

Time to publish aggregated bidding curves

**NORD
POOL**

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Complete and detailed bidding curves allow market participants in the day-ahead market to better understand prevailing market conditions. Bidding curve data – comprising all purchase and sell orders for each delivery hour – is key for market participants to both adjust and optimise trading strategies according to market conditions.

At Nord Pool, we see the importance and great value our customers, and prospective customers, attribute to bidding curve data in the day-ahead markets. Beyond the value to market participants we are also acutely aware that increasing efficiency and transparency is one of the key objectives of the guidelines on CACM (Capacity Allocation and Congestion Management).

For many years now we have provided bidding curve data for the Nord Pool system price within our Nordic and UK markets, just as this type of data is provided in central Europe. With only one NEMO (Nominated Electricity Market Operator – power exchange) in a market, or for a NEMO with high liquidity in a market, it has been natural to publish bidding curve data on an individual NEMO basis. However, with the advent of more than one NEMO operating in a market, we have had to carefully assess the prospect of publishing bidding curve data across all markets where we operate.

We have therefore sought detailed legal advice on what we are able to publish, without compromising the commercial security of parties trading with us. That advice has concluded that there may be a challenge to Nord Pool publishing bidding curve data alone in markets we have newly entered. Individual Nord Pool bidding curve data might produce a level of transparency that would be

objectionable from a competition law perspective, by casting light on the trading strategies of market participants.

The importance of publication

Complete and detailed bidding curve information is key for transparency and to support a deeper understanding of what is happening in the market. With more than one NEMO in a market we see that there is a danger of competition law conflicts potentially arising from publishing bidding curves for the individual NEMO.

On the other hand, by only publishing parts of the bidding curves for an area, market participants miss out on having a complete overview, and transparency within the market is compromised.

In addition, market participants that are only a member of one NEMO might completely miss this important information if the NEMO where they are a member cannot publish individual bidding curves due to competition law concerns.

Our view is that it is extremely important that our customers receive complete bidding curves for each country in one place, so that market participants can plan

their consumption and production in a way that is optimal from a socio-economic perspective. And this is particularly true for smaller customers, who often find access to the market is simpler with Nord Pool but who cannot afford membership of multiple NEMOs.

How can we do it?

There are three key considerations:

- **Bidding curves should be aggregated by country with the minimum level of detail being the minimum traded unit of the day-ahead market.**
- **Bidding curves must be anonymised – it should not be possible to trace orders back to a specific NEMO.**
- **Bidding curves must be publicly available in a format aligned between all NEMOs. For example, NEMOs could publish the information on a platform of their choice, provided that the format and time of publication is agreed.**

In this scenario, if such a method of publication can be agreed and implemented, no individual bid/offer curves will be published anymore. Instead, all the information currently visible will be made available in the new aggregated bidding curves.

At Nord Pool we are determined to do as much as we possibly can to increase transparency for our customers.

What next?

Nord Pool's position on this topic is broadly aligned with the latest position of central western European national regulatory authorities (NRAs). We will continue to raise the aggregation of bidding curves on a European level with all NRAs, the Agency for the Cooperation of Energy Regulators and the European Commission, to establish a common understanding of the importance to the market of this issue, so that the market can have aggregated bidding curves between NEMOs in the near future.

We would also encourage all market participants and other stakeholders that see a value in this simple change, to do the same. For guidance on who to contact, or if you would like to discuss your own perspective on bidding curves, please feel free to contact us at Nord Pool.

Contact:

support@nordpoolgroup.com or
<https://www.nordpoolgroup.com/trading/join-our-markets/market-managers/>

ABOUT NORD POOL Nord Pool, Europe's leading power market, delivers efficient, simple and secure trading across Europe. The company offers day-ahead and intraday trading, clearing and settlement to customers regardless of size or location. Today 360 companies from 20 countries trade on Nord Pool's markets in the Nordic and Baltic regions, Germany, Luxembourg, France, The Netherlands, Belgium, Austria and the UK. Nord Pool is a Nominated Electricity Market Operator (NEMO) in 15 European countries, while also servicing power markets in Croatia and Bulgaria. In 2019 Nord Pool had a total turnover of 494 TWh traded power.