

Information on how to become a BSP

The requirements and other important information on how to become a
Balancing Service Provider
1 April 2026

Dear Balancing Service Provider,

Thank you for showing interest in becoming a Balancing Service Provider (BSP) in the Nordic countries.

The BSP model is currently under development in the NBS countries. The Nordic TSOs are gradually taking the BSP role into use or moving the invoicing of the BSPs to eSett on behalf of the TSOs.

Currently, the new model has been implemented for Finnish BSPs which are operating in the FCR-N, mFRR and/or aFRR activated reserve market. Norway has also implemented this model for the mFRR, mFRR-D and FCR reserve market. In all other Nordic countries, the BSPs need to register as a Balance Responsible Party.

The following agreements need to be signed to become a Balancing Service Provider (BSP): Balancing Service Settlement Agreement with eSett, Agreement with the settlement bank and eSett and local balancing agreement(s) with the TSO. This document will support you to get the prerequisites in place before BSP responsibility can be initiated.

Following agreements and prerequisites need to be in place before BSP responsibility can be initiated:

- Balancing Service Settlement Agreement, signed at least one (1) month before the BSP starts market activity.
- Local agreement(s) with the TSO, signed at least one (1) month before the BSP starts market activity.
 - A BSP that only intends to be active in the Norwegian FCR reserve market, do not need to sign a local agreement with Statnett.
- The Account agreement with the BSP compliant Settlement Bank and eSett, signed at least one (1) month before the BSP starts market activity. Depending on the selected bank there are two alternative agreements:
 - Agreement on Right of Disposal of Cash Account and Cash Collateral if available or
 - Agreement on Pledge and Right of Disposal of Cash Account.
- All country specific preconditions need to be met before the agreements are signed.
- Establish readiness to receive invoices two weeks before the BSP starts market activity.

Additionally, if you are planning to provide independent aggregation, there may be additional responsibilities and requirements depending on the country of operations.

Further instructions in more detail are provided below. Please follow the instructions about the required number of signed copies of each agreement carefully in case the agreements are signed physically. eSett will return one copy of each bilaterally signed agreement to the BSP.

The application form to become a BSP can be found [here](#). If you have any questions, we are happy to assist you. You can reach us by sending e-mail to settlement@esett.com or submit a [service request](#). You can also reach us by phone +358 10 5018500.

Please let us know if you feel that it is important to arrange a Teams meeting for clarification.

Best regards,

eSett

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The required agreements

1. Balancing Service Settlement Agreement
2. Account agreement
 - a. Cash and Collateral Account Agreement
 - b. Standard Settlement Instructions (only if Pledged account agreement is used)
 - c. MT101
 - d. MT940

1. Balancing Service Settlement Agreement

In order to operate in NBS countries, the BSP shall enter into a Balancing Service Settlement agreement with eSett.

The attachments of the agreement are available on our website:

- 1) *Fees* (<https://www.esett.com/agreements-fees-bsp/>)
- 2) *Collaterals* (<https://www.esett.com/agreements-fees-bsp/>)
- 3) *NBS Handbook* (www.esett.com/handbook)

eSett will send the pre-completed documents to the BSP for signing. Before signing them, please verify the following:

- Check that the company name, business ID and the company address in the Balancing Service Settlement Agreement are correct. If they are incorrect, please contact eSett.
- If the agreement is electronically signed, attach an extract from the Trade register and provide eSett the Contact information (name, phone, email) to the person(s) who has the right to sign on behalf of the company. You will receive a copy of the agreement after it has been countersigned by all parties involved.
- If the agreement is signed physically:
 - Add the name and title of the signatory in block capitals
 - Attach an Extract from the Trade Register and copies of the passports of the persons signing the agreements in order to verify the signature(s)
 - Return two (2) signed copies by post to eSett with the rest of the agreement specified in the document.

eSett Oy has prepared a template for the Balancing Service Settlement Agreement together with Energinet (Denmark), Fingrid (Finland), Statnett (Norway), and Svenska kraftnät (Sweden).

The agreement is made between eSett and each Balancing Service Provider (BSP), and it needs to be signed by the BSP before the participants can start their operations.

Please notice that currently the agreement can only be used in Finland and Norway.

2. Account agreement & MT agreements

Choose your Settlement bank

Each Balancing Service Provider is required to open a settlement account in one of the preapproved settlement banks. A list of approved settlement banks is available on [eSett's Settlement banks page](#). Other banks can also be approved as a settlement bank if the bank applies for and fulfills the model's requirements. The Settlement Bank Agreement is available also on www.esett.com/customers/settlement-banks/.

Two or one account model is used depending on settlement bank readiness

Use the tri-party agreement called Agreement on Right of Disposal of Cash Account and Cash Collateral (two account model) or if the approved settlement bank is not yet part of the two-account model, the Pledged Cash Account Agreement (one account model) should be used instead. For review, template for two account model [Cash and Cash Account Agreement](#) is available on our website. Template for one account model can be requested from finance@esett.com.

The essential difference between the one account model and the two-account model, is having the cash collateral account separate from the settlement account; one pledged account for collaterals and another one for settlements (debit and credit invoices). This allows the cash (settlement) account to have a credit limit or be a part of a cash pool, and it is not pledged to eSett. Currently there is no collateral demand for BSPs, so it is not required to open a Cash Collateral Account. In the one account model, BSP must always request a release of excess funds from eSett due to account's pledged status. More detailed information can be found in our [Handbook](#) in chapter 8.4. Required Banking Setup.

Sign the agreement and establish needed account

The following steps are needed to establish a settlement account:

- Open a settlement account in one of the approved settlement banks in the chosen invoicing currency (see the rules for available currencies per country NBS handbook, Chapter 8.8)
- eSett will send the tri-party account agreement template together with the Balancing service settlement agreement.
Fill in the following information in the Account Agreement in cooperation with the settlement bank:
 - Company name, address, business ID
 - IBAN number
 - BIC code
 - Currency
- Sign the Account Agreement in cooperation with the settlement bank. Bank will send the agreement to eSett for the final signature.
 - If the bank allows signing the agreement electronically, this option should be preferred. Please attach an extract from the latest version of the Trade register (max 3 months old) and provide eSett the Contact information (name, phone, email) to the person(s) who has the right to sign on behalf of the company.
 - If the agreement is signed physically, please send an extract from the Trade register and copies of the passport(s) of the person(s) signing the agreements to verify signature(s).
 - Return three (3) copies to eSett by post one month before starting market activity.
 - eSett will return one signed agreement to the BSP and one to the bank.

- Sign the MT101 and MT940 documents with the settlement bank and send copies of them to eSett together with the Account Agreement. MT101 and MT940 are bank-specific forms and are available at each bank. If two account model is used both accounts needs to have MT documents signed
 - MT101 (authorisation to debit the account as per request for transfer received by swift from eSett's settlement bank). The details are as follows:
 - Forwarding bank: Nordea Bank Finland Plc, swift code NDEAFIHH,
 - contact: accountmanagement.fi@nordea.com
 - Instructing Party: eSett Oy
 - MT940 (authorisation to send balance reporting information by swift to eSett's settlement bank). The details are as follows:
 - Receiving company: eSett Oy, swift code NDEAFIHH, contact: finance@esett.com
 - Receiving bank: Nordea Bank Finland Plc, swift code NDEAFIHH,
 - contact: accountmanagement.fi@nordea.com

Releasing excess funds from pledged account

- **If the selected Settlement bank is using one account model** (information can be found from the list of approved settlement banks)
 - Standard Settlement Instructions needs to be filled out and delivered to eSett to define a release account for any excess funds from the pledged account. More information can be found on the next page and on our web page.
- In two account model excess funds from pledge account are always released to non-pledge settlement account.

The BSP is responsible for its own bank costs.

Other important information to remember

Collaterals

Collateral is a precondition to provide independent aggregation in Finland. Collateral required by eSett is not a precondition for other types of BSP or for BSP in other countries. Collateral can be placed as an on-demand guarantee (issued by the settlement bank), as cash collateral (on the settlement account) or a combination of these two.

- The collateral must be in place at the latest three weeks before the start of settlement operations
- The on-demand guarantee template can be found on www.esett.com/customers/settlement-banks/. No changes can be made to the text. The following information should be completed:
 - Company name, address, business ID
 - Settlement bank, address, business ID, email, contact person
 - Amount
 - Currency
 - Signature of guarantor
- The on-demand guarantee has to be delivered to eSett by courier
- Cash collateral shall be deposited in the above settlement account

Preparations for invoicing

The BSPs have to establish readiness to receive invoices and complete the following tasks two weeks before the start date at the latest:

- The BSPs need to sign an agreement with an e-invoice operator to receive e-invoices.
 - Agree with the e-invoice operator on the format in which eSett's e-invoices will be provided by the operator.
 - Inform eSett of the selected e-invoice operator and the BSP's e-invoicing address.
- In case the BSP does not want to receive e-invoices, eSett needs to be informed of an email address to which the invoices will be sent as PDF files.
- The invoices are also available in the Online Service that is our customer portal.

The BSP must ensure that the settlement account has sufficient funds to cover the outstanding debit amount of the current week's invoicing by the end of the business day each Monday.

Imbalance settlement structures and technical connectivity with eSett

Before initiating operations in the Nordic Imbalance Settlement model, all BSPs must provide their structural information to eSett. To do this, register on eSett's [Customer Portal](#) and fill out the BSP application form. Connection Details are optional and only necessary for machine-to-machine communication for messaging purposes. For coding schemes and additional details, refer to Chapter 10.4 of the Handbook.

eSett establishes a new BSP and will give BSP's administration user permission to eSett's imbalance settlement system Online Service after all the contracts have been signed and necessary structure data has been provided. The Online Service Administrator is responsible for granting access and maintaining Online Service User accounts of other Users in the company that the Online Service Administrator represents.

A description of the eSett services is found in Chapter 10 of the Handbook, and information about technical connectivity with the eSett services is provided in the documentation www.esett.com/customers/data-communications/.

Finland

Companies operating as a Balancing Service Provider in Finland are required to register with the European Register of Market Participants (Remit). More information about registration can be found at: www.energiavirasto.fi/markkina-avonta or www.acer-remit.eu/portal/european-register or remitrekisteri@energiavirasto.fi.

More information about registration with the communication coding schemes EIC and the GS1 codes is available at www.fingrid.fi/en/electricity-market/market-integration/european-co-operation/eic-codes/ and www.gs1.fi.

ECP/EDX is the main communication channel in the reserve market and thus recommended for information exchange. EIC-codes are used in ECP messaging. More information and instructions on ECP/EDX implementation can be found: https://www.fingrid.fi/en/electricity-market/reserves_and_balancing/reserve-trading-and-information-exchange/ecp-messaging2/

Norway

Companies operating in Norway are required to register as a company in Norway. Foreign businesses will find more information about registration here: www.brreg.no. Upon signing the agreements, the customer must provide a copy of the company certificate. The customer also needs to provide a copy of the trading concession (licence) issued by the regulator, NVE-RME. The application form is available at www.nve.no.

The Balancing Service Provider shall also be registered and approved for message exchange on www.ediel.no and register with a user to Statnett's balancing system, Fifty. More information about registration with the communication coding schemes GS1 (GLN) for the market participants is available at www.ediel.no/info/faq/1/53 and www.gs1.no/gln.

In addition, the BSP needs to enter into necessary agreements with the BRP of the flexible resources, and have approved prequalification from Statnett.

From the following links you can find further information on [how to join the reserve markets](#) and about [the agreements and terms for BSP](#).

Establishing a Balancing Service Provider into eSett's settlement system Basse

eSett is able to establish the BSP into eSett's settlement system right after:

- 1) All needed agreements mentioned earlier in this guideline documentation are signed between the parties
- 2) All needed settlement structures to establish a BSP including invoicing details are provided to eSett. eSett will start to invoice balancing service providers from the same week they are established to eSett's system. If the Balancing Service Provider does not have any settlement data, no invoice will be created for that specific week, except for the independent aggregators in Finland where a weekly fee will be invoiced.

The collateral must be in place latest three weeks earlier than the BSP providing independent aggregation in Finland can be active in market. eSett will give BSP's administration user permission to

eSett's imbalance settlement system Online Service after BSP has placed needed collaterals towards eSett.

eSett's Newsletters

eSett recommends that new BSPs subscribe to eSett's Newsletter to get important market news and information. In addition, eSett sends out System and Maintenance Announcements also by email newsletter. You can subscribe to both newsletters on eSett's webpage <https://www.esett.com/newsroom/newsletter/>.

eSett's Handbook

eSett recommends that new BSPs introduce themselves to [eSett's Handbook](#) which provides basic information about the Nordic Imbalance Settlement Model.

Additional requirements and obligations for independent aggregation

Provision of independent aggregation may bring about additional responsibilities or financial obligations depending on the country of operations.

Responsibility or Requirement	Denmark	Finland	Norway	Sweden
Reporting Responsibility: Submitting delivered reserves information to TSO or TSO's selected representative as described in the national terms and conditions of the balancing services.	Model not in use	Yes	Model not in use	Model not in use
Collateral Obligation: Collateral is required from BSPs that provide independent aggregation. More information about the collateral requirement is available in the NBS Handbook chapter 9.11.	Model not in use	Yes	Model not in use	Model not in use
Compensation: Acting as the financial counterpart for the settlement of compensation according to the Nordic compensation model.	Model not in use	Yes	Model not in use	Model not in use
Regulation Imbalance: Acting as the financial counterpart for the settlement of regulation imbalances according to national guidelines.	Model not in use	Yes	Model not in use	Model not in use
Fees: Acting as the financial counterpart for the invoicing of <ul style="list-style-type: none"> • <i>Regulation Imbalance Fee</i> • Weekly Fee, unless this is invoiced from the BRP role of the same company in a country. 	Model not in use	Yes	Model not in use	Model not in use