

**European Commission**

**Balancing Markets Integration  
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# **Position of Norwegian Hydro Power Producers**

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# Integrating the European Markets

## Key Issues to Address

- RES directive represents huge challenges regarding investments, balancing services and market efficiency.
- Increasingly important: Access to flexible production to handle the imbalances!
- Norway has large hydro power potentials for further balancing services to the benefit of the European society.

# Integrating the European Balancing Markets (1)

- Norwegian producers support the general idea of guidelines (ERGEG), however;
  - Cross border capacity should be used for products with highest social welfare
  - Added value impossible without capacity reservation options.
    - Different products must compete on a level playing field!
  - TSO-TSO and single-buyer solutions can be a hurdle for future development.
    - May impede competition and exchange of system- and balancing services
    - Other solutions should also be considered.
- Few if any technical obstacles of increased exchange of balancing products e.g. automatic load frequency control – LFC

## Integrating the European Balancing Markets (2)

- NB! DC technology enables other solutions than AC.
- Should set out concrete steps and measures in order to secure future harmonisation of balancing markets.
- Firm obligations should be placed upon TSOs to cooperate and harmonise their practices and standards.
- Need of increased clarity of concepts and definitions.
- Important that guidelines address intra-day market solutions
- **Guidelines should facilitate new market solutions, not restrict them!**