

eSett Customer Committee meeting

Date 6.11.2018 11:30- 16:00 EET

Place Helsinki eSett's office

Present	Tom Backman	Fortum Markets Oy
	Tommi Pyhähuhta	Caruna Oy
	Kristian Bernseter	Statnett SF
	Jani Piipponen	Fingrid Oyj
	Uy Tran remotely	NVE
	Birger Fält	Svenska kraftnät
	Håkan Eriksson (Deputy)	Ellevio AB
	Jonni Laine	eSett Oy
	Tuomas Lahti	eSett Oy
	Minnakaisa Ahonen (Chairman)	eSett Oy
	Markus Eklund (Secretary)	eSett Oy
Absent	Mari Salo (Member)	Energiavirasto
	Heidi Sundin (Member)	E.ON Elnät AB
	Espen Fjeld (Member)	Energi Salg Norge
	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
	Tor Ny (Member)	EI

1 Minutes of eSett Customer Committee meeting 10.4.2018

1.1 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 fourth customer committee meeting. Minnakaisa raised up following topics:

- Minnakaisa informed that there has been changes to the customer committee members. Robert Thelander from Svenska kraftnät is replacing Tania Pinzon. It has also been decided that Birger Fält will be Svenska kraftnät's member and Robert will be Birger's deputy member.
- 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 current customer committee members will participate in the next meeting in spring 2019. TSOs will propose new customer committee candidates and eSett board will then nominate new members.
- Minnakaisa proposed that the next meetings will be held 7.5.2019 and 12.11.2019. The dates were approved by the committee members.
- eSett has decided to perform a customer satisfaction survey by the end of November. Last time the survey was distributed to Online Service administrators and via eSett's newsletter.
- In the last customer committee meeting it was promised that eSett will give a training about the dataflows and information service. eSett has planned to organize the training next year in February or March. Customer committee members have received comments from the market that training is needed and that the knowledge of eSett's information service differ significantly between market parties.

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

2 eSett News

Tuomas Lahti began by shortly presenting how eSett and eSett's operations looks like today. Tuomas informed that eSett has hired Diana Welander as a new specialist. Tuomas presented also statistics of customer service response times. Most of the service requests are resolved within same day but for instance new customer registrations take more time to complete.

Tuomas mentioned that the handbook will be updated during this year, and he presented the list of chapters which will be updated. The English version will be updated first, and the other language versions will be updated shortly afterwards. Tuomas highlighted that the next handbook version will include update to the gate closures for structure changes and update to the collateral formula. New information regarding market behavior reports has been added to chapter 11

It was presented in the previous Customer Committee meeting that structural gate closures for creating consumptions and production units will be changed. Tuomas presented the new gate closures and that the new gate closures have been applied in the system. Currently it is possible to create consumptions and production units 7 days back in time. eSett has received positive feedback from the market regarding the change and this was also the message from customer committee members.

eSett will update the settlement system at the end of November. Tuomas introduced shortly the key changes in Online Service.

- KPI reports will be available for BRPs from Online Service
- Column widths in Online Service views will be adjustable
- User can choose to view data in kWh or MWh
- Online Service user may request for forgotten username
- New structural data flows are offered for balance responsible parties for creating bilateral trade structures and for nominated electricity market operators for creating power exchange market trades
- New bilateral trade structure must be approved by the counterparty BRP in order that the structure and time series will be active
- Settlement result views in Online Service will show last calculation time and what is the estimated time for the calculation to finish. This has been requested many times from the market participants
- New prioritization of values will be taking into use. This means that values with status "estimated" cannot overwrite values with status metered when data is reported electronically. One customer committee member informed that in Sweden there is a rule that the registration time should be prioritized instead of the statuses. It was also commented that there might be many market participants who are not familiar with the statuses and therefore this change needs to be advertised well before taking into use. **eSett will investigate this matter and evaluate if this functionality can or will be taken into use.**
- Online service users are able to save user preferences in Online Service views such as time period and displayed columns

Minnakaisa informed customer committee that the settlement system development will be frozen and eSett will begin to prepare the system for 15-minute settlement and one balance model.

Customer committee members brought up that BRPs would like to receive electronically the currency rate which is currently shown only on BRP's weekly invoice. **eSett will take**

this under consideration and evaluate if it would be possible to send the currency rate electronically in the future.

Customer committee members emphasized that eSett should publish release notes for the market parties when changes are made to the system. **eSett will prepare proper release notes of the upcoming changes.**

Tuomas informed that the collateral calculation formula will be adjusted. The adjusted collateral formula will also consider the intraday trades and eSett has planned to use the adjusted formula on first Monday in December (3/12/2018). The adjusted formula reflects better the market behaviour, where the balance responsible party only trade on the intraday market. eSett has simulated the adjusted model for two different weeks and Tuomas presented the simulation results for the committee. The results show that the collateral requirement will not increase for most of the BRPs. However, there will be some BRPs who will experience a slight increase in their collateral requirement. **Customer committee members gave their support for the adjusted collateral formula.**

Tuomas concluded his presentation by presenting the operating model for Norwegian data hub (Elhub). In this model, distribution system operators will no longer update structures and report data to eSett. The data and structures will be reported to Elhub and Elhub will report this information to eSett. Tuomas informed that DSOs will still have access to Online Service with read rights and eSett is evaluating a possibility to share outgoing data to DSOs via M2M connection.

It was commented by a customer committee member that the DSOs in Finland need to receive data from eSett after the data hub in Finland goes live to enable data comparison. It was also mentioned that not all the grids will be included in the Finnish data hub.

3 Introduction to one balance model and 15-minute settlement + workshop

3.1 Presentation of the model

Jonni Laine presented the plan regarding one balance model and 15-minute settlement for customer committee. eSett published approximately one month ago a specification document regarding the model for committee members and market participants (www.esett.com). Jonni presented the background and the benefits with the new model. He mentioned also that it is planned that 15-minute settlement and one balance model will be implemented on the same time in all NBS countries.

Jonni presented the proposed imbalance settlement model for customer committee. It is planned that production and consumption will be included under the same balance among with bilateral trades, power exchange market trades, imbalance adjustments and MGA imbalances. Jonni informed that the pricing model has not yet been agreed, but it is assumed that one price model will be used. Jonni however emphasized that in some cases dual pricing can be used, but this has not been agreed yet. TSO members commented that the pricing model is under consultation and it will be agreed before the summer by the regulators.

It was asked by a customer committee member that when the production plans will no longer exist in the imbalance settlement, what is the motivation to plan the production? TSO member commented that there is not yet a common solution for this yet, but it is under investigation.

One customer committee member commented that it is recommended to use only one price and one common model for Nordic countries and no dual prices should be used. TSO member commented that the goal is to have a common Nordic model, but the pricing is under investigation.

Jonni continued to present the 15-minute settlement period and what will it mean from eSett's point of view. He mentioned that all input values will be on 15-minute level in eSett's system and eSett will also perform the calculations on 15-minute level. All incoming and outgoing data flows will be sent on 15-minute resolution, but structural management will stay on hourly level.

Jonni presented the roadmap of the new imbalance settlement model. It is planned that the new model will be in use by the end of year 2020. TSOs have requested eSett to start to develop the model since the schedule is quite tight.

3.2 Workshop debriefing

- It was commented by one committee member that it is very important to understand the time schedule of the new model and what kind of preparations the market participants need to do in practice. What measurements need to be changed for instance? TSO member commented that currently there are discussions on national level regarding 15-minute and single balance. It was mentioned that there are discussions regarding legislation changes and implementation plans. It was also commented by another TSO member that there is a common Nordic approach of changing the metering to support 15-minute resolution such as MGA exchange and production metering. Regarding consumption metering there are currently national differences and the discussions are ongoing. There are for instance discussions regarding how the hourly metered consumptions will be split to 15-minute resolution.
- One customer committee member raised up the discussion about the data hubs. Especially regarding data hubs in Finland and Sweden and what kinds of interim solutions are needed before the hubs in these countries go-live when not all meters are on 15-minute level. It was especially asked that how will Sweden handle the profile consumptions? It was commented by a TSO member that DSOs will most likely to report still on 60 -minute level but it is unclear how the hourly values will be adjusted to 15 minutes. Svenska kraftnät is currently investigating this. It was also asked that when will Sweden go over to metering completely? It was answered that this will happen around 2025.
- Customer committee member commented that from BRP point of view it is very important to also know when will the spot market be changed to 15-minute level. It will be challenging when the other part of the market is on 15-minute level but at the same time there is hourly products on the day-ahead market. It was commented by a

TSO member that there will be changes on the day-ahead market earliest 2023 and hopefully latest by 2025.

- One committee member pointed out that the main challenge in Finland is the difference between 15-minute settlement go-live and go live of the Finnish data hub. Many companies need to develop their own systems to support the 15-minute resolution because of this difference. It is currently unclear what kind of system development needs to be done and what measurements need to be changed.
- A question was raised by one committee member if it is possible to have data on hourly resolution after 15-minute settlement go-live? eSett answered that the final solution is that all data is sent on 15 minutes resolution. eSett commented also that as an interim solution Fingrid has suggested that eSett could split messages if needed. It must still be discussed how long this interim solution can be in use.
- It was asked by one customer committee member if eSett has discussed with their system vendor about what kind of change are needed to the settlement system? eSett answered that some discussions have been made but eSett does not have technical details yet. eSett commented that there is currently not an exact time plan for the changes, but the aim is to have the system ready by the end of 2020. High-level plan is to have the system ready few months before the go-live, so that market participants can test and send test messages.

eSett received comments before the meeting from one market participant. The comments including eSett's answers are shown below:

- Dual pricing – such situations have to be clear and unusual, same handling for whole Nordic, rapid market information (if a decision is needed)
 - Currently there is not a clear solution when dual pricing is used but the goal is to have common Nordic rules when the dual price is applied
- Reporting deadlines for bilateral trades should also be harmonized and shortened (=Finland 20 min), for the benefit of low imbalances
 - It was commented by one TSO member that the harmonization of bilateral trade gate closure will not happen
- To our understanding "MGA Imbalance" is only applied to the BRP who is responsible for the losses in the specific MGA and not to all BRPs. If this is correct, it could be mentioned in the document for better understanding.
 - MGA imbalances will only be shown for BRPs who have MGAs under their balance. **eSett will clarify this in the document**
- We don't understand the "MGA exchange trade". It's mentioned only once in the document and included in Figure 1. The calculated example doesn't include this parameter either. It would be beneficial for our understanding if there was an additional explanation for this product (1.1.3?). Is this maybe a national difference?
 - MGA Exchange trade is used for cross border settlement and the MGA exchange is not valid for normal BRPs. **eSett will clarify this in the document**

No other comments or questions were raised up from customer committee regarding the plan about 15-minute settlement and one balance model. **Customer committee members gave their support to the model presented by eSett.**

4 Any other business

It was suggested that the 15-minute settlement and one balance model will be discussed in the upcoming customer committee meetings to hear about the progress. It was also suggested that regulators should give comments how they see that 15-minute settlement and one balance model is going forward. eSett suggested that there could also be a presentation about Elhub and what are the lessons learned from the project and from the go-live.

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

5 Next meeting

Next customer committee meeting will be held 7.5.2018 in Helsinki.

Attachments: eSett News – Tuomas Lahti
Introduction to one balance model and 15-minute settlement – Jonni Laine
Imbalance settlement model based on one-balance and 15 min ISP

Distribution: Customer Committee members and deputies

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