

Diana Welander

14 May 2021

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eSett's 9th Customer Committee meeting

Date 11.05.2021 12:30 EET

Place Microsoft Teams Meeting Online

Present	Kristian Bernseter	Statnett SF
	Jani Piipponen	Fingrid Oyj
	Birger Fält	Svenska kraftnät
	Karsten Feddersen	Energinet
	Mari Salo	Energiavirasto
	Tor Ny	EI
	Uy Tran	NVE
	Carl Helman	Forsyningstilsynet
	Espen Fjeld	Energi Salg Norge AS
	Bård Mageli	Markedskraft
	Håkan Eriksson	Ellevio
	Lena Ingårda	Vattenfall AB
	Jarmo Lapakko	EPV Energia Oy
	Tommi Pyhähuhta	Caruna
	Jesper Vestergaard	Danske Commodities
	Anders Millgaard	Modstrøm
	Minnakaisa Ahonen (Chairman)	eSett Oy
	Diana Welander (Secretary)	eSett Oy
	Tuomas Lahti (Secretary)	eSett Oy
	Viivi Lemström	eSett Oy
	Tommy Gulin	eSett Oy
	Kim Saarijärvi	eSett Oy
	Tuomas Pulkkinen	eSett Oy
Absent	Liv Marit Butveit (Deputy)	Markedskraft ASA
	Trond Marthinsen (Deputy)	Lyse Produksjon AS
	Tom Backman (Deputy)	Fortum
	Marjaana Rinne (Deputy)	Smart Energiapalvelut
	Emelie Ekman (Deputy)	LOS Energy AB
	Jacqueline Håkansson (Deputy)	E.ON Elnät AB
	Jørn Klitgaard (Deputy)	Ørsted
	Naji Iskander (Deputy)	Modstrøm
	Morten Torgalsbøen (Deputy)	Statnett SF
	Robert Thelander (Deputy)	Svenska kraftnät
	Heikki Raatikainen (Deputy)	Fingrid Oyj
	Preben Høj Larsen (Deputy)	Energinet

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**1 Opening the day, recap of eSett Customer Committee meeting
24.11.2020**

eSett CEO and Chairman of the meeting Minnakaisa Ahonen opened the meeting and welcomed all Customer Committee members to the ninth Customer Committee meeting. This meeting was again held via Teams since travel restrictions are still ongoing. The member list was shortly revised, and all members had an opportunity to say their greetings and give their comment on their expectations of the meeting. Minnakaisa mentioned that eSett had considered allowing more people participate in the meeting as it was held via Teams but concluded that the meeting should be held in the same way as a regular meeting in order to create a good discussion.

The meeting minutes from the last Customer Committee meeting were approved as they were, since no one had any comments on them.

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2 eSett News

Diana Welander started her presentation eSett news with a summary slide of the past year. The highlights consisted for instance the new digital data center and commissioning of Denmark to be part of NBS model. She also mentioned that eSett had received very good results from the customer satisfaction survey and the release of public data. Another thing mentioned were changes in eSett's personnel.

Next, Diana presented eSett's Annual review 2020 and recommended participants to have a look on it via eSett web pages. She continued by informing that eSett's Handbook has had two update rounds since the last meeting and the most important parts were mentioned in the meeting. A full list of changes in the NBS Handbook are available in the handbook's Change Log chapter.

The Denmark integration project was introduced as successful and has now been officially closed.

Diana reminded of the notification feature which is available for Online Service users. One member suggested that e-mail notification for collaterals could be enhanced to also include information about the new requirement and eSett will have a closer look at this suggestion and see if any improvements can be made in this type of notification.

The 15 min ISP project news were shortly commented with mainly the Go-live date and information about communication, as there will be a separate Customer Committee presentation covering more about this topic later.

Diana wished to inform that eSett has created a few tutorial videos for market participants which can be found from eSett web page. She also mentioned that more videos will follow, but eSett would need information from the market participants about what topics they wish to get more information on and explained in a tutorial video.

Diana mentioned that eSett has released two new data packages for BRPs. These were discussed in previous meetings and are now available for the BRPs to subscribe to.

Other updates and changes mentioned in the meeting were for example the successfully updated XSDs done in January, market monitoring improvements, new FFR capacity reserve product, and the use of electronic signature.

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3 Finnish Datahub

Viivi Lemström held a presentation about the Fingrid Datahub project and project related system development. She started by informing that the go-live for the Datahub will be on 21.2.2022 and specified that distribution grids are part of the Datahub's services while other types of grids will be outside the scope. She also mentioned which responsibilities and activities the Datahub will take over from the DSOs that will be part of the Datahub.

There was a question from a member about what is meant with the "corrected values" that was on the list of responsibilities that the Datahub will take over from the DSOs. It was explained that it means that DSOs and Datahub will exchange information if correction is needed. Datahub will then provide corrections to eSett within gate closure.

Due to the Datahub, new codes will be taken to the Finnish electricity market. The code changes are made in several phases and some have already been implemented. Viivi highlighted that before this scope, it has been possible that different roles have been using the same code, but after this change this will not be possible anymore as the GLN code of DSO must differ from the GLN codes of BRP and RE.

Viivi explained the impact of the code changes to the different market participants and continued defining which market participant will be affected by the Datahub.

Viivi explained shortly how eSett is planning to handle Datahubs in the future with a new Datahub role in the settlement system. The implementation plan currently expects that the role will be launched during year 2021 for Fingrid Datahub go-live. After the go-live, eSett will gradually commission the other Nordic Datahubs step by step to the new role.

There was a question about which data formats the datahub is planning to use. Jani Piipponen and Tommi Pyhähuhta commented together with eSett that such detailed information is not unfortunately available. Jani Piipponen later informed that the Finnish Datahub use XML/SOAP format and protocol and provided two links for more information:

<https://palvelut.datahub.fi/api/documents/file/0-228849-1-289228>

<https://palvelut.datahub.fi/en/datahub/dokumentaatio-ja-materiaalit>

4 Balance Service Provider (BSP) Model

Kim Saarijärvi continued the meeting with a presentation focusing on the Balance Service Provider Model and its commissioning plan. Before he started, Minnakaisa explained that there is no clear date set for the Business go-live of the model but wanted to highlight that eSett will be ready when the TSOs decide to take the role in use.

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Kim gave a walk-through of the BSP model commissioning plan for the Committee members. The purpose of the commissioning plan is to describe on a high-level how the introduction of the BSP model affects market participants and list all upcoming changes when the BSP Model will be taken into use. The document aims to explain the impact on the settlement model, eSett operations and system interfaces. Kim highlighted that this is only an initial commissioning plan, and it will be revised based on the updated information on the BSP model and input from the market participants.

Kim gave an overview of the new BSP role which will maintain reserves and provide balancing services in the regulation markets, without requiring a BRP role. There will be mutual settlement solution in the NBS countries after this new role has been introduced. Kim showed the schedule for the commissioning of the new BSP role and pointed out that the business go-live date may vary by the country and highlighted again that it will be a local decision for the TSO if they wish to take this new role into use. The BSP model compatible NBS Handbook will be available for the market during December.

One member wanted to get a clarification whether this new role is not introducing any changes to the market rules as they are today but will only offer a wider perspective for the market. Jani Piipponen answered that this should not impact on any market rules. It was pointed out that this technical go-live will not change the rules, it is just about eSett's readiness for the change and after the technical go-live and the separation of the roles of BRP and BRP, eSett will be able to invoice both roles if necessary.

Kim continued with short update on agreements which are expected to be renewed before the business go-live. The agreement setup will be discussed during the next Customer Committee meeting.

After this, Kim's presentation continued with impacts on the model and details of the role in the NBS model. The BSP is an individual role and has no longer a link to the BRP, with the only exception if the BSP and BRP role are linked to the same company. This is, however, an exception and was not presented in the presented picture.

Kim explained that the main principles will be the same for BRP's also after the new BSP role has been implemented, including settlement calculation, fees, invoice content, Online Service. He continued by giving more information about data packages and upcoming changes in these after the new role has been implemented.

It was mentioned that a new weekly fee for BSPs might be introduced, which would be invoiced on a weekly basis and scheduled the same way as the BRP role. Direct debit will be used also with companies that are operating only as a BSP. There was a question from a member if the BSP fee will be only for BSPs. Kim answered that if there is a company who has got both a BSP and a BRP role, then the weekly fee will only be for the BRP role.

eSett will implement a collateral requirement for BSPs, as eSett is the financial counterpart of the BSP invoicing which introduces a counterparty risk for eSett. BSPs

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that act only with a BSP role will have a risk-based defined and manually set collateral requirement. Each country will define the locally used collateral regime, but the long-term aim is to develop a common Nordic collateral model. The collateral for a BSP which will also act as a BRP will be covered by the existing dynamic collateral requirement for the BRPs. The principals and final decisions of collateral settings will still need to be discussed with the TSOs. One TSO highlighted that the introduction of this new role at eSett only opens the possibility for the TSO to move the BSPs to eSett and let eSett manage the invoicing.

Kim concluded his presentation by showing what type of BSP data can be found in Online Service for the new BSP role and which data packages will be available for subscription.

A market participant raised a question about who will be responsible for the creation of the BSP related regulation objects. eSett will manage all changes in the system. The market party should inform the local TSO about the changes which the TSO then will report to eSett. eSett promised to check the workflow and potential impacts to all market participant roles.

5 **Single Balance Model**

Tommy Gulin started by presenting the Single Balance model commissioning plan that was published about a year ago and the latest updates to this document that includes for example a commissioning time schedule with the go-live date 1.11.2021. Tommy wished that as many market participants as possible would familiarize themselves with the document, which is available on eSett web page.

Tommy continued his presentation with information about upcoming changes related to the agreements. He explains that the Imbalance Settlement and Pledge and Right of Disposal of Cash Account will not be amended but instead the appendices will be amended to reflect the changes of the model. This means that no resigning of these agreements will be needed. New appendices will be published on www.eSett.com with at least one month notice.

Amendments in the agreement appendices due to the Single Balance Model were presented next. The number of fees will be reduced as Volume fee covers previous Consumption and Production fees. In addition, the Consumption Imbalance fee will be changed to Imbalance Fee. The formula for the collateral calculation will remain unchanged. Tommy explained that due to this change, the balance agreement needs to be updated in Finland. The change will not require changes to the balancing agreements in Denmark, Norway, and Sweden. eSett will co-ordinate the renewal of balance agreements in Finland in September-October 2021.

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There was a question if the volume fee includes also minor production. An answer was given that the Volume fee uses same components as current Consumption fee and Production fee, so it varies on the country in question. In Finland for instance, minor production will not be part of volume fee.

Another question was raised if eSett have any plans arranging a testing period for the market participants? Minnakaisa commented that as there are only small changes and they relate only to outgoing data there are no plans for testing period currently. Minnakaisa asked for the members opinion on this decision and if the example files will be sufficient for them, and it was commented that it should be okay if there is a possibility to compare values.

6 Transition to 15-min settlement

Janne Heikka from Fingrid joined the Customer Committee meeting to present the NBM project group's view on the transition to the 15-min imbalance settlement period. Janne acts as a project manager on Nordic level of the NBM project.

Janne started his presentation with a walk-through of the NBM roadmap and the upcoming projects. He explained the background together with the NBM roadmap including several phases and 15 min ISP and 15 min intraday markets. He also mentioned that the dates mentioned in the roadmap are the current information and the latest possible dates. Janne highlighted that automated Nordic mFRR EAM is a big building block to enable the 15 min ISP.

Janne explained the main reasons why the change from 60 min to 15 min ISP is needed. He mentioned that the market model needs to adapt to the changing power system and as the market is moving towards a more weather dependent and green transition, a one-hour period is a long time in today's world. There is also a will to harmonize the rules of the market to a European level. In addition to this, European legislation (EBGL, electricity balancing guideline) need to be followed.

The presentation continued by noticing that the 15 min ISP will not only change the imbalance settlement, although that is the core. The scope of 15 min ISP contains country specific energy metering as a basis, balancing market for correct imbalance price and wholesale market (first ID and then DA) for BRPs to be able to set balance. The ID wholesale market will be moved firstly to 15 min and later DA. This change will follow the European market needs.

Janne showed a high-level implementation timeline of the 15 min ISP. He said that the group is planning to publish an implementation guide during the beginning of next year. There will be a guide for each TSO at local level and one common guide for Nordic implementation tasks. The timeline showed that the Nordic go-live of 15 min ISP is 22.5.2023 00.00 CET. This date was selected after thorough decision and stakeholder

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consultation, taking into consideration summer vacations and the Imbalance Settlement period.

Next up, country specific implementation plans were presented. Janne mentioned that the local datahubs have a key role here and will be acting in between the TSOs and eSett. He continued with presenting the step wise transition for bidding in mFRR and bidding at the wholesale market. The bidding at wholesale markets will be specified by NEMOs at a later stage but the key takeaways were presented at the meeting.

As the last point, Janne presented the upcoming webinars that will be held on national and Nordic level as well as the implementation guide that will be published in the beginning of next year. The webinars at Nordic level will focus mostly on Nordic common activities, but as feedback has been received that many market participants are operating in many countries and would want to hear about minor differences between countries, this will also be included also in the webinars on Nordic level. The Implementation guide will undergo a public consultation before the publication to be sure to get all necessary angles and topics will be included in the guide.

Janne concluded his presentation by providing contact information for the project at local level as well as Nordic level.

7 Greetings from the regulators

eSett did not receive any comments or questions before the meeting, but this slot was reserved as an opportunity for the regulators to bring up any comments or possible news to share.

No comments from regulators were raised.

8 Any other business

Minnakaisa proposed if the next meeting could take place on the 23rd of November. None of the members had any objections to this date, so it was decided to keep the next meeting on this day. The invitation for the meeting will be sent out shortly after the meeting.

As there have been discussions with some customers that they wish to get some more information about changes and news from the market, Minnakaisa asked the Committee members for comments or advice about how the market would wish to receive this information. The Customer Committee, however, think that they receive sufficient information from eSett at this point and there is no need for a change here.

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The Chairman thanked the Customer Committee members for active participation in the meeting and ended the meeting as no more topics were raised at this point.

9 Next meeting

The next customer committee meeting will be held on 23.11.2021 in Helsinki if possible.

Attachments:

eSett News – Diana Welander

Finnish Datahub – Viivi Lemström

BSP Model – Kim Saarijärvi

Single Balance Model – Tommy Gulin

Transition to 15-min settlement – Janne Heikka

Distribution:

Customer Committee members and deputies