

CASE: CENTRICA ENERGY TRADING

Implementation of KMD Elements





KMD Elements simplifies and optimizes business processes in Centrica Energy Trading

With the implementation of KMD Elements, Centrica Energy Trading will have IT support that is capable of precisely expressing their unique business need. This will result in more efficient work processes and faster and easier settlement with the customers.

The Danish energy trading company, Centrica Energy Trading, is navigating in a large and changeable market. In popular terms, they act as energy intermediary for producers and consumers of wind energy, solar energy, water power, gas and biomass energy, and they are currently active on markets in Denmark, Norway, Sweden, Germany, Great Britain, the Netherlands, Belgium, France and Italy, but with an ambition to expand to more regions in the world. The great complexity involved in being able to handle so many energy sources on so

many markets, on both the buyer's and the seller's side, makes considerable demands on the IT solution supporting Centrica Energy Trading's business model.

Up until recently, Centrica Energy Trading used an old KMD solution to keep track of measurement data, electricity prices, Power Purchase Agreements (PPAs), government rates and much more. However, they are now in the process of converting to KMD's brand new energy solution, KMD Elements.

- *KMD Elements and our previous solution have a lot of the same features. But while it is evident that KMD's previous solution was built in another era with a limited number of energy sources, KMD Elements appears to be a more up-to-date and modern solution. It is simply easier for us to support our business needs in KMD Elements,* says Jakob Bro Nielsen, Business Project Manager with Centrica Energy Trading.

Support of the business model

To illustrate the level of complexity and some of the calculations made in KMD Elements, Centrica Energy Trading makes a living buying and selling power on the international energy market. They have fixed price agreements with their customers, but they also have variable price agreements where the price of electricity rises and falls concurrently with market trends and weather forecasts. Overview of the various customer agreements must, among others, come from KMD Elements, and the settlement for purchased and sold power must also be handled in KMD Elements.

In addition, Centrica Energy Trading also makes a living assuming the so-called balance responsibility on behalf of its customers. To be able to live up to the balance responsibility, Centrica Energy Trading must hourly report to government authorities how much power their customers will produce. For Great Britain, the same data must be reported every half hour, and in Germany every 15 minutes. The payment from the customer for being released from the balance responsibility is settled through KMD Elements.

Higher efficiency and faster customer settlement

KMD Elements is better at supporting the needs of Centrica Energy Trading because the solution supports unique business processes. In the future, it will, for example, be easier – through the flexible configuration engine – to handle the company's various energy agreements with the customers. The employee efficiency will increase as a result of the more streamlined processes, and sending customer agreements for settlement will be much faster.

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The flexibility of KMD Elements is also important for the international expansion journey on which Centrica Energy Trading has embarked. Here, it must be possible to handle an ever increasing complexity on the global energy markets, and it must be possible to configure even the most advanced contracts in KMD Elements.

- *Furthermore, KMD Elements is cloud-based, which means that we can use more automation technology so we can avoid manual handling of some of our business processes. Also, the open interfaces enable us to integrate KMD Elements in our system landscape so that it can communicate with our CRM system and a number of our internal systems,* says Jakob Bro Nielsen.

Excellent co-operation with KMD

Centrica Energy Trading has found the ongoing co-operation with KMD very satisfactory.

- *Excellent co-operation with KMD. You can definitely feel that they have people who have delivered software solutions for the energy sector for the last 30-35 years. We rarely work with suppliers at this level and who have this kind of detailed insight into our business,* says Jakob Bro Nielsen.

The conversion of data from the previous KMD solution to KMD Elements is in full swing, and the parties expect that the entire project will be completed well ahead of the end of 2021.

About Centrica Energy Trading

Centrica Energy Trading, previously Neas Energy, is an international energy company that buys and sells power from energy sources, such as wind, sun, gas and biomass on the European market. In 2019, the company had a turnover of almost DKK 78 billion.

About KMD Elements

KMD Elements is a cloud-based, modern customer service and account settlement solution built to automate and modernize complex calculation and settlement processes. The solution is developed for the energy and utilities market and built on a platform adaptable to growing market complexity.

Do you want to know more?

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