



Guideline to a new Balance Responsible Party

21.2.2019

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Dear Balance Responsible Party,

Thank you for showing interest in becoming a Balance Responsible Party (BRP) in the Nordic countries. The purpose of this document is to support new Balance Responsible Parties in getting the prerequisites in place before balance responsibility can be initiated.

There are several steps that a new BRP needs to take. One of them is the signing of the necessary agreements. All the required agreements are listed in the following:

- Imbalance Settlement Agreement, signed at least one (1) month before the BRP starts market activity
- Balance Agreement, signed at least one (1) month before the BRP starts market activity
- Pledged Cash Account Agreement, signed at least one (1) month before the BRP starts market activity
- Collateral must be in place at least three (3) weeks before the start
- Establish readiness to receive invoices two weeks before the BRP starts market activity

Further instructions in more detail are provided in the following. Please follow the instructions about the required number of signed copies of each agreement. eSett will return one copy of each bilaterally signed agreement to the BRP.

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 via webpage <https://esett.service-now.com/public/>. You can also reach us by phone +358 10 5018500.

Please let us know if you feel that it is important to arrange a Skype meeting to clarify any of the detailed instructions.

Best regards,

eSett

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The required agreements

Imbalance Settlement Agreement

In order to operate in Finland, Sweden and/or Norway (NBS countries), the BRP shall enter into an imbalance settlement agreement with eSett.

The attachments of the agreement are available on our website:

- 1) *Fees* ([www.esett.com/Materials/Imbalance Settlement Agreement](http://www.esett.com/Materials/Imbalance%20Settlement%20Agreement))
- 2) *Collaterals* are available on ([www.esett.com/Materials/Imbalance Settlement Agreement](http://www.esett.com/Materials/Imbalance%20Settlement%20Agreement))
- 3) NBS Handbook (www.esett.com/handbook)

The requirements for becoming a Balance Responsible Party in Nordic Imbalance Settlement are available in Appendix 1 of the Handbook.

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

- Check that the company name, business ID and the company address in the Imbalance Settlement Agreement are correct. If they are incorrect, please contact eSett
- Sign two copies
- Add the name and title of the signatory in block capitals on page 11
- Attach an Extract from the Trade Register and copies of the passports of the persons signing the agreements
 - These documents are needed to verify that the person signing the agreements has a right to sign them on behalf of the company and that the signature is correct
- Return both signed copies by post to eSett with the rest of the agreement specified in the document.

Balance Agreement

In order to be active in any NBS country, the BRP is required to have a valid Balance Agreement with the local Transmission System Operator (TSO) (Fingrid Oyj in Finland, Svenska kraftnät in Sweden and Statnett SF in Norway). eSett will coordinate the signing process of the Balance Agreement on behalf of the TSOs in Norway, Sweden and Finland.

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

- Check that the company details are correct. If they are incorrect, please, contact eSett
- Sign two copies of the Balance Agreement
- Attach an Extract from the Trade Register and a copy of the passports of the persons signing the agreements
 - These documents are needed to verify that the person signing the agreements has a right to sign the agreements on behalf of the company and that the signature is correct
- Return to eSett by post as soon as possible
 - if you are active in Norway, please send one copy to eSett
 - if you are active in Sweden and/or Finland, please send both copies to eSett.

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Pledged Cash Account Agreement

Each BRP must have a settlement account in a settlement bank approved by eSett. This is required in order to carry out the invoicing according to eSett's invoicing model (see NBS Handbook, chapter 8.4).

A list of approved settlement banks is available on [www.esett.com/Materials/Settlement Banks](http://www.esett.com/Materials/Settlement%20Banks). Other settlement banks can also be approved if the bank applies for and fulfills eSett's requirements. The Settlement Bank Agreement is available on [www.esett.com/Materials/Settlement Banks](http://www.esett.com/Materials/Settlement%20Banks).

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 NBS handbook, chapter 8.8 for further information)
- The invoicing currency must be the same as the bank account currency
- Fill in the following information in the Pledged Cash Account Agreement in cooperation with the settlement bank:
 - Company name, address, business ID
 - Settlement bank, address, business ID
 - IBAN number
 - BIC code
 - Currency
- Sign the Pledged Cash Account Agreement in cooperation with the settlement bank
- Attach an Extract from the Trade Register and copies of the passports of the persons signing the agreement on behalf of the BRP to verify that the person signing the agreement has a right to sign the agreement on behalf of the company
 - Return three (3) copies to eSett by post one month before starting market activity
 - eSett will return one signed agreement to you and one to the bank

In addition, the BRP needs to sign the MT101 and MT940 documents at the settlement bank and send copies of them to eSett together with the Pledged Cash Account Agreement. MT101 and MT940 are bank-specific forms and are available at each bank.

- 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 person Seija Paakkanen
 - 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 person Paula Berg
 - Receiving bank: Nordea Bank Finland Plc, swift code NDEAFIHH, contact person Seija Paakkanen.

The BRP is responsible for all bank costs.

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Other important information to remember

Collaterals

Collateral is a precondition to operate as a BRP. 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
- The on-demand guarantee template can be found on [www.esett.com/Materials/Settlement Banks](http://www.esett.com/Materials/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

In order for eSett to define the collateral requirement before sufficient data for calculating the dynamic collateral (see NBS Handbook, Chapter 9.3), the BRP needs to provide an estimation of its:

- Average production per week, MWh
- Average consumption per week, MWh
- Average bilateral and PX market sales volumes per week, MWh

An estimate of the above figures shall be sent to eSett at the same time as providing information to eSett about the imbalance settlement structures and technical connectivity.

Standard Settlement Instructions

In case the BRP has excess funds in the settlement account and the BRP wishes to release them, eSett needs to be informed of the account number for releasing the funds by sending "standard settlement instructions" signed by a person authorised to act on behalf of the BRP. Standard settlement instructions are free-form instructions about the account where eSett releases the excess funds only (see NBS Handbook, chapter 8.9).

Preparations for invoicing

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

- The BRPs 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 BRP's e-invoicing address
- In case the BRP 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 BRP has to ensure that the balance of the settlement account includes the outstanding debit amount of the current week's invoicing plus the collateral requirement by the end of the business day each Monday.

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Imbalance settlement structures and technical connectivity with eSett

All market participants are responsible for submitting their structural information to eSett well before their activity begins in the Nordic Imbalance Settlement model. These templates for structures are available at <https://www.esett.com/structures/new-market-participant/>. The structural template files that relate to BRPs are *Company.xls*, *BRP.xls*, *RE.xls* and *Connection Details*. BRPs are responsible for completing and submitting the files to settlement@esett.com at least one month before the BRP starts market activity. In relation to structures and data communication, coding schemes and some details involved in them can be found in chapter 10.4.2 of the Handbook.

eSett establishes a new BRP and will give BRP's administration user permission to eSett's imbalance settlement system Online Service after BRP has placed the needed collateral towards eSett.

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 <https://www.esett.com/materials/communication-guidelines/>.

Other required registrations and approvals

Sweden

Before initiating the process of signing the agreement with eSett, the Balance Responsible Parties operating in Sweden shall:

- Register as liable for energy tax to the Swedish Tax Agency and fulfil all the duties that parties liable to energy tax are subject to in Sweden. More information can be found on the Swedish Tax Agency's webpage: www.skatteverket.se
- Enter into an Ediel agreement with Svenska Kraftnät after having successfully performed the Ediel testing procedures. More information can be found at: www.svk.se/aktorsportalen/elmarknad/ny-pa-elmarknaden/anvanda-ediel
www.ediel.se

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 balance agreement and the settlement agreement, 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. The application form is available at www.nve.no.

More information can be found at:

<https://www.brreg.no/business/other-types-of-entities/norwegian-registered-foreign-business/>
<https://www.nve.no/energy-market-and-regulation/retail-market/trading-licence/>
<https://www.altinn.no/no/Skjeema-og-tjenester/Etater/Norges-vassdrags--og-energidirektorat-NVE/Soknad-om-omsetningskonsesjon/>

A BRP who has normal production and production imbalance, has to register at Landsentralen at least two weeks before they start the operations in Norway.

In addition, the Balance Responsible Party shall be registered and approved for message exchange on www.ediel.no.

More information about registration with the communication coding schemes GS1 (GLN) for the market participants is available at <https://www.ediel.no/info/faq/1/53> and <http://www.gs1.no/kom-i-gang/kom-i-gang-med-gln/soknad-om-tildeling-av-gs1-gln-global-location-number>

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Finland

Companies operating in Finland can test the messages at <https://eneasehub.fi/Login.aspx>. Companies operating as a Balance Responsible Party in Finland are required register with the European Register of Market Participants (Remit). More information about registration can be found at:

<https://www.energiavirasto.fi/markkina-vaalvonta> or <https://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 <https://www.fingrid.fi/en/services/information-exchange-services/eic-codes/> and <https://www.gs1.fi>.

If a BRP will have in his retailer role with consumption or production in the Finnish metering grid area then an information exchange services agreement with Fingrid is required <https://www.ediel.fi/en/other-services/service-agreements>.

Establishing a Balance Responsible Party into eSett's settlement system Basse

eSett is able to establish balance responsible party into eSett's settlement system Basse right after all needed agreements mentioned earlier in this guideline documentation are signed between the parties, all needed settlement structures to establish a BRP including invoicing details are provided to eSett. eSett will start to invoice balance responsible parties from the same week they are established to Basse. As long as balance responsible party does not have any settlement data, only a weekly fee will be invoiced.

The collateral must be in place latest three weeks earlier than the BRP can be active in market. eSett will give BRP's administration user permission to eSett's imbalance settlement system Online Service after BRP has placed needed collaterals towards eSett.

eSett's Infoletters

eSett recommends that new BRPs subscribe eSett's Newsletter on webpage www.esett.com and starts following eSett in LinkedIn.