

Energinet joins the Nordic imbalance settlement - FAQ

1. What is the value of the transaction? I.e. how much has Energinet paid for the 25% of the shares?

The total purchase price is appr. 700 t euro.

2. What are the benefits of the common imbalance settlement for the market players?

A common imbalance settlement across the Nordics facilitates easier operations for pan-Nordic market players and lowers the threshold for entering into new markets. The BRPs face one single interface and one set of rules, making it easier to enter into new markets and lowering operational costs.

3. What are the benefits for the TSOs?

For the TSOs it's important to reduce barriers, increase competition and enabling a well-functioning Nordic market. When introducing 15minutes settlement and other important changes in the coming years, we can make the changes to the common settlement IT-system instead of to each and every national system. In the long run the TSOs face lower operational costs.

4. Which are the regulatory approvals that the Danish market players must wait for? When are these approvals expected?

There will be a number of changes to present market regulations that will need regulatory approval from the Danish Utility Regulator. Among these are changes to the timeframe for imbalance settlement and invoicing, and sending of aggregations and individual metering point data to eSett.

According to the project plan, the changes will be sent to the Danish Utility Regulator for approval during summer 2019, and the final approval is expected in the beginning of 2020.

5. Why did not Energinet join the eSett cooperation from the start? What is different now?

Energinet chose not to join eSett from the beginning, mainly due to the extensive work on the DataHub project.

Since 2011 the Nordic cooperation regarding the physical balancing has been reinforced e.g. with the NBM project. Now is a good time to take this one step further with the eSett cooperation. Furthermore Energinet's current IT-system for imbalance settlement is now due for replacement.

6. Have there been hard negotiations to reach the agreement? Which were the difficult issues?

The negotiations were fast and uncomplicated as it had been the objective from the start of eSett and its original founders - three other Nordic TSOs - to get Energinet and Denmark to join eSett.

7. Are there any plans of inviting other owners in? What about the other TSOs in the Nordic power market?

Owners are open for further cooperation with neighboring TSO's, but currently there are no talks.