



Nordic Imbalance Settlement - Go-live Experiences

Customer Committee 1/2017

2017-06-21 Hilton Airport Hotel, Vantaa

Agenda

- eSett summary of the first weeks' final imbalance settlement
- Customer Committee / Reference Group members' feedback for the go-live period

Settlement

- Imbalance settlement agreements are in place with all BRPs
- Final production and consumption imbalance settlement as well as MGA imbalances have been calculated for the weeks 18-22/2017 and no known errors in the settlement results
- No concerns from customers related to incorrect settlement results
 - Some market participants have asked eSett to verify settlement results against TSOs' systems. This is not possible to do in eSett and market participants have been asked to contact respective TSO (eSett has also discussed these issues with the respective TSOs)
- A lot of manual checks have been made to verify settlement results in co-operation with market participants
- Some non-critical bugs have been found during the operations and efforts have been put to stabilize the solution

Invoicing

- All customers have placed sufficient collaterals
- Invoicing for weeks 18-22/2017 was carried out successfully:
 - Invoice rows calculated correctly
 - Currency hedging performed correctly
 - Invoices sent to customers
 - Payments debited/credited from/to customers settlement accounts
- Problems encountered
 - **VAT issue:** MBA FI had exceptional high negative imbalance prices during week 18. This led to problems with negative VAT breakdown calculation for some Finnish BRPs; the overall results were correct
 - **Issue with payments:** some settlement banks have not been able to carry out payments on same day
 - **Issue with e-invoices:** eSett e-invoice operator has not been able to handle negative invoices. It's known bug in their system and based on latest information should be fixed during June.
 - **Issue with collateral status:** During last weeks we have had some problems with collateral status which is displayed for BRPs in Online Service. Some cases collateral status has been in state "Insufficient" although everything has been ok. This has been fixed in Basse.

Customer feedback - Commissioning

- The length of parallel settlement: positive and negative comments
e.g. The plan to have a parallel settlement as long as it was, was on the positive side a good plan and it worked well to make the transition to NBS on the 1st of May and first settlement 2nd of May. The negative part was as it was quite long and so, it created extra pressure on managing it resources wise and it was mainly in the last weeks the whole picture was clear for the settlement part. For future plans, make each testphase shorted with well-defined goals to be achieved and all active participants.
- *After go-live the system has worked surprisingly fine except for the errors in messaging service 9-11.5*
- *Overall it's working fine for us, my biggest concern before was that readiness of market participants, I must say that this has been working good since Go –Live, there where/are some issues with some DSO who didn't apply the same gate closure rules in the parallel settlement to TSO as for eSett, this has made it difficult to double check the balances.*
- *One part that will be interesting is how good the quality of the data from DSO is, before they had 2,5 month to report now 13 days, when I look at the quality there is only from 6 MGAs where we don't have good quality of the data, for me this was very promising as they still have one more day to report.*

Customer feedback – NBS-model

- *It was discovered (at a late stage by participants) that some market rules are not adjusted to the NBS. This regards to minor production in Sweden. There are market rules in Sweden stating that if a customer who start to produce electricity and has not signed a supplier contract the day the installation starts producing then the supplier that has the contract for consumption is assigned to handle the production. This is a problem for the grid owner as we are not able to assign retailer in time according to gate closures, if it is not registered in a grid beforehand.*
- *The need for more automation regarding structure updates is needed. Market participants needs to be informed on when this will be implemented at eSetts M2M interface , well in advance. Also in general a system implementation plan for eSett updates should be present at eSett.com so that marked participants can adapt to this.*

Customer feedback – NBS-model

- *There seems to still be issues regarding reporting of Differences timeseries to market participants, this needs to be handled. It was communicated that there was a fixed implemented but no.*
- *There is also some issues with importing messages to Basse, which creates insecurity on the Basse stability.*
- *There are no guidelines for how often installed capacity should be changed (specifically minor production) as this is quite fluctuating and time costing for marked participants to update.*

Customer feedback – Online Service

- *More improvements on the ONLService is needed, this is at this point, sent in via tickets to eSett, this should also be a transparent list and a priority activity should be done for them.*
- *Sometimes it is slow to use ONLS”*
- *Add column production unit code, Structure - Production Units.*
- *Possibility to search on MGA code, now you need to know the MGA name. This applies to all pages where we have MGA info.*
- *Time stamps on time series values when they been updated in Basse.*
- *Always have header column visible in all column matrix, also be able to go right and left without scrolling down to the end.*
- *MEC changes, possible for user to mark a MEC change as handled.*
- *Is Retailer Balance Responsibility really necessary? Wouldn't it be better to just open this for all MGAs for all REs?*

Customer feedback – Online Service and Customer Service

- *Customer service response times have improved*
- *Proactive and good work from customer service for helping MGA imbalance corrections*
- *e-invoices have not been sent in time*

Issues and failures found after the NBS go-live 1st of May 2017

A failure 9.5.2017 in messaging

- The failure was observed 10.5 after a new version delivery to Basse on 9.5.2017. This version included a new feature in handling FTP messages.
- This failure caused incorrect rejections of messages and was limited to some of the messages received via FTP channel during the period of approximately 9.5.2017 22:00 EET – 10.5.2017 12:00 EET (week 19). E.g. If message was received at 8:00 EEST, reception date was established to 10:00 EEST and gate closure was evaluated incorrectly.
- This was fixed to Basse during 10.5.2017
- All the messages that was identified as rejected during the period the issue, were reprocessed.
- eSett imported two BIT messages, which had also incorrect values in them, to the system 24.5 concerning 9.5-10.5.2017. Final imbalance settlement and invoicing for the week 19 were carried out with these incorrect values.
- eSett will bilaterally agree corrections with the respective balance responsible parties in Finland.

Issues and failures found after the NBS go-live 1st of May 2017

A failure with negative prices 7.5.2017.

- These negative prices in MBA FI caused incorrect VAT breakdown in the first week invoices for the Finnish BRPs
- The total VAT and invoiced amounts were correct in the invoices, but the tax breakdown at the bottom of the invoice was not correctly presented
- eSett contacted respective BRPs directly

Issues and failures found after the NBS go-live 1st of May 2017

A failure with manual acceptance of bilateral trades 1.6.2017.

- Basse did not allow manual acceptance of counterparty values of Thursday 1.6.2017 and Friday 2.6.2017
- Due to this, gate closures were extended temporarily until the 8th of June 12 CET so that BRPs were able to manually accept the counterparty values of Thursday the 1.6 - Wednesday the 7.6.2017.
- A root cause was determined within manual acceptance algorithm. When only one counter value was accepted within one request, evaluation failed. When multiple values were accepted at once (in one request) evaluation worked correctly.
- Evaluation algorithm for single value acceptance was fixed in Basse. Also automatic tests has been updated to test this case of manual acceptance.

Issues and failures found after the NBS go-live 1st of May 2017

A failure in the settlement system morning 6.6.2017

- Some Basse's internal processes were stuck in the morning 6.6. and e.g. collateral demands, balance report values were empty, MEC creation for reporting the previous day values
- Some consumption, production and MGA exchange messages were rejected during this failure.
- The root cause of problem was identified within Basse in component which distributes jobs across processing servers when it used Oracle database optimisers incorrect statistics
- Usage of database optimizer was improved to avoid delay of procedure allocator.
- In order to avoid similar problems in the future, Unicorn proposed to improve monitoring and handling the MECs creation by rescheduling of the time, when Data MECs are created
- eSett asked DSOs to check their messages during the failure and in case any messages were rejected (negative acknowledgements) to send those ones again.

