

BSP Model Commissioning Plan

Version 1.0

Commission plan for Balance Service Provider (BSP) Model

- Purpose of this document is to describe on a high-level how the introduction of the BSP model affects
 - Imbalance Settlement model
 - the market participants' operations and
 - eSett's interfaces
- This document describes what will change when the Balance Service Provider Model will be taken into use:
 - main principles of the BSP model
 - the visible technical changes in the operations between market participants and eSett
 - the changes on Online Service user interface
 - the summary of the changes in reporting of imbalance settlement results from eSett to BRP
- This document is an initial commissioning plan, and it will be updated based on the updated information on the BSP model and input from the market participants

Agenda

- High level concept
 - Overview
 - Commissioning time schedule
 - Agreements
 - Impact on the model
- Changes to BRP
 - Changes on BRP having reserves
 - Main principles will be same for BRPs
 - Transition phase reporting (data packages)
- New BSP role in NBS model
 - BSP Invoicing and Fees
 - Collateral requirement for BSPs
 - BSP data on Online Service

BSP Model

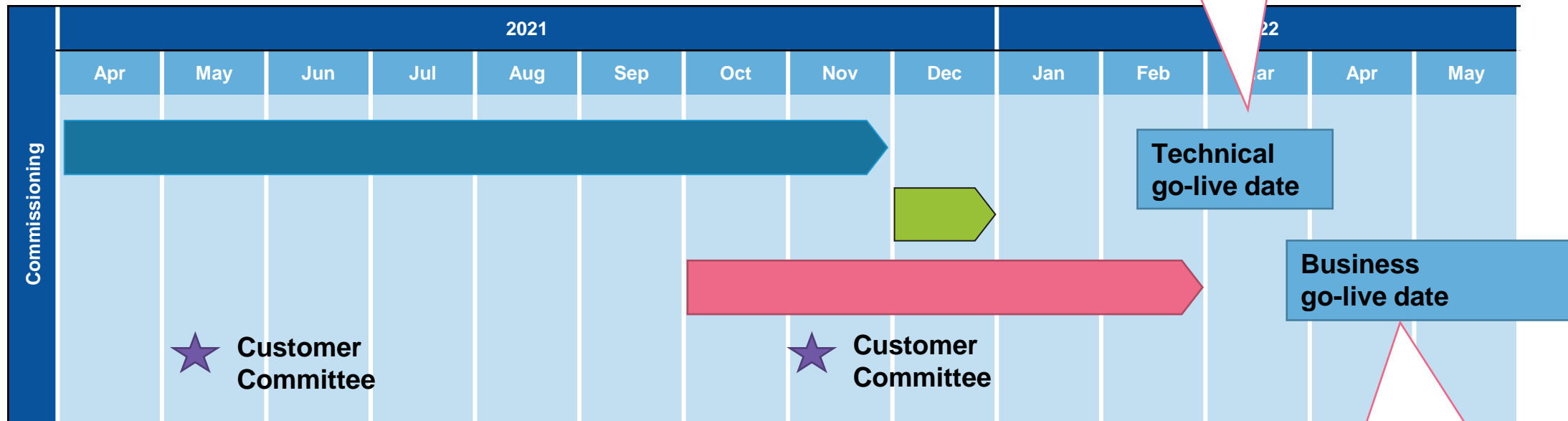
High level concept

Overview

- Balance Service Provider is a new market role who maintain reserves and provide balancing services in the regulation markets
 - participation in regulation markets will not require BRP role
- Current BRPs that deliver balancing services will have a BSP role which allows them to continue to act on the balancing markets as today
- Mutual settlement solution in the NBS countries
 - TSOs report activated reserves and capacity reserves to eSett (as currently)
 - The BSP will not be responsible for imbalances -> reported activated reserves will be calculated by eSett to imbalance adjustments and included in imbalance settlement of the BRP as today
 - In addition to BRP invoicing, eSett will be responsible for the invoicing of BSPs
 - the activation of time of BSP role in NBS countries will differ and the activation times will be specified in the NBS Handbook



Commissioning time schedule



Technical go-live date: separation of BRP and BSP roles in the settlement system. The exact technical go-live date will be decided later.

Technical go-live date

Business go-live date

Business go-live date varies by NBS country. The NBS Handbook regulates in which countries the BSP role without BRP role is allowed in NBS Settlement carried out by eSett.

- Development of internal processes and IT-systems
- BSP model compactible NBS Handbook available
- Agreement updates

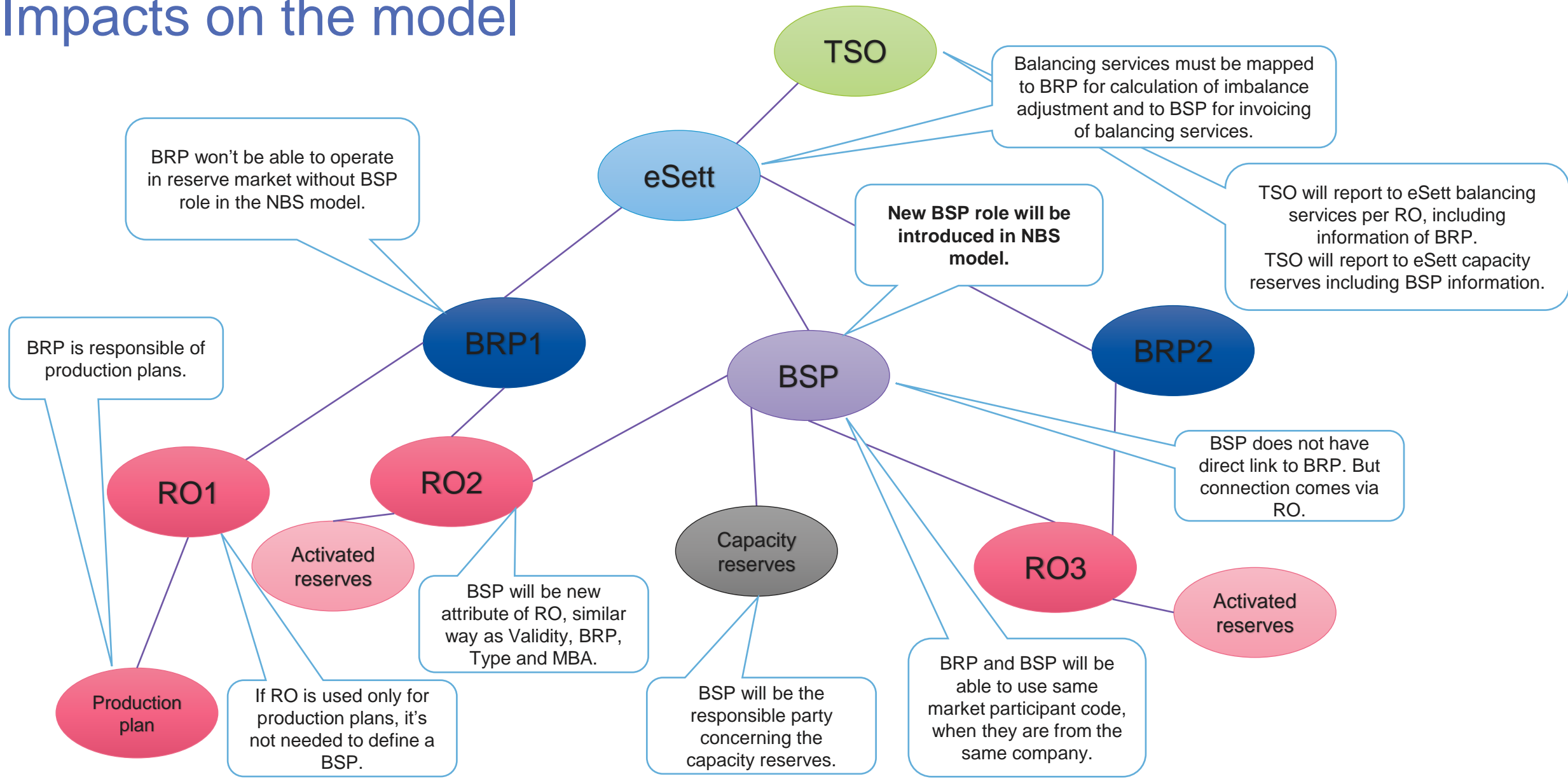
As the changes in communication/data change are very limited, eSett sees that there are no need for market testing period

Agreements

- The Agreement setup is under planning and will be discussed with the market participants in the next customer committee meeting



Impacts on the model



Changes to BRP



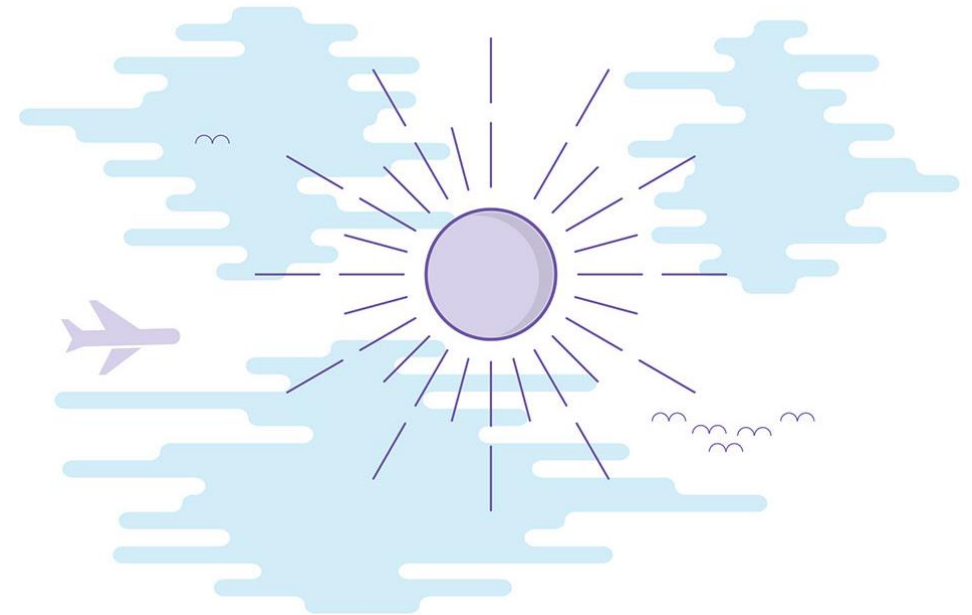
Changes on BRP having reserves

- BRP role will be split into two different roles in the Online Service: BRP and BSP role
- The Activated reserves' (AR) amounts will be moved under BSP role
- ARs' quantities are visible under BRP role as today
- Capacity reserves (CR) will be moved under the BSP role
 - When a company has a BRP and BSP role, quantities and amounts are visible on BSP side
- AR and CR related data packages will be moved to the BSP side (see the data package changes on the page 17)



Main principles will be same for BRPs

- No changes for these system parts if company operates as a BRP:
 - Invoicing content and products will be kept same
 - If the company operates as BRP and BSP, it will receive only one which invoice which includes same invoice products as today (imbalances, activated reserves, capacity reserves, fees)
 - Dynamic collateral calculation will be used as currently
 - Same Fees will be affecting to BRPs
- Settlement calculation is same (single balance model related calculation)



Transition phase reporting (data packages)

- eSett will start to use the new model after the BSP model technical Go-Live date (GL) is introduced
- Delivery days before technical GL will be using the current model where a BRP is the responsible participant concerning activated reserves and capacity reserves
- Delivery days after technical GL will be using the BSP model where a BSP is the responsible participant concerning activated reserves and capacity reserves
- eSett will report settlement results based on which model the delivery day is using (before or after technical GL). During the transition period the data packages' values will be send based on the responsible participant:
 - Before the technical GL for BRPs
 - After the technical GL for BSPs



New BSP role in NBS model

BSP Invoicing and Fees

- A weekly *BSP Fee* can be introduced for the BSPs
- BSPs will be invoiced on weekly basis, with same schedule as BRPs (activated reserves, capacity reserves, fees)

		Days in the settlement process																											
		Week 1							Week 2							Week 3							Week 4						
		Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu			
Delivery days	↓	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25			
Mon	1																												
Tue	2																												
Wed	3																												
Thu	4																												
Fri	5																												
Sat	6																												
Sun	7																												

Delivery day

Data reported

Settlement final

Settlement invoiced

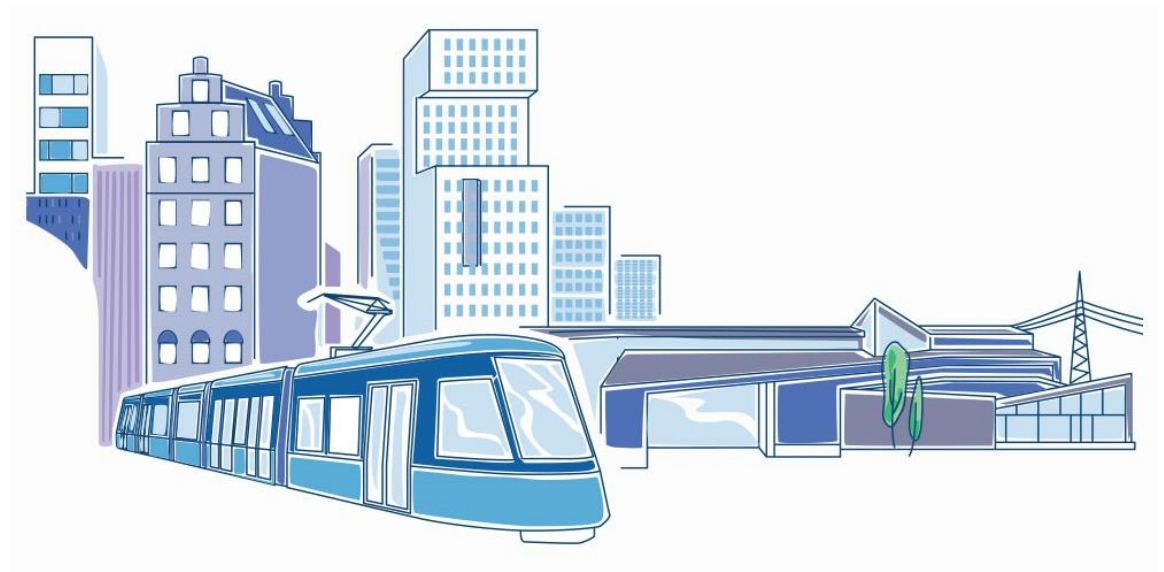
Incoming payments to eSett debited

Outgoing payments to BRP credited

- Direct debit will be used also with companies which are operating only as a BSP role

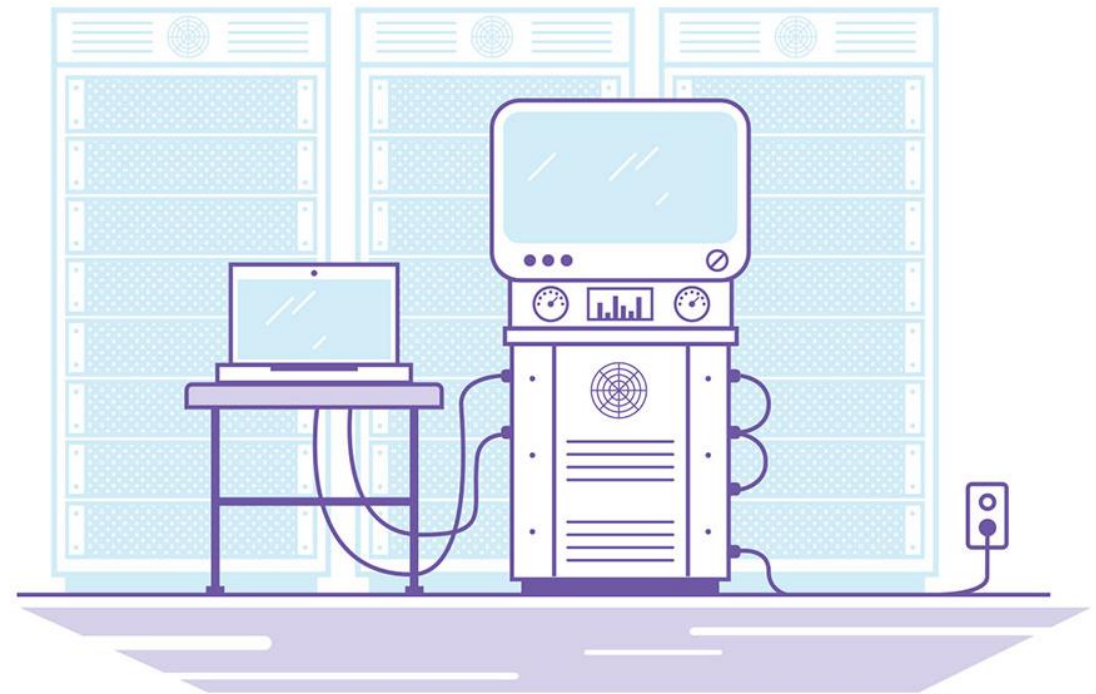
Collateral requirement for BSPs

- eSett is the financial counterpart of the BSP invoicing which introduces a counterparty risk for eSett
- To manage the risk eSett will place collateral requirement for BSPs
- BSPs that act only in BSP role will have a risk-based defined and manually set collateral requirement
 - Each country will define the locally used collateral regime
 - The long-term goal is to develop a common Nordic collateral model
- Collateral for BSP which also act as a BRP is covered by the existing dynamic collateral requirement for the BRPs



BSP data on Online Service

- Activated reserves
 - Details, RO, MWh and EUR
- Capacity reserves
 - Details, MW and EUR
- Regulation Object (RO) structural information
- Invoices
- Fees
- Collaterals
- Messages
- Market structures



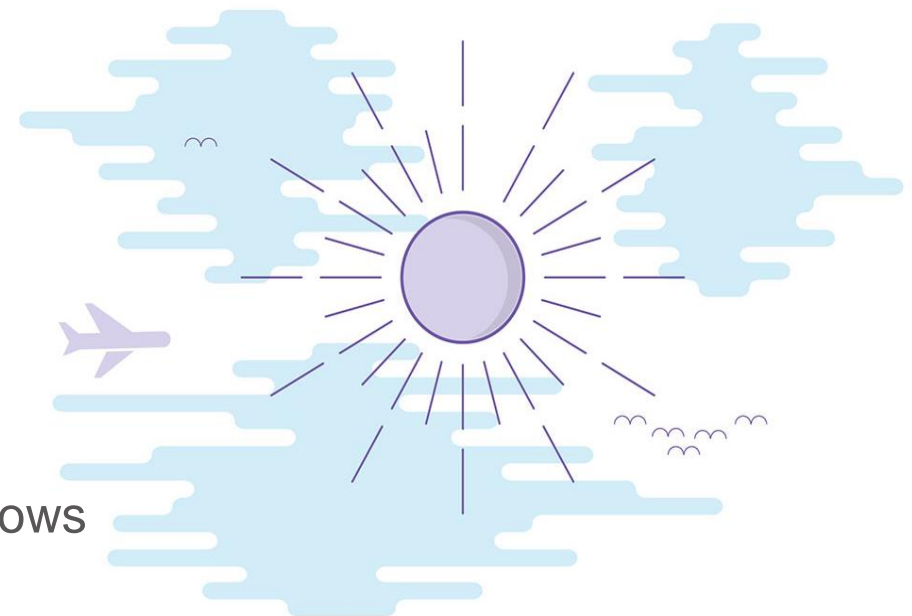
BSP data on Online Service

- Data packages:

Data Package	Format
Primary Frequency Containment Reserves (FCR)	Activated Reserves
Secondary Frequency Restoration Reserves (FRR)	Activated Reserves
Tertiary Replacement Reserves (RR)	Activated Reserves
Primary Frequency Containment Reserves (FCR) – contracted reserves	Capacity Reserves
Secondary Frequency Restoration Reserves (FRR) – contracted reserves	Capacity Reserves
Tertiary Replacement Reserves (RR) – contracted reserves	Capacity Reserves
Imbalance prices per Market Balance Area (MBA)	Prices

- One attribute (receiver role) will be changed in the dataflows due to the Single balance model (affecting only BSPs):

BRS/document	Change	New value
NEG ERRP Reserve Allocation Result document	One new <i>Receiver Role</i> attribute	A46 (Balancing Service Provider)



Change Log

Version	Date	Changes
1.0	24.05.2021	- First version of the BSP model commisioning plan released



WE SETTLE, TOGETHER!

