

Nordenergi calls for a review of Swedish confidential Critical Network Elements and Constraints (CNECs)

Nordenergi is the collaboration between the Nordic energy associations Finnish Energy, Green Power Denmark, Renewables Norway, Samorka and Swedenergy.

The introduction of flow-based capacity calculation in the Nordic electricity market has led to significant changes in how capacity is calculated and allocated in the main grids. This method aims to optimize the use of the electricity grid and improve operational reliability. However, Sweden's strict secrecy legislation has created major challenges for market participants, which risks having major consequences for the efficient use of the electricity system and distorts competition to the detriment of smaller market participants.

Svenska kraftnät's interpretation of the Swedish secrecy legislation means that critical information about the electricity grid cannot be shared with market players. After the introduction of flow-based capacity calculation, the strict secrecy legislation has made it almost impossible for market participants to predict prices in the electricity market and thus utilize flexible resources in an optimal way.

This increase in uncertainty comes with several negative effects, not restricted only to Sweden but which have an impact in the whole Nordic Capacity Calculation Region. The decrease in transparency leads to inefficient use of resources which decreases social welfare. Higher uncertainty comes with higher risk premiums which in the end will be carried by the electricity customers. Furthermore, flow-based capacity calculation has increased the complexity in the electricity market, to the disadvantage for smaller market participants, which is reinforced by the applied confidentiality restrictions.

The confidentiality must also be seen in the light of the fact that critical information is already available elsewhere. In accordance with the regulations 543/2013 and 2019/943, critical information about the power system is already published today on public platforms such as Nord Pool UMM and the Nordic Unavailability Collection System (NUCS). Furthermore, recently, Montel Analytics announced that they have developed a model which is able to identify the bottlenecks in the Swedish grid. And, of course, a lot of the information is also available in public maps and Svenska kraftnät themselves provides schematical grid maps as well.

Sweden is the only Nordic country with such strict secrecy linked to the electricity grid. And the same applies for all other countries in the EU using flowbased capacity calculation, which therefore provides the electricity market with significantly more crucial information for an efficient use of resources. The other countries have managed to balance transparency and security, which indicates that there are alternative solutions that Sweden could consider. To ensure an efficient utilisation of the Nordic power system, and a good investment climate, Nordenergi therefore calls for a review of the relevant Swedish legislation to be fit for the new conditions.

30 January 2025

Our contacts are:

Renewables Norway

Knut Kroepelien

knut.kroepelien@fornybarnorge.no

+47 938 64 018

Finnish Energy

Janne Kauppi

janne.kauppi@energia.fi

+358 50 478 7415

Swedenergy

Magnus Thorstensson

magnus.thorstensson@energiforetagen.se

+46 733 92 57 61

Green Power Denmark

Astrid Buhr Broge

abb@greenpowerdenmark.dk

+45 61 24 43 63

Nordenergi is the joint collaboration between the Nordic associations for electricity producers, suppliers and distributors. Members are Swedenergy, Green Power Denmark, Renewable Norway, Finnish Energy and Samorka. Overall, Nordenergi represents more than 2,000 market actors (member companies), most of them active in the electricity sector, but also in other areas such as district heating, gas and services. For more information regarding Nordenergi please visit www.nordenergi.eu. EU Transparency register number: 85161125283-02.

