

BALTIC ENERGY FORUM 2013

---

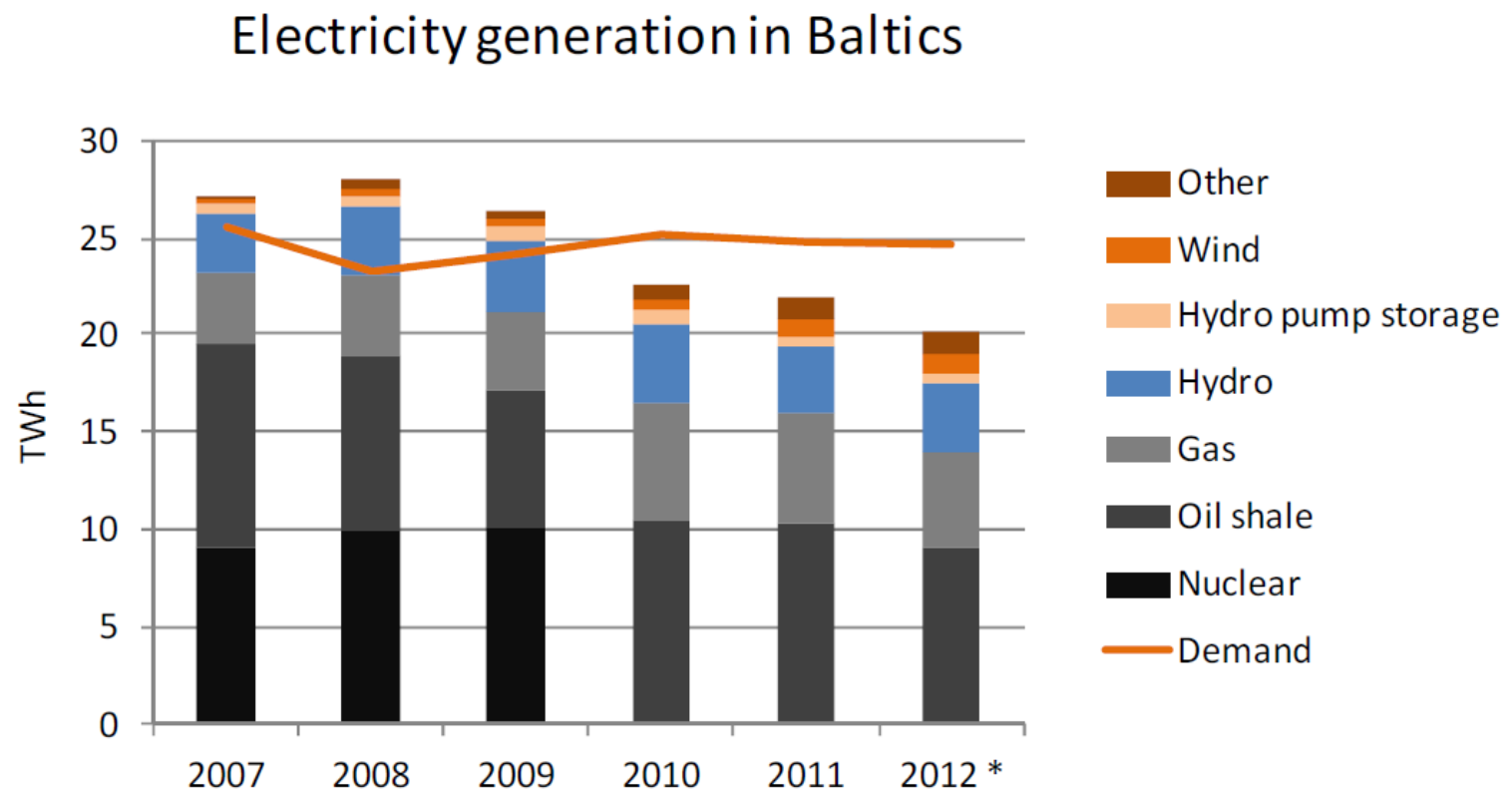
# NORD POOL SPOT INTEGRATED MARKET IN BALTICS

Hando Sutter

nord pool  
spot



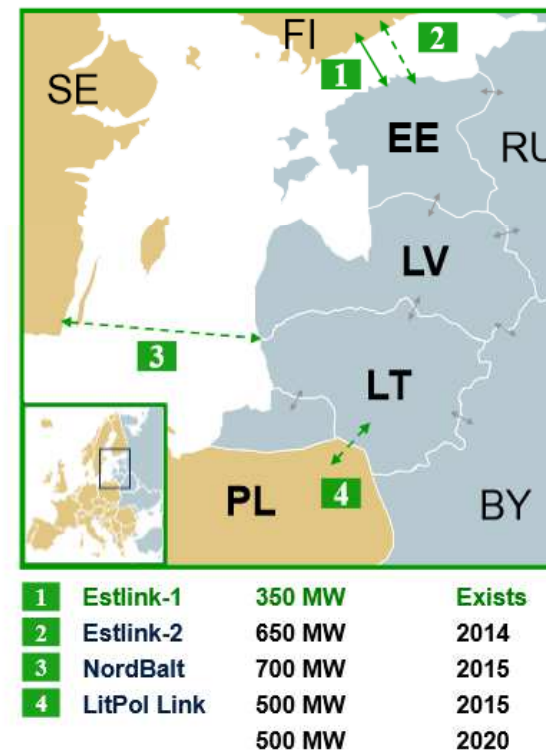
# Baltic generation



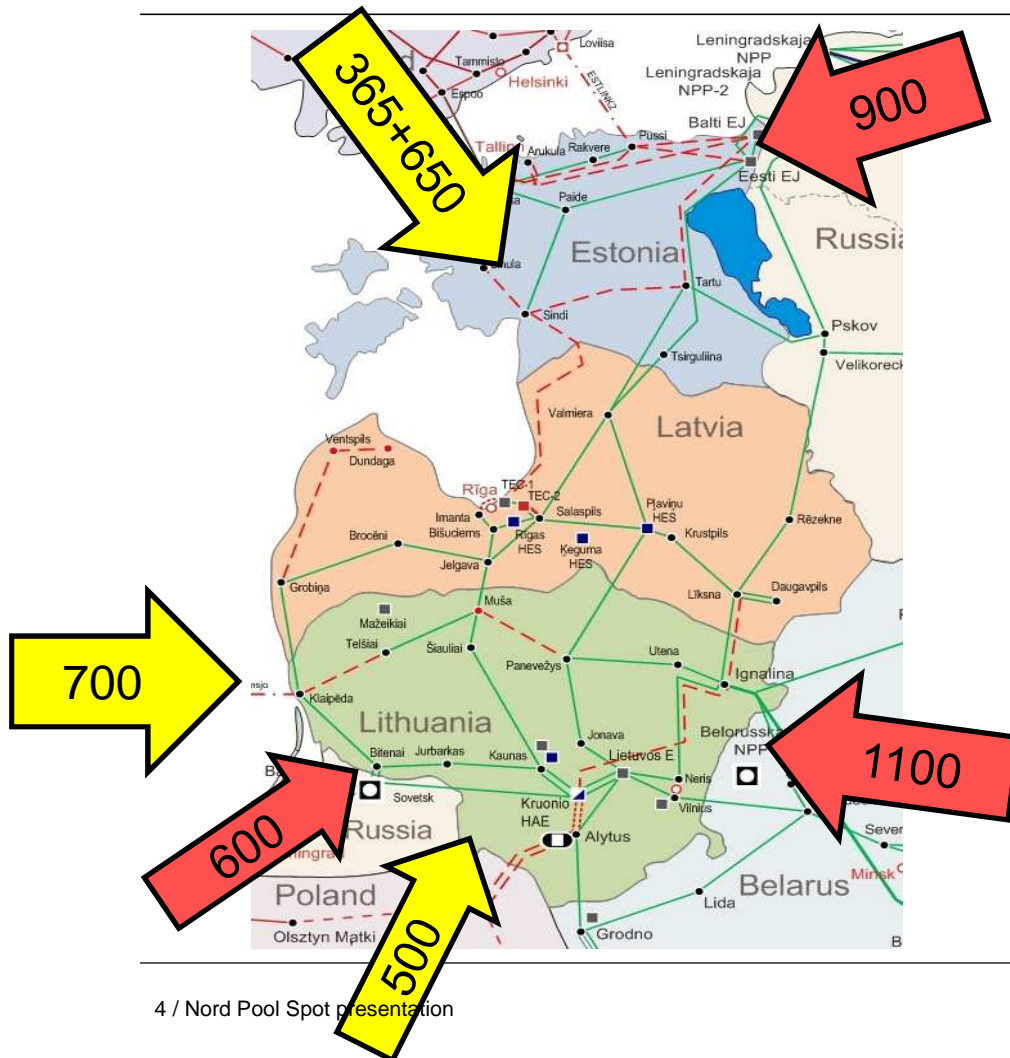
# BEMIP plan

## Baltic market integration via BEMIP

- Integration into EU energy market – strategic goal of Baltic States
- Baltic Energy Market Interconnection Plan (BEMIP):
  - Interconnections with Sweden, Finland and Poland
  - Creation of common Baltic and Nordic electricity market
- Market integration will enable equal and transparent trading rules and effective competition

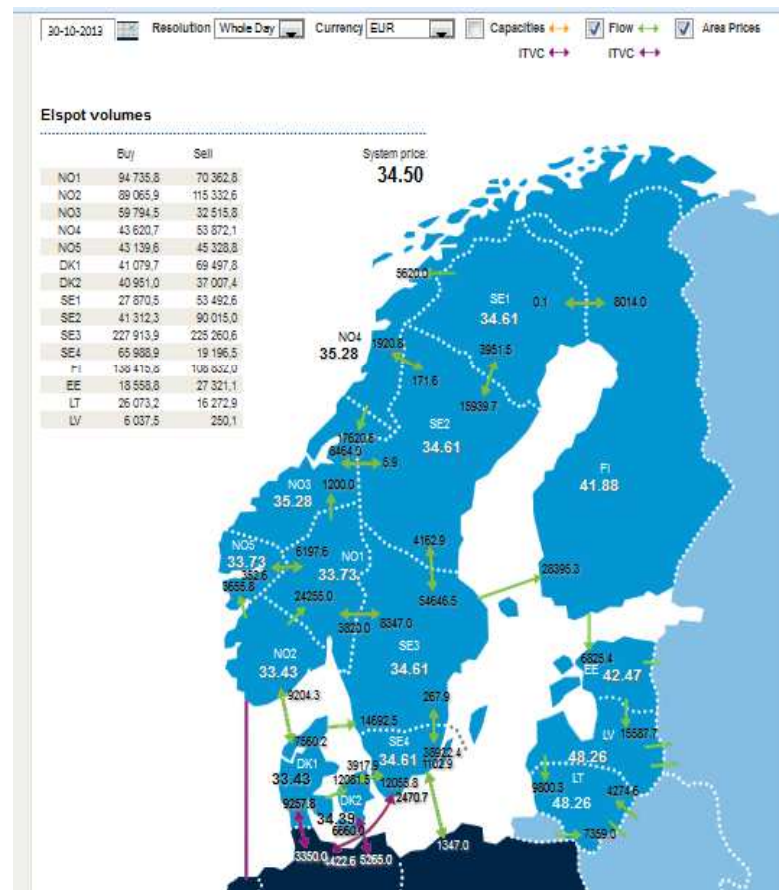
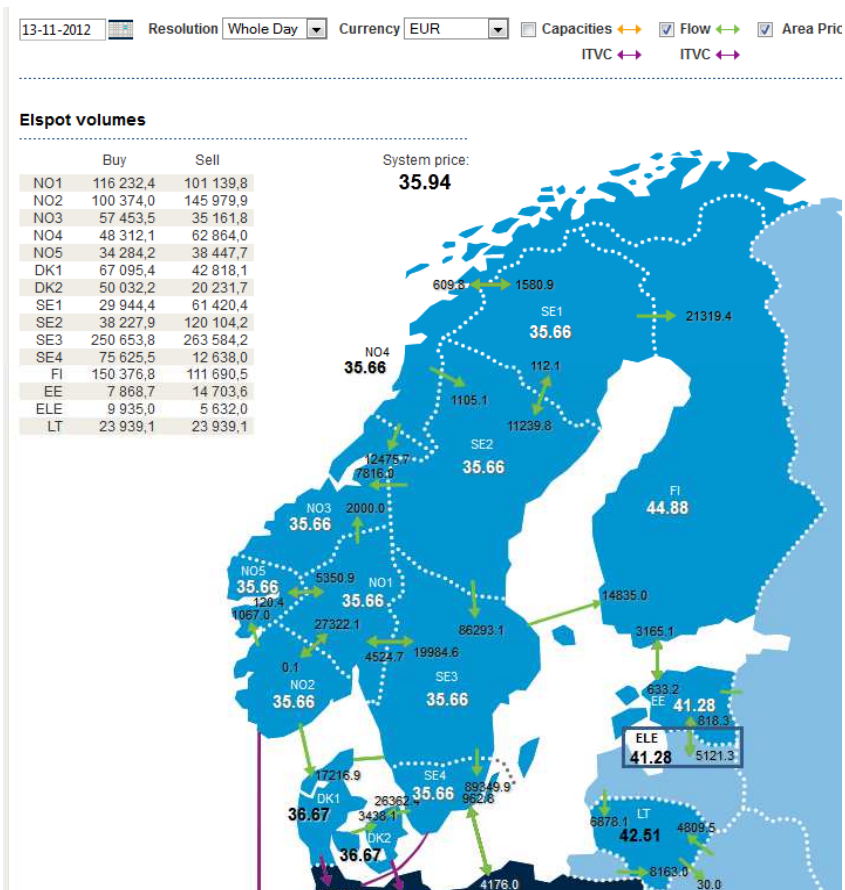


# Available capacities to Baltic's by 2015



- Max from EU: **2215 MW**
- Max possible import capacity from non-EU countries: **2600 MW**

# What has happened in 2013

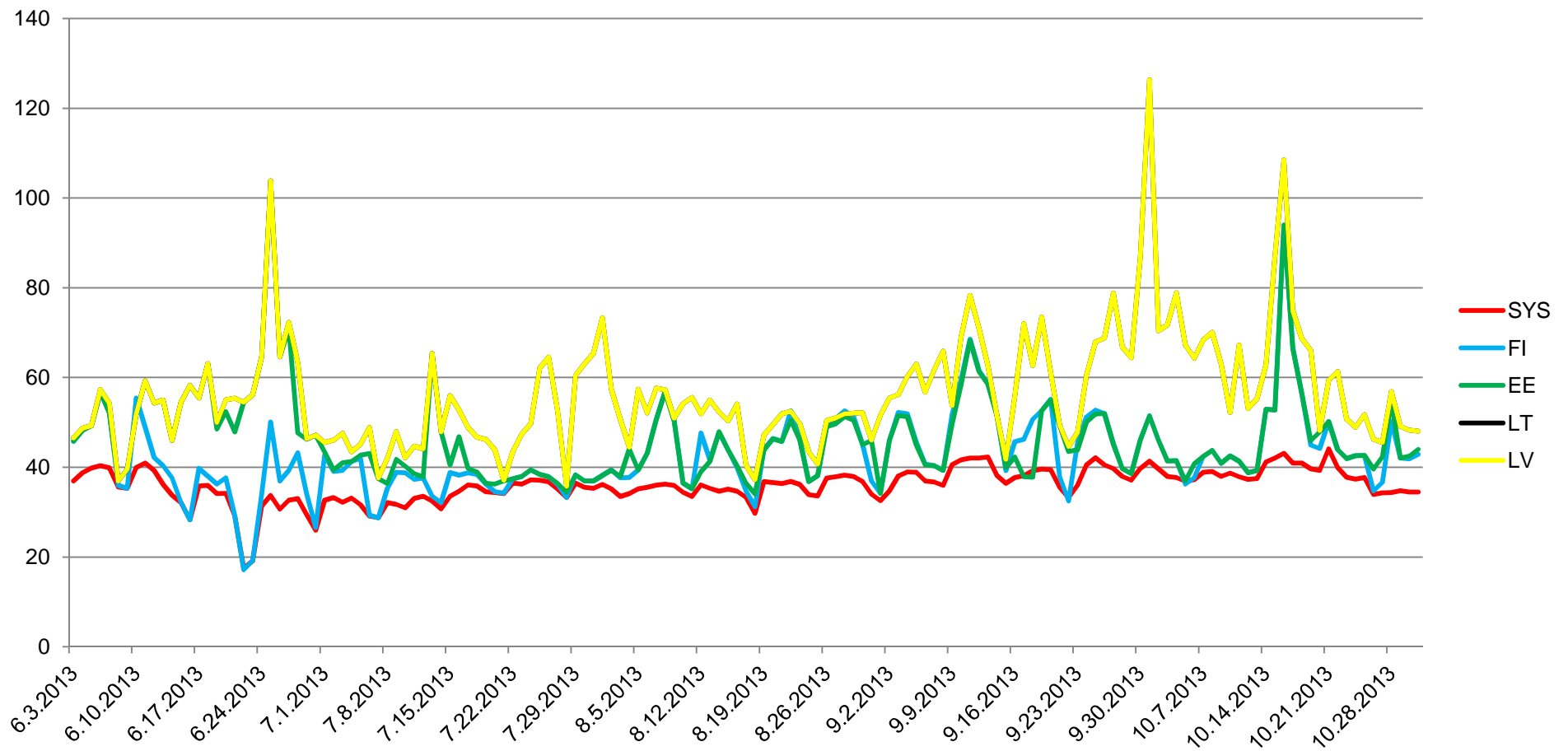


# Members

---

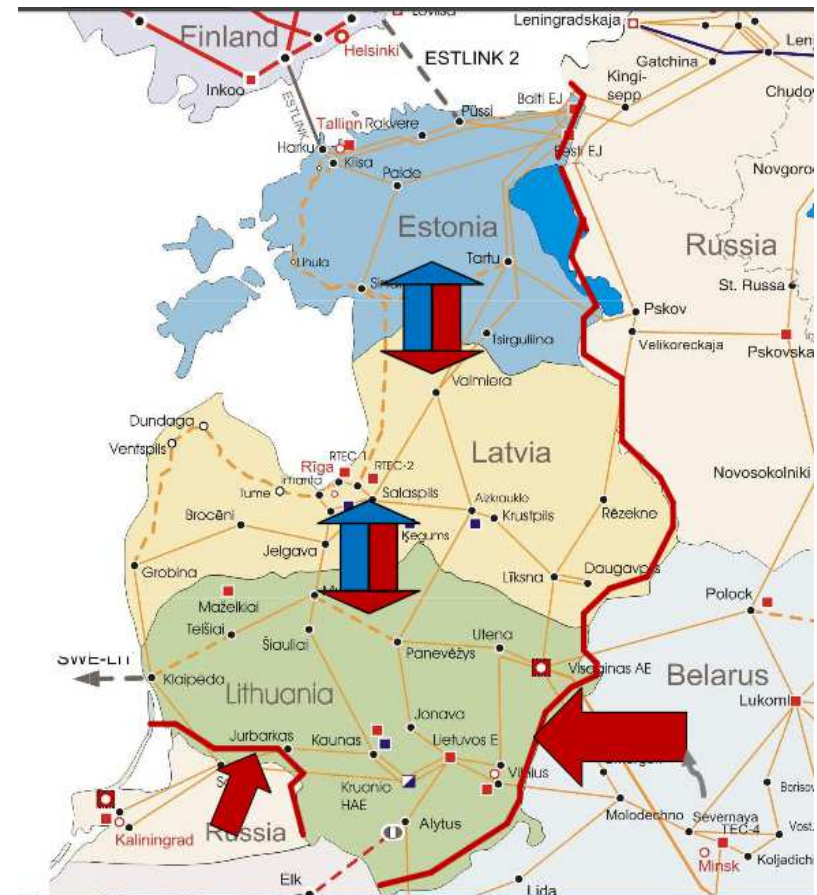
	Participants	Clients	Elbas
Estonia	9	5	4
Latvia	1	4	
Lithuania	19	6	
TOTAL	29	15	4

# Price dynamics after June 3rd



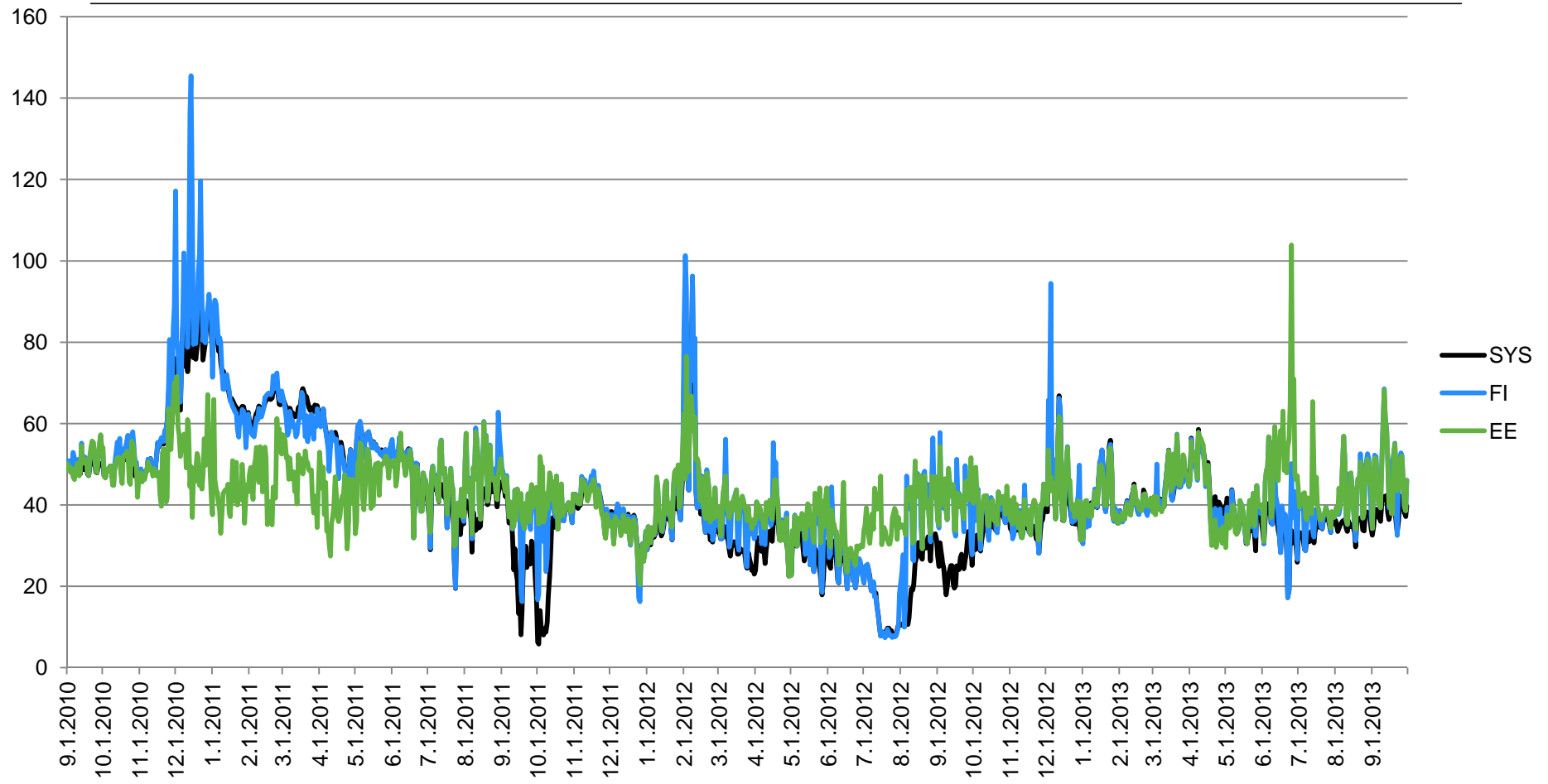
# Baltic price drivers in 2013 summer

- Baltic TSO's 15.03.2013 agreement
- Latvian bidding area opening in June 3rd
- Higher SYS price compared to 2012 summer
- Limited imports from Russia
- Several generation maintenances in Baltics and Finland
- Several interconnection maintenances in September/October

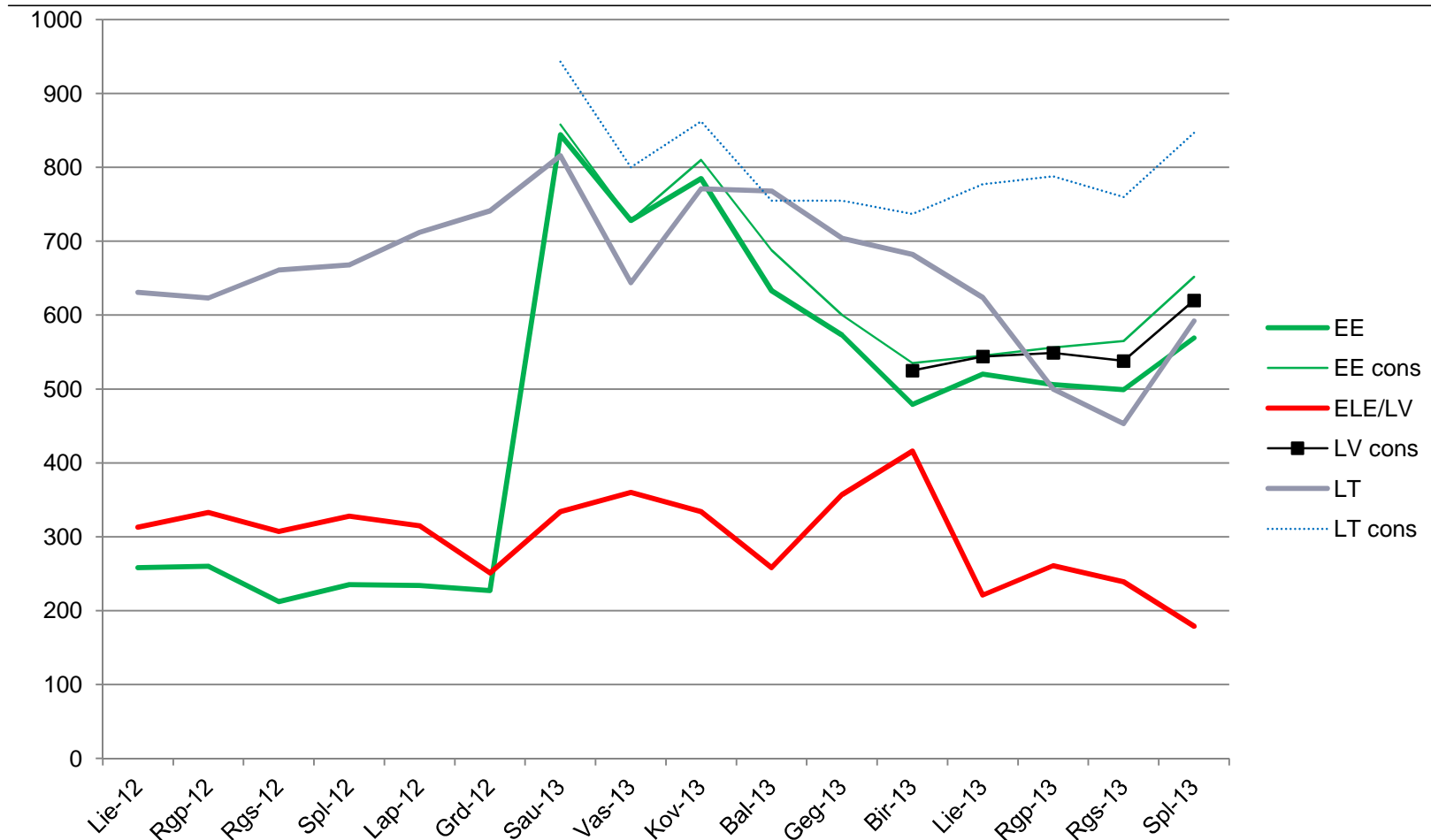




# Price dynamics since 09/2010



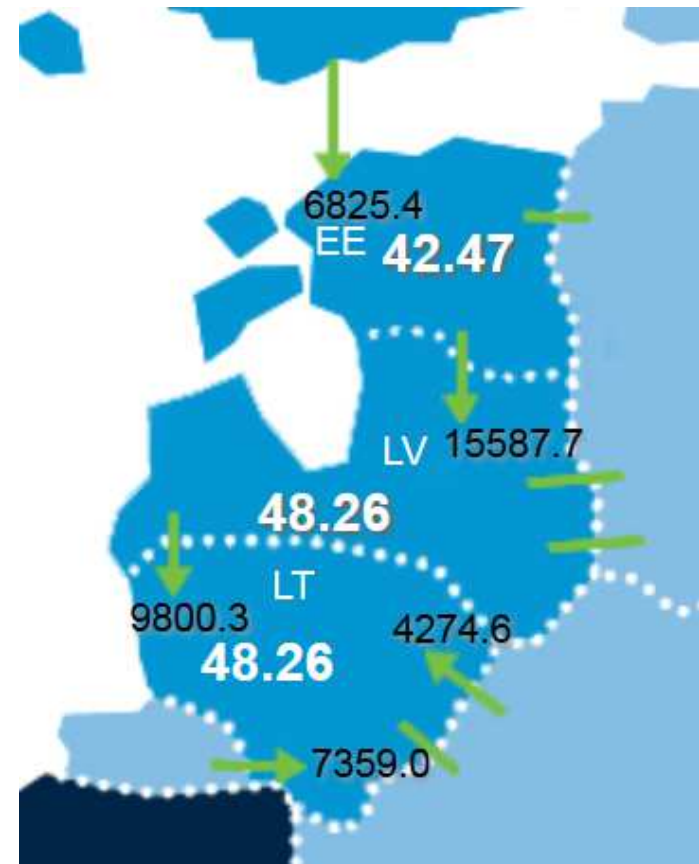
# Baltic volumes monthly; MW



# Baltic 2013 10 months traded volumes

- Lithuania – 6,55 TWh; 82%
- Estonia – 6,14 TWh; 94%
- Latvia – 2,96 TWh; 47%

**TOTAL: 15,65 TWh; 90%**





# Positive outlook in Baltic's

---

- Estlink 2 to be given to the market use since 06.12.2013  
Total CB capacity: 1000 MW EE>FI and 860 MW FI>EE
- Elbas LT, LV launch is scheduled on Dec 10, 2013
- NASDAQ OMX together with Baltic TSO's is planning to launch Baltic EPAD combo in June 2014
- Lithuania has approved changed regulation reducing the subsidies to generation. Since January 2014 only Litgrid will decide usage of subsidised generation. **Was not approved!**
- NordBalt and LitPol links progressing according to schedule and should be commissioned in 2016

# Further challenges in Baltic's

---

- Opening of the markets and harmonizing of the rules should continue as agreed in BEMIP plan – dispute among stakeholders is making impossible for market participants to plan their future. More risk, higher margins and less competition!
- Current Latvian electricity excise tax implementation doesn't allow Latvian renewable energy to be traded through power exchange
- 3<sup>rd</sup> countries border handling mechanism
- Common balancing energy price calculation principles, more in loop after Elbas launch
- Further training of market participants (bidding behaviour, UMM's etc.)

**Longer term common goals should be kept in mind solving short term challenges!**

---

# Development of power grids – way towards competitive energy?

---

- Price is calculated based on local sales/purchase bids and available cross border capacity
- The reference price is objective when all the generators participate on the market based on their marginal cost
- Financial market is based on the reference from the well functioning spot market.

**Once the NPS markets are launched and new interconnections are on the way, stakeholders have to continue their efforts to ensure well functioning, transparent and trustworthy power market in Baltics.**



---

# THANK YOU!

**Hando Sutter,**  
Regional Manager Estonia, Latvia, Lithuania and Russia

M: +372 50 40 273 | T: +372 6 164 543

E: [hando.sutter@npspot.com](mailto:hando.sutter@npspot.com)