriminatory manner. The Market Coupling Operator is selected through a tender process. All market participants will have access to the NSL capacity through the Power Exchange(s) (PX) that the Market Coupling Operator connects with. In Norway, we will establish multi-PX access in accordance with the requirement from the Norwegian regulator, RME. We do not accept that what we propose will fragment the power markets in GB by imposing a discriminatory, exclusive market design. It is not NGV and/or Statnett that design the market. As things stand in GB at the moment, there is no legal requirement for the PX's to share orderbooks and therefore there are two separate day-ahead auctions in GB. The NSL trading solution will comply with all legal requirements, and therefore if the legal requirements in GB change, we will reconfigure the NSL trading solution accordingly. There will be a mechanism in place with the provider which would allow this possibility (and any other possible changes that flow from legal and regulatory decisions by relevant authorities in the UK and Norway) to be considered.</p>
Lyse Produksjon	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	<p>Answers in Norwegian - translated by Google Translate</p> <p>Ja</p> <p>Yes</p>	Noted and taken into account
Lyse Produksjon	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views	<p>NSL Intradagsauksjoner bør speile de tre ordinære intradagsauksjonene på samme måte som den ordinære NSL auksjonen speiler den ordinære Day Ahead auksjonen.</p> <p>NSL Intraday auctions should mirror the three ordinary intraday auctions in the same way that the ordinary NSL auction mirrors the ordinary Day Ahead auction.</p>	Noted and partially taken into account. The number of auctions from go-live need to be balanced between the need to react on new information closer to real time and the strain more markets causes for Market Participants (and TSOs). Based on this, Statnett and NGV's current thinking is to start out with two ID auctions. One during Afternoon/Evening D-1 and one in the morning during D for the remaining hours.
Lyse Produksjon	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day	<p>NSL intradagsauksjonene bør speile de ordinære intradagsauksjonene i forhold til hvilke timer som handles.</p> <p>The NSL intraday auctions should mirror the ordinary intraday auctions in relation to which hours are traded.</p>	Noted and taken into account
Lyse Produksjon	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?	<p>NSL intradagsauksjonene bør handles ca 1 time før de respektive ordinære intradagsauksjonene.</p> <p>The NSL intraday auctions should be traded approximately 1 hour before the respective ordinary intraday auctions.</p>	Noted and partially taken into account. Our current thinking is to procure a solution involving two IDAs from go-live, and have the option to increase the number of auctions if we see an interest in the market. We have not yet decided on an exact timing for the auctions, but the plan is to have one IDA between 18:00 and 21:00 during D-1 and an additional IDA in the morning of day D between 7:00 and 9:00.
Lyse Produksjon	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?	<p>Ja. Vi tenker at det også bør være mulig å gi NSL DA-bud i 15 minutters oppløsning, ikke bare NSL IDA.</p> <p>Yes. We think that it should also be possible to give NSL DA bids in 15 minute resolution, not just NSL IDA.</p>	Noted and taken into account. We will also explore the possibility to use a 60/15 setup for the DA market through our tender process
Lyse Produksjon	6) Do you have any other comments to the design of the new trading solution?	<p>NSL DA bør flyttes fra 10:50 til 11:00. Dette vil gi bedre muligheter til å hensynta oppdatert informasjon inn i NSL budgivingen. Etter vår oppfatning vil det være god nok tid til å oppdatere budene i den ordinære Day Ahead auksjonen så lenge resultatene fra NSL stort sett er klar innen 11:10.</p> <p>NSL DA should be moved from 10:50 to 11:00. This will give better opportunities to take updated information into account in the NSL bidding. In our opinion, there will be plenty of time to update the bids in the ordinary Day Ahead auction as long as the results from the NSL are mostly ready by 11:10.</p>	Not taken into account. To maximise liquidity in the NSL auction at the GB end of the link and to avoid creating another day-ahead price in GB, we prefer the NSL auction to be integrated into one of the two existing day-ahead auctions in GB. They are currently running at 10:20 and 10:50. In the tender process we will therefore accept the DA auction to be between 10:00 and 11:00, and we will decide the exact timing when we know who wins the tender.
Fornybar Norge	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	We support the facilitation of a solution for intraday trading on NSL.	Noted and taken into account
Fornybar Norge	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views	<p>We believe it will be beneficial for the industry if the intraday auctions on the NSL build on the intra day auctions in the IEM, by having three intraday auctions. It will be beneficial if market participants can reuse processes and systems that are already implemented.</p> <p>We support a stepwise approach to the numbers of auctions and their timing. With a stepwise approach, the TSOs can evaluate the efficiency of the intraday solution and if needed adjust the number of auctions and/or their timing. More auctions should be considered if the cost of implementation is lower than the added value creation.</p>	Noted and partially taken into account. The number of auctions from go-live need to be balanced between the need to react on new information closer to real time and the strain more markets causes for Market Participants (and TSOs). Based on this, Statnett and NGV's current thinking is to start out with two ID auctions. One during Afternoon/Evening D-1 and one in the morning during D for the remaining hours.
Fornybar Norge	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day	We prefer the intraday auction on NSL to cover the same parts of the day as the intraday auctions within the IEM. Today's solution in Europe is similar to alternative bin question number 3, " each auction covers all remaining hours of the day". For the intraday auction at 15.00 and 22.00 in the day before the operating day, the auction is covering all the hours of the operating day. For the auction at 10.00 within the operating day, the auction is covering the remaining hours of that operating day. We believe this principle should be followed for the intraday auctions on NSL as well. Following the same principles in both auctions enables the industry to reuse their routines and will make the solution more adaptable to existing systems and processes.	Noted and taken into account

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Fornybar Norge	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?	Renewables Norway believes the timing of the auctions should reflect on the timing of the auctions in IEM, but not be at the exact same time. A one-hour difference between the auctions on the NSL and the IEM enables the bidders to participate in both auctions, as in today's solution for the day ahead auction where the auction on NSL closes at 10.50 and the auction on IEM closes at 12.00. Considering the timing of the intraday auctions within the IEM, at 15.00 and 22.00 in the day before the operating day and at 10.00 within the operating day, we suggest having the intraday auctions on NSL at 14.00 and 21.00 in the day before the operating day, and at 09.00 within the operating day. This enables the bidders to attend the next common European intraday auction, if their bids are not accepted in the NSL auction. In addition to this, we also suggest that the TSOs considers whether there will be a need for more intraday auctions within the day of operation to mitigate the downside of not having continuous intra day trade on the NSL. Renewables Norway believes it is crucial that Statnett and NGV continue the dialogue with the market participants with regards to the details in the intraday market design, for instance through consultations and/or meetings. With such interaction, it can be ensured that the NSL intraday market is designed in a way that promotes efficient competition and that is suitable for the market participants. Market Time Unit (MTU) When it comes to the market time unit (MTU), we understand that Statnett and NGV are suggesting different solutions in the day-ahead market and the intraday market on the NSL. Today's day-ahead auction on the NSL operates with a 60-minute MTU, as this is the standard in the day-ahead market on both the British and the Norwegian side. In 2025 the MTU in Norway will change to 15-minutes, and this opens possibilities for changing the MTU on NSL as well. GB, on the other hand, is expected to have a 60-minute MTU in their day-head market in the foreseeable future. The European standard for MTU on bidding zone borders is to operate with the highest MTU of the two connected bidding zones. For the day-ahead auction it is therefore suggested that we continue with a 60-minute MTU. This setup enables the market participants on both ends to use their standard MTU they are used to in their other intraday markets. The intraday market in GB today has a 30-minute MTU, while the Norwegian intraday market will have a 15-minute MTU after the change in 2025. There is the possibility to couple 15-minute bids in Norway with 30-minute bids in GB. That is what Statnett and NGV suggest having in the new intraday auctions on NSL, meaning that bids in Norway are made in 15-minute resolution, but are matched with bids in 30-minute resolution in GB.	Noted and partially taken into account. Our current thinking is to procure a solution involving two IDAs from go-live and have the option to increase the number of auctions if we see an interest in the market. We have not yet decided on an exact timing for the auctions, but the plan is to have one IDA between 18:00 and 21:00 during D-1 and an additional IDA in the morning of day D between 7:00 and 9:00.
Fornybar Norge	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?	Renewables Norway support the setup of intraday trading with 30-minute MTU in GB and 15-minute MTU in Norway. We agree that this setup gives the market participants on both ends the benefit of using the same MTU as they are used to in their other intraday markets. That said, we think this could be beneficial in the day-ahead market as well. We therefore suggest a setup of day-ahead trading with 60-minute MTU in GB and 15-minute MTU in Norway. We understand that the reasoning behind Statnett and NGV's suggestion, to have 60-minute MTU in both GB and Norway in the day-ahead auction, is the European standard for MTU on bidding zone borders to operate with the highest MTU of the two connected bidding zones. We believe there should be the same reasoning behind the choice of MTU in both the day-ahead auction and the intraday auction. It will be beneficial for the participants to have the same MTU on both the NSL auction and the other auction where they operate, and we believe that this outweighs the benefit of using the European standard for MTU on bidding zone borders.	Noted and taken into account. We will also explore the possibility to use a 60/15 setup for the DA market through our tender process
Fornybar Norge	6) Do you have any other comments to the design of the new trading solution?		N/A
Svenska Kraftnät	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	Yes!	Noted and taken into account
Svenska Kraftnät	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views	Would it make any sense to align the auctions with the intraday auctions in rest of Europe? In other words, to have three auctions but maybe at other timeslots than rest of Europe. If there is no value in having three auctions, two might be enough. However, a stepwise approach would be supported.	Noted and partially taken into account. The number of auctions from go-live need to be balanced between the need to react on new information closer to real time and the strain more markets causes for Market Participants (and TSOs). Based on this, Statnett and NGV's current thinking is to start out with two ID auctions. One during Afternoon/Evening D-1 and one in the morning during D for the remaining hours.
Svenska Kraftnät	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day	Not a specific preference. However, as you mentioned in the description, the aim should maybe be to ensure an efficient use of the capacity and to be able to release capacity that was not used in the day-ahead market. Therefore, it should be designed in the best way possible to fulfill this goal.	Noted and taken into account
Svenska Kraftnät	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?		N/A
Svenska Kraftnät	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?	The suggested approach would be supported. Seeing that market participants can use their standard MTU regardless of which country they operate in could make it easier to enter into the trading and also increase the participation.	Noted and taken into account
Svenska Kraftnät	6) Do you have any other comments to the design of the new trading solution?	No specific comment. However, it would be nice to know if you see any shortcomings or challenges with the suggested solution and how these can be tackled.	In our view, the best solution is to have implicit auctions. Since NSL cannot be a part of the Internal Electricity Market, having a separate implicit auctions is the best option available. Having intraday auctions will improve the NSL trading arrangements further.
Centrica Energy Trading	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	Yes, Centrica fully supports the introduction of intraday trading on NSL. This would be an excellent opportunity to move to a greater level of cross-border trading efficiency, with opportunities to amend flows in view of new information and improve the utilisation of available cross-border capacity. This would have benefits both for consumers and for decarbonisation. In addition, intraday capacity allocation acts as a fallback in case the day-ahead allocation of capacity fails for operational reasons. Furthermore, we note that currently there is no opportunity to trade in the forward timeframe (allocation and nomination of long-term (monthly and annual) capacity) or to exchange balancing services on the NSL cable. Centrica would welcome progress in this direction.	Noted and partially taken into account. Statnett is not selling Long Term Transmission Rights on any Norwegian Bidding Zone Borders, and we currently have no plans of introducing it on NSL either. Statnett is in the process of establishing EPAD auctions in several Norwegian bidding zones to increase hedging possibilities for market participants
Centrica Energy Trading	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views	Yes, Centrica would support a stepwise approach, as that would help to see how liquidity evolves. Centrica would recommend starting with one auction in the initial phase. Activity in this auction should then be reviewed, with the objective to potentially introduce further auctions.	Noted and partially taken into account. The number of auctions from go-live need to be balanced between the need to react on new information closer to real time and the strain more markets causes for Market Participants (and TSOs). Based on this, Statnett and NGV's current thinking is to start out with two ID auctions. One during Afternoon/Evening D-1 and one in the morning during D for the remaining hours.

Company	Question	Consultation answer	Reply from Statnett and National Grid Ventures
Centrica Energy Trading	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day	Starting with one D-1 auction, then it should cover all hours of the delivery day. If/when more intraday auctions are introduced, then the auctions could have a similar set-up as the newly introduced pan-European Intraday Auctions (IDAs) 1/2/3.	Noted and taken into account
Centrica Energy Trading	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?	Centrica propose timing the IDA in the evening D-1, preferably coupled with the existing UK/ISEM IDA1 ending 18:30 CET. It would be important to avoid overlaps with the current European IDA1/2 (15:00, 22:00) and with intraday auctions on the other interconnectors	Noted and partially taken into account. Our current thinking is to procure a solution involving two IDAs from go-live and have the option to increase the number of auctions if we see an interest in the market. We have not yet decided on an exact timing for the auctions, but the plan is to have one IDA between 18:00 and 21:00 during D-1 and an additional IDA in the morning of day D between 7:00 and 9:00.
Centrica Energy Trading	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?	Yes, Centrica is supportive of such a design in an implicit trading environment, where this should be automatic and technically supported. In an explicit trading environment, there should be conversion in line with the lowest granularity MTU (in this case 30 min).	Noted and taken into account
Centrica Energy Trading	6) Do you have any other comments to the design of the new trading solution?	Centrica understands that by 2026 there is a clear legislative call for the transposition of the European Carbon Border Adjustment Mechanism (CBAM) in Norway. It would be important to understand how the CBAM implementation will affect implicit trading offered through the NSL cable, both day-ahead and intraday. Centrica looks forward to future engagement with Statnett SF. I hope you find these comments helpful but please contact me if you have any questions.	Noted. Statnett and NGV are looking into the impact CBAM might have on NSL if it is implemented in Norway. We are also working together with other European TSOs.
EFET	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	Yes, we agree that it is a good idea to establish intraday auctions on the NSL cable. We advocated this in several consultations. Allowing for the allocation and nomination of intraday capacity as close to real-time as possible is important to enable market participants to access the interconnector and optimise power transactions shortly before delivery. Among others, this is particularly useful to help manage intermittent renewables. In addition, intraday capacity allocation acts as a fallback in case, for any reason, the day-ahead allocation of capacity fails (we have seen this on the continent with the occasional partial decoupling events in June and July 2024).	Noted and taken into account
EFET	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views	A stepwise approach starting with one NSL intraday auction (IDA) would be recommended so as not to “spread the liquidity” over too many auctions in the start-up phase. A decision for a further rollout should be based on the activity observed in this one auction.	Noted and partially taken into account. The number of auctions from go-live need to be balanced between the need to react on new information closer to real time and the strain more markets causes for Market Participants (and TSOs). Based on this, Statnett and NGV’s current thinking is to start out with two ID auctions. One during Afternoon/Evening D-1 and one in the morning during D for the remaining hours.
EFET	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day	Given that we suggest starting with one D-1 auction, this should cover all hours of the delivery day. If/when more NSL intraday auctions are introduced, they could have a similar set-up as the newly introduced European Union (EU) pan-European Intraday Auctions (IDAs) 1/2/3.	Noted and taken into account
EFET	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?	We propose timing the IDA in the evening D-1, preferably between 18:00-19:00 CET. It should avoid coinciding or being too close in time to the current EU IDA1/2 (15:00 CET, 22:00 CET). Additionally, the new ID auction on the NSL could also be coupled with the existing GB auction — like the GB IDA1 covering the 24 hours of the next day and coupled with the Irish Single Electricity Market (SEM) — or aligned with the Irish SEM IDA. Coupling these auctions together could bring more liquidity to the new NSL ID auction.	Noted and partially taken into account. Our current thinking is to procure a solution involving two IDAs from go-live and have the option to increase the number of auctions if we see an interest in the market. We have not yet decided on an exact timing for the auctions, but the plan is to have one IDA between 18:00 and 21:00 during D-1 and an additional IDA in the morning of day D between 7:00 and 9:00.  We have assessed different options for a new trading arrangement for NSL, covering day-ahead and intraday timeframes. Our view is that currently the best solution is to procure and establish a solution with stand-alone implicit auctions covering the two timeframes. However, our position on this might change over time if the market and regulatory framework evolves.
EFET	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?	Yes, as we want to be able to trade with the same Market Time Unit (MTU) as other products. We also support moving to a shorter Imbalance Settlement Period (ISP) of 15 minutes as explored in the second Reform of Electricity Market Arrangements (REMA) consultation in Great Britain, which should be matched with a shorter MTU of 15 minutes and a closer-to-real-time gate closure time (GCT) on the GB market. Shortening the ISP and MTU, as well as bringing trading closer to the GCT, enhances the participation in electricity markets of flexible capacity and demand response, helps make prices more reflective of the actual market conditions, and incentivises generation.	Noted and taken into account. The GB Imbalance Settlement Period is out of scope for Statnett and NGV in this Consultation
EFET	6) Do you have any other comments to the design of the new trading solution?	By 2026, there is a clear legislative call for the transposition of the European Carbon Border Adjustment Mechanism (CBAM) in Norway. We wonder about the implementation of this obligation on the NSL cable between Norway and the United Kingdom during the CBAM transitional period. More precisely, where will CBAM apply when Norwegian imports of electricity from GB get exported to the EU? How will the CBAM implementation affect implicit trading offered through the NSL cable? We welcome the Norwegian regulator RME requirement to give access to other power exchanges to the capacity of the NSL. We encourage the GB power exchanges to match the decision by sharing their orderbooks and allowing access to NSL to all power exchanges. We reiterate our wish to see forward capacity allocated on the NSL cable with Long Term Transmission Rights (LTTR), and preferably Financial Transmission Rights (FTR), as crucial next steps in designing trading solutions. FTRs would provide more useful access for market participants to use the cable for forward hedging, especially given the relatively small volume of physical generation and demand in the relevant price zone in Norway. Additionally, the NSL trading arrangement could be further complemented by exchanging balancing services. They could provide additional flexibility and security of supply. Finally, we suggest organising a public workshop for market participants by Statnett and National Grid.	Noted. Statnett and NGV are jointly assessing the impact CBAM might have on NSL if it is implemented in Norway. We are also working together with other European TSOs. Statnett is not selling Long Term Transmission Rights on any Norwegian Bidding Zone Borders, and we currently have no plans of introducing it on NSL either. Statnett is in the process of establishing EPAD auctions in several Norwegian bidding zones to increase hedging possibilities for market participants We intend to hold a public meeting closer to go-live of the new trading arrangement.
NVE	1) Do you agree that it is a good idea to establish intraday auctions on NSL for market participants?	NVE would like to support the implementation of intraday trading on NSL. This could help reduce the hours where the flow direction is not consistent with the SDAC price for NO2.	Noted and taken into account
NVE	2) Assuming that intraday auctions will be established, how many auctions would you suggest? Would you support a stepwise approach? Please explain your views		N/A

Company	Question	Consultation answer	Reply from Statnett and National Grid Ventures
NVE	3) Would you have a preference of each ID auction covering a specific part of the day or each auction covers all remaining hours of the day		N/A
NVE	4) Taking into account the timing of other auctions within the IEM and in GB, at what time do you think we should run the intraday auction(s)? Morning Afternoon evening ?		N/A
NVE	5) Do you support the setup of intraday trading in 30-minute MTU in GB and 15-minute MTU in Norway?		N/A
NVE	6) Do you have any other comments to the design of the new trading solution?	(extract) NVE would like to express concerns regarding the separate implicit day-ahead auction for NSL. Although the monthly price difference between NO2 SDAC and price set in the NSL auction are relatively small, as pointed out in the document attached to the public consultation, we would like to address that there are several individual hours where the price difference is significant. Since NSL went into operation October 2021 we have observed numerous hours where there is a significant price difference between the price set in the NSL auction and the price set through the common European auction (Single Day-ahead Coupling – SDAC) for the Norwegian bidding zone NO2. The theoretical flow direction between Norway and the UK would be different if the price set in the SDAC would be used instead of the price set in the NSL auction. In other words, the flow would most likely be in the opposite direction if NSL was part of the SDAC. We have also observed the same price difference for the UK side, but the occurrence is more frequent for NO2.	<p>As a result of Brexit, the UK was excluded from the common European energy markets (SDAC) of which Norway is a part. This meant that we had to acquire a separate trading solution independent of our ordinary markets when NSL was put into operation in 2021. Based on a thorough assessment, Statnett and National Grid Ventures chose to procure and implement a separate implicit day-ahead auction between GB and NO2 in Norway. Our assessment is that this is the best alternative available, given that NSL cannot participate in SDAC. At the same time, we are also aware that there are individual hours where there is significant discrepancy between the two spot prices in NO2, and that this may result in a different flow on NSL than if the connection could have been included in SDAC.</p> <p>We are now in the process of designing and acquiring a new trading solution for NSL, which will be put into operation in 2026. As part of the solution, we plan to have intraday auctions. These auctions may change the flow of the connection based on updated prices in the two markets. Our assessment is therefore that intraday auctions should largely solve the problem that NVE raises.</p>