

## Success Story

### Centralised Transfer Pricing Platform

Building a complex, European-wide, Transfer Pricing Platform to support global energy portfolio optimisation.



Digiterre has worked with Uniper and its forerunner E.ON Energy Trading since 2003. Working together in close partnership and using Agile development methodologies, Digiterre designed, built and deployed into live the "Transfer Pricing" platform.

Transfer Pricing (TP) is a centralised system designed to consolidate multiple European power generation trading locations – one for each power station - into a single centralised, business-critical trading platform. The platform has created outstanding ROI for the business over the years since it went live and has brought multiple commercial and operational benefits to the team. These benefits include risk reduction, more efficient energy trading practices and greater consistency and ease of operation of the transfer pricing function. As a result, the Transfer Pricing platform continues to form a core part of the trading technology estate within Uniper SE.



***With Digiterre's support we delivered a platform which is the single point of truth for asset data and portfolio optimisation for our power stations – on time, on budget and which incorporated significant changes in scope along the way. Digiterre's combination of technical capability, business understanding and agile mentality continues to be an excellent fit for the business. They have always gone the extra mile for us and the data and software solutions they have delivered to us have always been of extremely high quality. So much so that they have become the backbone for our front office, back office, financial reporting and market risk software and data infrastructure.***

**Rene Greiner**

Head of Data Integration and Information Management

# Success Story

## The Challenge

- The business had grown over many years both organically and by acquisition. Partly as a result of this rapid growth, the operational processes relating to the sale and purchase of energy across the Group's different trading entities were inefficient and unreliable.
- There was a significant risk of failure around these trading activities, due mainly to poor data quality and integrity.
- There were also many different data optimisation models in use for the calculation of the energy value and output, by the individual generating assets.
- There were functional gaps in many of the models. Most were based on highly manual, excel interfaces which further added to the operational risk around the transfer pricing business processes.

## Our Solution

- Established robust and harmonised processes for transfer pricing management covering all energy asset classes, including coal and nuclear in all markets.
- Enhanced the functional scope of the optimisation models and tested them using scenario modelling across a range of scenarios to give various business stakeholders the confidence to rely upon them going forward.
- Installed a fully-auditable, "tamper-proof" transaction system for managing the invoicing of the entire power station production capacity, including cross-border transactions between different national tax systems.
- Embedded automated testing into the software development lifecycle to ensure quality throughout the product lifecycle and to support rapid, agile software delivery to address the evolving stakeholder needs.

## Key Benefits

- Delivering significant value and ROI to the client business with a transfer pricing system that:
  - Reduced audit and system failure risk
  - Brought greater consistency to the energy portfolio evaluation model
  - Enhanced system consistency to produce higher quality data and better analytics
  - Huge reductions in annual operating expenditure arising from decommissioning of the pre-existing systems and the centralisation and automation created by the new Transfer Pricing system
- Over 90% automated test coverage which ensured that all subsequent code changes would be incremental – not detrimental – to the performance and functionality of this critical platform.
- Providing high system stability, robustness, ease of operation and scalability despite the enormous complexity of the system.