

# Quarterly report from Market Surveillance

This report includes the period from 1 July to 30 September 2022.

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## Updates from Market Surveillance

The high price level sustained through the third quarter, with record volatility and record high prices. This was exemplified by the price in ENOFUTBLYR-23 that moved 60 euros in two days and peaked at 283 euros on August 29 and dropped back again within the two following days. During this period, Market Surveillance has continued its focus on the demanding market conditions and the observed price development, herein whether this is related to acts of market manipulation.

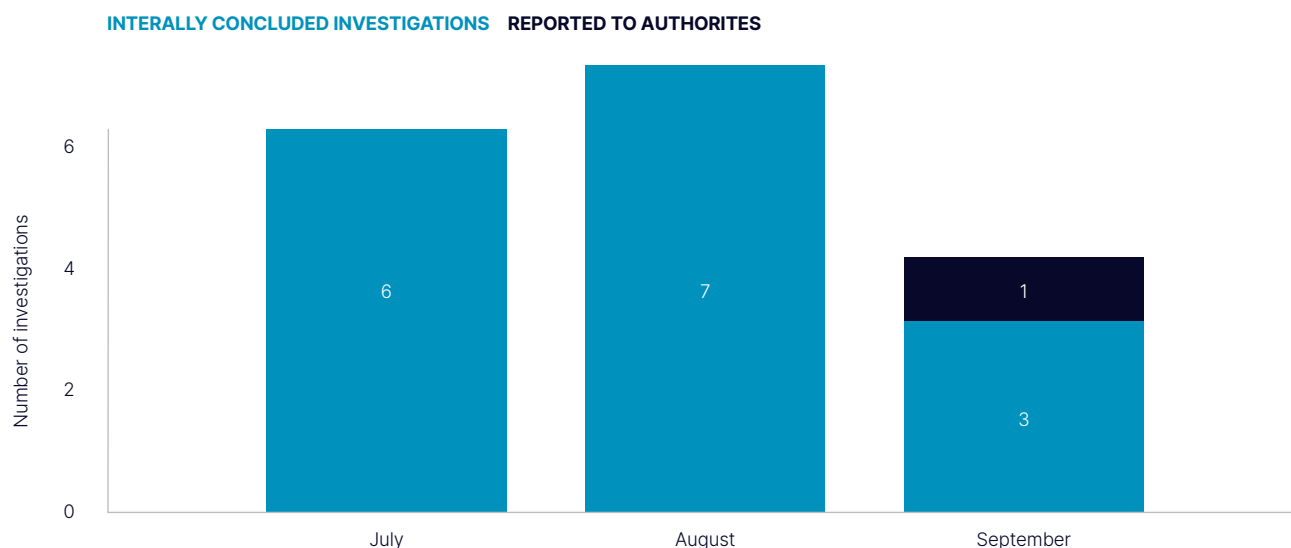
## Investigation summary

For all incidents and relevant events that Market Surveillance investigate, we look at the incident both in isolation and in a greater perspective. In general, we assess the following components:

- Activity of relevant market participant(s) before and after the incident
- Activity of relevant market participant(s) in other correlated products before and after the incident
- Changes in price formation before and after the incident
- Activity of other market participants
- Market participant(s) position in relevant contracts
- Previous activity and knowledge about market participant(s)

Through analysis, automated alerts and incoming tips Market Surveillance has investigated and reported relevant cases to the relevant authorities, as presented in the figure below:

## Investigation Statistics per month



## Selection of concluded investigations

Below is a description of some of the concluded investigations:

- On 9 September Market Surveillance was contacted by a market participant that was concerned with market movements in Nordic power on 25-26 August. The market participant's suspicion was that market movements were driven by a party with intention of creating disorder or taking advantage of another market participant being in a credit squeeze. Market Surveillance investigated the matter and did not find any indication of breach of the Market Conduct rules, and that market movements on said dates in August were primarily driven by movements in gas futures.

## Cases reported to Authorities

The following incidents were reported to relevant authorities:

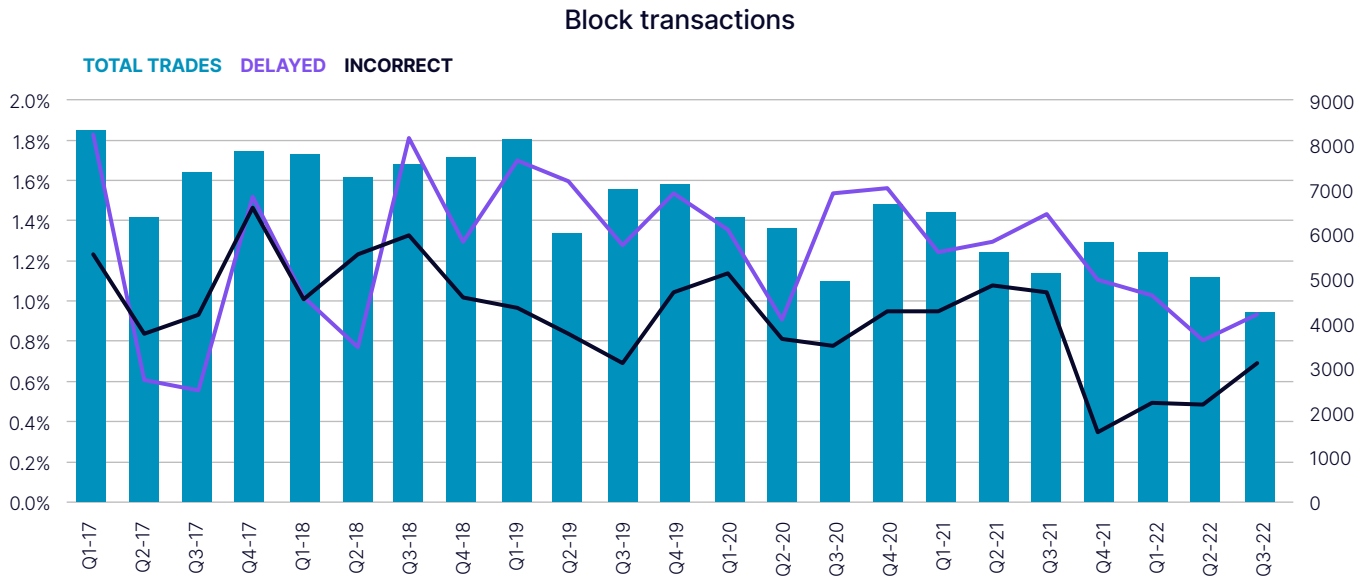
- On 1 July 2022 a temporary reporting scheme of actual production from hydro reservoirs in southern Norway was established. The first published report covering the period 1 July until 14 August showed that only approx. 3 % of the total production in southern Norway was produced with water that could have been stored and utilized during the coming winter. During the same period, the average day-ahead prices in NO2 was between 113,26 EUR and 423,73 EUR, with the daily average NO2 price above the DE area price in only 1 of the 45 days. The daily average NO1 price was above the SE3 area price in only 6 of the 45 days.

Market Surveillance found it reasonable to assume that "must-run" production at least set the price in some off-peak hours during which time we also saw export out of the region. Also, during some of the off-peak hours the region had area prices calculated above 400 EUR. Market Surveillance therefore forwarded its findings to the Norwegian Energy Regulatory Authority (NVE-RME) who has the possibility to investigate whether the pricing of the mentioned "must-run" capacity was in breach of NEM directive §§ 5-3 regarding market manipulation. Market Surveillance pointed towards ACER guidance on the application of REMIT where it is stated that a market participant must have legitimate technical, regulatory and/or economic justification (opportunity cost) for not offering its available generation capacity or for offering it above the marginal cost.

## Reporting of block trades

The percentage of delays in reporting of block trades was 0.93 % in the third quarter of 2022, this is up from 0.80 % in the second quarter of 2022.

The percentage of erroneous reported block trades was 0.69% in the third quarter of 2022, this is up from 0.48% in the second quarter of 2022.



\*Block Trades with Contract Time within Exchange Opening Hours, or 15 minutes or less before the start of Exchange Opening Hours, reported later than 15 minutes after their Contract Time are defined as delayed.

