

Diana Welander

14 November 2019

Public

eSett Customer Committee meeting 6/2019

Date 6.11.2019 11:30 EET

Place eSett's office
Läkkisepäntie 23, 00620 Helsinki
Finland

Present

Kristian Bernseter	Statnett SF
Jani Piipponen	Fingrid Oyj
Birger Fält	Svenska kraftnät
Preben Høj Larsen	Energinet
Jacob Jespersen	Energinet
Tor Ny	EI
Uy Tran	NVE
Håkan Eriksson (Deputy)	Ellevio AB
Lena Ingårda	Vattenfall AB
Espen Fjeld	Energi Salg Norge AS
Bård Mageli	Markedskraft
Samuli Saine (Deputy)	Smart Energiapalvelut
Jarmo Lapakko	EPV Energia Oy
Jesper Vestergaard	Danske Commodities
Minnakaisa Ahonen (Chairman)	eSett Oy
Diana Welander (Secretary)	eSett Oy
Tuomas Lahti (Secretary)	eSett Oy
Jonni Laine	eSett Oy

Absent

Liv Marit Butveit (Deputy)	Markedskraft ASA
Trond Marthinsen (Deputy)	Lyse Produksjon AS
Tommi Pyhähuhta (Member)	Caruna
Tom Backman (Deputy)	Fortum
Heidi Sundin (Member)	E.ON Elnät AB
Morten Torgalsbøen (Deputy)	Statnett SF
Robert Thelander (Deputy)	Svenska kraftnät
Emelie Ekman (Deputy)	LOS Energy AB
Jørn Klitgaard (Deputy)	Ørsted
Naji Iskander (Deputy)	Modstrøm
Heikki Raatikainen (Deputy)	Fingrid Oyj
Anders Millgaard (Member)	Modstrøm

1 Opening the day, recap of eSett Customer Committee meeting 7.5.2019

eSett CEO and Chairman of the meeting Minnakaisa Ahonen welcomed all Customer Committee members to the sixth meeting. Since there were new members attending the meeting for the first time, everyone presented themselves shortly to get roles, names and faces familiar. Minnakaisa presented the revised rules of procedure where due to Elhub being operational, Norway has two BRP representatives one replacing the DSO representative. The same applies to Denmark where the Hub role already exists.

The meeting minutes were approved as they were, since no one had comments to them.

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2 eSett News

Diana Welander held a presentation regarding eSett's news. Key numbers from last year were presented such as high system availability and settled imbalance power and monetary value.

Furthermore, eSett customer service personnel were introduced, since there have been some changes after the last meeting. eSett has been strengthening the team especially in terms of language coverage.

The highlights since the last meeting were presented. Especially Diana mentioned eSett's robot for improving the monitoring of incoming and outgoing messages.

Upcoming projects were introduced shortly. Minnakaisa emphasized that the presented dates are best estimates at the moment, as the dates are dependent on regulator and/or TSO decisions. Special attention in the presentation was given to launching of support of new communication channel called Energy Communication Platform (ECP). This channel is a clear improvement over the existing channels, providing for instance more reliability and security.

Furthermore, MNA project was summarized shortly with a status that eSett is ready to support the change when it is going live early next year. Some sneak-peaks were shown from the testing environment. Norwegian regulator asked if there have been any challenges so far. eSett stated that its end is working very well but could not comment on how the other market participants have managed on their side.

The results from the latest customer satisfaction survey were presented. The survey was closed less than a week ago. Overall, the results were very good and had remained roughly on a same level compared to previous year. Worth mentioning is that this year eSett received much more responses than previous year giving more credibility to the results. eSett highly appreciates the feedback from the market participants and is actively evaluating possible ways of improving our system and way of working based on the survey results. As an example, Diana presented the improved layout of the service requests when communicating with customers.

At the end there were short discussion regarding topics from Swedish market participants brought up by the Swedish DSO representative Håkan Eriksson. He presented a wish to structure data into the past for the whole open reporting window instead of current seven days. This would enable smoother transitions in case of late changes. Finnish DSO representative Samuli Saine supported the idea of extending the possibilities to structure into the past. eSett and TSOs promised to take this topic into consideration in the upcoming expert meetings and analyze the situation.

Another topic was directed to Svk to have faster delivery of profiled consumption series, it was stated that often there has been long delays before information is sent to eSett. Svk representative Birger Fält commented that there should be now a maximum 30 minutes difference between the deliveries.

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3 One balance model and KPIs

Jonni presented the current imbalance model and explained its principles. Jonni continued with a recap of the assumed model change from two balances to just single balance. One significant change is that production plans are no longer part of the imbalance settlement calculations.

During the presentation it was clearly stated that the pricing of the imbalances is not yet agreed by the TSOs. TSOs wish to create correct and appropriate incentives for being in the balance.

There was discussion if TSOs still require production plans and it was emphasized that they are still very important for the control centers for planning.

Timing of the changes were presented. Jonni mentioned that a lot of efforts were made already such as changes into Handbook and IT system design. Jonni explained that the plan is to start the implementation in the beginning of next year. The implementation is estimated to take roughly one year. eSett's implementation plan will be presented in the next meeting and eSett would like to hear input what kind of information is needed by the participants to implement the necessary changes.

When considering the timing of known changes, the message from the meeting participants was that changes should be done once instead of twice since changes are always costly.

Furthermore, it was emphasized by the participants that the rules must be transparent when possible dual pricing would be applied.

One comment was that it would be good to be able to trade into balance in intraday markets as close to operational hour as possible. Finnish TSO representative commented that Fingrid is currently piloting the opportunity in Finland.

Ville presented future KPI suggestions for one balance model. New formulas and reports as well as their threshold values were introduced. There was a question about how often the reports are published and it was answered that some of them are weekly and some are published on a monthly basis similarly as today's reports which are already available in Online Service for market participants. The Customer Committee members gave their support for the proposed changes.

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4 **BSP Model**

Tommy Gulin presented the new market role Balance Service Provider (BSP) which will be introduced to the NBS model as mutual Nordic solution in all NBS countries. Estimated go-live for the model is targeted for Q2 2021.

The presentation contained items such as overview, timetable and impacts on the imbalance settlement model. The purpose of the presentation was to get members familiar with the planned change and give them possibility to provide comments and questions on the model as the model.

According to the model there is no need to be a registered BRP in order to operate in the reserve markets since in the future this will be BSPs responsibility. This means that a BRP must apply for a BSP role to operate in the reserve market. It was mentioned that when a company has both roles, the same market codes can be used.

The planned model raised a lot of discussion among the members. It was for instance commented that the model would in fact make it possible for a BSP to cause imbalance to a BRP without them being able to control it. There was a reaction from TSOs to this stating that this would depend on the agreed rules for Balance Service Providers. The TSOs are preparing BSP agreement/terms that every BSP needs to follow in addition to the rules for invoicing of BSPs that is on eSett's responsibility.

It was suggested by the Committee Members that the model might set a requirement that information should be available for BRPs in real-time on a metering point level. TSOs commented that national requirements will be determined on how to become a BSP.

It was commented by the members that this change is very complex for all participants in the market and adding complexity may increase also operating costs. There should be a prequalification who can act as a BSP also financially. The qualification specifications would come from TSO and be approved by regulator.

As such the Committee Members did not have comments on the BSP model that is on eSett implementation responsibility.

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5 Denmark joins NBS

Danish transmission system operator Energinet has become a co-owner of eSett and there is a mutual will and plan to launch operative imbalance settlement carried out by eSett in Denmark in early 2021. Tuomas Lahti presented the new features and services that would need to be applied before Nordic Imbalance Settlement can begin in Denmark. The products that were mentioned were Merged (aggregated) production and invoicing of the settlement of capacity reserve auctions.

Merged production is an easier way of reporting mainly small aggregated production values to eSett. This functionality is targeted for national datahubs for smoother reporting since there is no need to structure separate production units as it is done today. It was commented that the functionality has a resemblance to current consumption reporting. There is a growing need to aggregate small production all over the Nordics. It was mentioned that this functionality could be piloted with Norwegian datahub already before Danish datahub, since in Norway there is already a hub model in use towards eSett.

In addition to this, a new invoicing service, reserve capacity auction settlement invoicing, has been agreed with Energinet. This feature can be in the future utilized also by other TSOs if they would like to do so. In practice this service means that eSett will receive the auction results from Energinet and will handle the invoicing of the capacity auction settlement on behalf of Energinet.

There was a question whether same principle will be applied with Denmark as with Norwegian hub model and it was confirmed with an exception that Danish DSOs shall not be able to access eSett's Online Service. Furthermore, it has not been decided if Danish retailers should have access to Online Service or not.

As a conclusion, important milestones were presented. These include new version of eSett's Handbook, translated into Danish language. Also detailed commissioning plan will be introduced to the market during next year so that all stakeholders are aware of the deadlines for each activity, such as mandatory parallel run testing to ensure successful go-live. Furthermore, eSett will organize demonstration of the Online Service and the model.

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6 Discussion on Collateral model

Today the Danish market do not require BRP's to deposit collaterals. It has been discussed that the Danish market balancing areas would not adapt to the NBS collateral model but would continue with current practice. The Nordic regulators wished to discuss the benefits and disadvantage of harmonizing the models, and if the customer committee members could foresee any consequences for future choices for not harmonizing. Therefore, part of the meeting was reserved for this discussion.

The Finnish, Swedish and Norwegian TSOs all pointed out that a change in the current collateral model is not under evaluation in their market areas. Additionally, some countries are obligated by law to use this collateral model. The customer committee members also stated different viewpoints which were pro and against of different models in the market. The Nordic regulators will reflect on the discussion.

7 Any other business

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

8 Next meeting

Next customer committee meeting will be held 6.5.2020 in Helsinki.

Attachments: eSett News – Diana Welander
One-balance model and KPIs – Jonni Laine & Ville Kärnä
Balance Service Provider model – Tommy Gulin
Denmark joins Nordic Imbalance Settlement – Tuomas Lahti

Distribution: Customer Committee members and deputies