

MINUTES FROM MEETING 02/2007 IN THE PRODUCT GROUP FOR THE PHYSICAL MARKET

Date: 27th of April 2007

Place: Alvik Strands Conference Center in Stockholm

Present:

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| Lasse Damsø Pedersen | Dong Energy |
| Anderas Renvall | Kymppivoima |
| Siri Revelsby | Hydro Oil & Energy, Markets |
| Jonas Melin | Markedskraft |
| Harri Mattila | Helsingin Energia |
| Mikael Jednell | Plusenergi |
| Tom Tellefsen | Statnett |
| Urban Hammarstedt | Nord Pool Spot (Chariman) |
| Rickard Nilsson | Nord Pool Spot |
| Magnus Sunnefors | Nord Pool Spot (Secretary) |

Absent: Mårten Strömberg Vattenfall

09/07 Comments on the agenda

There were no comments on the agenda

10/07 Minutes from last meeting the 24th of January 2007

There was one comment from NPS regarding the topic on how to calculate the system price and the planned group for a study linked to this question. The status since last meeting is that the question has been discussed in the Product Group for the Financial Market during their last meeting. The interest in this question was small and therefore no working group will be created.

11/07 Status, trade, market and product development

Comments on enclosed statistics:

There were several comments on the gross bidding fee, the comments varied from that the fee is too high to comments that the fee is too low for larger participants and that this gives them unfair competitive advantages. NPS welcomes the discussion about the fee structure for gross bidding and these comments will be considered in the yearly review of the total fee structure. Members in the group said that they are still missing statistics showing both gross and net volumes. NPS response was that the total volumes are the market volumes. However, NPS would consider it again and return in a later meeting.

NPS informed that they have decided to start publishing of Elspot's share of consumption per Nordic country on a monthly basis.

Elbas:

NPS have received positive signals from Statnett for an opening of Elbas in Norway and a study is underway, but no firm date agreed.

There were questions for more detailed information on homepage and ftp about trade in the Elbas market, both volumes and prices divided per area.

Capacity allocation after Elspot:

Capacity allocation and publication of data after Elspot has not been working as it should be during the last months. NPS is aware of this and has an ongoing work and discussions with relevant TSOs. Members of the group said that it is important work for NPS to follow the capacity allocation both for Elspot and Elbas and that this information is presented in a transparent way to the market.

Timing of System Price Curve Publication

Several participants have asked NPS to publish the System Prices Curves closer to trading day and there has also been a discussion about publication time in the EU transparency work. The group was positive to D+1 or D+2 with an important reservation, an earlier publication must not lead to an increased risk of market abuse. Members of the group suggested that NPS should present the curves in data points in addition to PDF pictures. One member said that this is just at question of resources for the participants and therefore NPS should consider a publication in this form. NPS will evaluate this proposal and return.

12/07 Sesam

NPS gave the group a short version of the more overall information given under the training sessions.

There were some questions on performance in terms of the time when the price is finished and sent to the market. The answer was that the results are expected to come at similar times as today.

There was also a discussion about sum capacities to the Norwegian areas and if simplified grid flow models might be implemented in the future. No conclusions were drawn, but the matters can be relevant to consider in the future.

13/07 Transparency

Two of the members in the group are also members in the newly created transparency group which shall review possible improvements of transparency. The mandate for the group was presented and the main topics that the group are working with. All members in the group are asked to leave input, if any, on transparency topics to the transparency group.

Other topics discussed under this point were the starting of publication of capacity reduction codes which the group thought was a step in the right direction. NPS also clarified that the Elbas market follows the same rules for disclosure of information as the Elspot market. Members of the group thought that NPS should work for more transparency around the regulation prices and volumes, for example anonymous data presented close to real time.

14/07 Market Coupling projects

NPS informed the group about the two market coupling projects, both the NordNed and the coupling with EEX. There were several practical and detailed questions regarding every day tasks on the different couplings, but not yet

any finalized answers. Members of the group said that it is very important that the participants are notified as early as possible if the couplings lead to different daily rules for trading.

15/07 Nordel related issues

There was a discussion about a more fixed price ceiling in the Elspot market connected to the ongoing Nordic harmonization for a max price in the regulation market. Connected to this the importance of a harmonized handling of the different power reserves was also mentioned.

NPS and the member representing Nordel informed the group about work connected to new planned ramping limitations in the exchange area with the introduction of NordNed. There are several different methods to handle the flow changes and several different solutions were presented, but the future ramping limitations is not yet finalized. The group said that it is in general very negative to such grid related restrictions in the Elspot market and that it is very important that the limitations is not always based on a worst case scenario and thought it would be a good idea to use varying limitations calculated by the TSOs from actual system conditions. This question will also be discussed on coming meetings.

16/07 Future focus areas for the product group?

There was not enough time for this point but NPS asked the members to think and come back with future focus areas for the product group and also a forum for a more continuous discussion between the meetings.

17/07 Other issues?

No other issues.

18/07 Next Meeting

The group agreed that the next meeting will be held in Oslo the 30th of August, starting with a dinner in Oslo on the 29th.

Nord Pool Spot AS

Stockholm

11 May 2007