

NordREG opinion on Harmonised rules for information exchange (technical level) - the Business Requirements Specification report¹

Introduction

The Nordic energy regulators have worked on a project for a harmonised Nordic end-user market for several years now. The goal is to harmonise legislation, rules and processes that constitute barriers for suppliers to establish their business in other Nordic countries. In order to achieve this goal, the task forces and the Retail Market WG have been working according to the Work Program which the NordREG Board of Directors has approved on a year to year basis.

One very important task is related to the development of an efficient way of communication among the very large number of Nordic electricity companies.

Background

NordREG issued in February 2012 the report *High level suggestions for common Nordic processes for information exchange – obstacles and possibilities*.

The reported stated that:

- “It seems preferable to arrange communication between a few parties like central databases (CDB) compared to bilateral communication between hundreds of DSOs and suppliers
- A web service search tool seems easy to operate and may represent a smaller change from today’s system than the CDB but alone it is not enough to reach harmonisation...”

Based on these findings NordREG Retail Market WG in March 2012 wrote a letter to Nordic Ediel Group (NEG), a group of technical experts organised within the Nordic TSOs, and explained that a central function of a Nordic market will be the use of a common or similar information exchange system (central databases/web service tool) to facilitate business processes. Therefore the responsibilities and communication models should be the same in all countries. Otherwise national differences may create unnecessary barriers of entry for the suppliers in the Nordic end-user market.

In June 2012 the NordREG Board asked NEG for help to come up with suggestions for a project-plan for recommend harmonised technical requirements. NordREG also outlined some **basic conditions** for this technical work:

- 2015 as a target year for the basis for a Nordic harmonised end-user market ²:
- The governments must get time to issue the necessary/new national regulations

¹ The BRS-report

² Implementation plan for a common Nordic Retail market, report 7/2010

- NordREG will prepare general Nordic recommendations for switching, moving and metering methods
- In the technical work NordREG will act as project owner (responsible for the initial cost) but NordREG will also hire a project leader for professional support
- NordREG suggested that a project group with no more than 3 persons per country should be established. In addition, 4 national reference groups were recommended to secure involvement from the Nordic stakeholders.

During the spring 2012 NEG agreed to help with the technical work as proposed by NordREG.

NordREG decision

At a meeting in December 2012 the NordREG Board of Directors supported the task in WP 2013 of making recommendations of creating harmonised technical requirements for the information exchange between the Nordic countries. The Board also supported the work to be conducted in cooperation with NEG, as the NEG organisation already is deeply involved in the establishment of technical requirements on national level in the four countries.

NordREG stated that the technical harmonisation report should propose a common harmonised data exchange format, including content, communication platform and data security measures to be used for data exchange in a common harmonised Nordic end-user market.

Business Requirements Specification, BRS

A project organisation with a working group (project group), a steering group and four national reference groups were then established and representatives of the four national industries as well as the TSOs were requested to participate in the work, which they agreed to do. Representatives of the Retail Market WG attended as observers during all project meetings.

In addition, a technical consultant from Edisys Consulting A/S was hired to help to develop solutions in accordance with the request of the Board. The **project started up in early summer 2013**.

The deliverable should be an overall business information model for the common business processes in the Nordic area and it was expected to be **finalised** by December 2013 - later postponed to **April 2014**.

The delivery of the project as one **compiled BRS report** should cover topics as:

- Pre-switch checking
- Change of supplier
- Customer move
- Exchange of master data
- End of supply and/or grid connection
- Special processes
- Exchange of metered data

The project group held four two-day meetings in 2013 (June, August, November and December), 2 two-day meetings in 2014 (January and March) and one videoconference (April 2014).

The BRS report was delivered to NordREG Retail WG according to the agreement with Edisys Consulting by the end of March 2014 and it contains today of 224 pages.

Prerequisites

The BRS document assumes a supplier centric model and combined billing and is based on an already harmonised electricity Role Model from ebIX®, EFET and ENTSO-E.

It assumes also datahubs in Denmark and Norway (October 2016) as well as combined billing, even if combined billing still is under discussion in Finland, Norway and Sweden. Therefore possible processes for exchange of tariffs, fees and subscriptions need to be specified at a later stage.

Summary of the BRS report

Edisys Consulting states in the introduction of the BRS report that it is a suggestion for a model for the content of the harmonised documents to be exchanged between the four countries in the future.

But the reader may also realise when reading the BRS report that several elements only are used in certain countries. These elements that differ are still present because of different legislation and market rules in the four Nordic countries.

Edisys mentions several examples of these differences. One example is for instance connected to the question of commercial terms:

- Should it be possible or needed for a supplier to inform the datahub or DSO of certain commercial terms that apply to the contract with the customer? As commercial terms are understood *end date* for current fixed term supply contract, *notice period* (days or months) and *cancellation fee*. This information is supposed to be forwarded to a potential new supplier as part of the switching supplier process.

Some believe this type of information is good to have because it is customer and supplier friendly. It supports a more efficient process, when informing the customer that a cancellation fee may apply if he changes supplier. Others do not want to integrate this commercial information in the switching process as it complicates the process and only is a matter between the supplier and the customer. Therefore they do not find reasons to involve the datahub or DSO in such contracts matters.

More examples of the differences between the countries are explained in the report.

Edisys concludes:

1. A general advise to the Nordic regulators to see if national legislation and market rules can be harmonised, so that national specialities can be avoided even more in the future.
2. On the other hand, Edisys also states, that when harmonising the Nordic data exchange documents and their format, all countries have to give (and have given) away some of their national principles used today.
3. Edisys finds, that even if there are some differences between the four Nordic countries, the proposed model in the BRS report shows that **it is possible to harmonise the data exchange in the Nordic end-user market to a great extent**. All documents are based on the same structure and syntax, and all processes are basically the same.

The BRS report also contains a proposal for further technical investigations after the finalisation of the BRS report (for more information see the separate technical note to the Board).

After four weeks public hearing from 1st of April a public meeting with the stakeholders (DSOs, suppliers and TSOs etc.) was scheduled to take place the 24th of April this year.

Input from the stakeholders in the public hearing

Different kinds of inputs from the stakeholders was received at the public hearing:

First, some stakeholders were missing processes in the BRS report such as combined billing, making and ending contracts, national processes related to electricity certificates etc. However, some of these processes are outside the scope of the BRS project and others are under discussion and according to Edisys they're not mature enough to prepare technical specifications.

Second, other stakeholders were missing harmonisation of Nordic business rules and legislation, which should detail areas such as timeframes, responsibilities and how to handle exceptions.

Third, a few examples of weaknesses as seen from some stakeholders are according to Edisys these:

- Too many national exceptions in the BRS report
- The BRS report opens for retroactive moves on a national level
- The BRS report specifies a process where the new supplier in the metering point a customer moves in to, can end the supply in the metering point the customer is moving out of (this process is not allowed in Denmark).

Review of the chapters with changes after the hearing

After the public hearing and public consultation the BRS report has to some extent been updated although the main conclusions of the updated BRS report has not changed significantly (see below).

The BRS report is renewed in these chapters:

- Chapter 0. Preamble from the editor
- Chapter 1. About this document
- Chapter 1.1 Public consultation (summary)
- Chapter 1.5 The way forward.
- Appendix H. Summary of comments after public hearing.

Edisys Consulting has made corrections and added definitions in the BRS report based on the input from the public hearing and consultation.

Edisys Consulting still concludes that “Even if there are some differences between the four Nordic countries, the proposed model in this BRS shows that it is possible to harmonise the data exchange in the Nordic Retail market to a great extent. All documents are based on the same structure and syntax, and all processes are basically the same.”

Comments from the Retail Market WG

The general impression of the project meetings is very positive. The meetings were structured with a clear agenda and all the participants seem to be well prepared to discuss the issues which did arise. The participants were by no doubt very qualified with relevant technical skills and knowledge from their daily specialised work with technical matters. Their contribution helped the consultant to solve many difficult issues and to create a harmonised technical model for all four countries.

All countries were present during all the meetings and the places of the meetings were changed among all four countries. The participants were able to construct adaptable and highly reliable results even though some uncertainty still were present in relation to the unsolved questions of information exchange system (datahubs) in some countries.

Fourth, it must also be mentioned that the meetings did take place in a very positive atmosphere which certainly contributed to generate the suggested harmonised technical BRS model as the task given by NordREG did require. All these elements contributed in our opinion to the fact that the suggested BRS model seems to be a well-balanced solution that can support the four Nordic countries coming closer in a technical sense.

The input from the stakeholders in the hearing and the public consultation has not changed the general assessment of the BRS report for several reasons:

- First, the implementations of the recommendations stated in the BRS report have in the end to be completed by the relevant stakeholders affected by the report. If they believe the harmonisation work is acceptable the Retail Market WG does not see any reason to modify its' earlier assessment presented to the Board in May 2014.
- Second, it is important to mention that the NRAs usually do not work with business processes or technical issues at this very detailed level. Therefore it will be strange to suggest significant changes in the BRS report at this stage.
- Third, it is also important to note that the main conclusion of the BRS report is not altered due to the hearing and the public consultation.

The overall assessment of the work done by the participants and the consulting firm is therefore still positive and the Retail Market WG cannot come to another conclusion except that the technical work in the delivered BRS report is likely to benefit the establishment of a harmonised retail market in the Nordic area.