



**NVE**

The Norwegian Energy  
Regulatory Authority

NORD POOL EUROPEAN MARKET COUPLING OPERATOR AS  
Postboks 121  
1325 LYSAKER

**Our date:** 30.11.2023

**Our ref.:** 202318647-2 State on request

**Your ref.:**

## **Request for information - trading error in Finland**

We refer to Nord Pool European Market Coupling Operator AS (NP EMCO) email of 24 November 2023 to the Finnish and Norwegian regulatory authorities with information regarding an incorrect electricity sales order submitted by a market participant to Nord Pool AS (NP) 23 November 2023 for the entire day of 24 November 2023 for the Finnish bidding zone.

Electricity prices and volumes for delivery 24 November 2023 were calculated on the basis of the said incorrect offer. As a result, the price formation was incorrect, and reached the minimum price level at -500 EUR/MWh in several hours in Finland.

NP EMCO is designated nominated electricity market operator (NEMO) in accordance with CACM<sup>1</sup> in all the Nordic countries. As set out in CACM article 4, the designating authorities shall monitor all NEMOs performing single day-ahead and intraday coupling within their Member State and ensure compliance with the requirements that follows from CACM. The incident on 24 November 2023 occurred in the Finnish bidding zone, and the Finnish regulatory authority will be investigating the relevant incident. However, as the incident has brought up questions of the routines and practices of NP EMCO in general, all Nordic regulatory authorities have agreed to investigate whether CACM requirements may have been violated and how similar situations can be prevented in the future. The Nordic regulatory authorities will also cooperate with other European regulatory authorities on this matter.

NP EMCO has delegated tasks to NP, and this includes receiving orders from market participants and sharing the received orders with the Market Coupling Operator. NP EMCO as the designated regulated entity is the responsible party for these tasks.

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<sup>1</sup> COMMISSION REGULATION (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management



We ask you to provide the following information related to the incident:

- 1) A general explanation/description of the incident, including at least the following information:
  - a. a timeline of the incident,
  - b. whether the erroneous orders were identified by NP before submitted to the Market Coupling Operator,
  - c. what alternative measures NP considered to take before the erroneous orders were submitted to the Market Coupling Operator,
  - d. description of the decision-making process in NP when the incident was identified, including what decisions were made, who made the decisions and justification for the decisions,
  - e. what measures NP implemented, or could have implemented, to remedy the situation after the erroneous orders were submitted to the Market Coupling Operator and prices were calculated.
- 2) Description of routines for control of received orders. During a meeting between Nordic and Baltic regulatory authorities and NP Market Surveillance on 14 June 2023 we were informed that a reasonability check was provided by Nord Pool, where submitted curve orders were compared with previous trading days.
- 3) Explanation of what measures NP EMCO/NP can and/or will take to avoid similar incidents in the future, and an assessment of the relevant measures.
- 4) An assessment of possible economic consequences for NP/NP EMCO.
- 5) Description of how increased traded volume (compared to earlier traded volumes) are reflected in the collateral requirements, included an assessment of the risk related to the timing of the actual trade and the collateral call. This particular case is related to a sales order, where the price was negative in several hours. How does this affect the collateral call and the risk related to this?

We ask that the information is provided to [rme@nve.no](mailto:rme@nve.no) within 8 December 2023.

This request is sent on behalf of all Nordic regulatory authorities.

Regards

Kristin Kolseth  
Seniorrådgiver

Godkjent av Tiril Henriksen Norvoll  
Seksjonssjef



Tore Langset  
Direktør

Approved according to our internal routines.

**Recipients:**

NORD POOL EUROPEAN MARKET COUPLING OPERATOR AS

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