

eSett Customer Committee meeting

Date 7.5.2019 11:30- 16:00 EET

Place Helsinki eSett's office

Present	Tom Backman	Fortum Markets Oy
	Tommi Pyhähuhta	Caruna Oy
	Espen Fjeld	Energi Salg Norge
	Kristian Bernseter	Statnett SF
	Jani Piipponen	Fingrid Oyj
	Uy Tran	NVE
	Tor Ny	EI
	Håkan Eriksson	Ellevio AB
	Diana Welander	eSett Oy
	Minnakaisa Ahonen (Chairman)	eSett Oy
	Jonni Laine (Secretary)	eSett Oy

Absent	Mari Salo (Member)	Energiavirasto
	Heidi Sundin (Member)	E.ON Elnät AB
	Lena Ingårda (Member)	Vattenfall AB
	Samuli Saine (Deputy)	Satapirkan sähkö Oy
	Liv Marie Butveit (Deputy)	Markedskraft ASA
	Morten Torgalsbøen (Deputy)	Statnett SF
	Robert Thelander (Deputy)	Svenska kraftnät
	Emelie Ekman (Deputy)	LOS Energy AB
	Lars Ellingsgard (Member)	Hafslund Nett AS
	Teija Pelkonen (Deputy)	UPM Energy Oy
	Trond Søreide (Deputy)	Mørenett AS
	Heikki Raatikainen (Deputy)	Fingrid Oyj
	Birger Fält	Svenska kraftnät

1 Opening the day, recap of eSett Customer Committee meeting 10.4.2018

eSett CEO and Chairman of the meeting Minnakaisa Ahonen welcomed all customer committee members to the fifth customer committee meeting. Minnakaisa brought up that it is stated in the customer committee rules of procedure that the customer committee membership is two years. Since the first customer committee meeting was organized in summer 2016, the two-year period is now full. To ensure continuity only one new member and one new deputy member per country will be appointed. TSOs will nominate the Committee members and their deputy members after discussing with the market participants. eSett's Board appoints the Committee members.

It was agreed that the previous meeting's minutes were approved, and no additions or corrections are needed.

2 eSett News

Minnakaisa Ahonen informed that eSett has hired Tommy Gulin as a new specialist. Minnakaisa presented year 2018's highlights and eSett's annual review. After successfully stabilizing the operation during the year 2018, eSett's strategy has been set to serve what is ahead of us.

Minnakaisa mentioned that eSett introduced KPI reports to the market at the end of last year. Based on the KPI reports, eSett has been contacting some BRPs in order to help them to improve their market behaviour. Based on feedback from customers eSett adjusted the relative consumption imbalance KPI calculation and the formula has been updated to the Handbook. It was discussed that currently in Finland market participant can see only their own BRP imbalance KPI results, but it was informed that Fingrid will investigate possibilities to publish results in a more transparent way in the future.

It was presented that The Danish Ministry has recently given Energinet a permission to purchase 25 percent of eSett's shares. eSett and TSOs have started extensive cooperation with Energinet to find out the possibilities to incorporate the Danish market to be part of the harmonized model.

Minnakaisa informed the customer committee that the Norwegian Elhub was launched into operation on the 18th of February. From eSett's point of view the go-live went really smoothly, some difficulties were identified in structuring into the past and sending of preliminary values.

Minnakaisa introduced shortly the Multiple NEMO Arrangement project. The purpose of the project is to enable several NEMOs on the day-ahead PX markets. The project has reached testing phase, which will continue through the summer until go-live. Project go-live is planned to be somewhere between October-December 2019.

It was also mentioned that from the beginning of April, eSett has started to support division of Frequency Containment Reserve (FCR) reporting in Sweden based on operational situation. In the future there will be FCR Normal and FCR Disturbance, Normal will be subject to invoicing and disturbance won't be invoiced since it's always reported to eSett with zero amounts.

Minnakaisa concluded her presentation by presenting the following proposed changes to the Customer committee rules and procedures:

1. Currently the document states that in special cases virtual participation to the meetings can be arranged. The proposal is to remove the option of virtual participation. (2.4)
2. The Customer Committee will consist of two market participants from each NBS country. It's stated that one of the market participants from each NBS country will be either a Balance Responsible Party or a Retailer representative, and the other a Distribution System Operator representative. The proposal is to remove the requirements for roles. (4.1)
3. Currently the document states that "the members and deputy members are appointed for a term of two years. For the first two-year term, half of the members and deputy members shall continue for an additional one-year period to ensure continuity." The proposal is to reformat this to: "the members and deputy members are appointed for a term of two years. To ensure continuity only one new member and one new deputy member per country will be appointed." (4.4)

The Customer committee members gave their support for the proposed changes.

3 Recap of stakeholder workshop "The way forward Solutions for a changing Nordic power system" held on 26.04.2019

Jakob Aldrin, Program Manager of Nordic Balancing Model introduced shortly the background of the NBM project. The overarching purpose of the NBM program is to develop the Nordic Balancing Market design, the operational processes and the associated operational methodologies in order to meet the outlined target model agreed in the Cooperation Agreement and stipulated in European legislation. Jakob mentioned that all important news regarding the project will be published on NBM webpages, for example current webinars and seminars. It is also possible to subscribe RSS feed to get notification about news.

3.1 Status of Nordic Balancing Model including 15 minutes time resolution

Jakob presented the plan regarding development of balancing philosophy. The target is to get more efficient use of resources and clearer responsibilities to handle balancing. Imbalances and available reserves in each bid-area will be optimized in a central

algorithm. The target is to secure optimal use of the grid, efficient exchange of balancing products and fair settlement between buyers and sellers. Jakob introduced new roles in the balancing model, Svenska Kraftnät and Statnett will behave as Common service provider (CSP) which delivers services to all the Nordic TSOs.

Jakob presented the preliminary roadmap of the new balancing model, but he mentioned that it will be updated during the following weeks. It is planned that the new roadmap will be presented for the market in a webinar. TSOs can now confirm that more time is required for implementation of the 15-minute resolution due to changes in TSO processes. Go-live of 15 ISP requires at least more than a year compared to the original road map. The original assumption underestimated the amount of work for this change. The 15-minute ISP is a fundamental change in Nordic balancing and the change requires a lot of improvements in control room processes, knowledge, routines and significant improvement in data quality.

Jacob mentioned that the Nordic TSOs want to develop new ways of working together with all stakeholders, to hear and involve different parties and to ensure a wide and good flow of information in the planning and implementation phase of 15-min ISP and the new balancing model. In order to achieve these goals, Nordic TSOs have set up a joint Nordic reference group for the NBM program. The group will have its first meeting on May 21st, 2019.

One customer committee member started the discussion about the 15-min ISP relation to datahubs. He mentioned that the delay of the 15-minute ISP was positive information for the Finnish market but in Sweden the situation might be different because of unclear plans regarding Elmarknadshubben. It was also asked when the TSOs expect to know more about the overall time schedule of the project. Jacob answered that the new TSO proposal for the NBM roadmap will be presented at the stakeholder webinar on May 29th. It was discussed that the implementation of the changes will take at least one year and it's important to get permanent decision in a timely manner.

The customer committee member asked about the main challenges for market participants in the current situation. There might be an issue for the market participants with the implementation order of all changes: datahubs, one balance and 15-min ISP. It was also mentioned that the IT-vendors might have their hands full.

Jacob concluded his presentation by stating that the NBM project always wishes to receive feedback from the Nordic market participants regarding changes and roadmaps.

4 Presentation Elhub Go-live

Jan Magne Strand presented the completion of the Norwegian Elhub Go-live process. Elhub was launched into operation on the 18th of February. The Go-live was complex and comprehensive and seems to be successful. Some difficulties have been identified in structuring into the past and in the sending of preliminary values. Elhub has been able to handle the data, calculate and distribute the basis for settlement, and most suppliers are

able to invoice their customers based on those values. There are still challenges with complete data quality and system interfaces. Elhub's target is now to stabilize the operation with quality control, market processes, and solve problems between Elhub and market participant IT-systems.

Jan Magne introduced Elhub's system's functional architecture, services and functions. Also, several follow-up reports and market statistics were presented.

As an observation, Jan Magne mentioned that this kind of large changes in the end-user market model demands close cooperation in planning and alignments with all partners involved. It was also discussed that it's very time consuming to keep structure data in Ehub and eSett in sync. Elhub uses around 1-2 hours per day to keep the data up to date. Jan Magne commented that it would be beneficial to align development and system changes between eSett and datahubs.

The Customer committee member asked about how long Elhub was tested towards eSett's system. Jan Magne answered that it was started quite late (November) and the period was a couple of months. He also mentioned that the parallel run period should have been longer.

5 Any other business

It was suggested that the 15-minute settlement and the one balance model will be discussed in the upcoming customer committee meetings to hear about the progress. It was also proposed that one topic for the next meeting could be the status of the Danish market integration to eSett.

No more topics were raised at this point. The Chairman ended the meeting.

6 Next meeting

Next customer committee meeting will be held 6.11.2019 in Helsinki.

Attachments: eSett News - Minnakaisa Ahonen
Status of Nordic Balancing Model including 15 minutes time resolution - Jakob Aldrin
Presentation Elhub Go-live - Jan Magne Strand

Distribution: Customer Committee members and deputies